LISTING MEMORANDUM **NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES**

Cerba HealthCare

(a *société par actions simplifiée* organized under the laws of France)

€40,000,000 7.00% Senior Secured Notes due 2020

Cerba HealthCare S.A.S. (formerly known as Cerba European Lab S.A.S.), a *société par actions simplifiée* organized under the laws of France (the "Issuer"), issued €40,000,000 aggregate principal amount of its 7.00% Senior Secured Notes due 2020 (the "Additional Notes") and sold the Additional Notes directly to certain investors pursuant to a private placement not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "Private Placement").

On October 4, 2016 (the "Issue Date"), the Issuer issued the Additional Notes under the Indenture dated as of January 31, 2013, as amended by the supplemental indentures dated as of April 23, 2014 and March 10, 2015 (the "Indenture") between, among others, the Issuer, the Guarantors (as defined below), Cerberus Nightingale 1 S.A. ("Top Luxco"), Cerberus Nightingale 2 S.A. ("Luxco"), Financière Gaillon 13 S.A.S. ("Holdco"), Wilmington Trust, National Association, as trustee (the "Trustee") and Wilmington Trust (London) Limited, as security agent (the "Security Agent"), pursuant to which the Issuer issued (i) €365,000,000 aggregate principal amount of 7.00% Senior Secured Notes due 2020 on January 31, 2013 (the "Original Notes"), (ii) an additional €80,000,000 aggregate principal amount of 7.00% Senior Secured Notes due 2020 on May 23, 2014 (the "Additional 2014 Notes") and (iii) an additional €85,000,000 aggregate principal amount of 7.00% Senior Secured Notes due 2020 on March 10, 2015 (the "Additional 2015 Notes", and together with the Original Notes and the Additional 2014 Notes, the "Existing Notes"). The Existing Notes and the Additional Notes are collectively referred to herein as the "Notes." The Notes will be treated as a single class of securities under the Indenture. Interest on the Additional Notes will be paid semi-annually in arrears on February 1 and August 1 of each year, commencing on February 1, 2017. The Notes will mature on February 1, 2020.

The Issuer's obligations under the Notes, including the due and punctual payment of interest on the Notes, are jointly and severally guaranteed (such guarantees, the "Guarantees") on a senior basis by each subsidiary of the Issuer guaranteeing the Notes (together, the "Guarantors"), as further described herein. The Additional Notes have the benefit of the same security of Top Luxco, Luxco, Holdco, the Issuer, and the Guarantors (the "Collateral") that secures the Existing Notes and the related guarantees, pursuant to (i) each of the security documents that have been entered into in connection with the issuance of the Existing Notes (collectively, the "Existing Security Documents") and (ii) certain security confirmation documents to be entered into on the Issue Date (the "Security Confirmation Documents", and together with the Existing Security Documents, the "Security Documents").

Prior to February 1, 2016, the Issuer may redeem some or all of the Notes at a price equal to 100% of the principal amount plus a "make-whole" premium. The Issuer may redeem some or all of the Notes at any time on or after February 1, 2016 at the redemption prices set forth in this Listing Memorandum. The Issuer may also redeem up to 35% of the Notes using the proceeds of certain equity offerings completed before February 1, 2016. In addition, the Issuer may redeem all, but not part, of the Notes at a price equal to 100% of the principal amount upon the occurrence of certain changes in applicable tax law. If we sell certain of our assets or experience specific kinds of changes in control, the Issuer must offer to purchase the Notes.

This Listing Memorandum includes information on the terms of the Additional Notes, the Existing Notes and the Guarantees.

See "*Risk Factors*" beginning on page 16 for a discussion of certain risks that you should consider in connection with an investment in the Notes.

Issue price for the Additional Notes: 103.00% of principal plus accrued interest from the August 1, 2016

None of the Additional Notes, the Existing Notes or the Guarantees have been or will be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the laws of any other jurisdiction and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Additional Notes were sold only outside the United States, in reliance on Regulation S under the U.S. Securities Act ("Regulation S").

The Additional Notes were issued in registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Additional Notes were represented by one or more global notes and such global notes were delivered in book-entry form through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on October 4, 2016.

Application has been made to list the Additional Notes on the Official List of the Luxembourg Stock Exchange and to admit them for trading on the Euro MTF market of that exchange. This Listing Memorandum constitutes a Prospectus for the purpose of Luxembourg law dated July 10, 2005 on Prospectuses for Securities, as amended. This Listing Memorandum may only be used for the purpose for which it is published.

The date of this Listing Memorandum is December 2, 2016.

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Notice to investors

This Listing Memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Additional Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly the Additional Notes may not be offered or sold, directly or indirectly, and this Listing Memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Additional Notes or possess this Listing Memorandum. You must also obtain any consents or approvals that you need in order to purchase any Additional Notes. We will not, nor will any of our agents, have responsibility for the performance of the respective obligations of Euroclear and Clearstream, Luxembourg or their respective participants under the rules and procedures governing their operations, nor will we or our agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

This Listing Memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of certain of the documents referred to herein will be made available to prospective investors upon request to us.

The Trustee and any other agents acting with respect to the Additional Notes accept no responsibility for and make no representation or warranty, express or implied, as to the accuracy or completeness of the information set out in this Listing Memorandum and nothing contained in this Listing Memorandum is, or should be relied upon as, a promise or representation by the Trustee, or any other agents acting with respect to the Additional Notes as to the past or the future.

No person is authorized in connection with any offering made by this Listing Memorandum to give any information or to make any representation not contained in this Listing Memorandum and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the Placement Agent. The information contained in this Listing Memorandum is as of the dates indicated herein. Neither the delivery of this Listing Memorandum at any time after the date of publication nor any subsequent commitment to purchase the Additional Notes shall, under any circumstances, create an implication that there has been no change in the information set out in this Listing Memorandum or in our business since the date of this Listing Memorandum.

The Additional Notes are subject to restrictions on transferability and resale, which are described under the caption "*Transfer Restrictions*." Important information about selling and jurisdictional restrictions

European Economic Area. In relation to each Member State of the European Economic Area (Directive 2010/73/EU) (each, a "Relevant Member State"), the Placement Agent has represented and agreed that with effect from and including the date on which the Prospectus Directive was implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Additional Notes which are the subject of the offering contemplated by the Listing Memorandum to the public in that Relevant Member State other than:

a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

b) 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Additional Notes shall require the Issuer or the Placement Agent to publish an offering memorandum pursuant to Article 3 of the Prospective Directive or supplement an offering memorandum pursuant to Article 16 of the Prospective Directive.

For the purposes of this provision:

- the expression an offer of Additional Notes to the public in relation to any Additional Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Additional Notes to be offered so as to enable an investor to decide to purchase or subscribe the Additional Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State;

- the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and

- the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Each subscriber for or purchaser of the Additional Notes in the Private Placement located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive

France. This Listing Memorandum has not been prepared in the context of a public offering of financial securities in France within the meaning of article L.411-1 of the French *Code monétaire et financier* and Title I of Book II of the *Règlement Général* of the *Autorité des marchés financiers* (the French financial markets authority, or "AMF"). Consequently, the Additional Notes were and will not be, directly or indirectly, offered or sold to the public in France ("*offre au public de titres financiers*"), and neither this Listing Memorandum nor any offering or marketing materials relating to the Additional Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

The Additional Notes were and may only be offered or sold in France to qualified investors ("*investisseurs qualifiés*") and/or to providers of investment services relating to portfolio management for the account of third parties ("*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*"), all as defined in and in accordance with articles L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*.

Prospective investors are informed that:

(i) this Listing Memorandum has not been and will not be submitted for prior approval and clearance procedure to the AMF;

(ii) in compliance with articles L.411-2, D.411-1, D.744- 1, D.754-1 and D.764-1 of the French *Code monétaire et financier*, any qualified investors ("*investisseurs qualifiés*") subscribing for the Additional Notes should be acting for their own account; and

(iii) the direct and indirect distribution or sale to the public of the Additional Notes acquired by them may only be made in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 of the French *Code monétaire et financier*.

Available information

For so long as any of the Additional Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are neither subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, nor exempt from the reporting requirements under Rule 12g3-2(b) under the U.S. Exchange Act, provide to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act. Any such request should be directed to: Cerba European Lab, ZI Les Béthunes, 7, rue de l'Equerre, 95310 Saint-Ouen- l'Aumône, France. Copies of the Indenture, the forms of the Additional Notes, the Intercreditor Agreement and the Security Documents will be made available upon request to the Company at the address above.

We are not currently, and we will not be, subject to the periodic reporting and other information requirements of the U.S. Exchange Act. Pursuant to the Indenture and so long as the Additional Notes are outstanding, we will furnish periodic information to holders of the Additional Notes. See "*Description of the Senior Secured Notes—Certain Covenants—Provision of Information*".

If the Additional Notes are listed on the Official List of the Luxembourg Stock Exchange, and admitted to trading on the Euro MTF market of that exchange, then for so long as the Additional Notes are listed on that exchange and the rules of that exchange so require, copies of the foregoing information will be available for review during the normal business hours on any business day at the Issuer's registered office at the address listed on the inside of the back cover of this Listing Memorandum.

Forward-looking statements

Various statements contained in this Listing Memorandum constitute "forward- looking statements." All statements other than statements of historical fact included in this Listing Memorandum, including, without limitation, statements regarding our future financial position, strategy, anticipated investments, costs and results (including growth prospects in particular countries), plans, projects to enhance efficiency, impact of governmental regulations or actions, litigation outcomes and timetables, future capital expenditures, liquidity requirements, the successful integration of acquisitions and joint ventures into our group, and objectives of management for future operations, may be deemed to be forward-looking statements. When used in this Listing Memorandum, the words "believe," "anticipate," "should," "intend," "plan," "will," "expect," "estimates," "positioned," "strategy" and similar expressions identify these forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements. These factors include those set forth in the section of this Listing Memorandum captioned "*Risk Factors*" beginning on page 16, which include, among others:

- price regulation that may be affected by efforts to reduce government spending on healthcare;
- continued weakness in economic conditions;
- our corporate structure and manner in which we exercise control over the operations of certain of our French subsidiaries due to regulatory constraints;
- legal and regulatory requirements governing our activities;
- the dependence of our Central Lab business on the pharmaceutical industry;
- failure to establish and comply with appropriate quality standards in the provision of our testing services;
- the execution of our growth strategy through the acquisition of other businesses;
- our ability to integrate acquired businesses and realize planned synergy benefits;
- uncertainty with respect to the amount and the timeframe for synergies and other benefits expected to be realized from the Acquisition;
- our dependence on our senior management team;
- difficulty in recruiting specialized clinical pathologists;
- the competitive environment in which we operate;
- the internalization of testing by hospitals and regional laboratory hubs, as well as the development of new, more cost-effective tests that can be directly performed by the customers of our Specialized Testing business;
- failures of our information technology systems;
- failure to timely or accurately bill for our services;
- financial difficulties of our clients or third-party payers requiring us to write off bad debts;
- the volatile nature of our Central Lab backlog;
- failure to comply with and liabilities arising under environmental, health and safety laws and regulations;
- disruption, failure or unsuitable delivery of sample transportation services;
- our dependence on our facility in Saint-Ouen-l'Aumône, France;
- failure to comply with privacy laws and information security policies;

- our exposure to risks related to litigation;
- our exposure to liabilities not covered by our insurance policies;
- labor disruptions and negotiation of collective bargaining agreements;
- our reliance on the operating companies of our group, some of which we do not control, for revenues to make payments on the Notes or the Guarantees;
- our significant leverage, which may make it difficult to operate our businesses;
- the covenants contained in the Indenture and our Revolving Credit Facility Agreement, which limit our operating and financial flexibility; and
- fluctuations in interest rates.

The risks included here are not exhaustive. Moreover, we operate in a highly competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

We assume no obligation to update the forward-looking statements contained in this Listing Memorandum to reflect actual results, changes in assumptions or changes in factors affecting these statements.

Presentation of financial and other information

Presentation of financial information

The Issuer (formerly named Financière Gaillon 12) was incorporated on June 8, 2010 and acquired the original company (the "Original Company") (then named Cerba European Lab) on July 21, 2010. On June 27, 2012, the Original Company was merged into the Issuer. Subsequently, on July 2, 2012, the Issuer changed its legal name from Financière Gaillon 12 to Cerba European Lab S.A.S., which was subsequently changed to Cerba HealthCare S.A.S.

This Listing Memorandum includes the following financial information:

- the management report of the Company and its subsidiaries as of, and for the six months ended June 30, 2016 financial statements dated August 31, 2016 prepared for investors in the Existing Notes;
- the management report of the Company and its subsidiaries as of, and for the three months ended March 31, 2016 financial statements dated May 25, 2016 prepared for investors in the Existing Notes;
- the management report of the Company and its subsidiaries as of, and for the twelve months ended December 31, 2015 financial statements dated April 31, 2016 prepared for investors in the Existing Notes;
- the English translation of the audited consolidated financial statements of the Company and its subsidiaries as of, and for the year ended, December 31, 2015, prepared in accordance with IFRS, originally issued in French (the "Company's 2015 IFRS Financial Statements");
- the English translation of the audited consolidated financial statements of the Company and its subsidiaries as of, and for the year ended, December 31, 2014, prepared in accordance with IFRS, originally issued in French (the "Company's 2014 IFRS Financial Statements"); and
- the English translation of the audited consolidated financial statements of the Company and its subsidiaries as of, and for the year ended, December 31, 2013, prepared in accordance with IFRS, originally issued in French (the "Company's 2013 IFRS Financial Statements").

See "*Index to Financial Statements*" commencing on page F-1.

Non-IFRS financial measures

This Listing Memorandum contains non-IFRS measures and ratios, including EBITDA, Adjusted EBITDA and certain coverage ratios that are not required by, or presented in accordance with IFRS. Such measures and ratios may not reflect accurately our performance, liquidity or our ability to incur debt and should not be considered as alternatives to operating income or net profit or any other performance measures derived from or in accordance with IFRS, SEC requirements or any other generally accepted accounting principles or as alternatives to cash flow from operating activities. The financial information contained in this Listing Memorandum is not intended to comply with the reporting requirements of the SEC and will not be subject to review by the SEC. As used in this Listing Memorandum, the following terms have the following meanings:

EBITDA for the fiscal years ended December 31, 2015 represents operating income plus the income statement line items for net change in depreciation, amortization and impairment. We present EBITDA including profit (loss) attributable to non-controlling interests.

Adjusted EBITDA represents EBITDA adjusted with items, either positive or negative, some of which our management considers to be non-recurring in nature as well as certain non-cash items that management does not consider to be representative of the underlying performance of the business, including:

- expenses incurred in connection with acquisitions completed during the period (advisory fees and other one off items) and restructurings, as well as all costs, fees and other expenses incurred in connection with share capital increases or new indebtedness;
- the full year impact of cost savings initiatives that have been implemented or decided in the course of the period;
- other non-cash items such as movement in pension and other provisions; and

- certain accounting adjustments.

We present non-IFRS measures and ratios, including EBITDA, Adjusted EBITDA and certain coverage ratios for informational purposes only. There is no assurance that items we have identified for adjustment as non-recurring will not recur in the future or that similar items will not be incurred in the future. The calculations for Adjusted EBITDA are based on various assumptions (including the successful implementation of certain initiatives) and management estimates. These amounts have not been, and, in certain cases, cannot be, audited, reviewed or verified by any independent accounting firm. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the financial condition or results of operations of the acquired businesses or other transactions for the periods presented, may not be comparable to our consolidated financial statements or the other financial information included in this Listing Memorandum and should not be relied upon when making an investment decision.

We present EBITDA and Adjusted EBITDA because we believe they are helpful to investors as measures of our operating performance and ability to service our debt. These measures are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS. EBITDA and its variants as presented in this Listing Memorandum may differ from similarly titled measures used by other companies and from "Consolidated EBITDA" contained in the sections entitled "*Description of the Senior Secured Notes*" of this Listing Memorandum and in the Indenture. For a reconciliation of EBITDA and Adjusted EBITDA to net operating income (loss), see "*Summary Historical Consolidated Financial Information and Other Data*"

The non-IFRS measures presented in this Listing Memorandum may not be comparable to other similarly titled measures of other companies; have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. Some of the limitations of each of these non-IFRS measures are:

- they do not reflect cash outlays for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, working capital;
- they do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on indebtedness;
- they do not reflect income tax expense or the cash necessary to pay income taxes;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect cash requirements for such replacements; and
- other companies, including other companies in our industry, may calculate EBITDA and Adjusted EBITDA differently than as presented in this Listing Memorandum, limiting their usefulness as comparative measures.

Because of these limitations EBITDA and Adjusted EBITDA and the related ratios presented throughout this Listing Memorandum should not be considered as measures of discretionary cash available to invest in business growth or reduce indebtedness.

Certain numerical figures set out in this Listing Memorandum, including financial data presented in millions or thousands and percentages describing market shares, have been subject to rounding adjustments and, as a result, the totals of the data in this Listing Memorandum may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are calculated using the numerical data in our consolidated financial statements or the tabular presentation of other data (subject to rounding) contained in this Listing Memorandum, as applicable, and not using the numerical data in the narrative description thereof.

Industry and market information

Unless otherwise expressly indicated or noted below, all information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Listing Memorandum are based on estimates prepared by us based on certain assumptions and our knowledge of the industry in which we operate, as well as data from various market research publications, publicly available information and industry publications, including reports published by various third-party sources. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We have not independently verified such data. We use a combination of data provided by *Les comptes de la sécurité sociale*, the *Comptes nationaux de la santé 2013* and the *Rapport de la Cour des Comptes* for the French market, INAMI for the Belgian market and other industry sources.

In many cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market related analysis and estimates, requiring us to rely on our own internally developed estimates regarding the industry in which we operate, our position in the industry, our market share and the market shares of various industry participants based on experience, our own investigation of market conditions and our review of industry publications, including information made available to the public by our competitors. While we have examined and relied upon certain market or other industry data from external sources as the basis for its estimates, we have not verified that data independently. We cannot assure you of the accuracy and completeness of, and take no responsibility for, such data. Similarly, while we believe our internal estimates to be reasonable, these estimates have not been verified by any independent source and we cannot assure you as to their accuracy. Our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under "*Risk Factors*" and "*Forward-Looking Statements*."

Certain definitions used in this Listing Memorandum

Unless indicated otherwise in this Listing Memorandum or the context requires otherwise:

- "**Additional Notes**" refers to the €40 million aggregate principal amount issued by the Issuer under the Senior Secured Notes Indenture on October 4, 2016;

- "**Additional 2014 Notes**" refers to the €80 million aggregate principal amount issued by the Issuer under the Senior Secured Notes Indenture on May 23, 2014;

- "**Additional 2015 Notes**" refers to the €85 million aggregate principal amount issued by the Issuer under the Senior Secured Notes Indenture on March 10, 2015;

- "**BARC**" refers to Bio Analytical Research Corporation NV, a *naamloze vennootschap* organized under the laws of Belgium to conduct medical laboratory testing and registered with Crossroads Bank for Enterprises under number 0425.663.615 (Commercial Court of Ghent), with its registered office at Industriepark Zwijnaarde 3B, 9052 Ghent, Belgium;

- "**BARC Finance**" refers to BARC Finance NV, a *naamloze vennootschap* organized under the laws of Belgium and registered with Crossroads Bank for Enterprises under number 0892.505.908 (Commercial Court of Ghent);

- "**Belux**" refers to Belgium and Luxembourg, together;

- "**Biobaie**" refers to Biobaie, formerly SELAS SEL de la Baie, a *société d'exercice libéral par actions simplifiée* organized under the laws of France, registered with the *registre du commerce et des sociétés de Saint-Brieuc* under registration number 348 060 955;

- "**Biolille**" refers to Cerballiance Hautes de France (formerly Biolille Société d'Exercice Libéral de Directeurs et Directeurs Adjoints en Laboratoire d'Analyse de Biologie Médicale), a *société d'exercice libéral par actions simplifiée* organized under the laws of France to conduct medical laboratory testing, registered with the *registre du commerce et des sociétés de Lille* under registration number 429 259 310 and with its registered office at 17 rue de la Digue, 59000 Lille, France;

- "**Bio-Nord**" refers to a French limited liability company, with a share capital of €60,979.61, with its registered office located at Sainte-Suzanne (97441)—22 Rond-point des Métiers, Quartier Français,—France, registered under number 393 917 828 R.C.S. SAINT-DENIS;

- "**Biopart Bonds**" refers to the bonds issued by the Company to Biopart Investments S.A. on June 10, 2011 in connection with the acquisition of LLAM;

- "**Biopole 80**" refers to Biopole 80, a *société d'exercice libéral par actions simplifiée* organized under the laws of France, registered with the *registre du commerce et des sociétés de Amiens* under registration number 483 411 724;

- "**BioPyrénées Lab**" refers to BioPyrénées Lab (formerly Bioadour) SELAS, a *société d'exercice libéral par actions simplifiée* organized under the laws of France, registered with the *registre du commerce et des société de Tarbes* under registration number 777 164 856;

- "**Bioréunion**" refers to Cerballiance Réunion (formerly Bioréunion), a *société d'exercice libéral par actions simplifiée* organized under the laws of France to conduct medical laboratory testing, registered with the *registre du commerce et des sociétés de Saint-Denis (Réunion)* under registration number 329 452 106 and with its registered address at Rue Alsace-Lorraine, 97420 Le Port, France;

- "**Biotop**" refers to Cerballiance Provence (formerly Biotop Développement), a *société d'exercice libéral par actions simplifiée* organized under the laws of France to conduct medical laboratory testing, registered with the *registre du commerce et des sociétés de Marseille* under registration number 518 767 462 and with its registered address at 6 Boulevard Gueydon, 13013 Marseille, France;

- "**CBCV**" refers to Cerballiance Paris (formerly Centre Biologique du Chemin Vert), a *société d'exercice libéral par actions simplifiée* organized under the laws of France to conduct medical laboratory testing, registered with the *registre du commerce et des sociétés de Paris* under registration number 328 386 529 and with its registered office at 6 rue du Chemin Vert, 75011 Paris, France;

- "**CBM**" refers to Centre de Biologie Médicale, *a société d'exercice libéral à responsabilité limitée* organized under the laws of France to conduct medical laboratory testing, registered with the *registre du commerce et des sociétés de Le Havre* under registration number 481 479 079 and with its registered office at 42 rue de Verdun, 76600 Le Havre, France;

- "**Cefid**" refers to Cefid SA, a *société anonyme* organized under the laws of France as a holding company, registered with the *registre du commerce et des sociétés de Pontoise* under registration number 319 891 107 and with its registered address at 7-11 rue de l'Equerre, 95310 Saint-Ouen-l'Aumône, France;

- "**Central Lab**" refers to our central laboratory testing line of business, through which we perform tests on the safety and efficacy of new molecules for use in clinical settings;

- "**Cerba**," "**CEL**," "**we**," the "**group**," "**our**" or "**us**" refer to the Company and its subsidiaries, unless the context suggests otherwise;

- "**Cerba Selafa**" refers to Cerba Selafa, a *société d'exercice libéral à forme anonyme* organized under the laws of France to facilitate the management of various medical biology laboratories, registered with the *registre du commerce et des sociétés de Pontoise* under registration number 402 928 766 and with its registered office at ZI des Béthunes, 7-11 rue de l'Equerre, 95310 Saint-Ouen-l'Aumône, France;

- "**CHB**" refers to Laboratoire de Biologie Medicale Chaouat- Heurzeau-Bieder, a French société d'exercice liberal par actions simplifiée, with a share capital of € 946,764, with its registered office located in Aubervilliers (93300)—99 avenue de la République—France, registered under number 348 771 478 RCS BOBIGNY.

- "**clinical pathologist**" refers to a professional who is qualified to own, manage or operate a clinical laboratory and who, depending on the country in which he operates, may or may not be a medical doctor;

- "**Collateral**" refers collectively to the rights, properties and assets that secure or otherwise benefit the Existing notes, the Additional Notes and the Guarantees as further described in the sections entitled "*Description of the Senior Secured Notes—Security*". The Collateral also secures the Revolving Credit Facility and the guarantees thereof and certain hedging obligations;

- "**collection centers**" refers to sites that we operate as part of our Routine Lab business at which samples are collected from patients for testing at a technical platform;

- "**CRI**" refers to Cerba HealthCare Belgium (formerly Centrum voor Radio-Immunologie BVBA), a *besloten vennootschap met beperkte aansprakelijkheid* organized under the laws of Belgium to conduct medical laboratory testing and registered with Crossroads Bank for Enterprises under number 0419.540.638 (Commercial Court of Ghent) and with its registered office at Industriepark Zwijnaarde 3B, 9052 Ghent, Belgium;

- "**CSS**" refers to Cerba Specimen Service SAS, a *société par actions simplifiée* organized under the laws of France, registered with the *registre du commerce et des sociétés de Pontoise* under registration number 531 403 558.

- "**Damien Bonds**" refers to the bonds issued by the Issuer to Jean- Michel Damien on December 1, 2011 in connection with the acquisition of Laboratoire Damien by Biolille;

- "**EU**" refers to the European Union;

- "**euro**," "**euros**," "**€**" or "**EUR**" refer to the single currency of the Member States of the European Union participating in the third stage of the economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time;

- "**Existing Management Vendor Loans**" refers to the Biopart Bonds and the Damien Bonds;

- "**Existing Notes**" refers collectively to the Original Notes, the Additional 2014 Notes and the Additional 2015 Notes;

- “**Frenchco**” refers to Financière Gaillon 0, a *société par actions simplifiée* organized under the laws of France, registered with the *registre du commerce et des sociétés de Pontoise* under registration number 807 870 910;

- “**Frenchco CPECs**” refers to convertible preferred equity certificates issued by Cerberus Nightingale 1 on October 20, 2010 and transferred to Frenchco on November 4, 2014, including accrued interest thereon;

- “**Guarantors**” refers to (a) the following direct and indirect subsidiaries of the Company incorporated in France: Cefid, Cerba Selafa, Biotop, Biolille, Bioréunion and CBCV; (b) the following direct and indirect subsidiaries of the Company incorporated in Belgium: BARC, CRI and LBS; (c) LLAM, an indirect subsidiary of the Issuer incorporated in Luxembourg; (d) on or prior to the Completion Date, CBM and SLB and (e) with respect to the Revolving Credit Facility Agreement and the Senior Notes, the Company;

- “**Holdco**” refers to Financière Gaillon 13 S.A.S., a *société par actions simplifiée* organized under the laws of France and registered with the *registre du commerce et des sociétés de Pontoise* under number 790 424 626 and the direct parent company of the Issuer and with its registered office at 232 rue de Rivoli, 75001 Paris, France;

- “**IFRS**” refers to the International Financial Reporting Standards, as adopted by the EU;

- “**INAMI**” refers to *Rijksinstituut voor Ziekte- en Invaliditeitsverzekering / Institut National d’Assurance Maladie- Invalidité*;

- “**Indenture**” refers to the indenture governing the Existing Notes and the Additional Notes;

- “**Intercreditor Agreement**” refers to the intercreditor agreement entered into on January 31, 2013 by and among, *inter alios*, the Company, the Guarantors, the Luxembourg Security Providers, certain subordinated creditors, the Senior Secured Notes Trustee, the agent and the lenders under the Revolving Credit Facility Agreement and the Security Agent and the other parties named therein, as amended, restated or otherwise modified or varied from time to time;

- “**Issue Date**” refers to the date of the issuance of the Additional Notes;

- “**Issuer**” or “**Company**” refers to Cerba HealthCare S.A.S (formerly known as Cerba European Lab S.A.S. (named Financière Gaillon 12 before July 2, 2012)), and not to any of its subsidiaries, unless the context suggests otherwise;

- “**JS Bio**” refers to the company formerly known as JS Bio, a *société d’exercise libéral par actions simplifiée* identified under number 518 437 439 RCS Marseilles which we acquired in May 2014 and whose operations are now conducted by Biotop and its subsidiary SLB;

- “**laboratory company**” refers to any legal entity operating one or more clinical laboratories, directly or indirectly, through one or more subsidiaries;

- “**LBS**” refers to L.B.S. SPRL, a *société privée à responsabilité limitée* that no longer exists. This company was organized under the laws of Belgium to manage clinical biology laboratories, was registered with Crossroads Bank for Enterprises under number 0442.193.801 (Commercial Court of Brussels) and had its registered address at Chaussée d’Alsemberg 196, 1190 Bruseels, Belgium;

- “**LLAM**” refers to L.L.A.M. S.A., a public limited liability company (*société anonyme*) organized under the laws of Luxembourg to manage medical biology laboratories, having its registered office at 37, rue Romain Fandel, L-4149 Esch- sur-Alzette, Luxembourg, registered with the Luxembourg Trade and Companies Register under registration number B 161.406 and with its registered office at 37 rue Romain Fandel, L-4149 Esch-sur-Alzette, Grand Duchy of Luxembourg;

- “**Luxco**” refers to Cerberus Nightingale 2, a public limited liability company (*société anonyme*) organized and established under the laws of Luxembourg, having its registered office at 43-45, allée Scheffer, L-2520 Luxembourg, registered with the Luxembourg Trade and Companies Register under registration number B 140.095;

- “**Luxco Proceeds Loan**” refers to the €145 million loan to be made under the loan agreement to be entered into on the Completion Date (and as amended from time to time) between Cerberus Nightingale 1, as lender, and Luxco, as borrower, pursuant to which the proceeds of the Senior Notes issuance will be advanced to Luxco;

- "**Luxembourg**" refers to the Grand Duchy of Luxembourg;
- "**Luxembourg Security Providers**" refers to Top Luxco and Luxco;
- "**Manco**" refers to Managers Group Cerba Investments (M.G.C.I.), a *société par actions simplifiée* organized under the laws of France, registered with the *registre du commerce et des sociétés de Pontoise* under registration number 523 719 631;
- "**Notes**" refers to, collectively, the Existing Notes and the Additional Notes;
- "**Novescia**" refers to Novescia SAS and its subsidiaries;
- "**Novescia SAS**" refers to a French société par actions simplifiée, with a share capital of €144,999,015 with its registered office located at 73-77, rue de Sèvres—92100 Boulogne-Billancourt, France, registered under number 507 723 484 RCS Nanterre;
- "**Offer**" refers to the binding and irrevocable offer submitted by the Company pursuant to the Securities Purchase Agreement to acquire, through any of its indirect subsidiaries, 100% of the issued and outstanding shares of Manescia SAS, Manescia 3 SAS, Bio-Invest Novescia SAS, Finescia SAS and Financière Murillo SAS;
- "**Original Company**" refers to the former Cerba European Lab S.A.S. merged into the Company on June 27, 2012, and not to any of its subsidiaries, unless the context suggests otherwise;
- "**Original Notes**" refers to the €365,000,000 aggregate principal amount of the Issuer's 7.00% Senior Secured Notes due 2020 issued on January 31, 2013;
- "**PAI**" refers to PAI Partners SAS, a major European private equity firm that manages and advises private equity funds with a total equity value of approximately €7.9 billion;
- "**PAI Convertible Bonds**" refers to the Company's convertible bonds issued by the Company to Holdco;
- "**PAI Shareholder Loans**" refers to loans extended by Holdco to the Company from time to time in connection with the financing of the Issuer's acquisition activity;
- "**regional clusters**" refers to laboratories organized as groups of collection centers that send their tests to one or more technical platforms for testing;
- "**Revolving Credit Facility Agreement**" refers to the super senior revolving facility agreement dated January 18, 2013, as amended on January 31, 2013 and as amended by an amendment letter dated April 23, 2014 and as further amended by an amendment letter to be entered into between, among others, the Issuer, the Luxembourg Security Providers, the several Mandated Lead Arrangers named therein, Natixis as Agent, Wilmington Trust (London) Limited as Security Agent and the several Lenders named therein;
- "**Revolving Credit Facility**" refers to the revolving credit facility available pursuant to the Revolving Credit Facility Agreement;
- "**Routine Lab**" refers to our routine laboratory testing line of business, through which we perform tests prescribed by doctors and medical institutions in connection with general patient care to establish or support a diagnosis, to monitor treatment or to search for an otherwise undiagnosed condition;
- "**Securities Purchase Agreement**" refers to the securities purchase agreement entered into by the Company and the vendors named thereunder of December 19, 2014, as amended on January 27, 2015;
- "**Security Agent**" refers to Wilmington Trust (London) Limited, as security agent under the Intercreditor Agreement;

- "**Security Documents**" refers to the security and other documents and agreements that provide for Security Interests over the Collateral for the benefit of the holders of the Notes, as described in more detail under "*Description of the Senior Secured Notes—Security—General*";

- "**Security Interests**" refers to the security interests and call options in the Senior Secured Notes Collateral or the security interests in the Senior Notes Collateral, as applicable;

- "**SEL**" refers to a French company incorporated as a *société d'exercice libéral*, including its sub- forms. See "*Regulation—France*";

- "**Cerberus Nightingale 1**" or "**Top Luxco**" refers to Cerberus Nightingale 1, a public limited liability company (*société anonyme*), organized and established under the laws of Luxembourg, having its registered office at 43-45, allée Scheffer, L-2520 Luxembourg, with a share capital of €3,987,803.26, registered with the Luxembourg Trade and Companies Register under registration number B 141.222;

- "**SLB**" refers to a French *société d'exercice liberal par actions simplifiée* and network of medical biology laboratories, with a share capital of €63.516, with its registered office located at 9, boulevard Strasbourg—83000 Toulon, France, registered under number 783 159 593 RCS Toulon and with its registered office at 9 boulevard de Strasbourg, 83000 Toulon, France;

- "**Specialized Testing**" refers to our specialized laboratory testing line of business, through which we perform specialized tests outsourced by other private laboratories and hospitals;

- "**STAL**" refers to a business goodwill located in Albert (80300)—25 place d'Armes—France;

- "**subsidiary**" refers to each of the Issuer's or Cerberus Nightingale 1's (as the case may be) subsidiaries in which (i) the Issuer or Cerberus Nightingale 1's (as the case may be) directly or indirectly holds a majority of the voting rights or (ii) the Issuer or Cerberus Nightingale 1's (as the case may be) directly or indirectly holds a minority of the voting rights due to legal limitations on ownership and which is fully consolidated into the Issuer's or Cerberus Nightingale 1's (as the case may be) consolidated financial statements;

- "**technical platforms**" refer to our sites at which we conduct tests on patient samples and which generally provide testing for multiple collection centers;

- "**Trustee**" refers to the trustee of the Notes;

- "**United States**" or "**U.S.**" refers to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; and

- "**U.S. dollars**," "**dollars**," "**U.S.$**" or "**$**" refers to the lawful currency of the United States.

Exchange rate information

The following table sets forth, for the periods indicated, the period end, period average, high and low Bloomberg Composite Rates expressed in U.S. dollars per €1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The Bloomberg Composite Rate of the euro on November 29, 2016 was $1.0627 per €1.00.

	U.S. dollars per €1.00			
	High	**Low**	**Average**	**Period End**
Year(1)				
2011	1.4874	1.2925	1.3924	1.2960
2012	1.3463	1.2053	1.2859	1.3197
2013	1.3804	1.2772	1.3283	1.3789
2014	1.3925	1.2100	1.3285	1.2100
2015	1.2099	1.0492	1.1100	1.0866
Monthly(2)				
May 2016	1.1527	1.1134	1.1306	1.1139
June 2016	1.1399	1.1038	1.1238	1.1073
July 2016	1.1157	1.0967	1.1061	1.1157
August 2016	1.1330	1.1077	1.1206	1.1158
September 2016	1.1254	1.1153	1.1212	1.1228
October 2016	1.1218	1.0878	1.1026	1.0963
November 2016 (through November 29, 2016)	1.1115	1.0555	1.0795	1.0627

(1) The figure in the "Average" column represents the average exchange rate on the last business day of each month during the relevant period.

(2) The figure in the "Average" column represents the average exchange rate for each business day during the relevant period.

The above rates differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this Listing Memorandum. Our inclusion of the exchange rates is not meant to suggest that the euro amounts actually represent U.S. dollar amounts or that these amounts could have been converted into U.S. dollars at any particular rate, if at all.

Summary

This summary highlights information from this Listing Memorandum. It is not complete and does not contain all of the information that you should consider before investing in the Notes. You should read this Listing Memorandum carefully in its entirety, including the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Industry" and "Business," as well as our audited consolidated financial statements and the notes thereto, an English translation of which is included elsewhere in this Listing Memorandum, and the Company's unaudited interim financial statements and the notes thereto.

Our company

We are a leading European clinical pathology laboratory, providing routine and specialized clinical laboratory testing services primarily in France, Belgium and Luxembourg, and supporting pharmaceutical and biotechnology companies worldwide in the clinical trial phase of their drug development processes.

Through our Routine Lab and Specialized Testing operations, we offer a range of over 2,500 routine and specialty clinical tests used by doctors and medical institutions to diagnose, monitor and treat diseases. We generally perform clinical tests using automated testing equipment, quickly delivering results to doctors, hospitals and patients and offering specialized assistance with respect to interpretation of results. Through a large network of high quality laboratories in France, Belgium and Luxembourg, our Routine Lab operations perform a wide variety of clinical tests for patients who have generally been prescribed these tests by their doctors or on behalf of public and private hospitals that do not have in-house laboratories. Our Specialized Testing operations offer private laboratories and public hospitals a broad range of specialty testing services, such as molecular biology testing, oncology testing, allergy testing, hormonology testing, infectious disease testing and diagnostic genetic testing. While French private laboratories and public hospitals represent the largest share of our Specialized Testing customer, we also offer our services to hospitals or laboratories based elsewhere in Europe, the Middle East and North Africa.

The prices of a large majority of the clinical tests that we offer are set by the respective government authorities of the countries in which we operate.

Our Central Lab testing operations, which we operate through our BARC subsidiaries, provide safety and efficacy testing services to pharmaceutical companies and contract research organizations worldwide in connection with drug development processes. We leverage our Routine Lab and Specialized Testing facilities and expertise to develop testing protocols with our clients and to provide a range of safety, efficacy, pharmacodynamic and pharmacokinetic testing.

As of June 30, 2016, we had 4,277 full-time equivalent employees of which 400 clinical pathologists.

We summarize below the key consolidated financial data for the six months period ended June 30, 2016, derived from our consolidated financial statements prepared under IFRS:

For the six months ended June 30, 2016, we generated net sales of €329.2 million and EBITDA of €77.4 million. See "*Summary Historical Consolidated Financial Information and Other Data*."

Our competitive strengths

Our business benefits from a number of competitive strengths, including:

Integrated, efficient and diversified business model

We operate an integrated, efficient and diversified business model based on strong and recognized medical expertise, as well as proven industrial and organizational know-how. Our reputation for scientific excellence, inherited from our historical specialty business founded in 1967 in France as well as our Central Lab business founded in 1985 in Belgium benefits the entire organization through cross-selling, cost synergies, training, technical support and sharing of best practices, as well as quicker and easier access to technology and to top-trained clinical pathologists. We believe our reputation for scientific excellence is particularly valuable to our Specialized Testing and Central Lab businesses and is a significant strength as we look to continue taking part in the consolidation of the routine lab market. Our reputation boosts our credibility as a market consolidator. Through its link with the medical and pharmaceutical communities, our Central Lab business provides us with insights into new clinical pathology tests being developed in the industry. The strong medical expertise of our group and its exposure to rare pathologies also help attract and retain the best clinical pathologists. We believe our Central Lab business leverages our Routine Lab and Specialized Testing infrastructure, equipment and clinical pathologists to perform safe and cost-effective testing of new drugs, thereby generating significant cost synergies.

Our business model also benefits from our strong experience in managing large-scale technical and logistical networks, which allows us not only to expand organically and geographically our different businesses, but also to optimize internal synergies between them. In particular, our strong logistics expertise, based on outsourced operations managed by in-house experts, allows us to optimize our size and organization in a cost—and operationally effective way.

Our presence across all segments of the industry also allows us to benefit from the entire life cycle of a test, from its early and confidential use, as part of a drug trial in Central Lab, to its more common use in Specialized Testing through to its massive dissemination as a routine test. Finally, our integrated business model has allowed us to better absorb pricing pressures and improve profitability by negotiating more advantageous purchasing conditions with our reagent and equipment suppliers. We regularly invest in the latest technological advances in our field and are able to attract and retain leading clinical pathologists.

Leading market positions across routine, specialty and central lab testing

We are the only clinical pathology laboratory in Europe with leading market positions in all its geographies and across all three segments of the clinical laboratory services industry based on revenue. Following the Acquisition, we believe that we will be the largest private network of clinical pathology laboratories in France and one of the top four private players in Europe by net sales, based on management estimates. We also believe that, based on management estimates for 2016, we were among the three largest private providers of routine testing in Belgium and among the three largest private ambulatory care routine laboratories in Luxembourg. In Specialized Testing, our historical core business, we believe that we were co-leader of the market in France based on management estimates for 2016, with customers in more than 50 countries across Europe, the Middle East and North Africa. Finally, we believe we are a significant player in the Central Lab market worldwide, based on management estimates for 2016. Our position as market leader in the three segments in which we operate enables us to attract the best clinical pathologists and to be at the forefront of both technological and medical advancements in the clinical pathology industry as a result of our privileged relationships with the medical and scientific communities. Our position as a leader has made us a key player in the consolidation of the routine market.

We believe we offer one of the largest catalogs of clinical tests in Europe, with over 2,500 tests as of December 31, 2014, of which approximately 1,500 are highly specialized in molecular clinical pathology, immunology, cellular clinical pathology, bacteriology, hormonology, oncology and rare biochemistry. As of June 30, 2016, we employed approximately 400 clinical pathologists who perform and interpret clinical tests processed on our technical platforms and assist external clinical pathologists and doctors in their diagnostics.

Resilient and growing market underpinned by strong fundamentals and further growth opportunities

The European clinical laboratory services market has been characterized by resilient growth over the past several years, including through economic downturns, benefiting from favorable demographic and scientific trends. The private clinical laboratory testing markets in France and Luxembourg experienced compound annual growth from 2008 to 2011 of approximately 1.8% and 4.9%, respectively, while the total clinical laboratory testing market in Belgium experienced compound annual growth of approximately 3.4% for the same period.

Past growth of the routine and specialty testing markets has been supported by strong demographic trends in our geographical markets. Contrary to certain other European countries, the population in France, our main market, continues to grow. In the meantime, as life expectancy continues to increase in Europe generally, the number of people aged 60 and over (an age at which people request and need more medical treatments) increases too. In addition, as birth rates remain relatively high in our markets, particularly in France, pregnant women also generate a significant volume of medical testing.

Public health and scientific trends have also been key drivers of the growth of the routine and specialty testing markets. As it is less expensive to prevent a disease than to treat it, governments have pursued policies that favor preventive care, in addition to encouraging more accurate and sophisticated tests to facilitate early detection. We believe, based on publicly available information, that from 2012 to 2025, the percentage of overall healthcare expenditure worldwide dedicated to diagnosis, prediction and disease monitoring will increase from approximately 40% to 65%. Finally, chronic diseases, which generally require regular testing for monitoring purposes, have increased in recent years likely due to certain lifestyle trends, such as low levels of physical activity, malnutrition, stress and pollution.

We believe that in addition to these demographic and public health fundamentals, other trends will lead to an increase in the volume of medical testing, and thus support the future growth of our different markets. In particular:

- we believe that new tests will emerge as technologies develop and personalization of prevention and treatment will become the norm; we believe that the market will shift progressively to preventive care, early detection and companion diagnostics;
- we also believe that the routine laboratory testing market in Europe will further consolidate, in particular in France, which is still highly fragmented, with approximately 6.2 laboratories per 100,000 people in 2013, as opposed to more consolidated markets such as Germany, where there were approximately 0.7 laboratories per 100,000 people in 2011;
- state budget reductions, as well as regulatory liberalization, will further increase outsourcing of routine and specialized tests from the public sector; in 2013, revenue from French clinical pathology laboratory testing totaled approximately €4.3 billion, with private laboratories representing approximately 60% of the overall French clinical laboratory testing market; and
- with respect to the central lab market, we believe that the necessity of the pharmaceutical industry to market new drugs to replace aging blockbusters, as well as the further externalization of pharmaceutical companies' R&D capabilities, will increase demand for central lab testing.

Significant barriers to entry

The European testing markets in which we operate are characterized by regulatory and structural specificities which make them more difficult and costly to penetrate for potential new entrants. We believe that scientific reputation, technical capabilities, market and regulatory knowledge, as well as critical size, all of which are characteristics of the Cerba group, are key elements that will be necessary to fully benefit from future growth opportunities.

We believe our group is well known for scientific excellence and cutting- edge technical know-how. Inherited from our historical core specialty lab business founded in 1967 in France and our central lab business founded in 1985 in Belgium, this reputation, which has allowed us to establish a renowned brand name in the medical laboratory testing industry, constitutes an invaluable strength vis-à-vis potential new entrants, in particular in central lab where referral processes are long and difficult.

We operate in a highly regulated market with stringent regulations and strict accreditation procedures governing the granting or the renewal of a license to operate a laboratory. Securing these mandatory accreditations entails significant investment and lengthy and complex processes making it increasingly difficult for new entrants to penetrate the market. For example, the existing administrative authorization process for the establishment and operation of clinical laboratories in France will be replaced in November 2020 by a new accreditation procedure that will introduce new, stricter requirements pursuant to the ISO standard (the new accreditation system will be gradually implemented with two steps in November 2016, when 50% of the tests performed by a laboratory will have to be accredited, and November 2018, when 70% of the tests performed by a laboratory will have to be accredited). Non-accredited clinical laboratories were required to demonstrate that they had effectively begun the new accreditation process by November 2013. This new accreditation process is costly and time-consuming. As such, it will constitute a significant barrier to entry for new entrants and a significant burden for existing small labs. Further, the legal constraints in the French market regarding mandatory shareholding of clinical pathologists with which we believe we already comply, constitute a significant barrier to entry into the French routine market. The stringent price regulations applicable to the routine and specialty markets in which we operate also constitute serious obstacles for new entrants as these price constraints favor well-established and large players who benefit from their existing reputation and large scale to implement a cost effective model. Finally, we believe that in France, new networks would be difficult to create as the opening of new laboratories or collection points requires several regulatory approvals, which are only rarely obtained as the market already includes too many laboratories.

We also believe that size and scale, which would be highly difficult and costly to achieve in the short term for any new entrant, are key strengths for larger market participants like us. We believe that larger participants, with well-established and integrated logistical capabilities, are better equipped and positioned to treat high volume testing in a more cost effective way, to consolidate the routine market where necessary, to secure loyalty from outsourcing (for specialty lab) and commercial (for central lab) partners, to optimize synergies within the different testing businesses and, finally, to seize growth opportunities in new geographical markets.

Finally, we believe that the logistics organization of our Specialized Testing business is a valuable asset that would be difficult for new entrants to replicate. For cost and operational efficiency, we have outsourced the operation of our logistics network to a trusted partner. Our partner, who is ISO accredited, is in charge of the collection and transportation of samples. While we have outsourced this aspect of the logistics for our Specialized Testing Business, we maintain in-house the management and proprietary mapping of the network. This model, as well as our strong in-house logistics expertise and experience, allow us to collect an average of approximately 13,000 samples per day, from more than 3,000 locations worldwide, and to ensure that all tubes arrive before 7 a.m. in our specialty laboratory in Saint-Ouen- l'Aumône, near Paris, France, to be tested within 24 hours.

Proven consolidation strategy with a structured approach to acquisitions

Founded as a specialty laboratory in 1967, we have since then expanded into new businesses and new geographies through acquisitions. With our acquisition of BARC in 2007, we expanded into the central laboratory testing business as well as the routine laboratory testing business in Belgium. We have continued to expand our Routine Lab business through a handful of strategic acquisitions in highly populated geographic areas of France (such as Biolille in the Lille metropolitan area in 2009, CBCV in the Paris area in 2010, Biotop in the Marseille area in 2010 and JS Bio in the Provence–Alpes–Côte d'Azur area in 2014), and Luxembourg (such as Ketterthill Laboratories, which we acquired through our acquisition of LLAM in 2011), complemented by a series of bolt-on acquisitions. While such strategic acquisitions are more complex and less frequent, they enable us to expand into new geographic zones or into new segments. The laboratories we acquire through these strategic acquisitions often serve as technical platforms regional clusters and perform the entire clinical laboratory testing for the region. We complement these strategic acquisitions with a number of small bolt-on acquisitions of laboratories that we transform into collection points where samples are collected from patients and sent to the technical platforms for testing. Through this regional clusterization strategy built around technical platforms, we have built a very dense network of laboratories centered around eight regional clusters in France, three in Belgium and one in Luxembourg. From a single laboratory site in 2007, we have grown to operate approximately 248 sites with a staff of approximately 400 clinical pathologists as of June 30, 2016.

Significant portions of the European clinical laboratory services market, especially the French market, remain highly fragmented. These markets present opportunities for consolidation and growth.

In addition, certain regulatory changes, such as the introduction of mandatory accreditation and higher-quality standards in France, generally benefit larger laboratory companies or networks like ours. Since 2007, we have been an active consolidator in the routine lab market, and we believe we are well positioned to capitalize on additional opportunities in France as well as in potential new markets. We have a dedicated team of four people focused on finding, evaluating and executing external growth opportunities and have developed a structured approach to acquisitions that capitalizes on the expertise and market knowledge of our senior management and local laboratory doctors. The laboratory companies we acquire are often clients or competitors of ours with whom we have had prior business interaction. This in-depth knowledge of the industry helps us pre-select suitable acquisition targets. We have a disciplined approach to acquisitions, including the setting of internal acquisition multiple targets and high due diligence standards, which include the participation of the senior executives at the various stages of the acquisition process. While we typically focus on the bolt-on acquisitions of small and medium sized laboratory companies with revenues in the range of approximately €1 million to €10 million with the aim of consolidating our regional network around existing technical platforms, we have also selectively acquired large regional clusters of laboratories in the past, such as BARC, LLAM and JS Bio to establish our footprint in new geographical markets or to enter into new industries. We believe that the fragmentation of the French clinical laboratory market, together with the general economic slowdown, allows us to complete acquisitions of clinical laboratories at attractive prices.

Post-acquisition, we generally implement cost reduction initiatives aimed at increasing the profitability of the clinical laboratories we acquire through economies of scale and the sharing of best practices with the rest of the network. Certain synergies from bolt-on acquisitions can be realized upon closing of the acquisition such as savings on reagent costs. We also achieve reductions in technical and administrative expenses as we shift technical and administrative functions to our technical platforms. We also achieve savings by redeploying the personnel of the acquired entity across our network in the technical platform, which can be a lengthier process taking more than 24 months after acquisition in certain cases. However, due to voluntary departures resulting from the redeployment process of our workforce to our regional platforms, some cost reductions relating to personnel can be quickly realized.

Track record of a strong and sustained financial performance, with high margin and strong cash flow generation

We have demonstrated sustained net sales compound annual growth of 18.9% between the year ended December 31, 2011 reported at the Original Company level and the year ended December 31, 2016 at the Company level. This sales growth has been underpinned by our acquisition strategy as we have sought to increase our market share in the Routine Lab testing market.

With the strong support of our main shareholders, we have developed and are implementing numerous cost initiatives that allow us to further control our costs by optimizing our relationships with our suppliers, our logistics operations and our information technology systems. This disciplined investment and cost control strategy has allowed us to achieve a significant increase in Adjusted EBITDA margins over the years.

Well regarded and experienced management team at group level and unique governance and ownership structure at operational level

We benefit from the experience and industry know-how of our current senior management team. In particular, Catherine Rondot-Courboillet, our CEO and a highly regarded industry specialist in Europe, Jérôme Thill, our CFO, Sylvie Cado, head of our Specialized Testing business, Alain Niederhoffer, our director of logistics and purchasing, Philippe Buhl, head of our Routine Labs in France and Cyril Dubreuil, our sales director in France, each of whom has more than 11 years of experience in the industry with an average of 24 years' industry experience and an average of 18 years' experience in the group.

Moreover, our ownership model is based on a strong entrepreneurial culture, where more than 100 laboratory doctors and managers are shareholders of our structure, at our holding company level and at the different operating laboratories levels. Our ownership model and structure gives us overall strategic control, while also incentivizing doctors and managers to fully contribute to a common commercial, scientific and industrial project and greatly rewarding commitment, development and innovation. We believe that our ownership structure is key to the strength and success of our model as a whole.

Finally, the support and investment experience of our controlling shareholder, PAI, supplements the leadership and knowledge of our senior management and laboratory doctors.

Our strategy

Based in particular on our strong scientific reputation and expertise, our strategy mainly consists of becoming a leading network in the French routine lab market through consolidation, while maintaining our unique positioning in the European specialty and central lab businesses. The key elements of our strategy are:

Drive organic volume growth across our business segments

The core of our group's strategy consists of developing organically each of our different business segments through coordinated but tailored action plans.

In the Specialty Testing market, we are committed first to maintaining our leadership through the renewal of our catalog of tests, the acceleration of compliance with new ISO regulations and the improvement of our logistics services, in particular at the international level. We intend to particularly focus our efforts on profitable organic growth driven mainly by new tests and, to a lesser degree, by the expansion of our international activity. As a result, we aim to innovate through new technologies, new tests and enhanced services for customers through partnerships with hospitals and biotech companies, and through the work of our scientific and medical committee. We also aim to further expand our export activity, leveraging our reputation and logistics capabilities to reach more customers, including in selective new geographical markets. Our focus on profitable organic growth will also imply the further development of synergies between our Specialized Testing business and our Central Lab activities, in particular through biomarkers innovations. Finally, we intend to foster the general profitability of our Specialized Testing business, including through the further automation of our processes (such as invoicing and samples encoding) and the better optimization of new regulations.

With respect to our Routine Lab business, our strategy will encompass operational and functional alignment between our regional clusters, which is facilitated by the deployment of a dedicated team. These alignment efforts will further include the standardization of our routine industrial processes with respect to technical platform operations, quality assurance and information systems. The dedicated team in charge of this integration strategy will also focus on improving the management of our routine staff and the organization of our networks. Finally, our strategy with respect to the organic growth of our Routine Lab business includes the selection of those of our youngest laboratory doctors with the most promising managerial capabilities; we will provide them with high quality business school training, with the aim of further improving the management of our laboratories at the local level.

Finally, we intend to develop our Central Lab business through the further differentiation of the positioning of BARC. In particular, we believe we will be able to achieve strong organic growth of our Central Lab business by broadening our product selection from safety to tailor-made biomarkers and leveraging our strong scientific knowledge and capabilities as well as our proven specialist approach implemented by a unique team of clinical pathologists, including through the co-development of new tests with clients. We also intend to develop our Central Lab business by strengthening our leadership position in Europe and Africa, working to establish a position in Asia, improving client services and adaptability including through price transparency and competitiveness, strengthening our pure testing player approach (that is, our ability to intervene in all clinical trial phases) and continuing our certification program and our tailor-made reporting approach. Finally, we intend to strengthen our worldwide lab networks to capture new contracts and expand our customer base.

Selectively pursue acquisitions

In the French routine lab market, we are organized in eight regional clusters, which we intend to further expand. In regions where we are already present, our expansion strategy will include selected small- and mid-size bolt-on acquisitions that fit into and complement the existing local networks organized around technical platforms. To expand into new regions, we intend either to pursue acquisitions of existing regional clusters followed by further bolt-on acquisitions in line with our clusterization strategy, or to implement more significant strategic transactions with larger players. Our strategic focus will be to pursue bolt-on acquisitions to strengthen and increase the density of our regional network and local market share. As in the past, we expect bolt-on acquisitions to generate immediate synergies by transforming the acquired small laboratories into collection points that feed samples to a technical platform where test analysis is centralized. The assumptions used in estimating synergies are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the synergy benefit estimates. We are also considering more significant, strategic and transformational combinations, as we believe that one or more of our major European competitors, including Unilabs, Amedes and Labco (some of which may be larger than us), may be available for acquisition on attractive terms over the near and intermediate term. We currently have reached no agreement with respect to any such acquisition and are not in discussions with any of these potential targets.

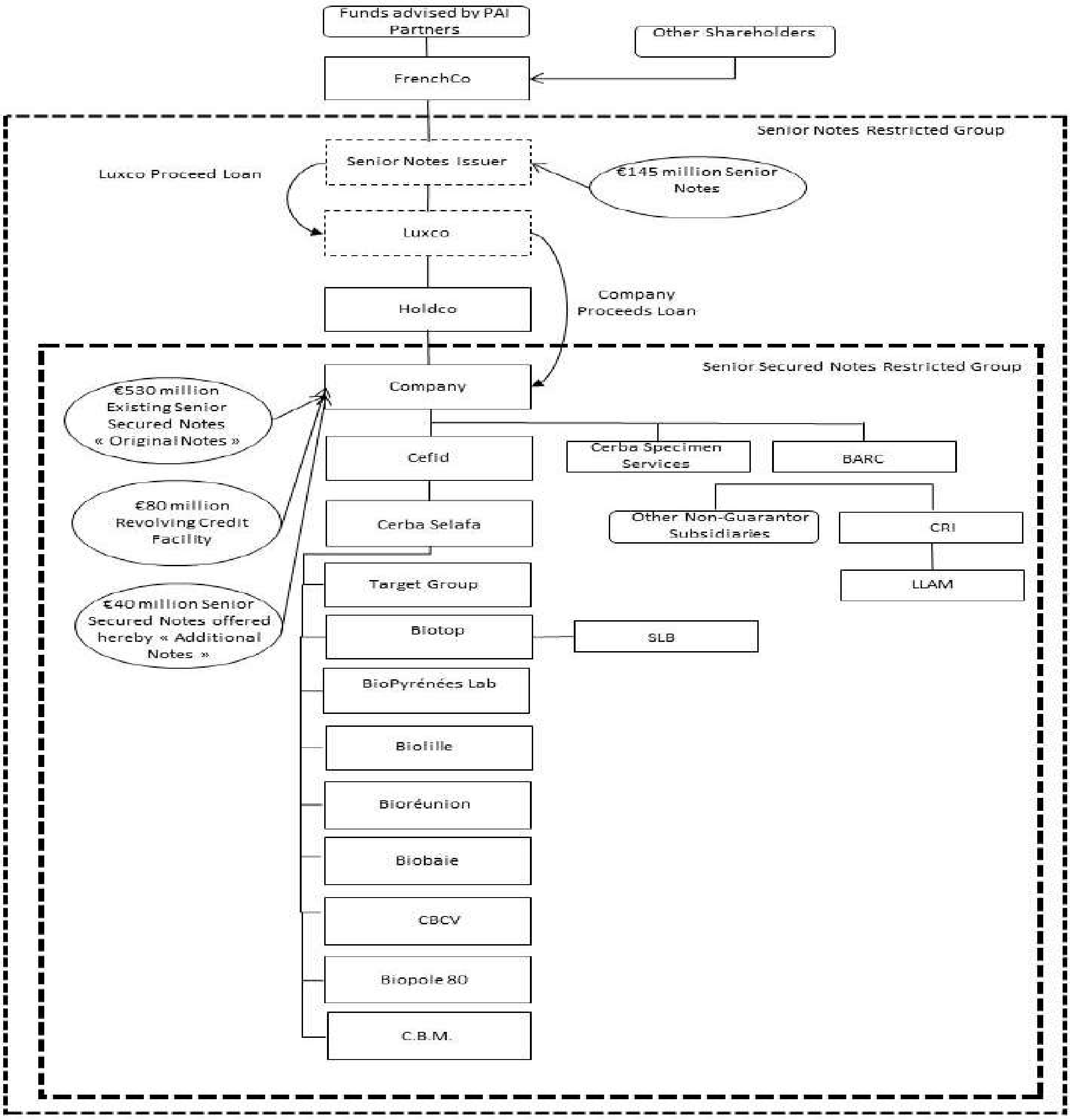
In the past, we completed a number of strategic acquisitions to expand our geographical coverage and gain critical mass in markets outside France. Although our acquisition strategy is currently focused on the French routine market, we may explore opportunities to purchase larger laboratory networks in other European countries. As such, our focus will be on the most densely populated regions as well as the regions with the largest number of prescribers.

Continue to deliver operating efficiencies

We also intend to continue to take advantage of the economies of scale provided by our presence in all three segments of the laboratory testing market and by the size of our network to streamline our operations and administrative functions and to control costs. We are aiming in particular at controlling costs through the further rationalization of our network (in particular in France by establishing technical platforms surrounded by a sophisticated and condensed network of collection points), the further industrialization and automation of our processes and the optimization of synergies between our segments and geographies. We also intend to further leverage our size to obtain favorable commercial conditions from suppliers. In cooperation with our main logistical partners, we will continue to improve our logistical organization and optimize samples collection and transportation, seeking logistical synergies between our national and international activities and between our three business segments. Finally, we will continue to work on the better integration of our laboratories, in particular with respect to those acquired most recently. In particular, we will seek to optimize our operating costs through the implementation of group agreements and processes with respect to IT, cars, rentals, external fees and utilities.

Corporate chart

The chart below depicts a summary of the Group's corporate structure as of the Issue Date of the Additional Notes.



Sources and uses

The aggregate principal amount of the Additional Notes was €40.0 million. We intend to use the net proceeds from the offering of the Additional Notes for general corporate purposes, including for potential acquisitions that the Issuer or its subsidiaries may make from time to time and may also be used to repay certain outstanding borrowings under the Issuer's revolving credit facility.

The equity of the Issuer, our group's parent company, is fully-owned by Holdco. Holdco is a wholly owned subsidiary of Luxco, which is in turn a wholly owned subsidiary of Frenchco. Frenchco is indirectly controlled by funds advised by PAI Partners that acquired us in July 2010. PAI Partners is a major European private equity firm and is the largest private equity investor headquartered in France. PAI Partners manages and advises private equity funds with a total equity value of approximately €7.9 billion. Since 1998, PAI Partners has led 50 buyout investments in ten European countries, for a value of approximately €36 billion. As of the date of this Listing Memorandum, PAI Partners indirectly controlled 95.52% of the Company's equity. The remainder of the Issuer's equity is owned, directly or indirectly, by members of management and clinical pathologists.

Recent developments

Menalabs Acquisition

On June 16, 2016 we entered into an acquisition agreement pursuant to which Cerba HealthCare acquired 100% of the share capital of Menalabs, a group of medical biology laboratories located in the United Arab Emirates. Menelabs is a group of medical biology laboratories which was founded in 2014 by a team with over 20 years of experience in managing laboratories. Menelabs is based in the United Arab Emirates, with a laboratory in Dubai, one in Sharjah and one in Abu Dhabi, and has taken over the management of a day surgery Hospital. Furthermore, Menelabs has recently opened its first veterinary biology laboratory open 24/7 in Sharjah, which is specialzed in equine care.

We believe the acquisition will create a number of benefits for our Group by strengthening our market position in the Middle East. We also believe that our increased scale following the acquisition will allow the resulting Group to reach new heights in terms of biology, quality of care services and medical support offer. Cerba HealthCare will benefit from Menelabs' experienced management and medical teams and Menelabs will benefit from our innovation platform which will provide us with the opportunity to offer new biomarkers to the medical community in the Middle East and more particularly in the United Arab Emirates, as well as new medical services in the region. See "*Risk Factors—Risks related our business—We face risks associated with the acquisition of businesses, including the Menelabs acquisition, in connection with our strategy*" and "*Forward-Looking Statements*".

The Private Placement

The summary below describes the principal terms of the Notes and the guarantees thereof. Certain of the terms and conditions described below are subject to important limitations and exceptions, and the summary below does not purport to be complete. The Indenture contains a more detailed description of the terms and conditions of the Notes and the guarantees thereof, including the definitions of certain terms used in this summary.

The Issuer is offering €40,000,000 aggregate principal amount of its 7.00% Senior Secured Notes due 2020 (the "Notes"). The Notes are to be issued as additional debt securities under the Indenture dated as of January 31, 2013, as amended by the Supplemental Indentures dated as of April 23, 2014 and March 10, 2015 (the "Indenture"), between, among others, the Issuer, the Guarantors (as defined below) and the Trustee (as defined below), pursuant to which the Issuer issued (i) €365,000,000 aggregate principal amount of 7.00% Senior Secured Notes due 2020 on January 31, 2013, (ii) an additional €80,000,000 aggregate principal amount of 7.00% Senior Secured Notes due 2020 on May 23, 2014 and (iii) an additional €85,000,000 aggregate principal amount of 7.00% Senior Secured Notes due 2020 on March 10, 2015 (collectively, the "Existing Notes"). The Notes and the Existing Notes will be treated as a single class of securities under the Indenture.

Issuer…………………………...	Cerba HealthCare S.A.S. (formerly known as Cerba European Lab S.A.S.)
Additional Notes Offered……..	€40,000,000 aggregate principal amount of 7.00% Senior Secured Notes due 2020 (the "Additional Notes") issued by the Issuer under the Indenture.
Maturity Date………………….	February 1, 2020.
Interest Rate and Payment Dates……………...……….	The interest rate on the Additional Notes will be 7.00% per annum, payable semi-annually in arrears on February 1 and August 1 of each year, commencing on February 1, 2017. Interest will accrue from August 1, 2016.
Trade Date………..……………	September 27, 2016.
Issue Date………………………	October 4, 2016.
Denominations…………………	Each Additional Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof.
Guarantees…………………….	Per Existing Notes. See "*Description of the Notes—Brief description of the senior secured notes and the senior secured note guarantees*".
Ranking of the Additional Notes…………..……………..	Per Existing Notes. See "*Description of the Notes—Brief description of the senior secured notes and the senior secured note guarantees*".
Ranking of the Guarantees……	Per Existing Notes. See "*Description of the Notes—Brief description of the senior secured notes and the senior secured note guarantees*".
Collateral…………………….……	Per Existing Notes. See "*Description of the Notes—Securities*".
Intercreditor Agreement……...	Pursuant to the Intercreditor Agreement, the liens securing the Collateral rank equally with the liens that secure (i) obligations under the Revolving Credit Facility Agreement, (ii) certain other future debt permitted to be incurred under the Indenture and (iii) certain obligations under certain hedging arrangements. Such liens will be evidenced by Security Documents for the benefit of (whether directly or through the Security Agent) the holders of the Notes, the lenders under the Revolving Credit Facility and the holders of certain future debt and the counterparties to certain hedging obligations. Under the terms of the Intercreditor Agreement, amounts received or recovered in respect of enforcement of the Collateral are required to be turned over to the Security Agent and, subject to the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee, other creditor representatives and the Security Agent and certain other specified liabilities, paid by the Security Agent to the lenders under the

	Revolving Credit Facility and counterparties to certain hedging obligations in priority to the holders of the Notes. The Collateral may also be released in certain circumstances. See "*Description of other indebtedness—Intercreditor Agreement—Consultation with respect to enforcement of transaction security*." The Security Agent may refrain from enforcing the Collateral unless instructed by the agent under the Revolving Credit Facility (as instructed by the requisite majority under the Revolving Credit Facility and certain hedging obligations) or the Trustee for the Notes (as instructed by the requisite majority under the Notes, certain *pari passu* debt and certain hedging obligations) in accordance with the provisions of the Intercreditor Agreement. In the event of conflicting instructions, the Intercreditor Agreement contains provisions requiring consultation and specifies which set of instructions will prevail. See "*Description of other indebtedness—Intercreditor Agreement—Consultation with respect to enforcement of transaction security*." Pursuant to the Intercreditor Agreement, after an acceleration event in respect of the Notes, borrowings under the Revolving Credit Facility or other debt subject to the Intercreditor Agreement, neither the Issuer nor the Guarantors may make payments in respect of the Notes and the other debt subject to the Intercreditor Agreement (save for payments of certain agency or trustee fees, costs and expenses).
Private Placement; Note Purchasers……………….....	The Additional Notes were offered and sold directly by the Issuer to eligible investors identified by the Placement Agent pursuant to the relevant Investor Letters (the "Investor Letters") and Purchase Agreements (the "Purchase Agreements") between the Issuer and such investors (the "Note Purchasers"). The Additional Notes were not offered or sold to investors located in the United States or to U.S. persons. The offering and sale of the Additional Notes was not underwritten by the Placement Agent. Each Note Purchaser represented and agreed in its Investor Letter and Purchase Agreement that (among other things): (i) such Note Purchaser has conducted its own independent review and sought such professional advice as it deems appropriate under the circumstances with respect to its purchase of the Additional Notes; (ii) the Issuer takes sole responsibility for any material or information regarding the Additional Notes or the Issuer that has been provided to the Note Purchaser; (iii) the Placement Agent has not provided the Note Purchaser with any information or advice with respect to the Additional Notes, has not conducted any due diligence in relation to this offering of the Additional Notes, and will not be responsible to the Note Purchaser in relation to any matter concerning the Additional Notes or any of the matters contemplated in the Investor Letters and Purchase Agreements; (iv) such Note Purchaser is neither located in the United States nor a U.S. person within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"); and (v) if resident in a Member State of the European Economic Area, such Note Purchaser is a "qualified investor" within the meaning of Directive 2003/71/EC, as amended, and any relevant implementing measure in such Member State of the European Economic Area.
Optional Redemption………….	At any time prior to February 1, 2016, the Issuer may on one or more occasions redeem, at its option, some or all of the Notes, as appropriate, at a redemption price at the redemption prices set forth below, plus accrued and unpaid interest and additional amounts, if any, to (but excluding) the redemption date:

(a) 103.500% of the principal amount of the Notes called for redemption for the 12-month period commencing February 1, 2016;

(b) 101.750% of the principal amount of the Notes called for redemption for the 12-month period commencing February 1, 2017; and

(c) 100.000% of the principal amount of the Notes called for redemption for the 12-month period commencing February 1, 2018 and thereafter.

Change of Control…………….. If a change of control occurs, the Issuer must offer to purchase each holder's Notes at a purchase price of 101% of the principal amount of the relevant Notes, plus accrued and unpaid interest and additional amounts, if any, to (but excluding) the date of purchase. See "*Description of the Senior Secured Notes—Purchase of Notes upon Change of Control.*"

Redemption for Taxation Reasons……………………… If certain changes in the law of any relevant taxing jurisdiction impose certain withholding taxes or other deductions on the payments on the Notes, the Issuer may redeem all but not some of the Notes at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to (but excluding) the date of redemption. See "*Description of the Senior Secured Notes—Optional Redemption—Tax Redemption.*"

Additional Amounts…………... Per Existing Notes. See "*Description of the Senior Secured Notes—Additional Amounts*."

Certain Covenants…………….. Per Existing Notes. See "*Description of the Senior Secured Notes—Certain Covenants.*"

Certain U.S. Federal Income Tax Considerations………… You should consult your own tax advisor to determine the U.S. federal, state, local and other tax consequences of an investment in the Notes.

Transfer Restrictions………… The Notes and the Guarantees have not been registered under the U.S. Securities Act or the securities laws of any other jurisdiction and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. We have not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer). See "*Transfer Restrictions*."

Use of Proceeds……………….. We intend to use the net proceeds from the offering of the Additional Notes for general corporate purposes, including for potential acquisitions that the Issuer or its subsidiaries may make from time to time and may also be used to repay certain outstanding borrowings under the Issuer's revolving credit facility.

No Established Market……….. Although application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market thereof in accordance with its rules, the Issuer cannot assure you that a liquid market for the Notes will develop or be maintained.

Listing…………………………. Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market thereof.

Governing Law of the Indenture, the Note Guarantees and the Notes….. The State of New York.

Governing Law of the Security The Security Documents creating the Collateral will be governed by the laws

Documents…………………	of France, Belgium and Luxembourg.
Governing Law of the Intercreditor Agreement…...	England and Wales.
Trustee………………………….	Wilmington Trust, National Association.
Security Agent…………………	Wilmington Trust (London) Limited.
Paying Agent and Transfer Agent………………………...	Citibank N.A., London Branch.
Registrar……………………….	Citigroup Global Markets Deutschland AG.
Listing Agent…………………..	Wilmington Trust SP Services (Luxembourg) S.A.

Summary Historical Consolidated Financial Information and Other Data

The summary historical consolidated financial information and other data of the Company as of and for the fiscal years ended December 31, 2013, 2014 and 2015 and as of and for the six months ended June 30, 2015 and 2016 have been extracted from the Company's financial statements as indicated under "*Presentation of financial information*".

The following tables should be read in conjunction with "*Presentation of financial information*", "*Use of proceeds*," "*Capitalization*," "*Selected historical consolidated financial information*," and "*Management's discussion and analysis of financial condition and results of operations*" and our consolidated financial statements and the notes related thereto included elsewhere in this Listing Memorandum. Historical results are not necessarily indicative of future expected results.

Summary Consolidated Income Statement Data

	2013	2014	2015	2015	2016
	Year ended December 31,			Six months ended June, 30	
	(audited)			(unaudited)	
	(€ in millions)				
Net sales	351.6	399.2	556.0	262.3	329.2
Cost of sales/Consumption of materials and supplies	(75.7)	(66.3)	(87.0)	(41.6)	(48.5)
Other purchases and external expenses	(73.0)	(94.0)	(134.3)	(63.6)	(72.1)
Taxes and duties	(8.7)	(12.0)	(17.4)	(8.5)	(10.3)
Personnel expenses	(116.3)	(140.6)	(214.4)	(100.2)	(121.2)
Net change in depreciation and amortization	(25.1)	(24.0)	(32.9)	(16.5)	(19.3)
Other expenses	(10.3)	(8.0)	4.9	(2.5)	(4.1)
Other income	10.3	4.0	(6.1)	1.3	3.0
Profit from operations	**52.9**	**35.9**	**68.8**	**30.8**	**56.8**
Goodwill impairment	—	—	—	—	—
Net operating income	**52.9**	**35.9**	**68.8**	**30.8**	**56.8**
Cost of net debt	(32.5)	(37.7)	(57.0)	(27.8)	(31.7)
Other financial income (expense)	(0.9)	(0.8)	(1.5)	1.3	0.9
Pretax income (expense)	**19.5**	**(2.6)**	**(58.5)**	**3.6**	**25.9**
Income tax	(12.0)	(10.8)	10.3	(3.7)	(17.0)
Net income (loss)	**7.6**	**(13.4)**	**(8.9)**	**(0.1)**	**8.9**
Net income (loss) attributable to non-controlling interests	2.4	2.0	2.4	1.4	1.2
Net income (loss) attributable to owners of the Company	**5.1**	**(15.4)**	**(1.0)**	**(1.6)**	7.7

Summary Consolidated Balance Sheet Data

	2013	2014	2015	As at June 30, 2016
	As at December 31,			
	(audited)			(unaudited)
	(€ in millions)			
Goodwill	559.3	671.2	969.3	970.2
Intangible assets	112.3	108.2	159.4	158.0
Property, plant and Equipment	53.4	64.5	85.1	88.3
Non-current tax assets	1.6	—	—	—
Other non-current assets	1.8	1.7	4.8	6.1
Deferred tax assets	1.5	2.1	10.9	16.8
Total non-current assets	**769.8**	**847.7**	**1,229.5**	**1,239.4**
Inventories	5.9	5.6	7.4	7.9
Trade receivables	54.0	54.0	67.2	78.0
Current tax assets	1.5	3.7	7.4	5.8

	2013	2014	2015	As at June 30, 2016
	As at December 31,			
	(audited)			(unaudited)
	(€ in millions)			
Other current assets	9.7	18.0	22.6	24.8
Cash and cash equivalents	63.8	64.1	46.1	38.5
Current assets	**134.8**	**145.4**	**150.7**	**154.9**
Total assets	**904.6**	**993.1**	**1,380.2**	**1,394.4**
Equity attributable to owners of the Company	311.5	286.3	295.6	307.5
Non-controlling interests	11.5	9.7	7.3	6.7
Total equity	**323.0**	**295.9**	**302.9**	**314.2**
Non-current financial liabilities	419.2	512.2	805.8	805.0
Employee benefits	5.1	6.9	15.6	16.2
Non-current provisions	4.5	0.9	3.5	2.8
Deferred tax liabilities	36.1	33.2	45.6	49.7
Other non-current liabilities	4.1	4.6	3.8	3.0
Non-current liabilities	**469.0**	**557.8**	**874.2**	**876.8**
Current financial liabilities	29.2	36.7	59.5	57.3
Current provisions	0.7	0.7	1.2	1.5
Trade payables	40.4	45.0	76.0	71.5
Current tax liabilities	8.7	14.2	6.5	12.3
Other current liabilities	33.6	42.7	59.9	60.7
Current liabilities	**112.7**	**139.4**	**203.1**	**203.3**
Total equity and liabilities	**904.6**	**993.1**	**1,380.2**	**1,394.4**

Summary Consolidated Cash Flow Statement Data

	2013	2014	2015	2015	2016
	Year ended December 31,			Six months ended June, 30	
	(audited)			(unaudited)	
	(€ in millions)				
Net cash provided by (used in) operating activities	68.3	67.5	88.2	41.4	51.2
Net cash provided by (used in) investing activities	(47.1)	(83.8)	(309.5)	(270.0)	(16.4)
Net cash provided by (used in) financing activities	9.0	14.9	203.7	228.6	(43.2)
Effect of exchange rate fluctuations on cash held	(0.0)	0.2	(0.0)	(24.0)	(86.4)
Net increase (decrease) in cash and cash equivalents	**30.1**	**(1.3)**	**(17.8)**	(24.0)	**(8.4)**
Cash and cash equivalents at the beginning of the period	33.5	63.6	62.3	62.3	44.6
Cash and cash equivalents at the end of the period(1)	63.6	62.3	44.6	38.3	36.2

(1) Represents cash and cash equivalents as at the balance sheet date minus bank overdrafts.

Other financial and operating data

	2013	2014 Year ended December 31,	2015	2016 Six months ended June 30,
		(€ in millions)		
Net sales				
Specialized net sales	130.5	139.1	154.4	46.8
Routine France net sales	112.1	155.6	318.1	99.3
Routine Belux net sales	78.5	74.1	70.2	18.5
Central Lab net sales	42.8	44.5	32.5	6.5
Intercompany sales	(12.4)	(14.1)	(19.2)	(5.9)
Total net sales	**278.7**	**399.2**	**556.0**	**165.2**

Risk factors

An investment in the Notes involves risks. You should carefully consider the risks described below before deciding to invest in the Notes. In assessing these risks, you should also refer to the other information in this Listing Memorandum, including the financial statements and related notes. These risks and uncertainties are not the only ones we face. Additional risks and uncertainties that are not currently known to us or that we currently consider immaterial could also impair our business, financial condition, results of operations and our ability to make payments on the Notes.

This Listing Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those included in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Listing Memorandum.

Risks related to our business

The prices we may charge in our markets are dependent on tariffs set by governments. Efforts to reduce government spending on healthcare and diagnostic testing may adversely affect our business.

In the countries where we operate, most of our activities are highly regulated. In particular, there are mandatory prices or pricing methodologies for all or substantially all of the clinical tests we perform as part of our Routine Lab and Specialized Testing businesses. Tariffs are established by governments and we have limited, or no, influence over the levels at which they are set. Revisions of tariffs may occur on a regular basis. Overall tariff decreases, or tariff setting that fails to keep pace with testing costs, reduce our margins and may affect our net sales from testing services, our operating results or the economic feasibility of providing certain testing services by some or all of our laboratories.

We are particularly sensitive to prices in France, as our French Routine Lab business represented 58.7% and 60.1% of our net sales for the six months ended June 30, 2015 and the six months ended June 30, 2016, respectively. Prices for substantially all of the laboratory tests in France are regulated and set on an annual basis by the Ministry of Health (*Ministère des Affaires sociales et de la Santé*) and the National Health Insurance Fund (*Caisse Nationale d'Assurance Maladie*, or "CNAM"). According to *Comptes nationaux de la santé 2013*, approximately 72.1% of the spending in the French private clinical pathology testing market was financed by the French social security system in 2013. While the percentage of spending financed by the social security system has stayed relatively constant over time, the regulatory tariffs in the French lab market have declined at a compound annual growth rate of 1.1% between 2007 and 2012, according to the "*Rapport de la Cour des Comptes.*" These reductions were carried out as part of a stated goal by the French government to enact approximately €100 million of annual savings in French clinical pathology expenditures. Clinical pathology testing expenditures represented approximately 2.4% of overall French healthcare expenditures in 2011. The CNAM revises the price catalog for laboratory tests on an annual basis and we expect further downward pressure on tariffs in France going forward as the government endeavors to further reduce the rate of growth of national healthcare expenditures, although we are unable to be certain of the extent of any future reductions. Additionally, while the reduction in tariffs has in the past been offset by growth resulting from a combined volume and mix impact, we cannot guarantee that this favorable trend will continue, and a decline in volume growth coupled with further tariff decreases would have a material impact on our net sales. Furthermore, because of the importance of the French market to our Routine Lab and Specialized Testing businesses, further tariff reductions in France could significantly adversely affect our overall performance. Finally, France currently benefits from higher tariffs compared to most other European countries due to its fragmented market, and therefore has increased down-side risk for prices. For more detail on French tariffs for laboratory tests, see "*Industry—Clinical Pathology Testing—Market Overview—France*."

In the Belgian Routine Lab market (which represented 11.2% of our net sales for the six months ended June 30, 2016), laboratory tests are state-regulated and prices are set by the national healthcare regulatory body INAMI on an annual basis. According to INAMI, the Belgian social security system reimburses approximately 75% of regulated clinical pathology test expenditures. Belgium has also experienced budgetary pressures, setting annual caps for healthcare expenses. Currently, the Belgian pricing system includes a "claw-back" mechanism that allows the Belgian government to recover budgetary overspend. On November 1, 2013, the Belgian government also reduced fixed-fee for ambulatory care by 9% and according to the specialized press, the number of accredited laboratories has decreased by 12.5% between March 2010 and February 2014 (*Le Medecin Spécialiste*, n° spécial/April 2014, ISSN 0770-8181). See "*Industry—Clinical Pathology Testing—Market Overview—Belgium*."

In Luxembourg, the Ministry of Health (*Ministère de la Santé*) and the national insurance scheme (*Caisse Nationale de Santé*) sets the prices for all laboratory tests. The state reimburses 100% of test expenses at the fee levels set in the annual catalog released by government health authorities. The Luxembourg government has also undertaken measures to control increases in healthcare expenditure through limiting the tariffs for laboratory tests. See "*Industry—Clinical Pathology Testing—Market Overview—Luxembourg*."

We expect increased constraints on government-regulated tariffs to continue in each of the markets in which we conduct our Routine Lab and Specialized Testing businesses. The recent financial and monetary crisis in Europe has brought concerns over European countries' sovereign debt and government spending. As a result, many European countries, including France and Belgium, have announced or undertaken expenditure control measures aimed at curbing spending, including healthcare expenditures. In particular, governments tend to reduce in greater proportion tariff levels on tests that are administered in high volumes, which has a multiplying effect on our results as the tests we perform in high volumes tend to be impacted by larger tariff cuts. Although in the past price reductions have been offset by growth resulting from a combined volume and mix impact, there can be no assurance that this will continue to be the case. Policies that limit or decrease the amounts we may charge for our services or exclude coverage of certain of our services from public health programs may have a material adverse effect on our net sales and operating results.

Continued weakness in economic conditions could have an adverse effect on our businesses.

The economic downturn and the financial and monetary crisis that Europe has been facing since 2008 have increased the risk associated with conducting our business. Economic difficulties have resulted in reduced levels of activity and have led governments, private insurers and patients to reduce their expenditures on healthcare, which has affected our net sales and margins.

Where patients, directly or indirectly (such as through private health insurance premiums), are responsible for all or part of the cost of laboratory tests, individual decisions to reduce healthcare expenditures may result in a reduction of demand for our services. In France, for example, approximately 72.1% of spending in the French private clinical pathology testing market was financed by the French social security system and the remainder was covered by private insurance companies (approximately 25.1%) and by the patient directly out of pocket (approximately 2.8%) in 2013, according to "*Comptes nationaux de la santé 2013*." A decrease in household disposable income, or the perception thereof, in times of economic downturn can lead to a reduction in individuals' healthcare expenditure. This may result in patients postponing certain types of medical treatment and could result in a significant drop in the volume of business we are able to conduct through our Routine Lab and Specialized Testing businesses.

Governments, as direct payers of a test's price, whether in part or in whole, have also instituted policies designed to reduce their expenditures on healthcare as a means of reducing overall budget deficits. As a result of such policies, changes in medical guidelines could occur, leading to lower volumes of recurring tests. Such changes could have a negative impact on our business.

Further, the economic downturn could also have a negative effect on the research and development budgets of pharmaceutical companies with which we have contracts to perform testing work as part of our Central Lab business and reduce demand for our services. For example, the availability of financing from banks or the capital markets to the biotechnology or pharmaceutical industry can have a material impact on their ability to fund development of their products. Generally, biotechnology and pharmaceutical companies tend to streamline the development and testing of new products at times when the economy is depressed and when, as a consequence, their own profitability and investment capabilities are limited. As a result, they tend to limit the number of, and be more selective regarding, new trials and may also postpone or cancel existing trials when proof of efficacy is not quickly evidenced. Reduced demand from our Central Lab clients could have a negative effect on our results of operations.

We may not exercise full control over the operations of certain of our French subsidiaries in which we have a minority voting interest and are dependent on the clinical pathologists who own a majority voting interest in them to conduct the operations of such subsidiaries.

French law sets regulatory constraints on the corporate structure and nature of ownership of the share capital of clinical laboratories. In particular, French law requires that a majority of the shares and voting rights of a laboratory company be held by clinical pathologists working in the relevant laboratory company. In addition, this regulation requires that persons that are not clinical pathologists and entities that are not laboratory companies cannot hold more than 25% of the share capital of a laboratory. See "*Regulation—France*."

As a result, our corporate structure in France is such that our non-laboratory company subsidiary, Cefid, holds 25% of the voting rights and share capital in certain of our French laboratory subsidiaries (currently Cerba Selafa), with clinical pathologists operating such French laboratory subsidiaries holding the balance, i.e., a majority of the voting rights. The by-laws of such French laboratory subsidiaries grant approximately 99% of financial rights (rights to receive dividend payments) to Cefid as regards Cerba Selafa. In addition, Cerba Selafa holds up to 49.9% of the voting rights in our other French laboratory company subsidiaries, with clinical pathologists operating each such other French laboratory subsidiary holding a majority of the voting rights. Cerba Selafa also holds between approximately 70% and 99.99% of these subsidiaries' financial rights.

The subsidiary shareholders of our French laboratory subsidiaries have entered into shareholders' agreements with the clinical pathologists working in the relevant French laboratory subsidiary. Although these shareholders' agreements provide such subsidiary shareholders with *de facto* control on major decisions relating to the operations of the laboratory subsidiaries through veto rights within controlling bodies (board of directors or strategic committees), the Company does not exercise control over the appointment by the subsidiary shareholders of its representatives in the controlling bodies of the French laboratory subsidiaries, as these decisions can be taken by the clinical pathologists owning a majority of the voting rights in the subsidiary shareholders. In addition, the obligations and constraints resulting from these shareholders' agreements are limited by French regulatory constraints regarding the independence of clinical pathologists. See "*Business—Our Specific Corporate Structure*." This legal structure does not confer on us the same powers we would have if we were holding all or a majority of the voting rights of our French subsidiaries. As a result, we are dependent on the clinical pathologists who hold the majority of the voting rights in our French subsidiaries for decisions affecting these subsidiaries' day-to-day routine operations. Although, with respect to other actions at Cerba Selafa, we exercise *de facto* control, the clinical pathologists who hold the majority of the voting rights in our French laboratory subsidiaries may not necessarily share our views on the manner in which the subsidiaries should be managed and may exercise their voting rights in a manner adverse to us. This could disrupt the operations of our French laboratories and divert our management's time and attention from the day-to-day operation of our business. If our business activities were disrupted due to a conflict with our clinical pathologists, our operating results could be negatively affected.

In addition, under the terms of the by-laws and shareholders' agreements of certain of our French laboratory subsidiaries, we may be required to purchase shares held by the clinical pathologist shareholders, upon their retirement or for other reasons. This could result in our holding a greater percentage of the share capital and voting rights in such French laboratory subsidiaries than is permitted by French law. Although there is a one-year grace period in the law to reduce the holdings back down to the maximum permitted level, if we fail to reduce our holdings within such period, we may be required to dissolve or wind-up such subsidiary. Furthermore, as the grace period does not technically apply to the validity of the licenses of such subsidiaries and as such if we surpass the maximum ownership threshold for share capital and voting rights, even during the one-year grace period, the licenses of such subsidiaries could be subject to revocation.

Although we typically seek to align the shareholders' agreements of our newly acquired French laboratory subsidiaries with those of our existing subsidiaries, as the consent of the clinical pathologists is required for such alignment, there can be no assurance that we will be able to do so in the future, including in connection with the Acquisition.

We are subject to numerous legal and regulatory requirements governing our activities, and we may face substantial fines and penalties, and our business activities may be negatively impacted if we fail to comply.

Our business is subject to, and impacted by, extensive, stringent and frequently changing laws and regulations in each of the countries in which we operate, including laws and regulations relating to:

- billing and reimbursement of clinical tests;
- certification or licensure of clinical laboratories;
- operational, personnel and quality requirements relating to clinical laboratory testing, including quality control audits by regulatory authorities to which we are periodically subject;
- safety and health of clinical laboratory employees;
- handling, transportation and disposal of medical samples and infectious and hazardous waste;

- direct and indirect ownership of clinical laboratories in France (including the ownership, by the shareholders of laboratory companies, of other businesses in certain sectors);
- outsourcing of clinical laboratory services in France;
- market share for clinical laboratory testing within a given geographic area in France;
- personnel redeployment or personnel reduction plans;
- relationships with doctors and hospitals (including laws and regulations prohibiting kickbacks and regulating gifts or fringe benefits); and
- privacy of patient data.

These laws and regulations, some of which have not been fully interpreted by courts as to their extent, may require us to modify our operations or impose additional compliance expenses or burdens or give rise to administrative fines and penalties. For example, recent French regulatory reforms have imposed stricter International Organization for Standardization ("ISO") operating standards (namely ISO 15189), and introduced minimum accreditation standards for laboratories to be complied with by 2020 (with two intermediary steps in 2016 and 2018), the implementation of which is expected to be costly and time-consuming. The laboratory accreditation process is likely to involve the preparation of written applications, site studies and assessment of the scope of changes required to comply with new standards, the appointment of external qualified experts, the training of our staff, the participation of our staff in the process in addition to their usual workload, the payment of certain administrative fees and the implementation of new quality software. Accreditation may be delayed based on many factors, including the number of sites operated by a clinical laboratory and the responsiveness of the accreditation body, the COFRAC (*Comité français d'accréditation*). Although we have already undertaken to conduct our business in compliance with these heightened standards, any further changes in laws and regulations may require us to further modify our operations. In Belgium, accreditation under ISO 1589 became a condition for the reimbursement of laboratory tests performed on the DNA of a micro-organism (virus) (see Royal Decree of March 19, 2008 establishing the nomenclature of healthcare services relative to the public health insurance and modifying the annex of the Royal Decree of September 14, 1984). According to a Royal Degree of January 31, 2006, BELAC (*Organisme belge d'Accréditation*) is the only public body authorized to give such an accreditation.

In addition, as discussed above, French law imposes stringent restrictions on the legal structure and ownership of clinical laboratories. See "*Regulation—France*" and "*—We may not exercise full control over the operations of certain of our French subsidiaries in which we have a minority voting interest and are dependent on the clinical pathologists who own a majority voting interest in them to conduct the operations of such subsidiaries*."

In addition, we are subject to specific Belgian regulations relating to the operation of the clinical laboratory business. See "*Regulation—Belgium*." In particular, the Royal Decree of April 26, 2007 (implementing article 3 §1(2) of the Royal Decree n° 143 of 30 December 1982) lists the four legal forms that clinical laboratory companies should take in order to be eligible for reimbursement by the Belgian public health insurance system. These four corporate forms are: *société privée à responsabilité limitée/ besloten vennootschap met beperkte aansprakelijkheid* (SPRL/BVBA), *société en nom collectif/vennootschap onder firma* (SNC/VOF), *société coopérative/cooperative vennootschap* (SC/CV) and *association sans but lucratif/vereniging zonder winstoogmerk* (ASBL/VZW). This Royal Decree (after having been extended once) expired on December 31, 2012. The relevant agencies have not shown any indication that reimbursements would cease. The current legal gap should be filled by a new Decree which, as of January 2015, is still in draft form and should be submitted to the Belgian government for approval. According to oral sources at the INAMI, this draft Decree (i) will leave unchanged the four legal forms that clinical laboratories should take in order to be eligible for reimbursement by the Belgian public health insurance system and (ii) will provide that these rules are no longer subject to expiration. However, this information has been obtained from unofficial sources at the INAMI. It is currently unclear whether the draft Decree will be adopted and, if so, what its content will be. The absence of any form of extension of the duration of the Royal Decree of April 26, 2007 could have a significant impact on all Belgian laboratories run under the same corporate form as ours, including us.

Through our Central Lab business, we are exposed to stringent regulations relating to the conduct of the pharmaceutical business from drug safety regulators (such as the U.S. Food and Drug Administration, the U.K. Department of Health and the European Medicines Agency) and from quality control representatives from our clients. We must maintain records and reports for each study we conduct for specified periods for auditing by the study sponsor and by any regulatory authorities. At least once during each clinical trial, we undergo an on-site inspection from our clients to ensure that we are meeting standards laid out in our customer contracts. Changes to certain regulations or government programs that are not directly connected with the clinical laboratory testing market, such as regulations relating to doctors, pharmaceutical companies (particularly in the design and conduct of testing protocols in connection with our Central Lab business), health insurers and hospitals, could also affect us and impair our results of operations and our ability to expand our business.

Although we believe that we are in compliance in all material respects with applicable laws and regulations, there can be no assurance that a regulatory agency or tribunal would not reach a different conclusion. If we fail to comply with applicable laws and regulations, if they change in a manner adverse to us or if we cannot maintain, renew or secure required permits, licenses, accreditations or other necessary regulatory approvals, we could be unable to operate our business or commercialize our services in the relevant jurisdictions, be excluded from participating in governmental healthcare programs, suffer civil and criminal penalties or fines, or incur additional liabilities from third-party claims. If any of the foregoing were to occur, our reputation could be damaged, important relationships with government regulators or third parties could be adversely affected and these developments could have a material adverse effect on our business, results of operations or financial condition and prospects.

For more details on the particular regulations that directly affect our business, see “*Regulation*.”

All the arrangements between shareholders of our laboratory companies that are not contained in the by-laws could become unenforceable if they were not communicated to the relevant professional association.

Article L. 6223-8 III of the Public Health Code provides that, in order to be binding and enforceable, all arrangements relating to a laboratory company (including shareholder agreements) must be communicated to the relevant professional association (*Ordre national des pharmaciens* and/ or *Ordre national des médecins*). Failing to do so, the shareholding agreements pertaining to our laboratory companies could become unenforceable.

For more details on the particular regulations that directly affect our business, see “*Regulation*.”

Our Central Lab business depends on the pharmaceutical industry and creates a risk of liability.

Our Central Lab business relies on contracts with pharmaceutical companies and contract research organizations to carry out drug development trials and studies. As a result, our Central Lab net sales depend greatly on the expenditures made by pharmaceutical companies in research and development. In some instances, pharmaceutical companies are reliant on the strength of their financial performance or their ability to raise capital in order to fund their research and development projects. Accordingly, economic factors affecting our Central Lab customers’ financial performance or their access to the capital markets also affect our business. Further, changes by health insurance companies or government payers in reimbursement practices or in setting the tariffs for pharmaceutical products or changes in regulatory guidelines for compound testing could have a negative effect on our customers’ research and development budgets. If pharmaceutical companies were to reduce the number of research and development projects they conduct or outsource, our Central Lab business and, as a consequence, our results of operations as a whole could be materially adversely affected.

Further, our Central Lab business exposes us to a range of potential liabilities related to several factors, such as:

- risks associated with our possible failure to properly care for our customers’ property, such as samples, trial products, records, work in progress, other archived materials, or goods and materials in transit, while in our possession;
- risks associated with potential delays and/or cancellations of trials;
- errors or omissions from tests conducted for the pharmaceutical industry;
- errors or omissions during a study that may undermine the usefulness of a study or data from the study; and
- errors or omissions that result in harm to volunteers during a trial or injury to consumers of a drug after regulatory approval of such drug.

While we endeavor to maintain appropriate liability insurance coverage and to include in our contracts provisions entitling us to be indemnified or entitling us to a limitation of liability, these provisions do not uniformly protect us against liability arising from certain of our own actions, such as negligence or misconduct. We could be materially and adversely affected if we were required to pay damages or bear the costs of defending any claim which is not covered by a contractual indemnification provision or in the event that a party who must indemnify us does not fulfill its indemnification obligations or which is beyond the level of our insurance coverage or for which insurance coverage is not available. There can be no assurance that we will be able to maintain insurance coverage on terms acceptable to us. Any indemnity or damages that we must pay in excess of our insurance coverage could have a negative impact on our results of operations.

Failure to establish and comply with appropriate quality standards in the provision of our testing services could result in litigation and liabilities and adversely impact our reputation.

The tests we perform as part of our Routine Lab and Specialized Testing businesses are intended to supply healthcare professionals with information to help them establish or support diagnoses and prescribe medication and treatment for patient care. Our Central Lab operations provide pharmaceutical companies with data on the safety and efficacy of their products. Inaccuracies or negligence in performing our testing services could lead to inaccurate drug efficacy and safety studies, incorrect diagnoses by doctors, prescriptions of inappropriate treatment or decisions not to prescribe treatment when treatment is required, which may lead to illness, harm, death, other adverse effects or liabilities. Errors such as misidentifying or inaccurately labeling samples, compromising the integrity of samples and errors caused by testing machines or reagents may occur. Claims and litigation against us may result in liability for the harm or other adverse effects caused. Payments related to such liabilities may adversely affect our liquidity and financial position. The process of defending such cases, even when we are successful in our defense, is costly, could distract management from executing our strategy and could result in substantial damage to our reputation in the medical community and with patients. To the extent we are held liable for misrepresentation or negligence, the damages that we may owe could have a material negative financial impact on our business.

We face risks associated with the acquisition of businesses, including the Menelabs acquisition, in connection with our strategy.

In the past we have made strategic acquisitions by acquiring large laboratory testing groups in France, Belgium and Luxembourg, such as CBCV, Biolille, Biotop, Bioréunion, JS Bio and LLAM. Our growth strategy is to focus on smaller acquisitions of laboratories and integrate them into our network, particularly in France, and we may consider larger acquisitions in other regions and segments of the market. For instance, on June 16, 2016 we entered into an acquisition agreement pursuant to which Cerba HealthCare acquired 100% of the share capital of Menalabs, a group of medical biology laboratories located in the United Arab Emirates.

We plan to pursue our focus on small acquisition targets going forward and we will also selectively consider larger strategic acquisitions to the extent they complement our network. Any such acquisition could substantially increase the amount of our outstanding debt.

The success of our acquisition strategy is dependent upon our ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favorable terms and ultimately complete such transactions and integrate the acquired business into our group. Our plans to acquire additional businesses in the future are subject to the availability of suitable opportunities at an attractive price, particularly in France. The continued consolidation of the French clinical laboratory testing market, as well as the restrictions on both regional market share and outsourcing, may limit the opportunities for acquisitions. Reduction of laboratory ownership constraints in France has led to the development of regional laboratory hubs that combine several smaller local laboratories into a larger regional entity. However, French regulation still limits the proportion of tests that one person or entity may perform in a specified territory, which limits our ability to pursue this strategy. Further, French tax reforms may limit clinical pathologists' willingness to sell to a potential acquiror by imposing prohibitive capital gains tax rates. Some of our competitors are following similar acquisition strategies and they, and certain financial investors interested in entering our market, may have greater financial resources available for investments or may have capacity to accept less-favorable terms than we can accept, preventing us from acquiring the businesses that we target and/or reducing the number of potential acquisition targets. In addition, certain of our competitors already have, or may attain through acquisitions, a greater geographical footprint within a particular region, country or within Europe, making them a more attractive acquirer for potential targets seeking to join a network, the size of which they believe will provide greater business prospects.

We expand into new regions by first acquiring an existing regional cluster together with, or followed by bolt-on acquisitions of, smaller laboratories that we transform into collection centers where samples are collected from patients and sent to be tested at the regional technical platform. Generally, we acquire businesses based, in part, on anticipated synergies that will materialize after we are able to combine the acquired business with our own. The success of our acquisition strategy hinges upon the successful realization of such synergies within a reasonable timeframe. Achieving synergies, particularly from the acquisition of large regional clusters, can be difficult and uncertain. We anticipate such synergies based on our due diligence of the target company (including its existing governance structure) as well as standalone business models. Changes in either affect the time in which we are able to realize such synergies or our ability to realize them at all. There can be no assurance that we will be able to maintain the customer base, suppliers or other contractual arrangement with third parties of businesses we acquire (in particular where they are subject to change of control clauses), generate expected margins or cash flows, or realize the anticipated benefits of such acquisitions, including growth or expected synergies, in the timeframe we initially anticipate, if at all. Although we analyze acquisition targets, those assessments are subject to assumptions concerning profitability, growth, interest rates, company valuations and ability to redeploy the workforce. There can be no assurance that our assessments of and assumptions regarding acquisition targets will prove to be correct, and actual developments may significantly differ from our expectations. In most cases, acquisitions involve the integration of a separate business that was previously operated independently with different systems and processes.

Even if we are able to acquire new companies, unless we are able to integrate the companies we acquire in the future into our own operations successfully, our ability to expand our operations and operate efficiently may weaken. We may not be able to integrate acquisitions successfully into our business or such integration may require more investment or time than we expect, and we could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, suppliers, government authorities or public health programs, private health insurers, or to other parties, which may impact our results of operations. Certain of the businesses we acquire, including Novescia, may not have robust accounting systems and internal controls and reporting systems, and as such the historical financial results of such businesses may be different from those reported to us. Additionally, from time to time, disputes may arise with the sellers of businesses we acquire, some of which continue to hold interests in the company and/or management positions. See "*Business—Legal proceedings*." The process of integrating businesses may be disruptive to our operations and may cause an interruption of, or a loss of momentum in, such businesses or a decrease in our results of operations as a result of difficulties or risks, including:

- unforeseen legal, regulatory, contractual and other issues (in particular where they are subject to change of control clauses);
- loss of key customers or employees;
- delays in redeploying our workforce;
- difficulty in standardizing information and other systems;
- difficulty in consolidating facilities and infrastructure;
- difficulty in realizing operating synergies;
- failure to maintain the quality or timeliness of services that we have historically provided;
- added costs of dealing with such disruptions;
- regulatory and labor law restrictions on the redeployment or termination of employees;
- unforeseen challenges from operating in new geographic areas; and
- diversion of management's attention from our day-to-day business as a result of the need to deal with the foregoing disruptions and difficulties.

Furthermore, we operate and acquire businesses in different countries, with different regulatory and operating cultures, which may exacerbate the risks described above.

If we are unable to implement our acquisition strategy or integrate acquired businesses successfully, our business and our growth could be negatively affected.

We have recorded a significant amount of goodwill and we may never realize the full value thereof.

We have recorded a significant amount of goodwill. Total goodwill, which represents the excess of cost over the fair value of the net assets of the businesses acquired, was €970.2 million as of June 30, 2016, or 69.6% of our total assets.

Goodwill is recorded on the date of acquisition and, in accordance with IFRS, is tested for impairment annually and whenever there is any indication of impairment. Impairment may result from, among other things, deterioration in our performance, a decline in expected future cash flows, adverse market conditions, adverse changes in applicable laws and regulations (including changes that restrict the activities of, or affect the services provided by, our laboratories) and a variety of other factors. The amount of any impairment must be expensed immediately as a charge to our income statement. Any future impairment of goodwill may result in material reductions of our income and equity under IFRS.

If we lose the services of members of our senior management team, our business and operating results may be harmed.

The execution of our strategy and our continued success depend in part on the skills, continued efforts and motivation of our senior management team. Our strategy for organic growth and improved operating efficiency depends on our senior management having deep knowledge of our business operations. Our external growth strategy requires knowledge of the dynamics and relevant players in the various markets in which we operate. Loss of the services of key members of our senior management or experienced personnel could disrupt the pursuit of our strategy. If one or more members of our senior management team or key personnel are unable or unwilling to continue in their present positions, including for health, family or other personal reasons, we may not be able to replace them easily or at all. An inability to attract and retain qualified members or key personnel in a timely manner could have a material and adverse effect on our business, prospects, results of operations and financial condition.

If we fail to recruit specialized clinical pathologists, our businesses, particularly our Specialized Testing business, could be adversely affected.

The success of our business depends on employing and retaining qualified, highly skilled and experienced clinical pathologists who can maintain and enhance our reputation by providing testing services in accordance with our standards. Our Specialized Testing business in particular is reliant on skilled clinical pathologists who have the scientific and technical expertise required to interpret the highly sophisticated tests we perform. Although the labor market for clinical pathologists in general is favorable to employers, it may be difficult to recruit and maintain the employment of the specialized clinical pathologists we need for our Specialized Testing business. Failing to do so could have a material adverse effect on our business and results of operations.

Increased competition could have a material adverse impact on our results of operations.

We are subject to competition from other market participants, particularly with respect to our Specialized Testing and Central Lab businesses.

We face competition from other specialized laboratories based on the types of services we are able to offer, from the range of tests that we provide to the other non-testing services we provide to local laboratories, such as the pickup and delivery of sample containers. Although our Specialized Testing business is subject to regulatory pricing constraints in France we are not technically subject to regulated prices in other jurisdictions. Price-based competition in countries where prices are not regulated is, however, a commercial constraint for us as we have to propose to our clients competitive conditions compared to competitors who provide services locally. In France regional laboratory hubs have recently begun forming due to the easing of regulatory restrictions on ownership and are a new source of competition for our Specialized Testing business. These hubs are increasingly able to justify the costs of performing certain specialized tests due to the combined laboratories' volume of demand. To a more limited degree, our Specialized Testing business also faces competition from hospitals that are able to provide testing themselves.

Our Central Lab business is less regulated than our other lines of business and subjects us to stronger competition. We face competition from other companies based on their pricing, the scope of their testing offerings, their scientific and medical expertise, their ability to process samples and report data accurately and in a timely manner, their historical experience and customer relationships and the quality of their facilities. We face competition from large international companies. In addition, we believe that regulatory developments and price-based competition in particular will lead to further consolidation of the central laboratory testing market, which may further increase price pressure in the central lab business. Certain of our competitors with greater financial resources and stronger market positions than ours could reduce their prices further than we might be able to in order to increase their market share, offer larger operational resources and broader geographical reach, or conduct more effective marketing programs.

If we are unable to compete effectively with other companies, our results of operations may be materially adversely affected.

The internalization of testing by hospitals and regional laboratory hubs, as well as the development of new, more cost-effective tests that can be directly performed by the customers of our Specialized Testing business, could negatively impact our testing volume and net sales.

Our Specialized Testing customers include public and private hospitals and clinical laboratories that choose to outsource their specialized testing. Our customers choose to outsource their specialized testing because they lack the expertise or the resources to cost effectively conduct the testing themselves. However, as technology progresses, customers may find it more cost efficient to perform certain specialized tests themselves. For example, until recently, blood testing for the presence of vitamin D was a fairly complex procedure offered only by sophisticated clinical laboratories. However, a new routine testing technology was recently developed that allowed smaller laboratories with less sophisticated equipment to perform the test themselves. This led to a significant decrease in the demand for our specialized vitamin D blood test. Today, we no longer derive net sales from vitamin D testing in our Specialized Testing business unit. Additionally, as smaller clinical laboratories consolidate, they may have the requisite financial resources and demand to begin performing certain specialized tests for themselves and offering to do so for others. Manufacturers of laboratory equipment and test kits could seek to increase their sales by marketing point-of-care test equipment to doctors. Finally, over time, if technology improvements or patient awareness lead to increased demand, tests that we consider part of our Specialized Testing business may become more routine, tending to be performed by routine laboratories instead of specialized laboratories, and thus subject our business to downward pricing pressure. If our customers become able to perform specialized tests themselves, and if we do not offer new or alternative tests attractive to our customers, the demand for our Specialized Testing business would be reduced and our net sales would be materially adversely impacted.

Failures of our information technology systems could disrupt our operations and cause the loss of customers or business opportunities.

Information technology (or “IT”) systems are used extensively in virtually all aspects of our business and across each of our lines of business, including for test reporting, billing, customer service, logistics and management of medical data. Our operations depend on the continued and uninterrupted performance of our IT systems. IT systems are vulnerable to damage from a variety of sources, including telecommunications or network failures, human acts and natural disasters. Moreover, despite the security measures we have implemented, our IT systems may be subject to physical or electronic break- ins, computer viruses and similar disruptive problems.

IT problems may impact our ability to process test orders, deliver test results, perform or bill for tests in a timely manner or maintain the privacy of the medical data we collect. If we experience significant or recurring IT systems problems, including with our implementation of standard laboratory or billing systems, our operations would be disrupted. If our operations were so disrupted, it could adversely affect our reputation, expose us to litigation or regulatory sanction and result in a loss of other customers and negatively affect our net sales.

Additionally, as a consequence of having grown mostly through acquisitions, we do not employ a uniform software platform among our laboratories. Newly acquired laboratories may continue to use their existing IT systems for an indefinite amount of time after their acquisition, although we encourage them to adopt one of two pre-approved IT platforms when they consider changing their systems. Because most of our operations involve using a single laboratory for a particular sample and/or patient file, we do not believe it is necessary to implement a uniform information technology system across our group. However, there is a risk that our operations could be disrupted due to any incompatibility among the information technology systems we use, which could have an adverse effect on our business and results of operations.

Failure to bill timely or accurately for our services could have a material adverse effect on our business.

Billing for our Routine Lab and Specialized Testing businesses is a complex process involving several payers. Depending on the billing arrangement and the applicable law of the country in which we operate, the payer may be a third party responsible for providing health insurance coverage to patients (such as national public health insurance or a private medical insurance plan), a patient or other party (such as a hospital, another laboratory or an employer) who outsourced testing to us, or a combination of these parties. Changes in laws and regulations and the payment policies of third-party payers could increase the complexity and cost of our billing process. In addition, we must maintain procedures to ensure compliance with applicable laws and regulations in order to ensure that we bill properly for our testing, adding to the cost of the billing process and our ability to collect payment. For example, new regulation in France in 2012 required that we invoice a routine laboratory that outsources a test to our Specialized Testing business instead of invoicing patients directly. Certain routine laboratories refused to comply with these arrangements, which delayed our collection of payments and adversely affected our cash flows. In connection with our Central Lab business, we bill our clients directly through a contractually arranged billing framework. Changes in the terms of contractual arrangements with clients could result in further expense associated with collecting amounts due to us for our testing. In general, failure to bill timely or accurately for our services or increased complexity in billing arrangements and procedures may result in delayed payment, increase our working capital requirements and adversely affect our results of operations.

Financial difficulties of certain of our clients or third-party payers may require us to write off debts.

We encounter third-party credit risk where we are reliant on the ability of a third party to be able to pay for services we provide. We are exposed to varying levels of third-party credit risk across our lines of business. Generally, we bill patients directly for tests rendered as part of our Routine Lab business. In France and Belgium, although the government sets tariffs for laboratory testing, only a portion of the cost is paid by social security systems. For example, the social security system in France financed approximately 65% of the spending in the French private clinical pathology testing market in 2012. In order to make up the difference, patients must either pay out of pocket or file a claim with a private insurance company. As a result, we are exposed to the risk of not being able to collect amounts due from patients who are unwilling or unable to pay the portion of the cost for which they are responsible. Our Specialized Testing business relies on payment from patients or insurance companies to cover all or a portion of a test’s cost, although in France, new regulations require that we directly invoice routine labs outsourcing specialized testing. Collection efforts for amounts due from our Specialized Testing business can be difficult, especially from patients in countries where there is no primary government payer of healthcare expenses. In addition, our Central Lab business bills pharmaceutical companies and contract research organizations directly for tests we perform. If a third-party payer or a company with which we have a contractual relationship undergoes financial difficulties, we may not be able to collect amounts payable to us, resulting in write-offs of such debt. We maintain reserves for doubtful accounts and amounts past due. However, there can be no assurance that such reserves are sufficiently large for the third-party credit risks we face. Significant or recurring incidents of bad debts would adversely impact our financial condition and results of operations.

Our Central Lab backlog may not be indicative of future results.

Our Central Lab backlog of approximately €67.4 million as of September 30, 2014 is based on anticipated net sales from uncompleted projects that our customers have awarded. Once work begins on a project, net sales are recognized over the duration of the project. Backlog is the amount of net sales that remains to be earned and recognized on written awards, signed contracts and letters of intent. While the amount of net sales included in the backlog are reviewed on a semi-annual basis to reflect signed contracts and letters of intent by our auditors, there can be no assurance that the net sales included in the backlog are a fair and accurate indicator of future net sales. In addition, contracts included in our backlog are generally subject to termination by our customers at any time. In the event that a customer cancels a contract, we typically would be entitled to receive payment for all services performed up to the cancellation date and subsequent customer-authorized services related to terminating the cancelled project.

Our backlog may not be indicative of our future results and we cannot assure you that we will realize all the anticipated future revenue reflected in our backlog. A number of factors may affect backlog, including:

- the variable size and duration of a project;
- the loss or delay of a project;
- the change in the scope of work during the course of a project; and
- the cancellation of such contracts by our customers.

Also, if projects are delayed, the projects will remain in backlog but will not generate net sales at the rate originally expected. Cancellation or delay of a large contract or multiple smaller contracts could result in underutilized resources and require an adjustment to our backlog, negatively affecting our net sales and results of operations. The historical relationship of backlog to net sales actually realized by us should not be considered indicative of future results.

Failure to comply with and liabilities arising under environmental, health and safety laws and regulations could result in the imposition on us of fines, penalties and other costs and the loss of our licensing, which could have a material adverse effect upon our business.

Our operations are subject to licensing and other requirements under EU, national and local laws and regulations relating to the protection of the environment and human and occupational health and safety, including those requirements governing the handling, transportation and disposal of medical samples and biological, infectious and hazardous waste, as well as those relating to the safety and health of laboratory employees. For example, we must meet strict requirements in all jurisdictions in which we operate for the disposal of laboratory samples at authorized facilities and undergo regular audits from national regulators in order to ensure compliance with mandated quality control standards. In addition, we must meet extensive requirements relating to workplace safety for employees in clinical laboratories who could be exposed to various biological risks such blood-borne pathogens (including HIV and the viruses that cause hepatitis). These requirements include work practice controls, protective clothing and equipment, training, medical follow-up, vaccinations and other measures designed to minimize exposure to, and transmission of, blood-borne pathogens.

The environmental, health and safety regulations to which we are subject, including those governing the disposal of medical waste, are likely to become more stringent over time, and our costs to comply with these requirements are likely to increase. Moreover, we could incur substantial costs and sanctions, including civil and criminal fines and penalties, enforcement actions, or the suspension or termination of our licenses to operate as a result of violations of our responsibilities under these laws and regulations, any of which could have a material adverse effect on our business. We also may become subject to claims from employees or other persons, such as those alleging injury or illness resulting from exposure to the samples or waste they handle.

Disruption, failure or unsuitable delivery of sample transportation services could adversely affect our business and financial results.

The proper handling of samples during collection and transportation is essential for maintaining their integrity and ensuring safety from accidental exposure to potentially infectious microorganisms. The vehicles used to transport samples must satisfy relevant legal, practical and technical requirements, which vary depending on the type of samples transported. These requirements include, for example, the use of appropriate transport containers and packaging, the labeling of containers, the manner in which samples and containers are stored in the vehicle, the temperature at which samples must be transported and the duration of the journey. Drivers employed to transport samples must be trained to handle biological samples in accordance with best practices and applicable laws and regulations. Mishandling the sample in the collection and transportation process can increase the likelihood of errors in laboratory testing.

Efficient transportation of samples is key to both our Routine Lab and Specialized Testing businesses. Our Routine Lab business operates on a model of several collection centers where samples are collected and then delivered to technical platforms where testing takes place. We handle the transport of Routine Lab samples from collection centers to technical platforms ourselves.

Our Specialized Testing business collects samples for testing from over 50 countries in Europe, North Africa and the Middle East to be delivered to our laboratory in Saint-Ouen-l'Aumône, France. In order to ensure the smooth transportation of samples over such long distances, we outsource our Specialized Testing transportation logistics. We do not control the facilities or operations of our outsourced logistics provider and depend on it for its sample transportation services and conducting its operations in a manner sufficient to maintain the integrity of samples. In the event of a fault on the part of our outsourced logistics provider, we have the contractual right to take control of the provider's vehicles and personnel to assure continuation of service. However, any interruption of our outsourced logistics provider's operations or any failure by it to fulfill its contractual commitments could result in damage to our reputation, claims against us and the loss of customers, which would adversely affect results of operations, financial condition and prospects.

A significant portion of our net sales is derived from operations we conduct at our facility in Saint-Ouen-l'Aumône, France. A disruption in the operations of that facility could have a material adverse effect upon our business and results of operations.

All of the tests we perform as part of our Specialized Testing business and a portion of the tests we carry out for our Central Lab business are conducted at our facility in Saint-Ouen-l'Aumône, France. Our administrative headquarters is also located there. As a result, its uninterrupted functioning is important to our business. If our operations at that facility were to be disrupted or compromised for an extended period of time, it could have a material adverse effect upon our Specialized Testing and Central Lab businesses and, as a consequence, our results of operations as a whole.

We are subject to stringent privacy laws and information security policies.

We receive, generate and store significant volumes of personal and sensitive information, such as patient medical information, and are therefore subject to privacy and security regulations with respect to the uses and disclosures of protected health information intended to protect the confidentiality, integrity and availability of such information. Privacy and security regulations establish a complex regulatory framework on a variety of subjects, including:

- the circumstances under which use or disclosure of protected health information is permitted or required without a specific authorization by the patient;
- a patient's rights to access, amend and receive an accounting of certain disclosures of protected health information;
- the requirements to notify patients of privacy practices for protected health information;
- administrative, technical and physical safeguards required of entities that use or receive protected health information; and
- the protection of computing systems that store protected health information.

If we do not adequately safeguard confidential patient data or other protected health information, or if such information or data are wrongfully used by us or disclosed to an unauthorized person or entity, our reputation could suffer and we could be subject to fines, penalties and litigation.

Adverse results in material litigation could have an adverse financial impact and an adverse impact on our client base and reputation.

We have been involved, and may be involved in the future, in various legal proceedings arising in the ordinary course of business, including disputes concerning professional liability and employee-related matters, regulatory matters, as well as inquiries from governmental agencies and health insurance carriers regarding, among other things, billing issues. Additionally, from time to time, disputes may arise with the sellers of businesses we acquire, some of which continue to hold interests in the company and/or management positions. See "*Business—Legal Proceedings*". Some of the proceedings against us may involve claims for substantial amounts and could divert management's attention from day-to-day business operations to address such issues. Proceedings may result in substantial monetary damages, damage to our reputation and decreased demand for our services, all of which could have a material adverse effect on our business. The ultimate outcome of such proceedings or claims could have a material adverse effect on our financial condition, results of operations or cash flows in the period in which the impact of such matters is determined or paid.

We may incur liabilities that are not covered by insurance.

We carry insurance of various types, including workers' compensation, employment practices, pension-related and general liability coverage. We maintain insurance policies both at the group level as well as policies for individual laboratories that we operate through our various subsidiaries. While we seek to maintain appropriate levels of insurance, not all claims are insurable and there can be no assurance that we will not experience major incidents of a nature that is not covered by insurance. We maintain an amount of insurance protection that we believe is adequate, but there can be no assurance that our insurance cover will be sufficient or effective under all circumstances and against all liabilities to which we may subject. We could, for example, be subject to substantial claims for damages upon the occurrence of several events within one calendar year. In addition, our insurance costs may increase over time in response to any negative development in our claims history or due to material price increases in the insurance market in general. There can be no assurance that we will be able to maintain our current insurance coverage or do so at a reasonable cost.

Labor disputes could disrupt our operations or lead to higher labor costs.

We are subject to the risk of labor disputes, which may disrupt our operations. Labor laws applicable to our business in certain countries, particularly France, are relatively rigorous. In numerous cases, labor laws provide for the strong protection of employees' interests. In addition, some of our employees are members of unions or, based on applicable regulations, represented by work councils or other bodies. In many cases, we must inform, consult with and request the consent or opinion of union representatives or work councils in managing, developing or restructuring certain aspects of our business. These labor laws and consultative procedures could limit our flexibility with respect to employment policy or economic reorganization and could limit our ability to respond to market changes efficiently. Even where consultative procedures are not mandatory, important strategic business decisions could be negatively received by some employees and employees' representative bodies, which could lead to labor actions that could disrupt our business.

Although we believe our relations with employees are good and French law in particular limits the ability of workers involved in the provision of healthcare services (which would include certain of our employees) to go on strike, our operations may nevertheless be materially affected by strikes, work stoppages, work slowdowns or other labor-related developments in the future, which could disrupt our operations and adversely affect our business, financial condition and results of operations. Our employees in certain countries benefit from collective bargaining agreements, and we may not be able to periodically renegotiate collective agreements on acceptable terms. Settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements may adversely affect our labor costs, productivity and flexibility.

The results of some entities are fully consolidated in the financial statements of the Company, despite the fact that the Company holds less than 50% of the voting rights for such entities.

The results of our French subsidiaries are fully consolidated in the consolidated balance sheet and income statement of the Original Company and of the Company despite us owning, directly or indirectly, less than 50% of the voting rights of our French laboratory subsidiaries. See *"—We may not exercise full control over the operations of certain of our French subsidiaries in which we have a minority voting interest and are dependent on the clinical pathologists who own a majority voting interest in them to conduct the operations of such subsidiaries*." However, although Cefid, our wholly- owned subsidiary, holds, directly or indirectly, less than a majority of the voting rights for these French laboratory subsidiaries, the by-laws of these entities grant Cefid, directly or indirectly, between approximately 70% and 99.99% of the financial rights in such entities, including through, in certain cases, share capital. However, decisions by such French laboratory subsidiaries to pay dividends in excess of those required by the by-laws and shareholders' agreements are not controlled by us and we may not have access to all the cash in such entities.

In addition, because Cefid owns, directly or indirectly, less than 100% of the financial rights in certain of our French laboratory subsidiaries, we have access to only a portion of the EBITDA and assets of these entities.

Risks related to our indebtedness

The Issuer and certain of the Guarantors are holding companies that have no revenue generating operations of their own and will depend on cash from the operating companies of our group to be able to make payments on the Senior Secured Notes, the Senior Notes or their respective Note Guarantees.

The Issuer and certain Guarantors are holding companies with no business operations other than the equity interests and/or intercompany receivables they hold in each of their subsidiaries. The Issuer and such Guarantors are dependent upon the cash flow from their operating subsidiaries in the form of dividends, interest payments on intercompany loans or other distributions to meet their obligations, including their obligations under the Senior Secured Notes, the Senior Notes or their respective Note Guarantees, respectively. If the subsidiaries of the Issuer do not fulfill their obligations under any intercompany loans to make scheduled payments on the Notes, the Issuer may not have any other source of funds that would allow it to make payments to the holders of the Senior Secured Notes or the Senior Notes, as applicable. The amounts of such payments, dividends and other distributions available to the Issuer and such Guarantors will depend on the profitability and cash flows of their respective subsidiaries as well as the ability of those subsidiaries to declare dividends under applicable law. The subsidiaries of the Issuer and such Guarantors, however, may not be able to, or may not be permitted under applicable law to, make distributions, make interest payments on, or otherwise advance upstream loans to the Issuer or such Guarantors to make payments in respect of their debt, including the Senior Secured Notes, the Senior Notes and the Note Guarantees. While the Senior Secured Notes Indenture limits, and the Senior Notes Indenture will limit, the ability of the Issuer's subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments, these limitations are subject to significant qualifications and exceptions, including exceptions for restrictions imposed by applicable law. In addition, the subsidiaries of the Issuer that do not guarantee the Senior Secured Notes or the Senior Notes, respectively, have no obligation to make payments with respect to the Senior Secured Notes or the Senior Notes, respectively. Furthermore, with respect to certain French laboratory subsidiaries, we do not control the decisions of these subsidiaries to make distributions in excess of the distributions required under the by-laws and shareholders' agreements of such subsidiaries. Moreover, as we do not own 100% of the financial rights (right to dividends) of these entities, whenever a dividend, distribution or other payment is made in respect of a French laboratory subsidiary, a portion is paid to the holders of the relevant minority financial rights.

Our significant leverage may make it difficult for us to operate our businesses.

We currently have, and after the issuance of the Notes will continue to have, a significant amount of outstanding debt with substantial debt service requirements. For instance, our Revolving Credit Facility (which was not drawn on the Temporary Notes Issue Date) provides for borrowings up to an aggregate of €50.0 million, and on the Completion Date and in connection with the Acquisition provided for a one-time increase in the total commitments thereunder in an amount not exceeding €30.0 million, subject to certain conditions, and at all times, the total commitments thereunder may be increased to an amount which does not result in the total commitments under the Revolving Credit Facility exceeding the lower of (i) 65% of Consolidated *Pro Forma* EBITDA (as defined in the Revolving Credit Facility Agreement, including *Pro Forma* EBITDA for acquisitions and taking into account cost savings derived therefrom) for the relevant period and (ii) €200.0 million, subject to certain conditions. Our significant leverage could have important consequences for our business and operations and for holders of the Notes, including, but not limited to:

- making it more difficult for us to satisfy our obligations with respect to the Notes and our other debts and liabilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund acquisitions, organic growth projects and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or general economic or industry conditions;
- placing us at a competitive disadvantage relative to competitors that have lower leverage or greater financial resources than we have;
- limiting our flexibility in planning for or reacting to competition or changes in our business and industry;
- negatively impacting credit terms with our creditors;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities; and
- limiting, among other things, our ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes. Our ability to make payments on and refinance our debt and to fund acquisitions, working capital expenditures and other expenses will depend on our future operating performance and ability to generate cash from operations. Our ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond our control. We may not be able to generate sufficient cash flow from operations or obtain enough capital to service our debt or to fund our future acquisitions or other working capital expenditures.

In addition, we may be able to incur substantial additional debt in the future, including debt in connection with future acquisitions. The terms of the Senior Secured Notes Indenture, the Senior Notes Indenture and the Revolving Credit Facility Agreement permit our subsidiaries to do so, in each case, subject to certain limitations. If new debt is added to our current debt levels, the risks that we now face could intensify. For a discussion of our cash flows and liquidity, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation—Liquidity and Capital Resources*."

We may incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our business.

We may incur substantial additional debt in the future. Although the Senior Secured Notes Indenture, the Senior Notes Indenture and the Revolving Credit Facility Agreement contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of debt that could be incurred in compliance with these restrictions could be substantial. Under the Indenture, in addition to specified permitted debt, we are, or will be, able to incur additional debt so long as our consolidated fixed charge coverage ratio (as defined in the Indenture) on a *pro forma* basis is at least 2.00 to 1.00. In the event such debt is senior secured debt (as defined in the Senior Secured Notes Indenture), our consolidated senior secured leverage ratio (as defined in the Senior Secured Notes Indenture) on a *pro forma* basis is no more than 4.50 to 1.00 or, if incurred in connection with or at any time after a "significant acquisition" by the Issuer or a "restricted subsidiary" (each, as defined in the Senior Secured Notes Indenture), 4.00 to 1.00. We are also able to refinance debt outstanding under our Revolving Credit Facility Agreement with debt incurred in compliance with these ratios and then be able to draw amounts under our Revolving Credit Facility Agreement at a time when we do not meet these ratios. The terms of the Indenture will permit us to incur future debt that may have substantially the same covenants as, or covenants that are more restrictive than, those of the Indenture. Moreover, some of the debt we may incur in the future could be structurally senior to the Notes or may be secured by collateral that does not secure the Notes and the Note Guarantees. In addition, the Senior Secured Notes Indenture, the Senior Notes Indenture and our Revolving Credit Facility Agreement do not prevent us from incurring obligations that do not constitute debt under those agreements. The incurrence of additional debt would increase the leverage-related risks described in this Listing Memorandum.

French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of the interest on our indebtedness incurred in France, thus reducing the cash flow available to service our indebtedness.

Under Article 212 § II of the French *Code général des impôts* (French Tax Code), deductions of interest paid on loans granted by a related party within the meaning of Article 39.12 of the French Tax Code or on loans granted by a third party but guaranteed by a related party (third party assimilated to a related party) may be subject to certain limitations. Deduction for interest paid on such loans may be partially disallowed in the fiscal year during which they are incurred if such interest exceeds each of the following thresholds: (i) the amount of interest multiplied by the ratio of (a) 1.5 times the company's net equity and (b) the average amount of indebtedness owed to related parties (or to third parties assimilated to related parties) over the relevant fiscal year; (ii) 25% of the company's earnings before tax (as increased by certain items for the purpose of these limitations); and (iii) the amount of interest received by the company from related parties (or from third parties assimilated to related parties). Deduction may be disallowed for the portion of interest that exceeds, in a relevant fiscal year, the highest of the above three limitations if such portion of interest exceeds €150,000, unless the company is able to demonstrate for the relevant fiscal year that the indebtedness ratio of the group to which it belongs is higher or equal to its own indebtedness ratio. Moreover, specific rules apply to companies that belong to French tax-consolidated groups (*intégration fiscale*).

The Senior Secured Notes, which are guaranteed by certain of the Issuer's affiliates, may therefore be considered, in whole or in part, as related party debt with respect to such Issuer. As a result, allowable deductions by the Issuer of interest paid in remuneration of the Senior Secured Notes may be limited. In addition, Article 209 § IX of the French Tax Code imposes restrictions on the deductibility of interest expenses incurred by a French company if such company has acquired shares of another company qualifying as "*titres de participation*" within the meaning of Article 219 § I a *quinquies* of the French Tax Code and if such acquiring company cannot demonstrate, with respect to the fiscal years running over the twelve-month period from the acquisition of the shares (or with respect to the first fiscal year opened after January 1, 2012 for shares acquired during a fiscal year opened prior to such date), that (i) the decisions relating to such acquired shares are actually taken by the company having acquired them (or, as the case may be, by a company controlling the acquiring company or by a company directly controlled by such controlling company, within the meaning of Article L 233-3 § I of the French *Code de commerce* (French Commercial Code), that is located in France) and (ii) where control or an influence is exercised over the acquired company, such control or influence is exercised by the acquiring company (or, as the case may be, by a company controlling the acquiring company or by a company directly controlled by such controlling company, within the meaning of Article L 233-3 § I of the French Commercial Code, that is located in France).

We do not expect that this interest deduction limitation would apply to us because the Issuer should be able to prove that it actually (i) has taken and takes the decisions regarding the shares that it owns and (ii) exercises control over its direct and indirect subsidiaries, as the case may be, that these decisions are taken and such control is exercised by Frenchco, which indirectly controls the Company. However, this tax legislation and the related administrative guidelines referenced as BOI-IS-BASE- 35-30-10-20140325 and BOI-IS-BASE-35-30-20- 20130329 remain quite vague and subject to significant uncertainties as to their interpretation. Therefore, we cannot provide any assurance that the French tax authorities would not disagree with our position regarding the tax treatment or characterization of the indebtedness of the group and that this tax legislation would not limit the deductibility of interest on the indebtedness of the group.

Moreover, Article 212 *bis* of the French Tax Code provides for a general limitation of deductibility of net financial charges, subject to certain exceptions. 25% of the adjusted net financial charges incurred by French companies that are subject to French corporate income tax and are not members of a French tax consolidated group (*intégration fiscale*) are added-back to their taxable result, to the extent that such companies' net financial charges (i.e. financial charges decreased by certain financial income) are at least equal to €3.0 million in a given fiscal year. Under Article 223 B *bis* of the French Tax Code, special rules apply to companies that belong to French tax consolidated groups (*intégration fiscale*). The 25% add-back is factored on the basis of the group's consolidated taxable result and applies to the adjusted aggregated net financial charges incurred by companies that are members of the French tax consolidated group (*intégration fiscale*) with respect to amounts made available by lenders outside such group, to the extent that the tax group companies' aggregated net financial charges are at least equal to €3.0 million in a given fiscal year.

Finally, for fiscal years ending on or after September 25, 2013, the deductibility of interest is subject to a new limitation pursuant to Article 22 of the French Finance Law for 2014, as codified under Article 212 § I(b) of the French Tax Code. If the lender is a related party to the borrower within the meaning of Article 39.12 of the French Tax Code, the borrower must demonstrate, at the French tax authorities' request, that the lender is, for the current fiscal year and with respect to the interest concerned, subject to an income tax in an amount at least equal to 25% of the corporate income tax determined under standard French tax rules. Where the related party lender is domiciled or established outside France, the "corporate income tax determined under standard French tax rules" means that to which it would have been liable in France on the interest received if it had been domiciled or established in France. Specific rules apply where the lender is a pass-through entity for French tax purposes, a collective investment scheme referred to in Articles L. 214-1 to L. 214-191 of the French Monetary and Financial Code (which includes UCITSs and AIFs as well as other collective investment schemes such as SICAVs and SPPICAVs with a single shareholder) or, subject to certain conditions, a similar entity organized under a foreign law.

Considering this legislation and guidelines issued by the French tax authorities (BOI-IS-BASE-35-50-20140805 and BOI-IS- BASE-35-10-20140805), this interest deduction limitation should not apply to us. However, we cannot provide any assurance that the French tax authorities would not disagree with our position and that this tax legislation would not limit the deductibility of interest on the indebtedness of the group.

The abovementioned tax rules may limit our ability to deduct interest accrued on our indebtedness incurred in France and, as a consequence, may increase our tax burden, which could adversely affect our business, results of operations and financial condition and reduce the cash flow available to service our indebtedness.

We are subject to restrictive covenants which limit our operating, strategic and financial flexibility.

Our Revolving Credit Facility Agreement, the Senior Secured Notes Indenture and the Senior Notes Indenture contain covenants which impose significant restrictions on the way we can operate, including restrictions on our ability to:

- incur or guarantee additional debt and issue preferred stock;
- make certain payments, including dividends or other distributions;
- make certain investments or acquisitions, including participating in joint ventures or undertaking capital expenditures;

- prepay or redeem subordinated debt;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- agree to limitations on the ability of our subsidiaries to make distributions;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all of our assets or those of our subsidiaries on a consolidated basis;
- engage in business other than certain specified lines of business;
- issue or sell share capital of certain subsidiaries;
- impair the Security Interests granted for the benefit of the holders of the Senior Secured Notes or the Senior Notes, as applicable; and
- create or incur certain liens.

The Revolving Credit Facility Agreement also includes limitations on acquisitions. These covenants could affect our ability to operate our business and may limit our ability to react to market conditions or regulatory developments or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, pursue acquisitions, investments or alliances, restructure our organization or finance our capital needs or such acquisitions.

Our failure to comply with the covenants under the Revolving Credit Facility Agreement or the Indenture, including as a result of events beyond our control, could result in an event of default which could materially and adversely affect our financial condition and results of operations.

Our Revolving Credit Facility Agreement, the Senior Secured Notes Indenture and the Senior Notes Indenture require us to comply with various covenants, including a financial covenant in respect of the Revolving Credit Facility requiring us to maintain a specified leverage ratio. See "*Description of Other Indebtedness—Revolving Credit Facility Agreement*." Our ability to meet this financial ratio could be affected by deterioration in our operating results, as well as by events beyond our control, including, without limitation, decreases in tariffs or reimbursements for laboratory testing services and unfavorable economic conditions, and we cannot assure you that we will be able to meet this ratio. Moreover, the Revolving Credit Facility Agreement includes certain events of default (such as breaches of representations and warranties and defaults if we fail to make payment when due on certain other debt) that are in addition to the events of default set forth in the Indenture. If an event of default occurs under the Revolving Credit Facility Agreement or any of our other debt instruments and is not cured or waived, the holders of the defaulted debt could terminate their commitments and declare all amounts borrowed, together with accrued and unpaid interest and other fees, to be immediately due and payable. Borrowings under other debt instruments, including the Notes, that contain cross-acceleration or cross- default provisions also may be accelerated or become payable on demand. In these circumstances, our assets and cash flow may not be sufficient to repay in full that debt and our other debt, including the Notes then outstanding, if some or all of these instruments were accelerated, which could force us into bankruptcy or liquidation, and we might not be able to repay our obligations under the Notes in such an event.

Furthermore, we do not control a number of our French laboratory subsidiaries, and to the extent they are not parties to the Indenture as Guarantors, they are under no obligation to comply with the covenants in the Indenture. As such, any such French laboratory subsidiary could take unilateral actions that we cannot control that could cause a breach of our covenants under the Indenture and an event of default.

We may not be able to generate sufficient cash to service our debt or sustain our operations, including due to factors outside our control, and may be forced to take other actions to satisfy our debt obligations, which may not be successful.

Our ability to make payments on or to refinance the Notes or our other debt obligations, and to fund working capital and capital expenditures, will depend on our future operating performance and ability to generate sufficient cash. This depends on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control.

Our businesses may not generate sufficient cash flows from operations to make payments on our debt obligations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, or to refinance such debt, including the Notes, or to fund our liquidity needs. If our future cash flows from operations and other capital resources are insufficient to pay obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities, planned acquisitions and capital expenditures;
- sell assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all.

In particular, our ability to restructure or refinance our debt will depend in part on our financial condition at such time. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the Indenture may restrict us from adopting some of these alternatives. Furthermore, we may be unable to find alternative financing, and even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us. If we are not able to refinance our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including under the Notes. In that event, borrowings under other debt agreement or instruments that contain cross-default or cross- acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all our debts, including the Notes.

In addition, any failure to make payments of interest or principal on our outstanding debt on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional debt. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The terms of our debt, including under the Indenture, restrict our ability to transfer or sell assets. We may not be able to consummate certain dispositions or obtain the funds that we could have realized from the proceeds of such dispositions, and any proceeds we do realize from asset dispositions may not be adequate to meet our debt service obligations then due.

We are exposed to interest rate risks, and such rates may adversely affect our debt service obligations.

A portion of our debt bears interest at a variable rate, and we will be exposed to the risk of fluctuations in interest rates, primarily under the Revolving Credit Facility Agreement, which are based on the Euro Interbank Offered Rate (EURIBOR) and the London Interbank Offered Rate (LIBOR) plus an applicable margin. These interest rates could rise significantly in the future, increasing our interest expense associated with these obligations, reducing cash flow available for capital expenditures and hindering our ability to make payments on the Notes. Neither our Revolving Credit Facility Agreement nor the Senior Secured Notes Indenture contains, nor will the Senior Notes Indenture contain, a covenant requiring us to hedge all or any portion of our floating rate debt.

The Eurozone debt crisis and related market perceptions concerning the instability of the euro, the potential reintroduction of individual currencies within the Eurozone, or the potential dissolution of the euro entirely, could adversely affect, including as a result of adverse consequences for us with respect to our outstanding debt obligations that are euro-denominated, our business and our financial performance.

Recent developments in the Eurozone have exacerbated the ongoing global economic crisis. Financial markets and the supply of credit may continue to be negatively impacted by ongoing fears surrounding the sovereign debts and/or fiscal deficits of several countries in Europe (primarily Greece, Ireland, Italy, Portugal and Spain), the possibility of further downgrading of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the overall stability of the euro and the sustainability of the euro as a single currency given the diverse economic and political circumstances in individual Member States. Governments and regulators have implemented austerity programs and other remedial measures to respond to the Eurozone debt crisis and stabilize the financial system, but the actual impact of such programs and measures are difficult to predict.

If the Eurozone debt crisis is not resolved, it is possible that one or more countries may default on their debt obligations and/or cease using the euro and re-establish their own national currency or that the Eurozone may collapse. If such an event were to occur, it is possible that there would be significant, extended and generalized market dislocation, which may have a material adverse effect on our business, results of operations and financial condition, especially as our operations are primarily in Europe. In addition, the departure of one or more countries from the Eurozone may lead to the imposition of, *inter alia*, exchange rate control laws. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro- denominated obligations and for parties subject to other contractual provisions referencing the euro would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect our trading environment and/or the value of the Notes and could have adverse consequences for us with respect to our outstanding debt obligations that are euro-denominated and, as we have a substantial amount of debt denominated in euro, our financial condition may be materially affected.

Furthermore, the Indenture and the Revolving Credit Facility Agreement contain covenants restricting our and our subsidiaries' corporate activities. See "*—Risks Related to Our Indebtedness—We are subject to restrictive covenants which limit our operating, strategic and financial flexibility.*" Certain of such covenants impose limitations based on euro amounts (e.g., the amount of additional debt we or our subsidiaries may incur). As such, if the euro were to significantly decrease in value, the restrictions imposed by these covenants would become tighter, further restricting our ability to finance our operations and conduct our day- to-day business.

The interests of our principal shareholder may be inconsistent with the interests of holders of the Notes.

Funds advised by PAI control Frenchco, which indirectly owns 100% of the Issuer's equity. See "*Principal Shareholders and Related Party Transactions*." As a result, PAI has, and will continue to have, directly or indirectly, the power to affect, among other things, our legal and capital structure and our day- to-day operations, as well as the ability to elect and change our management and to approve other changes to our operations. In addition, for compliance with certain restrictive covenants, we will depend upon the cooperation of our principal shareholders who have the power to effect compliance with such covenants. The interests of PAI and its affiliates could conflict with the interests of holders of the Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due. Affiliates of PAI also have an interest in pursuing divestitures, financings or other transactions that in their judgment could enhance their equity investments, although such transactions might involve risks to holders of the Notes. In addition, PAI or its affiliates may, in the future, own businesses that directly compete with ours or do business with us.

Risks related to the Notes

We may not be able to finance a change of control offer.

The Indenture requires us to make an offer to purchase the Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, to, but not including, the date of purchase if we experience certain specified change of control events. The Revolving Credit Facility Agreement includes a covenant restricting the Issuer and each of its restricted subsidiaries from offering to purchase the Senior Secured Notes if the *pro forma* leverage ratio would exceed the ratio which is 10% below the applicable leverage ratio for the relevant period under the Revolving Credit Facility Agreement or a default is then occurring or would occur under the Revolving Credit Facility Agreement unless such purchase of the Senior Secured Notes is funded with the cash proceeds of the issuance of shares by the Issuer or contributions to the Issuer's equity capital or from subordinated shareholder loans. Further, a portion of commitments under the Revolving Credit Facility will be cancelled to the extent that any Senior Secured Notes, Replacement Debt and Term Debt (each as defined in the Revolving Credit Facility Agreement) are purchased in an amount equal to or more than 50% of the original principal amount of the Senior Secured Notes issued on the original closing date under the Revolving Credit Facility Agreement and any amounts drawn in respect of such cancelled commitments under the Revolving Credit Facility Agreement would be required to be prepaid. Additionally, a change of control under the Revolving Credit Facility Agreement (which differs from the definition of "change of control" in the Indenture), unless waived by the lenders, would result in a cancellation of the commitments under the Revolving Credit Facility and all amounts outstanding under the Revolving Credit Facility would become immediately due and payable. The source of funds for any offer to purchase Notes required as a result of any such event would be available cash or cash generated from operating activities or other sources, including borrowings, sales of assets, sales of equity or funds provided by our subsidiaries. Sufficient funds may not be available at the time of any such events to make any required purchases of the Notes tendered and we may not be able to secure access to enough cash to finance the required purchases of the Notes tendered. Our failure to effect a change of control offer when required would constitute an event of default under the Indenture.

Under the definition contained in the Indenture governing the Notes, a change of control may include a disposition of all or substantially all of the assets of the Issuer and their respective restricted subsidiaries taken as a whole to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and their respective restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer are required to make an offer to repurchase the Notes. Furthermore, certain important corporate events that might adversely affect the value of the Notes (including certain reorganizations, restructurings and mergers) would not constitute a "change of control" under the Indenture. For a complete description of the events that would constitute a "change of control" under the Notes, see the sections entitled "*Description of the Senior Secured Notes—Purchase of Notes upon a Change of Control*" and "*Description of the Senior Notes—Purchase of Notes upon a Change of Control*".

Investors may face foreign exchange risks by investing in the Notes.

The Notes will be denominated and payable in euros. If investors measure their investment returns by reference to a currency other than euros, an investment in the Notes will entail foreign exchange related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which such investors measure the return on their investments. These changes may be due to economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which such investors measure the return on their investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which such investors measure the return on their investments. Investments in the Notes denominated in a currency other than U.S. dollars by U.S. investors may also have important tax consequences as a result of foreign exchange gains or losses, if any. See "*Tax Considerations—Certain U.S. Federal Income Tax Considerations*."

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies have assigned and may in the future assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

Investors may not be able to recover in civil proceedings for U.S. securities law violations.

The Issuer and substantially all of their respective subsidiaries, including the Guarantors, are organized outside the United States, and their business is conducted primarily outside the United States. The directors and executive officers of the Issuer and the Guarantors are non-residents of the United States. Although the Issuer and the Guarantors will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws or under the applicable Indenture, you may be unable to effect service of process within the United States on the directors and executive officers of the Issuer and the Guarantors. In addition, because a majority of the assets of the Issuer and the Guarantors and their respective subsidiaries (to the extent applicable) and all or a majority of the assets of their directors and executive officers are located outside of the United States, you may be unable to enforce judgments obtained in the U.S. courts against them. Moreover, actions of the Issuer and the Guarantors may not be subject to the civil liability provisions of the federal securities laws of the United States. See "*Service of Process and Enforcement of Civil Liabilities*."

The United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with Belgium, France or Luxembourg. There is, therefore, doubt as to the enforceability in Belgium, France or Luxembourg of civil liabilities based upon U.S. securities laws in an action to enforce a U.S. judgment in Belgium, France or Luxembourg. In addition, the enforcement in Belgium, France or Luxembourg of any judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon U.S. federal securities laws, will be subject to certain conditions. There is also doubt that a Belgian, French or Luxembourg court would have the requisite power or authority to grant remedies sought in an original action brought in Belgium, France or in Luxembourg on the basis of U.S. securities laws violations. For further information see "*Service of Process and Enforcement of Civil Liabilities*."

The Note Guarantees and the Security Interests over the Collateral may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability.

The obligations of the Guarantors incorporated in France, Belgium and Luxembourg and the enforcement of each such Note Guarantee and the Security Interests granted by such Guarantor, Holdco, Luxco or (with respect to the Senior Secured Notes) the Issuer will be limited to the maximum amount that can be guaranteed by such Guarantor, or that can be secured over such Collateral, as applicable, under the applicable laws of each jurisdiction, to the extent that the granting of such Note Guarantee or Security Interest is not in the relevant Guarantor's or grantor's corporate interests, or the burden of such guarantee or Security Interest exceeds the benefit to the relevant Guarantor or grantor, or such guarantee or Security Interest would be in breach of capital maintenance or thin capitalization rules or any other general statutory laws and would cause the directors of such subsidiary Guarantor, in certain jurisdictions, to contravene their fiduciary duties and incur civil or criminal liability. The grant of Collateral in favor of the Security Agent may also be voidable by the grantor or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given and an insolvency proceeding in respect of the grantor is commenced within a legally specified "claw-back" period following the grant.

Accordingly, enforcement of any such Note Guarantee and/or Security Interest against the relevant Guarantor/grantor would be subject to certain defenses available to guarantors/grantor of security interests generally and to limitations contained in the terms of the Indenture and/or the documents governing the Collateral designed to ensure compliance with statutory requirements applicable to the relevant Guarantors or grantors, as applicable. As a result, a Guarantor's and a grantor's liability under its Note Guarantee and in respect of the security interests granted by it, respectively, could be materially reduced or eliminated, depending upon the law applicable to it.

In addition, the granting of new Security Interests in connection with the issuance of the Notes may create hardening periods for such Security Interests in France, Belgium (save for financial collateral arrangements within the meaning of the Belgian law of December 15, 2004 on financial collateral) and Luxembourg (save for financial collateral arrangements within the meaning of the Luxembourg law of August 5, 2005 on financial collateral arrangements, as amended). The applicable hardening period for these new Security Interests will run from the moment each new security interest has been granted or perfected. The Indenture will permit the Security Interests in the Collateral to be released and retaken in certain circumstances. Such release and retaking will restart the applicable hardening periods. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it.

It is possible that a Guarantor, or a creditor of a Guarantor, the grantor of Security Interests, or the creditor thereof, or the bankruptcy trustee in the case of a bankruptcy of a Guarantor or grantor of such Security Interests, may contest the validity and enforceability of the Guarantor's Note Guarantee on any of the above grounds and that the applicable court may determine that the Note Guarantee or the Security Interests should be limited or voided. To the extent that agreed limitations on the guarantee obligation apply, the Notes would be to that extent effectively subordinated to all liabilities of the applicable Guarantor and/or grantor, including trade payables of such Guarantor and/or grantor, as applicable. Future Note Guarantees and/or Security Interests may be subject to similar limitations.

The recovery from the enforcement of the share pledges forming part of the Senior Secured Notes Collateral may be complicated, involve long recovery times and a low recovery rate.

In connection with the enforcement of share pledges over shares of entities with outstanding primary debt obligations or holding companies of such entities, any sale of such entities is likely to involve a release of the primary debt, which could result in a taxable capital gain to such entities. As the Senior Secured Notes will be issued by the Issuer, an enforcement over the shares of the Issuer, Holdco or Luxco would involve the enforcement over share pledges of entities with outstanding primary debt claims or holding companies thereof. In addition, the Senior Secured Notes Indenture does not prohibit the Issuer, Holdco, Luxco or their subsidiaries from incurring additional primary debt claims in the future. Consequently, the enforcement of share pledges over shares of these entities may result in the release of primary debt obligations of such entities (or those of their subsidiaries). Such release is permitted by the Intercreditor Agreement and could result in a taxable capital gain. This taxable capital gain is likely to reduce the proceeds of any recovery from the enforcement of such share pledges. Therefore, the value of the pledges over the shares in Luxco, Holdco and the Issuer, as well as any subsidiary of the Issuer that forms part of the Senior Secured Notes Collateral and has outstanding primary debt obligations (or which has subsidiaries of its own with primary debt obligations), is limited.

Holdco currently owns all of the shares of the Issuer (which shares will form part of the Senior Secured Notes Collateral), but pursuant to the Senior Secured Notes Indenture, up to 5% of the Issuer's shares may be held by individual management investors and holding companies for other management or laboratory pathologist investors (which shares will be subject to call options given to the Security Agent for the benefit of the holders of the Senior Secured Notes). The Senior Secured Indenture permits Holdco's shares (which are wholly owned by Luxco) to be held also by certain of the Issuer's shareholders, as well as future clinical pathologists and others. The Senior Secured Notes Indenture also does not restrict the ability of Holdco or anyone else to transfer its shares in the Issuer or the ability of Luxco or anyone else to transfer its shares in Holdco, so long as the transferred shares continue to form part of the Senior Secured Collateral or are the subject of call options given to the Security Agent for the benefit of the holders of the Senior Secured Notes. To gain full control over the shares of the Issuer (or Holdco) in an enforcement action, first the pledges over both Holdco's (or Luxco's) shareholding (as well as the shareholding of any other shareholder which has provided a pledge) and the call options must be exercised. This process may be complicated and time consuming. Call options granted by French companies will not be enforceable without the consent of French courts in case insolvency proceedings or insolvency-related proceedings in respect of such French companies are commenced. French courts may award damages to the call beneficiary rather than grant specific performance. If the call options are not enforceable, it will not be possible to gain full control over the Issuer (or Holdco). The Senior Secured Notes Indenture permits Holdco and Luxco to transfer shares that will be subject to a pledge to a new party that grants instead a call option. Additionally, Holdco's (or Luxco's) pledges over its shareholding of the Issuer or Holdco, as the case may be (as well as the shareholding of any other shareholder which has provided a pledge), and the call options may not represent all of the shares of the Issuer or Holdco, as the Senior Secured Notes Indenture in certain circumstances allows up to 10% of the Issuer's shares to be subject to neither a share pledge nor a call option. Moreover, in the case of a public offering at the level of the Issuer or Holdco, none of the shares offered in such public offering would form part of the Senior Secured Notes Collateral or be subject to call options. As a result of this dilution in the shares of Holdco and the Issuer that are the subject of the Senior Secured Notes Collateral, enforcing over the pledges of the shares of Luxco, Holdco or the Issuer may not result in obtaining all or even a controlling interest in such entities and thus such share pledges may be of limited use. The Senior Secured Notes Indenture also provides that following a change of control, the share pledges over the shares of Luxco and Holdco (and any call options with respect to shares in Holdco) will be released.

Lastly, any enforcement action at a level below the Issuer will require multiple points of enforcement, as the Issuer is a holding company with multiple subsidiaries organized in multiple jurisdictions and the Senior Secured Notes Indenture does not, and the Senior Notes Indenture will not, restrict the number of future subsidiaries of the Issuer or their jurisdictions of organization. Enforcing security over multiple share pledges in multiple jurisdictions may be more difficult than enforcing over a single point of enforcement and require longer recovery times and result in lower recovery rates.

Call options referred to in the definition of Collateral do not confer the benefit of a Security Interest to the holders of the Notes. Call options may be used by the Security Agent to gain full control directly or indirectly over the shares of an entity in case an enforcement action is taken against any holding company of that entity. Call options may only be exercised after a pledge over any holding company's direct or indirect shareholding in an entity is exercised. This process may be complicated and time consuming. Moreover, call options granted by French companies will not be enforceable without the consent of French courts in case insolvency proceedings or insolvency-related proceedings in respect of such French companies are commenced. French courts may award damages to the call beneficiary rather than grant specific performance.

The insolvency and administrative laws of France and other applicable jurisdictions may not be as favorable to you as the insolvency laws of the United States or those of another jurisdiction with which you are familiar; other limitations on the Note Guarantees and the Security Interests, including fraudulent conveyance statutes, may adversely affect their validity and enforceability.

Our obligations under the Notes will be initially guaranteed by the relevant Guarantors and secured by Security Interests over the relevant Collateral. The Issuer is organized under the laws of France and the Guarantors are organized under the laws of France, Belgium and Luxembourg. In addition, the Senior Secured Notes Collateral will include a pledge over shares in Holdco incorporated under the laws of France, shares in Luxco incorporated under the laws of Luxembourg, shares of the Issuer incorporated in France and shares of certain of the Issuer's subsidiaries incorporated under the laws of France, Belgium and Luxembourg and first-ranking pledges of certain bank accounts and present and future intercompany loan receivables held by parent companies of the Issuer incorporated under the laws of Luxembourg and France, the Issuer and certain of the Issuer's subsidiaries incorporated under the laws of France, Belgium and Luxembourg. Lastly, the Senior Notes Collateral will include a second-ranking pledge over shares of Luxco incorporated under the laws of Luxembourg and a second-ranking pledge of receivables held by Cerberus Nightingale 1.

The insolvency, administration and other laws of foreign jurisdictions may not be as favorable to your interests as the laws of the United States or other jurisdictions with which you are familiar. In particular, the French bankruptcy laws and regulations are unfavorable to creditors in many respects. In the event that any one or more of the Issuer, the Guarantors, or any other of the Issuer's subsidiaries, or any other grantor of Security Interests, experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. In the event of a bankruptcy, insolvency, administration or similar event, proceedings could be initiated in any of these jurisdictions. Proceedings could also be initiated in France, Belgium or Luxembourg to enforce your rights against Collateral located in those jurisdictions. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. There can also be no assurance that you will be able to enforce your rights effectively in such complex, multiple bankruptcy, insolvency or similar proceedings. In addition, while the Belgian or Luxembourg Guarantors conduct the majority of their business in Belgium or Luxembourg, to the extent that their respective center of main interests is deemed to be in France, they would be subject to French insolvency proceedings (notwithstanding the opening of territorial proceedings in the relevant jurisdictions), including court-assisted proceedings (*mandat ad hoc* or *conciliation* proceedings) and court-controlled insolvency proceedings (*sauvegarde*), accelerated financial safeguard proceedings (*sauvegarde financière accélérée*), or reorganization or liquidation proceedings (*redressement* or *liquidation judiciaire*). In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit the ability of holders of the Notes to enforce their rights.

In addition, the bankruptcy, insolvency, administrative and other laws of a Guarantor's or the Issuer's jurisdiction of organization may be materially different from, or in conflict with, those of the United States or other jurisdictions with which you are familiar, including in the areas of rights of creditors, priority of governmental and other creditors, the ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the Notes, Note Guarantees and Collateral in those jurisdictions or limit any amounts that you may receive.

Moreover, in certain jurisdictions, it is unclear whether all security interests in the Collateral give the Security Agent a right to prevent other creditors from foreclosing on and realizing the Collateral or whether certain security interests only give the Security Agent and the holders of the Notes priority (according to their respective rank) in the distribution of any proceeds of such realization. Accordingly, the Security Agent and the holders of the Notes may not be able to avoid foreclosure by other creditors (including unsecured creditors) on the relevant Collateral.

In addition, pursuant to European Council Regulation (EC) No. 1346/2000 on insolvency proceedings, the court that shall have jurisdiction to open main insolvency proceedings in relation to a company is the court of the Member State (other than Denmark) where the company has its "center of main interests." Therefore, to the extent that the "center of main interests" of Cerberus Nightingale 1 or any grantor of security incorporated in Luxembourg, including any direct or indirect parent company of the Issuer, is deemed to be in France, courts of France will have jurisdiction over the insolvency proceedings of the relevant security provider.

In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any of these jurisdictions. The rights of holders of the Notes under the relevant Note Guarantees or under Security Interests in the relevant Collateral will thus be subject to the laws of a number of jurisdictions, and it may be difficult to enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors. In addition, the bankruptcy, insolvency, administration and other laws of France may be materially different from, or in conflict with, one another, including creditors' rights, the priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings. The application of these various laws in these jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect the ability to realize any recovery under the Notes and the Note Guarantees or under Security Interests in the Collateral.

Although laws differ among the jurisdictions, in general, applicable fraudulent transfer and conveyance and equitable principles, insolvency laws and limitations on the enforceability of judgments obtained in courts in such jurisdictions could limit the enforceability of the Senior Secured Notes against the Issuer, the enforceability of a Note Guarantee against a Guarantor and the enforceability of the Security Interests. The court may also in certain circumstances avoid the Security Interest or the Note Guarantee where the company is close to or near insolvency.

For an overview of certain insolvency laws and enforceability issues as they relate to the Note Guarantees and Security Interests.

You may be required to pay a "soulte" in the event you decide to enforce the securities account by judicial or contractual foreclosure of the Collateral consisting of securities rather than by a sale of such Collateral in a public auction.

Security interests governed by French law may only secure payment obligations, may only be enforced following a payment default and may only secure up to the secured amount which is due and remaining unpaid.

Under French law, pledges over assets may generally be enforced at the option of the secured creditors either (i) pursuant to a judicial process (x) by way of a sale of the pledged assets in a public auction (the proceeds of the sale being paid to the secured creditors) or (y) by way of the judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) by way of contractual foreclosure (*pacte commissoire*) of the pledged assets to the secured creditors, following which the secured creditors become the legal owner of the pledged assets. Enforcement by way of private sale may not be agreed at the time of granting of the security, and therefore, holders of the Notes will not benefit from such enforcement method.

If the secured creditors chose to enforce by way of foreclosure (whether a judicial foreclosure or contractual foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed assets. Such value is determined either by the judge in the context of a judicial foreclosure or by a pre-contractually agreed expert in the context of a contractual foreclosure (*pacte commissoire*). In a proceeding regarding a judicial foreclosure (*attribution judiciaire*) or a contractual foreclosure (*pacte commissoire*), an expert is appointed to value the collateral (in this case, the securities) and if the value of the collateral exceeds the amount of secured debt, the secured creditors may be required to pay the pledgor a "*soulte*" equal to the difference between the value of the securities and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditors from a subsequent sale of the Collateral.

If the value of such securities is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such securities, and the remaining amount owed to such creditors will be unsecured.

Should a holder of the Notes decline to request the judicial or contractual foreclosure of the securities, an enforcement of the pledged securities could be undertaken through a public auction in accordance with applicable law. Since such public auction procedures are not designed for a sale of a business as a going concern, however, it is possible that the sale price received in any such auction might not reflect the value of our group as a going concern.

In certain jurisdictions, security over the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce the Collateral may be restricted by local law.

In Belgium and Luxembourg, the Security Interests in the relevant Collateral that will secure the respective obligations of the Issuer under the Notes and the obligations of the Guarantors under the relevant Note Guarantees are not granted directly to the holders of the Notes but are granted only in favor of the Security Agent. The Senior Secured Notes Indenture and the Intercreditor Agreement provide, and the Senior Notes Indenture will provide, that only the Security Agent as security agent, trustee and Parallel Debt (as defined below) creditor has the right to enforce such Security Documents. As a consequence, holders of the Notes will not have direct Security Interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the trustee under the Senior Secured Notes Indenture or the trustee under the

Senior Notes Indenture, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent for the relevant Collateral.

The security over the Collateral in Luxembourg is granted in favor of the Security Agent in accordance with Article 2(4) of the Luxembourg law dated August 5, 2005 on financial collateral arrangements, as amended.

Under French law and Belgian law, certain "accessory" security interests such as rights of pledge require that the pledgee and the creditor are the same person. Such security interests cannot be held on behalf of third parties who do not hold the secured claim. The beneficial holders of interests in the Notes from time to time will not be parties to the Security Documents. In order to permit the beneficial holders of the Notes to benefit from a secured claim, the Intercreditor Agreement will provide for the creation of "parallel debt" obligations in favor of the Security Agent ("Parallel Debt") mirroring the obligations of the Issuer and the Guarantors (as principal obligors) towards the holders of the Notes under or in connection with the Indenture (the "Principal Obligations"). The Parallel Debt will at all times be in the same amount and payable at the same time as the Principal Obligations. Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. Pursuant to the Parallel Debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Notes. The pledges governed by French law or Belgian law will directly secure the Parallel Debt, and may not directly secure the obligations under the Notes and the other indebtedness secured by the Collateral. The holders of the Notes will not be entitled to take enforcement actions in respect of such security interests except through the Security Agent.

None of the Parallel Debt and trust mechanism constructs have been generally recognized by French courts and Belgian courts and to the extent that the Notes or security interests created under the Parallel Debt and/or trust constructs are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of the Guarantees or security interests in the Collateral. In addition, the holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the Security Agent.

There is one published decision of the French Supreme Court (Cour de cassation) on Parallel Debt mechanisms (Cass. com. September 13, 2011 n° 10-25533 Belvédère) relating to a bond documentation governed by New York law. Such a decision recognized the enforceability in France of certain rights (especially the filing of claims in safeguard proceedings) of a security agent benefiting from a Parallel Debt. In particular, the French Supreme Court upheld the proof of claim of the legal holders of a Parallel Debt claim, considering that it did not contravene French international public policy (*ordre public international*) rules. The ruling was made on the basis that the French debtor was not exposed to double payment or artificial liability as a result of the Parallel Debt mechanism. Although this court decision is generally viewed by legal practitioners and academics as a recognition by French courts of Parallel Debt structures in such circumstances, there can be no assurance that such a structure will be effective in all cases before French courts. Indeed, it should be noted that the legal issue addressed by it is limited to the proof of claims. The French court was not asked to generally uphold French security interests securing a Parallel Debt. It is also fair to say that case law on this matter is scarce and based on a case-by-case analysis. Such a decision should not be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a Parallel Debt claim. There is no certainty that the Parallel Debt construction will eliminate the risk of unenforceability under French law.

To the extent that the security interests in the Collateral created under the Parallel Debt construction are successfully challenged by other parties, holders of the Notes will not be entitled to receive on this basis any proceeds from an enforcement of the security interests in the Collateral. The holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the Security Agent as the beneficiary of the Parallel Debt.

The concept of "trust" has been recognized by the French Tax Code and the French Supreme Court (*Cour de cassation*), which has held, in the same published decision referred to above (Cass. com. September 13, 2011 n° 10-25533 Belvédère) that a trustee validly appointed under a trust governed by the laws of the State of New York could validly be regarded as a creditor in safeguard proceedings opened in France. However, while substantial comfort may be derived from the above, France has not ratified the Hague Convention of July 1, 1985 on the law applicable to trusts and on their recognition (the "**Trust Convention**"), so that the concept of "trust" has not been generally recognized under French law.

Investors' rights in the Collateral may be adversely affected by the failure to perfect Security Interests in the Collateral.

Under applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party or the grantor of the security. The liens on the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we or the Security Agent fail or are unable to take the actions we or the Security Agent are required to take to perfect any of these liens.

There are circumstances other than repayment or discharge of the Notes under which the relevant Collateral securing such Notes and the Note Guarantees will be released automatically without your consent or the Trustee or the Security Agent obtaining your further consent.

Under a variety of circumstances, the relevant Collateral securing the Notes will be released automatically, including a sale, transfer or other disposal of such Collateral in a transaction that does not violate the asset sale covenant of the Indenture, in connection with an enforcement sale permitted under the Intercreditor Agreement and, with respect to the Security Interests granted by Cerberus Nightingale 1 or Luxco for the benefit of the holders of the Senior Secured Notes, upon a change of control. Additionally, Collateral securing the Notes and Note Guarantees could be released if the acquisition of any entity that subsequently becomes a Guarantor or a security provider under the Indenture is rescinded. See "*Business—Legal Proceedings*." The Senior Secured Notes Indenture permits, and the Senior Notes Indenture will permit, us to designate one or more restricted subsidiaries that are Guarantors as unrestricted subsidiaries. If we designate a Guarantor as an unrestricted subsidiary for purposes of the Indenture, all the liens on the Collateral owned by such subsidiary and any guarantees of the Notes by such subsidiary will be released under the Indenture, subject to certain conditions. Designation of an unrestricted subsidiary will reduce the aggregate value of the relevant Collateral securing the Notes to the extent of liens securing the shares of such unrestricted subsidiary or of its subsidiaries.

Transfer of the Notes will be restricted, which may adversely affect the value of the Notes.

Because the Notes and the Note Guarantees have not been, and are not required to be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction, they may not be offered or sold in the United States except to QIBs in accordance with Rule 144A, outside the United States in offshore transactions in accordance with Regulation S or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and all other applicable laws. These restrictions may limit the ability of investors to resell the Notes. It is the obligation of investors in the Temporary Notes and the Notes to ensure that all offers and sales of the Temporary Notes and the Notes within the United States and other countries comply with applicable securities laws. See "*Transfer Restrictions*."

The Notes will initially be held in book-entry form and therefore investors must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream, Luxembourg.

Interests in the global Notes will trade in book-entry form only, and the Notes in definitive registered form, or definitive registered Notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of Notes. The common depositary, or its nominee, for Euroclear and Clearstream, Luxembourg will be the sole registered holder of the global notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the global notes representing the Notes will be made to the paying agent, which will make payments to Euroclear and Clearstream, Luxembourg. Thereafter, these payments will be credited to participants' accounts that hold book- entry interests in the global Notes representing the Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, Luxembourg, the Issuer will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book- entry interests. Accordingly, if investors own a book-entry interest, they must rely on the procedures of Euroclear and Clearstream, Luxembourg, and if investors are not participants in Euroclear and Clearstream, Luxembourg, they must rely on the procedures of the participant through which they own their interest, to exercise any rights and obligations of a holder of Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes.

Instead, if an investor owns a book- entry interest, it will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear and Clearstream, Luxembourg. The procedures implemented for the granting of such proxies may not be sufficient to enable such investor to vote on a timely basis.

Similarly, upon the occurrence of an event of default under an Indenture, unless and until definitive registered Notes are issued in respect of all book-entry interests, if investors own book-entry interests, they will be restricted to acting through Euroclear and Clearstream, Luxembourg. The procedures to be implemented through Euroclear and Clearstream, Luxembourg may not be adequate to ensure the timely exercise of rights under the Notes. See "*Book-Entry; Delivery and Form*."

There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited.

The Additional Notes will constitute a single class of securities with the Existing Notes and will have the same international securities identification numbers and common codes as the Existing Notes. The Senior Notes are new issues of securities for which there is currently no established market. We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance. In addition, any market-making activity will be subject to limitations imposed by the U.S. Securities Act and other applicable laws and regulations. As a result, there may not be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your Notes at a fair value, if at all.

Although the Issuer have made an application to list the Notes on the Luxembourg Stock Exchange, no assurance is made as to the liquidity of the Notes as a result of such listing.

The Issuer have made an application to list the Notes on the Official List of the Luxembourg Stock Exchange and admit the Notes to trading on the Euro MTF Market. The Issuer, in the Indenture, agrees to use its commercially reasonable efforts to maintain such listing as long as such Notes are outstanding. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List of the Luxembourg Stock Exchange or another recognized listing exchange for comparable issuers in accordance with the Indenture, failure to be approved for listing on or the delisting of the Notes from the Official List of the Luxembourg Stock Exchange or another listing exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

Additional risks related to the Senior Secured Notes

The Notes are structurally subordinated to the liabilities of non-guarantor subsidiaries.

Certain of our subsidiaries do not guarantee the Senior Secured Notes. Our subsidiaries do not have any obligations to pay amounts due under the Senior Secured Notes or to make funds available for that purpose unless they guarantee the Senior Secured Notes. Generally, holders of debt of, and trade creditors of, non-guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payment of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer or any Senior Secured Notes Guarantor, as a direct or indirect shareholder.

Accordingly, in the event that any non-guarantor subsidiary becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the Issuer (including the holders of the Senior Secured Notes) and the Senior Secured Notes Guarantors will have no right to proceed against the assets of such subsidiary; and

- the creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Issuer or any Senior Secured Notes Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Senior Secured Notes and each related Note Guarantee will be structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-guarantor subsidiaries. Our subsidiaries not guaranteeing the Senior Secured Notes generated 11.6% of our Adjusted EBITDA for the nine months ended September 30, 2014 and represented 8.1% of our consolidated total assets as of September 30, 2014. As of September 30, 2014, after giving *pro forma* effect to the issuance of the Notes, the application of proceeds from the Offerings and the other Transactions, our subsidiaries not guaranteeing the Senior Secured Notes would have had total debt, excluding shareholder debt, of €54.3 million, all of which would have ranked structurally senior to the Senior Secured Notes and the related Note Guarantees. Any of the debt that our non-guarantor subsidiaries incur in the future in accordance with the Indenture will rank structurally senior to the Senior Secured Notes and the related Note Guarantees.

Your ability to enforce the pledges over shares of our French laboratory companies included in the Senior Secured Notes Collateral will be limited by French law restrictions on the ownership of laboratory companies.

French law provides that no more than 25% of the share capital of a French laboratory company can be held by persons who are neither laboratory doctors nor entities operating clinical laboratories, and that the laboratory doctors practicing within a French laboratory company must hold the majority of the voting rights within such laboratory company. As a result, the ability of the Security Agent to enforce a pledge of the share capital of a French laboratory company will be limited because it will be able to hold, following a judicial or contractual foreclosure, a maximum of 25% of the share capital of each such French company which shares have been pledged. If the Security Agent seeks enforcement through a public auction, up to 75% of the shares will need to be acquired by either laboratory doctors or entities operating clinical laboratories and in any case, the Security Agent or any other purchasers (other than the laboratory doctors practicing within such clinical laboratory) will hold a minority of the voting rights. Further, no legal entity operating a laboratory was entitled to a shareholding in more than two entities whose corporate purpose was to operate one or several laboratories and no acquisition, by a natural or legal person, of shares in a company operating a laboratory may result in such person controlling directly or indirectly more than 33% of the tests performed in the relevant territory (territoire de santé, being a geographical area set out by the French health authorities). In December 2010, the European Court of Justice ruled that the requirement regarding the maximum number of SELs in which shareholdings could be held did not comply with the EU Treaty. Pursuant to decree n° 2013-117 dated February 5, 2013 related to the conditions of operation of a laboratory by an SEL, individuals or legal entities who have an activity within the corporate purpose of the SEL are no longer subject to the limitation according to which they could not own shares in more than two SELs. We exercise control over our French laboratory companies pursuant to shareholder agreements with the laboratory doctors. Certain of these shareholder agreements include rights of first refusal in favor of the laboratory doctors for the sale of our shares in the laboratory company or may require the laboratory doctors to approve the transfer of our shares. Such rights may impede the process or amounts recovered from enforcement of such pledge. In addition, purchasers of our shares might not be able to succeed to our rights under the shareholders agreement, which would decrease their ability to control, and therefore the value of, such laboratory company. Certain persons are prohibited from holding directly or indirectly any shares of a French laboratory company which may limit the pool of potential purchasers and our ability to enforce over the shares of such a company. Persons so restricted include a person in the healthcare industry who prescribes tests, whose activities include supplying, distributing or manufacturing medical devices, or who is an insurance company, social security or welfare agency or a pension fund. These limitations on direct or indirect shareholding of companies operating laboratories may compel creditors to seek enforcement of share pledges through a public auction instead of seeking direct enforcement. These restrictions may limit the amount you are able to recover under the Senior Secured Notes Collateral in the case of an event of default. See "*Regulation—France*."

Under the Intercreditor Agreement, the holders of the Senior Secured Notes will be required to share recovery proceeds with other secured creditors, will recover proceeds only after the lenders under the Revolving Credit Facility and certain priority hedging counterparties are repaid in full, and are subject to certain limitations on their ability to enforce the relevant Security Interests or make payment claims against or accept payment from the Issuer and the Senior Secured Notes Guarantors.

The Senior Secured Notes Trustee has entered into the Intercreditor Agreement with, among others, the agent and lenders under the Revolving Credit Facility Agreement, counterparties to certain hedging obligations and the Security Agent. Other creditors may become parties to the Intercreditor Agreement or we may enter into additional intercreditor agreements in the future. Among other things, the Intercreditor Agreement governs the enforcement of the Collateral, the sharing in any recoveries from such enforcement and amounts received in respect of such debt after certain distress events and the release of the Collateral by the Security Agent. The Intercreditor Agreement provides procedures for the Security Agent to determine which enforcement instructions it should act upon when conflicting instructions to enforce from different creditor classes are received.

In order to deliver instructions, the representative of the relevant creditor class must deliver to the Security Agent and the other representatives the proposed instructions at least ten business days prior to the proposed date for the issuance of such instructions. The Intercreditor Agreement further provides that in the event that the classes of creditors entitled to provide enforcement instructions to the Security Agent provide conflicting instructions, such creditors must, subject to certain exceptions, consult with each other for a period of up to 30 days before any enforcement action may be taken. Although enforcement instructions given by the majority senior secured creditors, which include holders of the Senior Secured Notes and certain hedging counterparties, will prevail after such 30-day period, if:

- the creditors under our Revolving Credit Facility are not fully repaid within six months of the date enforcement instructions are proposed to be issued; or

- the Security Agent has not commenced enforcement action within three months of the date enforcement instructions are proposed to be issued,

then enforcement instructions by the majority super senior creditors, which include the lenders under our Revolving Credit Facility and certain hedging counterparties, will prevail. See “Description of Other Indebtedness—Intercreditor Agreement—Consultation with Respect to Enforcement of Transaction Security.”

These arrangements could be disadvantageous to the holders of the Senior Secured Notes in a number of respects. Other creditors not subject to the Intercreditor Agreement could commence enforcement action against the Issuer or its subsidiaries during such period, the Issuer or one or more of its subsidiaries could seek protection under applicable bankruptcy laws, or the value of certain Senior Secured Notes Collateral could otherwise be impaired or reduced in value.

In addition, in certain circumstances, including acceleration of the Revolving Credit Facility or the Senior Secured Notes, any amounts recovered from the enforcement of Senior Secured Notes Collateral or other asset sales, will be required to be turned over to the Security Agent. Subject to the prior payment of fees and expenses of the agent under the Revolving Credit Facility, the trustee under the Senior Secured Notes Indenture, the trustee under the Senior Notes Indenture and the Security Agent, the Intercreditor Agreement requires the Security Agent to pay amounts turned over to it or otherwise received by it in respect of the Senior Secured Notes, such as proceeds from the enforcement of the Senior Secured Notes Collateral and other asset sales, to the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations in priority to the holders of the Senior Secured Notes.

Our Revolving Credit Facility Agreement provides for borrowings up to an aggregate of €50.0 million and on the Completion Date and in connection with the Acquisition provided for a one-time increase in the total commitments thereunder in an amount not exceeding €30.0 million, subject to certain conditions, and at all times, the total commitments thereunder may be increased to an amount which does not result in the total commitments under the Revolving Credit Facility exceeding the lower of (i) 65% of Consolidated Pro Forma EBITDA (as defined in the Revolving Credit Facility Agreement, including pro forma EBITDA for acquisitions and taking into account cost savings derived therefrom) for the relevant period and (ii) €200.0 million, subject to certain conditions. In addition, the Senior Secured Notes Indenture and the Revolving Credit Facility permits us, in compliance with the covenants in those agreements, to incur additional debt secured by liens on the Senior Secured Notes Collateral, which debt may be entitled to recover proceeds from enforcement of such Collateral or amounts in respect of the Senior Secured Notes and the related Note Guarantees after certain distress events in priority to the Senior Secured Notes. Our ability to incur additional debt in the future secured on the Senior Secured Notes Collateral may have the effect of diluting the ratio of the value of such Collateral to the aggregate amount of the obligations secured by the Collateral. See “Description of Other Indebtedness—Revolving Credit Facility Agreement.”

The Senior Secured Notes will be secured only to the extent of the value of the Senior Secured Notes Collateral that has been granted as security for the Senior Secured Notes and future secured debt may be secured by certain assets that do not secure the Senior Secured Notes.

The Senior Secured Notes will be secured only to the extent of the value of the Senior Secured Notes Collateral described in this Listing Memorandum. See "*Description of the Senior Secured Notes—Security*." The Senior Secured Notes Collateral will also secure the Revolving Credit Facility on a first-priority basis, and may secure additional debt ranking *pari passu* with the Senior Secured Notes and the related Note Guarantees (which may be structurally senior to the Senior Secured Notes and the related Note Guarantees) to the extent permitted by the terms of the Senior Secured Notes Indenture and the Intercreditor Agreement. The rights of the holders may therefore be diluted by any increase in the debt secured by the Senior Secured Notes Collateral or a reduction of the Senior Secured Notes Collateral securing the Senior Secured Notes. In addition, pursuant to the Intercreditor Agreement, the proceeds of an enforcement of the Senior Secured Notes Collateral will be applied first in repayment of the Revolving Credit Facility and certain priority hedging obligations before repayment of the Senior Secured Notes and Note Guarantees. To the extent the claims of the holders of the Senior Secured Notes exceed the value of the Senior Secured Notes Collateral securing the Senior Secured Notes and the Note Guarantees, those claims will generally rank equally with the claims of the holders of all other existing and future senior unsecured debt ranking *pari passu* with the Senior Secured Notes and the related Note Guarantees. As a result, if the value of the assets pledged as Senior Secured Notes Collateral for the Senior Secured Notes is less than the value of the claims of the holders of the Senior Secured Notes, those claims may not be satisfied in full. In addition, not all of our assets will secure the Senior Secured Notes, and the Senior Secured Notes Indenture allows the Issuer and its restricted subsidiaries to secure certain types of debt permitted to be incurred under the Senior Secured Notes Indenture (which may be structurally senior to the Senior Secured Notes and the related Note Guarantees) with the property and assets of the restricted subsidiaries that do not secure the Senior Secured Notes. The value of such assets and property could be significant. If an event of default occurs and the obligations under the Senior Secured Notes are accelerated, the Senior Secured Notes and the related Note Guarantees will not benefit from the assets securing such secured debt and will rank equally with the holders of other unsecured debt of the Issuer and its restricted subsidiaries with respect to any property or assets that is excluded from the Senior Secured Notes Collateral securing the Senior Secured Notes or such secured debt.

The value of the Senior Secured Notes Collateral securing the Senior Secured Notes may not be sufficient to satisfy our obligations under the Senior Secured Notes and such Senior Secured Notes Collateral may be reduced or diluted under certain circumstances.

In the event of an enforcement of the Security Documents, the proceeds from the sale of the assets underlying the Security Documents may not be sufficient to satisfy the obligations of the Issuer and the Senior Secured Notes Guarantors with respect to the Senior Secured Notes. No appraisal of the value of the Senior Secured Notes Collateral has been made in connection with these Offerings. The value of the Senior Secured Notes Collateral will also depend on many factors, including, among other things, whether or not the business is sold as a going concern, regulatory restrictions that could affect such sale, the ability to sell the assets in an orderly sale and the condition of the economies in which operations are located and the availability of buyers.

The shares and other Senior Secured Notes Collateral that are pledged or assigned for the benefit of the holders of the Senior Secured Notes may provide for only limited repayment of the Senior Secured Notes, in part because most of these shares and intercompany loan receivables may not be liquid and their value to other parties may be less than their value to us. Likewise, we cannot assure you that the Senior Secured Notes Collateral will be salable or, if salable, that there will not be substantial delays in the liquidation thereof. Industry regulations in certain jurisdictions in which we operate, such as France, include restrictions on persons who may own or operate clinical laboratories. In the event of foreclosure, the transfer of clinical laboratories (or the ownership of an entity holding clinical laboratories) may be prohibited or only permitted to a limited group of investors eligible to hold such assets, thereby decreasing the pool of potential buyers. Furthermore, the transfer of clinical laboratories may require, in certain jurisdictions, governmental or other regulatory consents, approvals or filings. Such consents, approvals or filings may take time to obtain or may not be obtained at all. As a result, enforcement may be delayed, a temporary shutdown of operations may occur and the value of the Senior Secured Notes Collateral may be significantly decreased. Most of our assets will not secure the Senior Secured Notes and it is possible that the value of the Senior Secured Notes Collateral will not be sufficient to cover the amount of debt secured by such Senior Secured Notes Collateral. With respect to any shares pledged to secure the Senior Secured Notes and the related Note Guarantees, such shares may also have limited value in the event of a bankruptcy, insolvency or other similar proceedings in relation to the entity's shares that have been pledged because all of the obligations of the entity whose shares have been pledged must first be satisfied, leaving little or no remaining assets in the pledged entity. As a result, the creditors secured by a pledge of the shares of these entities may not recover anything of value in the case of an enforcement sale. In addition, the value of the Senior Secured Notes Collateral may decline over time. If the proceeds of the Senior Secured Notes Collateral are not sufficient to repay all amounts due on the Senior Secured Notes, the holders of the Senior Secured Notes (to the extent not repaid from the proceeds of the sale of the Senior Secured Notes Collateral) would have only a senior unsecured, unsubordinated claim against the Issuer's and the Senior Secured Notes Guarantors' remaining assets. See "*—Your ability to enforce the pledges over shares of our French laboratory companies will be limited by French law restrictions on the ownership of laboratory companies*."

The Senior Secured Notes Indenture also permits the granting of certain liens other than those in favor of the holders of the Senior Secured Notes on the Senior Secured Notes Collateral. To the extent that holders of other secured debt or third parties enjoy liens, including statutory liens, whether or not permitted by the Senior Secured Notes Indenture or the Security Documents, such holders or third parties may have rights and remedies with respect to the Senior Secured Notes Collateral that, if exercised, could reduce the proceeds available to satisfy our obligations under the Senior Secured Notes. Moreover, if we issue additional notes under the Senior Secured Notes Indenture, holders of such additional notes would benefit from the same collateral as the holders of the Senior Secured Notes being offered hereby, thereby diluting your ability to benefit from the liens on the Senior Secured Notes Collateral.

Use of proceeds

The aggregate principal amount of the Additional Notes will be €40.0 million. We intend to use the net proceeds from the offering of the Additional Notes for general corporate purposes, including for potential acquisitions that the Issuer or its subsidiaries may make from time to time and may also be used to repay certain outstanding borrowings under the Issuer's revolving credit facility.

Capitalization

The following table sets forth the cash and the consolidated capitalization of the Issuer as of June 30, 2016 on an actual basis. The table below should be read in conjunction with "*Selected Historical Consolidated Financial Information*," "*Use of Proceeds*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Description of Other Indebtedness*," "*Description of the Senior Secured Notes*," and the financial statements and the related notes included elsewhere in this Listing Memorandum.

	As at June 30, 2016
	(unaudited)
Goodwill	970.2
Intangible assets	158.0
Property, plant and Equipment	88.3
Non-current tax assets	—
Other non-current assets	6.1
Deferred tax assets	16.8
Total non-current assets	**1,239.4**
Inventories	7.9
Trade receivables	78.0
Current tax assets	5.8
Other current assets	24.8
Cash and cash equivalents	38.5
Current assets	**154.9**
Total assets	**1,394.4**
Equity attributable to owners of the Company	307.5
Non-controlling interests	6.7
Total equity	**314.2**
Non-current financial liabilities	805.0
Employee benefits	16.2
Non-current provisions	2.8
Deferred tax liabilities	49.7
Other non-current liabilities	3.0
Non-current liabilities	**876.8**
Current financial liabilities	57.3
Current provisions	1.5
Trade payables	71.5
Current tax liabilities	12.3
Other current liabilities	60.7
Current liabilities	**203.3**
Total equity and liabilities	**1,394.4**

Selected historical consolidated financial information

The selected historical consolidated financial information below and other data of the Company as of and for the fiscal years ended December 31, 2013, 2014 and 2015 and as of and for the six months ended June 30, 2015 and 2016 have been extracted from the from the Company's financial statements as indicated under "*Presentation of financial information*".

The following tables should be read in conjunction with "Presentation of Financial Information", "Use of Proceeds," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes related thereto included elsewhere in this Listing Memorandum. Historical results are not necessarily indicative of future expected results.

Consolidated income statement data

	2013	2014	2015	2015	2016
	Year ended December 31,			Six months ended June, 30	
	(audited)			(unaudited)	
			(€ in millions)		
Net sales	351.6	399.2	556.0	262.3	329.2
Cost of sales/Consumption of materials and supplies	(75.7)	(66.3)	(87.0)	(41.6)	(48.5)
Other purchases and external expenses	(73.0)	(94.0)	(134.3)	(63.6)	(72.1)
Taxes and duties	(8.7)	(12.0)	(17.4)	(8.5)	(10.3)
Personnel expenses	(116.3)	(140.6)	(214.4)	(100.2)	(121.2)
Net change in depreciation and amortization	(25.1)	(24.0)	(32.9)	(16.5)	(19.3)
Other expenses	(10.3)	(8.0)	4.9	(2.5)	(4.1)
Other income	10.3	4.0	(6.1)	1.3	3.0
Profit from operations	**52.9**	**35.9**	**68.8**	**30.8**	**56.8**
Goodwill impairment	—	—	—	—	—
Net operating income	**52.9**	**35.9**	**68.8**	**30.8**	**56.8**
Cost of net debt	(32.5)	(37.7)	(57.0)	(27.8)	(31.7)
Other financial income (expense)	(0.9)	(0.8)	(1.5)	1.3	0.9
Pretax income (expense)	**19.5**	**(2.6)**	**(58.5)**	**3.6**	**25.9**
Income tax	(12.0)	(10.8)	10.3	(3.7)	(17.0)
Net income (loss)	**7.6**	**(13.4)**	**(8.9)**	**(0.1)**	**8.9**
Net income (loss) attributable to non-controlling interests	2.4	2.0	2.4	1.4	1.2
Net income (loss) attributable to owners of the Company	**5.1**	**(15.4)**	**(1.0)**	**(1.6)**	7.7

Consolidated balance sheet data

	2013	2014	2015	As at June 30, 2016
	As at December 31,			
	(audited)			(unaudited)
	(€ in millions)			
Goodwill	559.3	671.2	969.3	970.2
Intangible assets	112.3	108.2	159.4	158.0
Property, plant and Equipment	53.4	64.5	85.1	88.3
Non-current tax assets	1.6	—	—	—
Other non-current assets	1.8	1.7	4.8	6.1
Deferred tax assets	1.5	2.1	10.9	16.8
Total non-current assets	**769.8**	**847.7**	**1,229.5**	**1,239.4**
Inventories	5.9	5.6	7.4	7.9
Trade receivables	54.0	54.0	67.2	78.0
Current tax assets	1.5	3.7	7.4	5.8
Other current assets	9.7	18.0	22.6	24.8
Cash and cash equivalents	63.8	64.1	46.1	38.5
Current assets	**134.8**	**145.4**	**150.7**	**154.9**
Total assets	**904.6**	**993.1**	**1,380.2**	**1,394.4**
Equity attributable to owners of the Company	311.5	286.3	295.6	307.5
Non-controlling interests	11.5	9.7	7.3	6.7
Total equity	**323.0**	**295.9**	**302.9**	**314.2**
Non-current financial liabilities	419.2	512.2	805.8	805.0
Employee benefits	5.1	6.9	15.6	16.2
Non-current provisions	4.5	0.9	3.5	2.8
Deferred tax liabilities	36.1	33.2	45.6	49.7
Other non-current liabilities	4.1	4.6	3.8	3.0
Non-current liabilities	**469.0**	**557.8**	**874.2**	**876.8**
Current financial liabilities	29.2	36.7	59.5	57.3
Current provisions	0.7	0.7	1.2	1.5
Trade payables	40.4	45.0	76.0	71.5
Current tax liabilities	8.7	14.2	6.5	12.3
Other current liabilities	33.6	42.7	59.9	60.7
Current liabilities	**112.7**	**139.4**	**203.1**	**203.3**
Total equity and liabilities	**904.6**	**993.1**	**1,380.2**	**1,394.4**

Consolidated cash flow statement data

	2013	2014	2015	2015	2016
	Year ended December 31,			Six months ended June, 30	
	(audited)			(unaudited)	
	(€ in millions)				
Net cash provided by (used in) operating activities	68.3	67.5	88.2	41.4	51.2
Net cash provided by (used in) investing activities	(47.1)	(83.8)	(309.5)	(270.0)	(16.4)
Net cash provided by (used in) financing activities	9.0	14.9	203.7	228.6	43.2
Effect of exchange rate fluctuations on cash held	(0.0)	0.2	(0.0)	(24.0)	(86.4)
Net increase (decrease) in cash and cash equivalents	**30.1**	**(1.3)**	**(17.8)**	**(24.0)**	**(8.4)**
Cash and cash equivalents at the beginning of the period	33.5	63.6	62.3	62.3	44.6
Cash and cash equivalents at the end of the period[(1)]	63.6	62.3	44.6	38.3	36.2

(1) Represents cash and cash equivalents as of the balance sheet date minus bank overdrafts.

Management's discussion and analysis of financial condition and results of operations

The following is a discussion and analysis of our financial condition and results of operations as of and for the six months ended June, 2016 and as of and for the years ended December 31, 2013, 2014 and 2015. The following should be read in conjunction with the information set forth under "Presentation of Financial and Other Information," "Summary Historical Consolidated Financial Information and Other Data" and the consolidated financial statements of the Issuer and the notes thereto, an English translation of which is included elsewhere in this Listing Memorandum.

The following discussion includes forward-looking statements based on assumptions about our future performance. Our actual results could differ materially from those contained in these forward-looking statements as a result of many factors, including but not limited to those described under "Forward- Looking Statements," "Risk Factors" and elsewhere in this Listing Memorandum.

Introduction

We are a leading European clinical pathology laboratory, providing routine and specialized clinical laboratory testing services primarily in France, Belgium and Luxembourg, and supporting pharmaceutical and biotechnology companies worldwide in the clinical trial phase of their drug development processes.

Through our Routine Lab and Specialized Testing operations, we offer a range of over 2,500 routine and specialty clinical tests used by doctors and medical institutions to diagnose, monitor and treat diseases. We generally perform clinical tests using automated testing equipment, quickly delivering results to doctors, hospitals and patients and offering specialized assistance with respect to interpretation of results. Through a large network of high quality laboratories in France, Belgium and Luxembourg, our Routine Lab operations perform a wide variety of clinical tests for patients who have generally been prescribed these tests by their doctors or on behalf of public and private hospitals that do not have in-house laboratories. Our Specialized Testing operations offer private laboratories and public hospitals a broad range of specialty testing services, such as molecular biology testing, oncology testing, allergy testing, hormonology testing, infectious disease testing and diagnostic genetic testing. While French private laboratories and public hospitals represent the largest share of our Specialized Testing customer, we also offer our services to hospitals or laboratories based elsewhere in Europe, the Middle East and North Africa.

The prices of a large majority of the clinical tests that we offer are set by the respective government authorities of the countries in which we operate.

Our Central Lab testing operations, which we operate through our BARC subsidiaries, provide safety and efficacy testing services to pharmaceutical companies and contract research organizations worldwide in connection with drug development processes. We leverage our Routine Lab and Specialized Testing facilities and expertise to develop testing protocols with our clients and to provide a range of safety, efficacy, pharmacodynamic and pharmacokinetic testing.

As of June 30, 2016, we had 4,277 full-time equivalent employees of which 400 clinical pathologists.

We summarize below the key consolidated financial data for the six months period ended June 30, 2016, derived from our consolidated financial statements prepared under IFRS:

For the six months ended June 30, 2016, we generated net sales of €329.2 million and EBITDA of €77.4 million. See "*Summary Historical Consolidated Financial Information and Other Data.*"

Factors that affect our results of operations

You should consider the following factors when analyzing our financial condition and results of operations.

Demand for laboratory tests

Our revenue is directly related to the volume of tests we perform. Demographic trends, including the growing size of the elderly segment of the population, the increase in soft diseases such as allergies, and the growth of long-term diseases such as cancer and diabetes requiring recurrent tests are contributing to increased demand for our services. Testing volumes have also increased as the medical profession focuses on the prevention and early detection and treatment of chronic and severe illnesses and increasingly relies on clinical testing for more-accurate diagnoses, which also leads to the development of new tests. In addition, the greater health consciousness of the general public along with increased disposable income contributes to both volume growth and a willingness of certain patients to absorb out-of-pocket costs. In addition, outsourcing from hospital laboratories of specialty tests has increased due mainly to public spending cuts in the countries where we operate. Increase in demand for tests we provide is however mitigated by the routinization of specialized testing by laboratories that previously outsourced tests to our Specialty Testing business. This occurs for example when technology for certain tests progresses and leads to the development of more cost-effective tests that can be performed by routine laboratories or when the demand for the test is such that it becomes cost-efficient for routine laboratories to perform it. We experienced this in 2012 when the testing of vitamin D levels was insourced. Demand is also tempered by the decrease in the number of tests prescribed by doctors, mainly in France, as they face pressure from governmental agencies to reduce prescriptions for certain tests.

Regulated tariffs for laboratory testing

We mainly operate in countries (France, Belgium and Luxembourg) and in market segments (Routine and Specialized laboratory testing) where clinical laboratory testing services are paid through publicly funded healthcare programs with regulated tariffs. Tariffs are set by governments and healthcare authorities and we have no control over the prices we charge to our clients. In addition, in the countries where we operate, we are not allowed to propose additional paid services to our professional or non-professional clients.

With 71.2% and 26.1% of our total net sales for the six months ended June 30, 2016 generated from our Routine Lab business and from our Specialized Testing business, respectively, in industries where tariffs are regulated, we consider that approximately 88% of our consolidated net sales to be generated from regulated tariffs for the same period.

Since 2009, European governments, including the governments of France and Belgium, have been implementing austerity measures aimed at reducing government expenditures, including in healthcare. These measures encompass both tariff decreases and measures aimed at limiting testing volume growth overall. In France, efforts have been underway to reduce tariffs for clinical laboratory tests. Based on government targeted annual savings in French clinical pathology expenditures of approximately €100 million (resulting from the Ballereau report issued in 2008), and actual savings of €72 million in 2013 alone, tariffs in the French private clinical laboratory market declined by 4.3% and 2.6% in 2012 and 2013 respectively. Additionally, tariffs generally (including regulated and non-regulated tariffs) in the French Lab market have declined at a compound annual growth rate of 1.1% between 2007 and 2012, according to the "*Rapport de la Cour des Comptes*." Similar efforts to control health expenditures are also being made in Belgium, where, in addition to regulated tariffs, the government defines each year a global spending limit on clinical laboratory tests, which incentivizes doctors and patients to limit volumes. In view of reducing public health expenditures, the Belgian government also reduced fixed-fees for ambulatory care (clinical biology) by approximately 7.5%, including for laboratory tests performed by extra-hospital laboratories, such as ours (see Royal Decree of October 18, 2013 amending the Royal Decree of 24 September 1992 laying down the procedures for fixed fee for certain clinical laboratory services provided to ambulatory patients, as well as the outsourcing of these services; and Administrative Circular OA n° 2013/351 of October 30, 2013, Administrative Circular OA n° 2013/463 of December 24, 2013, Administrative Circular OA n° 2014/228 of May 28, 2014 and Administrative Circular OA n° 2014/507 of December 23, 2014). In the wake of continued economic and financial instability as well as increased pressure on public spending in Europe, we expect further tariff decreases in the countries where we operate, particularly France.

General economic conditions and reimbursement levels

Although the clinical laboratory services market is generally considered to be less sensitive to economic cycles than certain other markets, we believe that a weakening of overall economic conditions may have a negative impact on our results of operations. Although we operate in countries where laboratory tests are largely paid for by healthcare programs, deterioration of economic conditions have led and will likely continue to lead governments to seek to reduce healthcare expenditure growth, which increases pressure on prices and volumes for our services. In addition, in France, our main market, public healthcare programs financed approximately 70% of the spending in the French private clinical pathology testing market in 2010, and customers are directly or indirectly (such as through private health insurance premiums) responsible for the remainder of that cost. As a result, individual decisions to reduce out-of-pocket healthcare expenditures may result in reduced demand for our services. More broadly, a general diminution of disposable income, or the perception thereof in times of economic downturn, can lead to a reduction in individuals' health expenditures, regardless of the level of reimbursements by public social security systems or private insurance.

Expansion of our laboratory network through acquisitions

We have expanded our network of clinical laboratories, and intend to continue to expand, through acquisitions. Historically, we have mainly focused on acquisitions of small and medium-sized regional laboratories in France to strengthen our network in the regions where we are already present through regional clusters. While we focus on small bolt-on acquisitions, we have also made certain larger strategic acquisitions to expand our geographic presence or enter new segments. For example, in 2007, we expanded our geographical reach and business mix through the acquisition of BARC in Belgium, thereby entering the central lab and Belgian routine market. In May 2014, we completed the acquisition of JS Bio to complement our position in the south east region of France.

On June 16, 2016 we entered into an acquisition agreement pursuant to which Cerba HealthCare acquired 100% of the share capital of Menalabs, a group of medical biology laboratories located in the United Arab Emirates. We believe the acquisition will create a number of benefits for our Group by strengthening our market position in the Middle East. Acquisitions affect our results of operations in several ways. First, our results for the period during which an acquisition takes place are affected by the inclusion of the results of the acquired business in our consolidated results. In addition, the results of the acquired businesses after their acquisition may be impacted positively by synergies. For example, the businesses we have acquired in the past, particularly the small bolt-on acquisitions, have generally generated savings on reagent purchases, technical and administrative expenses within a short period after their acquisition and have realized savings on personnel expenses over a longer period of time. For larger strategic acquisitions, we may experience a temporary increase in investments and personnel expenses as we integrate the acquired business into our network. Finally, because acquired businesses are consolidated from the date of their acquisition, the full impact of an acquisition is only reflected in our financial statements in the subsequent period. See "Risk Factors—Risks related our business—We face risks associated with the acquisition of businesses, including the Menelabs acquisition, in connection with our strategy" and "Forward-Looking Statements".

Because of the nature of the businesses we acquire, we carry a significant amount of goodwill on our balance sheet (€970.2 million as of June 30, 2016). Goodwill is subject to an impairment test annually and whenever there are indications of impairment. We may record significant charges in our income statement in case of impairment under IFRS.

We intend to further expand our network by continuing to acquire laboratories in each of the markets where we currently operate and selectively explore opportunities to purchase existing laboratory networks in other European countries.

Changes in regulation

Our business is subject to, and impacted by, extensive and frequently changing laws and regulations in each of the countries in which we operate as well as at the European Union level. See "*Regulation.*" In particular, until 2010, consolidation was strictly regulated in the French market, by limitations placed on the number of clinical laboratories that could be operated by a single laboratory company. In addition, limitations on outsourcing and minimum levels of staffing generated operational inefficiencies in that market. Some of these constraints have recently become less stringent: restrictions on the number of clinical laboratories that may be owned and operated by the same laboratory company have been softened, paving the way for market consolidation. However, outsourcing of tests between clinical laboratories is still limited, and minimum staffing requirements remain. Consolidation has also been affected by national labor laws that reduce flexibility to reduce our workforce.

In France, the establishment and operation of clinical laboratories requires administrative authorization from local health authorities and compliance with certain standards set by law. The existing authorization process will be gradually replaced, from November 1, 2016, by a procedure of mandatory accreditation (applicable with steps on November 1, 2016, November 1, 2018 and November 1, 2020), and stricter standards (ISO: 15189) to obtain such accreditation have been introduced. Although implementing these stricter standards will be costly and time consuming, we believe that we are better prepared than our smaller competitors to comply with such heightened requirements. We believe that smaller laboratory companies may be unable to obtain the applicable accreditations and may be forced to close or to pursue mergers or consolidate with larger groups such as ours.

For a detailed discussion of the regulatory risks that we are facing, see "*Risk Factors—Risks Related to Our Business—We are subject to numerous legal and regulatory requirements governing our activities, and we may* *face substantial fines and penalties, and our business activities may be negatively impacted if we fail to comply*" and "*Regulation*."

Sensitivity of our cost structure

Our cost base is largely fixed, with only consumption of materials and supplies (consisting mainly of reagent purchases and outsourced tests), certain external expenses and a small portion of personnel expenses considered fully variable. Personnel expense, which represented 36.8% of the net sales of the Company for the six months ended June 2016, is largely fixed due in part to national labor laws limiting workforce reductions and requiring the presence of at least one clinical pathologist in every lab. We believe that we can generally reduce personnel expenses, within a two-year period, through the creation of regional clusters by converting acquired laboratories into collection centers and through mergers of laboratories, which allows us to redeploy staff more efficiently and achieve savings on technical and administrative expenses. We have already consolidated a substantial portion of our operations in Belgium and are in the process of doing so in France, where recent regulatory changes now allow us to reduce staffing levels and insource the performance of tests among clinical laboratories to technical platforms operated by the same laboratory company.

Cyclicality of the Central Lab business

Revenues derived from our Central Lab business depend on the expenditures made by our clients, generally pharmaceutical and biotechnology companies, in research and development. The economic downturn has increased the risk associated with conducting our Central Lab business as economic difficulties result in budgetary constraints on our clients' research and development projects. Companies in these industries, particularly smaller biotechnology companies, are reliant on their ability to raise capital in order to fund their research and development projects. As a result, they may not be able to obtain access to credit or equity funding, which could affect their ability to engage in new trial testing projects, complete existing trials following the initial timetable for trials, or make timely payments to us for projects already launched. In addition to volume reductions, the economic climate may result in downward pressure on prices and therefore margins. Decreases in research and development spending, or the perception thereof in times of economic downturn, can lead to a reduction in our clients' trial testing expenditure and pressure for improved terms. Accordingly, economic factors and industry trends that affect our clients in these industries also affect our business. We believe that we benefit from some downside protection as our Central Lab business leverages the infrastructure of our Routine and Specialized Testing business, which share the burden of fixed costs associated with the business. Nonetheless, changes in the number of research and development projects our clients conduct or outsource, or their effort to obtain improved terms, affect revenues and profitability.

Key income statement items

Below is a summary description of the key elements of the IFRS line items of the income statements for the Company.

Net sales corresponds to sales of our testing services provided directly to patients, outsourced to us by hospitals and other private laboratories, or provided to the pharmaceutical industry in connection with our clinical trial activities. Net sales consists of revenue from services rendered in the course of ordinary activities, measures the fair value of the consideration received or receivable, net of returns, trade discounts and any contractual volume discounts for hospitals. Revenue related to analyses/tests carried out in connection with routine and specialized clinical testing is recognized when the report is validated by the clinical pathologist (which is the date results are communicated to the client). For our Central Lab business, clinical trials are governed by contractual arrangements and revenue is recognized using the percentage-of-completion method, measured on the basis of work performed.

Cost of sales/Consumption of materials and supplies primarily includes our costs for the reagents we purchase from suppliers and for tests we outsource to other clinical laboratories.

Other purchases and external expenses includes mainly third-party transport expenses, consumables, utilities, laboratory leases, operating leases, maintenance costs, post and telecommunication expenses, fees to external service providers, including audit, accounting, legal, human resources and marketing fees, insurance, security, cleaning, vehicle rental and travel expenses.

Personnel expenses principally include wages and salaries, compulsory social security contributions, post-employment benefits and other long-term benefits and employee profit sharing. Personnel expenses also include costs associated with the use of subcontractors and non-salaried personnel.

Net change in depreciation, amortization and impairment includes regular depreciation and amortization of non-current assets such as intangible assets, buildings, laboratory equipment, computers and software. When applicable, it also includes impairment of goodwill. It also includes provisions for operational risks, disputes, pensions, bad debt and overdue receivables.

Other operating income and expenses principally includes miscellaneous income and expenses not related to the operation of our clinical laboratories.

Net financial income (expense) is financial income, net of financial expense. Financial expense primarily includes interest and related expense, interest on bank loans, interest on bonds issued to shareholders, commitment fees, swap-related finance costs and accrued interest and related expenses.

Income tax includes corporate tax paid on income (in France, "*impôt sur les bénéfices*") and deferred taxes; it does not include other taxes due by us, which are recorded under the line item "Taxes and duties" in our IFRS income statement.

Results of operations

Comparison of the six months ended June 30, 2016 with the six months ended June 30, 2015

The following table shows certain line items of the income statements of the Company's IFRS financial statements for the six months ended June 30, 2016 and of the Company's IFRS financial statements for the six months ended June 30, 2015, as well as such items as a percentage of net sales.

	2015		2016	
	Six Months ended June 30, (unaudited) (€ in millions)			
Net sales	262.3	100.0%	329.2	100.0%
Cost of sales/Consumption of materials and supplies	(41.6)	15.9%	(48.5)	14.7%
Other purchases and external expenses	(64.8)	24.7%	(82.2)	25.0%
Personnel expenses	(100.2)	38.2%	(121.2)	36.8%
Non-recurring income (expense)	(8.5)	3.2%	(1.3)	0.4%
Net change in depreciation and amortization	(16.5)	6.3%	(19.3)	5.9%
Goodwill impairment	—	—	—	—
Net financial income (expense)	(27.2)	10.7%	(30.8)	9.4%
Income tax	(3.7)	1.4%	(17.0)	5.7%

The table below presents a breakdown of our net sales by business unit for the periods covered by, and based on, the Company's financial statements for the six months ended June 30, 2016 and of the Company's IFRS financial statements for the six months ended June 30, 2015 (included in the Company's Q2 2016 IFRS Financial Statements), as well as each such business unit net sales as a percentage of total net sales.

	2015		2016	
	Six Months ended June 30, (unaudited) (€ in millions)			
Routine Lab France net sales	84.1	58.7%	99.3	60.1%
Routine Lab Belux net sales	17.9	12.5%	18.5	11.2%
Specialized Testing net sales	37.5	26.1%	46.8	28.3%
Central Lab net sales	8.7	6.1%	6.5	3.9%
Intercompany sales	(4.8)	(3.3)%	(5.9)	(3.6)%
Total net sales	143.3	100.0%	165.2	100.0%

Net sales

Our total net sales increased by €66.9 million, or 25.5%, from €262.3 million in the six months ended June 30, 2015 to €329.2 million in the six months ended June 30, 2016.

This increase was primarily due to the full year effect of the net sales generated by the businesses acquired during the year ended December 31, 2015 (mainly Novescia, contributing from March 1, 2015), for a total of €43.6 million.

Net sales from our Specialized Lab business increased by €19.4 million, or 26.6%, due to gains of market shares and new revenue stream from innovative tests or services.

Organic sales from Routine Lab France increased by €12.0 million or 6.4%.

Regarding Routine Lab Belux, sales increased by €0.6 million in the six months ended June 30, 2015 to €18.5 million in the six months ended June 30, 2016 reflecting a stabilization of the situation in this business unit after a decrease by 12.2% in the year ended December 31, 2015.

The Central Lab business decreased by €6.0 million or 32.6%.

In total, excluding the impact of acquisitions, net sales on a like-for-like basis increased by €23.2 million or 7.6% between the six months ended June 30, 2016 and the six months ended June 30, 2015.

Cost of sales/consumption of materials and supplies

Cost of sales increased by €9.6 million, or 24.3%, from €41.6 million in the six months ended June 30, 2015 to €48.5 million in the six months ended June 30, 2016.

This increase was mainly attributable to the full year effect of the cost of sales incurred by the businesses acquired in the year ended December 31, 2016.

Gross margin increased across the two periods from 84.2% in the six months ended June 30, 2015 to 85.3% in the six months ended June 30, 2016. This mostly reflects (i) implementation of Cerba tariffs to acquired labs and (ii) improvement in Group's purchasing conditions and testing processes.

Other purchases and external expenses

Other purchases and external expenses increased by €17.4 million, or 26.8%, from €64.8 million for the six months ended June 30, 2015 to €82.2 million in the six months ended June 30, 2016, mainly due to the full-year impact of the other operating expenses incurred by the businesses acquired in 2015.

Other operating expenses as a percentage of sales slightly increased between the two periods from 24.7% in the six months ended June 30, 2015 to 25.0% in the six months ended June 30, 2016.

Personnel expenses

Personnel expenses increased by €21.0 million, or 20.9%, from €100.2 million in the six months ended June 30, 2015 to €121.2 million in the six months ended June 30, 2016, mainly due to the full-year impact of the personnel expenses incurred by the routine lab businesses acquired in the year ended December 31, 2015.

Personnel expenses as a percentage of sales decreased from 38.2% in the six months ended June 30, 2015 to 36.8% in the six months ended June 30, 2016. This mainly reflects strict monitoring of staff costs and ability to integrate acquired companies, to realize synergies and gain greater operating leverage through our increased scale.

Non-recurring income (expenses)

Net change in non-recurring income decreased by €7.2 million, from €8.5 million in the six months ended June 30, 2015 to €1.3 million in the six months ended June 30, 2016. The majority of non-recurring income for the six months ended June 30, 2016 results from the restructuring and redundancy costs in the context of the integration and to implement cost reduction initiatives. Various items are considered as non-cash and/or non-recurring, and therefore are reclassified from "Other operating expenses" to "Non-recurring income (expense)".

Net change in depreciation and amortization

Net change in depreciation and amortization increased by €2.8 million, from €16.5 million in the six months ended June 30, 2015 to €19.3 million in the six months ended June 30, 2016 mainly due to the full year effect of the depreciation and amortization incurred by the businesses acquired in the year ended December 31, 2015.

Goodwill impairment

We did not incur a goodwill impairment charge in the six months ended June 30, 2015 or in the six months ended June 30, 2016.

Net financial income (expense)

Net financial expense in the six months ended June 30, 2016 mostly relates to interest on the €675 million Notes, for €27.0 million (€24.7 million of interest plus €2.3 million of debt issuance costs' amortization).

Net financial expense increased by €3.6 million, from €27.2 million in the six months ended June 30, 2015 to €30.8 million in the six months ended June 30, 2016 mainly due to €85 million of Additional 2015 Notes issued in February 2015 and €145 million Senior Notes issued in February 2015.

Income tax

Income tax expense increased by €13.3 million, from €3.7 million in the six months ended June 30, 2015 to €17.0 million in the six months ended June 30, 2016, mainly driven by significant deferred tax income in the year ended December 31, 2015, as described in the table below:

	2015	**2016**
	Six months ended June 30,	
	(unaudited)	
	(€ in millions)	
Current tax expense	(11.1)	(17.1)
Deffered tax	7.4	0.1
Total net sales	**(3.7)**	**(17.0)**

The deferred tax income of €7.4 million in six months ended June 30, 2015 reflects the tax optimization derived from the Novescia acquisition structure, which will be used to reduce 2016 and 2017 tax payments.

Current tax expense increase by €6.0 million or 54%, from €11.1 million in the six months ended June 30, 2015 to €17.1 million in the six months ended June 30, 2016, in line with rising taxable earnings (operating income 84%).

Comparison of the fiscal year ended December 31, 2015 with the fiscal year ended December 31, 2014

The following table shows certain line items of the income statements of the Company's 2015 IFRS Financial Statements and of the Company's 2014 IFRS Financial Statements, as well as such items as a percentage of net sales.

		2014		**2015**
	Year ended December 31,			
	(audited)			
	(€ in millions)			
Net sales	399.2	100.0%	556.0	100.0%
Cost of sales/Consumption of materials and supplies	(66.3)	16.6%	(87.0)	15.6%
Other purchases and external expenses	(101.9)	25.5%	(139.6)	25.1%
Personnel expenses	(140.6)	35.1%	(214.4)	38.6%
Net change in depreciation and amortization	(24.0)	6.0%	(32.9)	5.9%
Other non-recurring income (expense)	(8.0)	2.0%	(13.2)	2.4%
Goodwill impairment	(22.6)	5.7%	—	—

	2014		2015	
	Year ended December 31,			
	(audited)			
	(€ in millions)			
Net financial income (expense)	(38.5)	9.6%	(58.5)	10.5%
Income tax	(10.8)	2.7%	(8.9)	1.6%

The table below presents a breakdown of our net sales by business unit for the periods covered by, and based on, the Company's 2015 IFRS Financial Statements and the Company's 2014 IFRS Financial Statements, as well as each such business unit net sales as a percentage of total net sales.

	2014		2015	
	Year ended December 31,			
	(audited)			
	(€ in millions)			
Routine Lab France net sales	155.6	39.0%	318.1	57.2%
Routine Lab Belux net sales	74.1	18.6%	70.2	12.6%
Specialized Testing net sales	139.1	34.8%	154.4	27.8%
Central Lab net sales	44.5	11.1%	32.5	5.8%
Intercompany sales	(14.1)	(3.5)%	(19.2)	3.5%
Total net sales	399.2	100.0%	556.0	100.0%

Net sales

Our total net sales increased by €216.8 million or 39.3%, from €399.2 million in fiscal year 2014 to €556.0 million in fiscal year 2015.

This increase was primarily due to the full year effect of the net sales generated by the businesses acquired during the fiscal year 2014 (in particular JS Bio, contributing from June 1, 2014) and fiscal year 2015 (Novescia, contributing from March 1, 2015), for a total of €167.4 million.

Net sales from our Routine Lab France business increased by €162.5 million from €155.1 million in fiscal year 2014 to €318.1 million in fiscal year 2015. Organic sales from Routine Lab France increased by €1.0 million or 0.5%, after a price cut of approximately 2.0% in April 2014. Specialists and GPs' strike early this year also negatively impacted volumes, with several days of strikes throughout the country.

Net sales from our Routine Lab Belux business decreased by €3.9 million from €74.1 million in fiscal year 2014 to €70.2 million in fiscal year 2015 mainly due to the difficulties in Flanders in 2014 together with a decrease in prices of 20% in Luxembourg as from January 1, 2015.

Net sales from our Specialized Lab business increased by €15.3 million, or 11.0%, from €139.1 million in fiscal year 2014 to €154.4 million in fiscal year 2015 due to gains of market shares and new revenue stream from innovative tests or services.

Net sales from our Central Lab business decreased by €12.0 million, or 27.0%, from €44.5 million in fiscal year 2014 to €32.5 million in fiscal year 2015.

In total, excluding the impact of acquisitions, net sales on a like-for-like basis decreased by €10.6 million or 2.5% between the fiscal year 2014 and 2015, due to tariff cut in Luxembourg and a slow down in the activity of our Central Lab.

Cost of sales/consumption of materials and supplies

Cost of sales increased by €20.7 million, or 31.3%, from €66.3 million in the fiscal year 2014 to €87.0 million in the fiscal year 2015. This increase was mainly attributable to the full year effect of the cost of sales incurred by the businesses acquired in 2014 and 2015. Gross margin increased across the two periods from 83.4% in the fiscal year 2014 to 84.3% in the fiscal year 2015. This mostly reflects (i) implementation of Cerba tariffs to acquired labs and (ii) improvement in Group's purchasing conditions and testing processes.

Other purchases and external expenses

Other operating expenses increased by €37.7 million, or 37.1%, from €101.9 million in the fiscal year 2014 to €139.6 million in the fiscal year 2015, mainly due to the full-year impact of the other operating expenses incurred by the businesses acquired in 2014 and 2015.

Other operating expenses as a percentage of sales slightly decreased between the two periods from 25.5% in the fiscal year 2014 to 25.1% in the fiscal year 2015.

Personnel expenses

Personnel expenses increased by €73.8 million, or 52.5%, from €140.6 million in the fiscal year 2014 to €214.4 million in the fiscal year 2015, mainly due the full-year impact of the personnel expenses incurred by the routine lab businesses acquired in 2014 and 2015.

Personnel expenses as a percentage of sales increased between the two periods from 35.2% in the fiscal year 2014 to 38.6% in the fiscal year 2015. This mainly reflects (i) recent acquisitions in the Routine Lab France business, which are traditionally labour-intensive and have not yet delivered all their potential for cost savings and efficiencies, and (ii) the reinforcement of headquarters support functions (e.g. process and engineering, IT, financial control, etc.) aimed at integrating acquired laboratories and implementing synergies.

Net change in depreciation and amortization

Net change in depreciation and amortization increased by €8.9 million, from €24.0 million in fiscal year 2014 to €32.9 million in fiscal year 2015, mainly due to the full year effect of the depreciation and amortization resulting from the businesses acquired in 2014 and 2015.

Other non-recurring income (expense)

Various items are considered as non-cash and/or non-recurring, and therefore are reclassified from "Other operating expenses" to "Non-recurring income (expense)". Non- recurring expenses of €13.2 million in fiscal year 2015 are composed of: (i) transaction costs associated with acquisitions (€4.6 million), mainly for Novescia; (ii) restructuring and redundancy costs at Novescia headquarters (€3.2 million), JS Bio (€0.7 million), and in Belux (€1.5 million), in the context of the integration and to implement cost reduction initiatives; (iii) various costs, fees and expenses related to indebtedness (€0.8 million); (iv) litigation costs with previous lab owners (€0.4 million); and (v) non-cash provision (€1.5 million).

Goodwill impairment

We did not incur a goodwill impairment charge in the fiscal year 2015 as compared to the €22.6 million goodwill impairment charge in the fiscal year 2014.

Net financial income (expense)

Net financial expense in 2015 mainly relates to the €675 million senior secured notes (of which €230 million were issued in February 2015), for €49.5 million (€47.5 million of interest plus €2.0 million of debt issuance costs' amortization

Net financial expense increased by €20.0 million between fiscal year 2014 and fiscal year 2015. This is mainly due to the several subsequent issuances of notes (€80 million of Additional 2014 Notes issued in April 2014, €85 million of Additional 2015 Notes issued in February 2015 and €145 million Senior Notes issued in February 2015).

Income tax

Income tax expense decreased by €1.9 million, from €10.8 million in fiscal year 2014 to €8.9 million in fiscal year 2015.

This results from deferred tax items, which varied from an expense of €3.1 million in fiscal year 2014 to an income of €8.5 million in fiscal year 2015. This deferred tax income includes €6.8 million of tax optimization derived from the Novescia acquisition structure, which will be used to reduce tax payments in 2016 and 2017.

Current tax expense increased, from €13.9 million in the fiscal year 2014 to €17.4 million in the fiscal year 2015, mainly driven by an increase of taxable earnings.

Comparison of the fiscal year ended December 31, 2014 with the fiscal year ended December 31, 2013

The following table shows certain line items of the income statements of the Company's 2014 IFRS Financial Statements and of the Company's 2013 IFRS Financial Statements, as well as such items as a percentage of net sales.

	2013		**2014**	
	Year ended December 31,			
	(audited)			
	(€ in millions)			
Net sales	351.6	100.0%	399.2	100.0%
Cost of sales/Consumption of materials and supplies	(62.6)	17.8%	(66.3)	16.6%
Other purchases and external expenses	(87.9)	25.0%	(101.9)	25.5%
Personnel expenses	(121.4)	34.5%	(140.6)	35.1%
Net change in depreciation and amortization	(25.1)	7.1%	(24.0)	6.0%
Other non-recurring income (expense)	(1.7)	0.5%	(8.0)	2.0%
Goodwill impairment	—	—	(22.6)	5.7%
Net financial income (expense)	(33.3)	9.5%	(38.5)	9.6%
Income tax	(12.0)	3.4%	(10.8)	2.7%

The table below presents a breakdown of our net sales by business unit for the periods covered by, and based on, the Company's 2014 IFRS Financial Statements and the Company's 2014 IFRS Financial Statements, as well as each such business unit net sales as a percentage of total net sales.

	Twelve months ended December 31, 2013		**Year ended December 31, 2014**	
	(unaudited)		**(audited)**	
	(€ in millions)			
Routine Lab France net sales	112.1	31.9%	155.6	39.0%
Routine Lab Belux net Sales	78.5	22.3%	74.1	18.6%
Specialized Testing net sales	130.5	37.1%	139.1	34.8%
Central Lab net sales	42.8	12.2%	44.5	11.1%
Intercompany sales	(12.4)	(3.5)%	(14.1)	(3.5)%
Total net sales	278.7	100.0%	399.2	100.0%

Net sales

Our total net sales increased by €47.6 million, or 13.5%, from €351.6 million in fiscal year 2013 to €399.2 million in fiscal year 2014.

This increase was primarily due to the full year effect of the net sales generated by the businesses acquired during the fiscal year 2013 (in particular CBM in France) and the fiscal year 2014 (JS Bio, contributing from June 1, 2014), for a total of €45.2 million.

Excluding the impact of these acquisitions, net sales on a like-for-like basis increased by €2.4 million or 0.7% between the fiscal year 2013 and the fiscal year 2014, due to volume growth, partially offset by price decreases, particularly in Belgium and France.

This organic growth was primarily due to the Specialized Lab business (€8.6 million or 6.6%) due to gains of market share and new revenue stream from innovative tests or services. Net sales from our Central Lab business also increased by €1.7 million or 4.0%. Organic sales from Routine Lab France decreased by €1.7 million or 1.3%, resulting from a price cut of approximately 2% in April and GPs' strike in the last week of December which impacted volumes (3.4% in the fourth quarter of 2014 compared to the fourth quarter of 2013). Routine Lab Belux suffered from tariff cut in Belgium and fierce commercial competition in Flanders, which resulted in a decrease in sales compared to last year of €4.4 million or 5.5%.

Cost of sales/consumption of materials and supplies

Cost of sales/Consumption of materials and supplies increased by €3.7 million, or 5.9%, from €62.6 million in fiscal year 2013 to €66.3 million in fiscal year 2014.

This increase in Cost of sales/Consumption of materials and supplies was mainly attributable to the full year effect of the cost of sales incurred by the businesses acquired in the fiscal year 2013 and 2014, together with the organic growth in Specialized Lab businesses.

Gross margin increased across the two periods from 82.2% in fiscal year 2013 to 83.4% in fiscal year 2014. This mostly reflects (i) the application of Cerba tariffs to acquired labs and (ii) improvement in Group's purchasing conditions and testing processes.

Other purchases and external expenses

Other purchases and external expenses increased by €14.0million, or 15.8%, from €87.9 million in fiscal year 2013 to €101.9 million in fiscal year 2014, mainly due to the full-year impact of the other operating expenses incurred by the businesses acquired in 2013 and 2014.

Other operating expenses as a percentage of sales remained relatively stable between the two periods from 25.0% in fiscal year 2013 to 25.5% in fiscal year 2014.

Personnel expenses

Personnel expenses increased by €19.2 million, or 15.8%, from €121.4 million in fiscal year 2013 to €140.6 million in fiscal year 2014, mainly due to the full-year impact of the personnel expenses incurred by the businesses acquired in the fiscal years 2013 and 2014.

Personnel expenses as a percentage of sales increased from 34.5% to 35.2% between 2013 and 2014 reflecting (i) recent acquisitions in the Routine Lab France sector, which are traditionally labour-intensive and have not yet delivered all their potential for cost savings and efficiencies, together with (ii) the reinforcement of headquarters support functions (e.g. process and engineering, IT and financial control) aimed at integrating acquired laboratories and implementing synergies.

Net change in depreciation, amortization and impairment

Net change in depreciation and amortization decreased by €1.1 million, from €25.1 million in fiscal year 2013 to €24.0 million in fiscal year 2014, mainly due to complete depreciation reached on several intangible assets during that period.

Goodwill impairment

A goodwill impairment charge of €22.6 million was recorded in fiscal year 2014, whereas none was recorded for the fiscal year 2013.

In 2014, we identified indicators of impairment losses in respect of the business unit for our Central Lab business. We tested for impairment using a revised 10.1% assumed growth rate as compared to the 8.9% assumed growth rate used in 2013, on the basis of the expected return and market risk for this unit. The testing was also based on our Central Lab cash-generating unit's business plan based on business conditions in December 2014, which takes into account the short term uncertainties in this segment such as lower new bookings and backlog or competitors' mergers. This led to an impairment loss of €22.6 million in respect of our Central Lab business cash-generating unit.

Other non-recurring income (expense)

Various items are considered as non-cash and/or non-recurring, and therefore are reclassified from "Other operating expenses" to "Non-recurring income (expense)". Non- recurring expenses of €8.0 million in fiscal year 2014 are composed of: (i) transactional costs associated with acquisitions (€2.5 million), of which €1.2 million relate to the full provisioning of an non-compete commitment to be paid to a Belgian laboratory previous owner until December 2016, as requested by IFRS; (ii) full provisioning of the non-compete allowance/fees to be paid to the LLAM previous owner until December 2016 (€1.0 million), according to IFRS; and (iii) restructuring/redundancy actions in our Belgium medical lab business to adapt our structure to the more challenging market conditions, and in France for the integration of JS Bio to implement cost reduction initiatives (€3.0 million).

Net financial income (expense)

Net financial expense increased by €5.2 million between fiscal year 2013 and fiscal year 2014. This is mainly due to the €80 million additional notes issued in April but accruing interest since February 1, 2014.

Net financial expense in the fiscal year 2014 mostly relates to interest on the €445 million senior secured notes for €30.5 million.

Income tax

Income tax decreased by €1.2 million, from €12.0 million for the year ended December 31, 2013 to €10.8 million for the year ended December 31, 2014 mainly due to a provision release of €3.9 million related to an old dispute with the Belgian tax authorities which finally turned into a favourable agreement with the administration.

Liquidity and capital resources

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations, including working capital needs, debt service obligations, capital expenditures, contractual obligations and other commitments, as well as acquisitions. Our primary sources of liquidity are provided by our cash from operating activities and our financings. Our liquidity requirements arise primarily to fund acquisitions, to meet our debt services obligations, working capital and, to a lesser extent, to fund capital expenditures.

Our financial condition and liquidity is and will continue to be influenced by a variety of factors, including:

- our ability to generate cash flows from our operations;
- the level of our outstanding indebtedness and the indebtedness of our subsidiaries, and the interest we are obligated to pay on such indebtedness, which affects our net financial expense;
- our ability and the ability of our subsidiaries to continue to borrow funds from financial institutions; and
- our external growth funding requirements, which consist primarily of the funding of acquisitions of additional laboratories.

Our cash requirements consist mainly of the following:

- funding acquisitions;
- funding working capital requirements;
- funding capital expenditures needs;
- servicing our indebtedness and the indebtedness of our subsidiaries;
- operating activities; and
- paying taxes.

Our sources of liquidity will consist mainly of the following:

- cash generated from our operating activities;
- borrowings under our Revolving Credit Facility;
- borrowings under debt securities;
- borrowings under factoring and bilateral loan facilities; and

- capital contributions from our shareholders.

Consolidated IFRS cash flow statement

The following table summarizes our IFRS consolidated cash flow statement for the six months ended June 30, 2015 and 2016 based on the Company's Q2 2016 IFRS financial statements and for the years ended December 31, 2015, 2014 and 2013, based on the audited financial statements of the Company, an English translation of which is included elsewhere in this Listing Memorandum.

	2013	2014	2015	2015	2016
	Year ended December 31,			**Six months ended June 30,**	
	(audited)			**(unaudited)**	
	(€ in millions)				
Net cash provided by (used in) operating activities	69.8	70.4	92.7	41.4	51.2
Net cash provided by (used in) investing activities	(48.3)	(86.3)	(314.1)	(270.0)	(16.4)
Net cash provided by (used in) financing activities	8.6	(14.6)	203.6	228.6	43.2
Effect of exchange rate fluctuations on cash held	(0.0)	30.5	(0.0)	(24.0)	(86.4)
Net increase (decrease) in cash and cash equivalents	**30.1**	**(1.3)**	**(17.7)**	**(24.0)**	**(8.4)**
Cash and cash equivalents at the beginning of the period	33.5	63.6	62.3	62.3	44.6
Cash and cash equivalents at the end of the period(1)	63.6	62.3	44.6	38.3	36.2

(1) Represents cash and cash equivalents as of the balance sheet date minus bank overdrafts.

Cash flow from (used in) operating activities

Cash flow from operating activities increased by €9.8 million from €41.4 million in the six months ended June 30, 2015 to €51.2 million in the six months ended June 30, 2016. This mainly derived from an increase in EBITDA by €21.6 million, partially offset by a €19.1 million decrease from change in working capital. This was mostly due to accounts receivable increase, driven by the sharp rise in revenue over the last quarters, while payment terms remained under control.

Cash flow from operating activities increased by €22.3 million from €70.4 million in the twelve months ended December 31, 2015 to €92.7 million in the twelve months ended December 31, 2014. This mainly derived from an increase in EBITDA by €24.5 million, together with a €10.3 million increase from change in working capital, with a steady improvement of cash generation performance through DSO.

Cash flow from operating activities decreased by €0.6 million from €69.8 million in the twelve months ended December 31, 2014 to €70.4 million in the twelve months ended December 31, 2013. This mainly derived from an increase in EBITDA by €10.8 million, partly offset by a €5.5 million decrease from change in working capital. Income tax paid also increased by €3.2 million, from €12.1 million in the twelve months ended December 31, 2013 to €15.3 million in the twelve months ended December 31, 2014, driven by rising taxable earnings.

Cash flow from (used in) investing activities

Cash flow used in investing activities decreased from €270.0 million in the six months ended June 30, 2016 to €16.4 million in the six months ended June 30, 2015 mainly due to investment in acquisitions from €256.7 million in the six months ended June 30, 2015 (mainly Novescia) to €6.0 million in the six months ended Juner 30, 2016. Our operating capital expenditures, excluding acquisitions, amounted €9.0 million in the six months ended June 30, 2016, which represents 2.7% of net sales for the same period.

Cash flow used in investing activities increased from €86.3 million in the twelve months ended December 31, 2014 to €314.1 million in the twelve months ended December 31, 2015. This was primarily due to investment in acquisitions, from €77.9 million in fiscal year 2014 to €291.0 million in fiscal year 2015. Our operating capital expenditures, excluding acquisitions, amounted €8.4 million in fiscal year 2014 and €22.7 million in fiscal year 2015 or 4.1% of net sales for the same period, of which €9.0 million (or 1.6% of net sales) relate to the Belval project in Luxembourg (new building and "fully automated laboratory").

Cash flow used in investing activities increased from a use of €48.3 million in the twelve months ended December 31, 2013 to a use of €86.3 million in the twelve months ended December 31, 2014. This was primarily due to investment in acquisitions, from €39.6 million in fiscal year 2013 to €77.9 million in fiscal year 2014.

Our operating capital expenditures, excluding acquisitions, amounted €8.9 million in the year ended December 31, 2013 and €8.4 million in the year ended December 31, 2014 or 2.1% of net sales for the same period.

Cash flow from (used in) financing activities

Cash flow from financing activities decreased by €247.8 million between the six months ended June 30, 2015 and the six months ended June 30, 2016, from €204.6 million to €43.2 million, respectively. Financing cash flows for the six months ended June 30, 2016 include net interest expense of €28.5 million, of which €24.7 million relate to the €675 million notes (semiannual coupon payment to bond holders) and repayment of financial liabilities of €16.9 million.

Cash flow from financing activities increased by €189.0 million between fiscal year 2014 and fiscal year 2015, from a cash outflow of €14.6 million to a cash inflow of €203.6 million, respectively. This mainly includes: (i) new borrowings for €281.3 million. This reflects mainly the €230 million notes issued in February for the acquisition of Novescia (gross proceeds of €234 million, net of issuance costs of €10 million), together with a €50 million drawn on the Revolving Credit Facility to partly finance the other acquisitions (Charente and other bolt-on); (ii) net interest expense of €45.9 million, of which €40.4 million relates to the €530 million notes; and (iii) repayment of financial liabilities of €32.5 million.

Cash flow from financing activities increased by €6.0 million from a cash inflow of €8.6 million in the year ended December 31, 2013, to a cash outflow of €14.6 million in the year ended December 31, 2014. This mainly includes: (i) new borrowings for €96.3 million, which includes €83.0 million of proceeds from the additional notes issued in April 2014 (gross proceeds of €86.8 million net of issuance costs of €3.8 million), together with a €9.0 million bank loan granted to finance the new premises of our Luxembourg laboratory; (ii) repayment of debts for €48.9 million, of which €28.6 million for the repayment of existing JS Bio facilities (€22.2 million of senior debt and €6.4 million of convertible shareholder bonds); and (iii) net interest expense of €31.8 million.

Capital resources

As of June 30, 2016, we had net financial debt of €667.5 million (or €817.1 million including Senior Notes issued by CN1) composed of (i) €530.0 million notes, plus accrued interest of €15.5 million; (ii) finance leases and bilateral loans of €104.5 million; (iii) Revolving Credit Facility drawn for €50.0 million (out of a €80.0 million total facility), plus accrued interest of €0.3 million; (iv) cash (net of bank overdrafts) of €36.2 million; and (v) intercompany loan from CN1 (Senior Notes) of €145 million, plus accrued interest of €4.6 million.

We made the following two adjustments to our net financial debt as at June 30, 2016:

- Capitalized debt issuance costs: IFRS requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. We canceled this IFRS adjustment and re-increased our net financial debt by the unamortized portion of such issuance costs (*i.e*. €12.2 million); and

- Debt related to acquisitions: we included €3.5 million of "acquisition-related deferred price consideration". This relates to acquisitions completed in 2015 but not fully paid at year-end. This adjustment is made to avoid distortion when calculating the leverage ratio and to guarantee consistency between the numerator (debt, including deferred purchase prices on acquisitions) and the denominator (EBITDA, including pro forma adjustments for the acquisitions made in 2015).

We expect cash provided by operations and amounts available under the Revolving Credit Facility to be our principal sources of funds. Future drawings under the Revolving Credit Facility will be available only if, among other things, we comply with the financial and other covenants in the Revolving Credit Facility. Our ability to meet the financial covenants in the Revolving Credit Facility Agreement will depend on our results of operations, which may be affected by factors outside our control. For more information about the Revolving Credit Facility, see "*Description of Other Indebtedness—Revolving Credit Facility Agreement*."

Contractual obligations and commercial commitments

The table below sets out the Company's contractual obligations and commitments as of June 30, 2016:

Contractual obligations	**Total**	**Less than 1 year**	**1 - 5 years**	**More than 5 years**
		(million €)		
Senior Secured Notes	530.0	—	530	—
Senior Secured Notes (accrued interest)	15.5	15.5	—	—
Revolving Credit Facility	50.0	—	50.0	—
Revolving Credit Facility (accrued interest)	0.3	0.3	—	—
Bilateral loans and finance leases	104.5	30.9	54.3	19.3
Bank overdrafts	2.3	2.3	—	—
Debt related to acquisitions	3.5	3.5	—	—
Senior Unsecured Notes	145.0	—	145.0	—
Senior Unsecured Notes (accrued interest)	4.6	4.6	—	—
Total (excluding shareholders debt)	**855.7**	**57.1**	**779.3**	**19.3**
Shareholders debt(1)	22.4	—	—	22.4
Total	**878.0**	**57.1**	**779.3**	**41.7**

(1) Shareholders debt includes: (i) vendor loan €11.0 million of nominal value; (ii) shareholder loan €3.2 million of nominal value; and (iii) accrued/capitalized interest €8.0 million.

Off-balance sheet commitments

We are a party to various customary off-balance sheet arrangements, including guarantees and security granted in connection with earn-out obligation when businesses are acquired.

Financial risk management

We have historically been exposed to limited foreign exchange risk, as in the past we have entered into limited foreign currency transactions.

We have in the past been exposed to market risk arising from fluctuations in interest rates. To manage this risk, we have entered into hedging transactions and use derivative financial instruments to mitigate the adverse effects of this risk.

We are not required to enter into hedging transactions or to use derivative financial instruments to mitigate the adverse effects of interest rate fluctuations pursuant to the Revolving Credit Facility Agreement, and do not plan to do so.

We do not enter into financial instruments for trading or speculative purposes. We do not apply hedge accounting under IFRS.

Critical accounting policies and estimates

IFRS require the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the relevant period. These estimates and assumptions are based on the information available at the time of preparation of the financial statements and affect the published amounts. Actual results may differ from these estimates.

IFRS critical accounting policies and estimates

We consider the following policies and estimates to be the most critical in understanding the assumptions and judgments that are involved in preparing our financial statements in accordance with IFRS and the uncertainties that could affect our financial results, financial condition and cash flows:

- consolidation methods;
- recognition of revenue associated with clinical laboratory testing operations and clinical trials;
- accounting for deferred and income taxes;
- accounting for provisions and for impairment of financial assets;
- accounting for and impairment of goodwill;
- accounting for derivative financial instruments; and
- accounting for employee benefits.

A more detailed description of the accounting rules and methods that we apply under IFRS is provided in the notes to the historical audited consolidated financial statements of Financière Gaillon 12 included elsewhere in this Listing Memorandum.

Consolidation methods

All significant investments in affiliates that are exclusively controlled by the Issuer, either directly or indirectly, are fully consolidated.

French legislation requires that for laboratories that are incorporated as SELs, the clinical pathologists operating such SELs hold a majority of the shares and voting rights of such entities. In strict compliance with these regulatory constraints, the group has set up a capital structure that meets these obligations while the by-laws governing such entities grant us a majority of the economic rights in such subsidiaries. Further, provisions of the by-laws and shareholder agreements that we have entered into with the clinical pathologists holding majority voting power give us negative control over key matters of corporate governance, including the incurrence of indebtedness, acquisitions and dispositions.

Although the group does not hold the majority of voting rights in its SEL subsidiaries, the above-mentioned mechanisms allow it to obtain the majority of the economic benefits and also to demonstrate the existence of control, while being in full compliance with French legislation, therefore enabling the French entities to be fully consolidated.

Subsidiaries are fully consolidated from the date that control commences until the date that control ceases.

Revenue

Revenue from services rendered in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and any contractual volume discounts for hospitals.

Our Routine Lab and Specialized Testing operations are carried out in clinical laboratories. Revenue related to the analyses/tests carried out is recognized when the test report is validated by the clinical pathologist (i.e., the date on which results are given to the client).

For our Central Lab business, clinical trials are governed by contractual agreements providing for specific invoicing at each stage. Revenue is recognized using the percentage-of-completion method. Percentage of completion is measured on the basis of work performed.

Income tax

Income tax comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss unless they relate to a business combination, or to items that are recognized directly in equity or in other comprehensive income.

Current tax is (i) the expected tax payable or receivable on taxable profit or tax loss for the period, using tax rates enacted or substantively enacted at the reporting date, and (ii) any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit;

- temporary differences related to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are reversed, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, we take into account the impact of uncertain tax positions and any additional taxes and interest that may be due.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to taxes levied by the same authority, either on the same taxable entity or on different tax entities that intend to settle current tax liabilities and assets on a net basis, and realize their tax assets and settle their tax liabilities simultaneously.

A deferred tax asset is recognized for unused tax credits, tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that taxable profit will be realized.

The French Finance Act of 2010 eliminated the business tax (*taxe professionnelle*) as of 2010 and replaced it with two new taxes: the property business tax (*cotisation foncière des entreprises*, or the “CFE”) and the value added business tax (*cotisation sur la valeur ajoutée des entreprises*, or the “CVAE”). In accordance with the opinion of the *Conseil National de la Comptabilité*, the body that sets French national accounting standards, dated January 14, 2010, the group has concluded that the CVAE falls within the scope of International Accounting Standard (“IAS”) 12 and it has therefore been recognized under income tax. A deferred tax liability related to the CVAE is recognized.

Provisions

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized under finance costs.

Restructuring. A provision for restructuring is recognized when the group has approved a detailed and formal restructuring plan, and the restructuring (i) either has commenced (ii) or has been announced publicly. Future operating losses are not provisioned.

Financial assets measured at amortized cost. We consider evidence of impairment for financial assets measured at amortized cost (loans and receivables) at both a specific asset and collective level.

The high volumes and low unit values of invoices we issue require specific credit management processes. Impairment policies for receivables have been implemented on the basis of historical trends. However, impairment allowances are allocated specifically. In specialized clinical pathology laboratories, the collection of receivables from direct patients, which are more than 35 days overdue, is handled by a debt collection company.

In assessing collective impairment, we use historical trends of the probability of default, the timing of collection and the amount of loss incurred, adjusted based on management’s judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than those suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows. Losses are recognized in profit or loss under “Net change in depreciation and amortization” and are recorded in an allowance account for loans and receivables. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Goodwill

Initial recognition. Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the group.

We measure goodwill at the acquisition date as:

- the fair value of the consideration transferred, *plus*
- the recognized amount of any non-controlling interests in the acquiree, *plus*
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, *less*
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Commercial goodwill that is acquired by the group is accounted for as a business combination.

Subsequent measurement. Goodwill is measured at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to the cash generating units (“CGUs”) or group(s) of CGUs that are expected to benefit from the synergies arising from the business combination.

The CGUs or group of CGUs identified by the group are as follows:

- the specialized clinical pathology CGU, corresponding to our Specialized Testing business;
- the France private clinical laboratory testing CGU and the Belux private clinical laboratory testing CGU, corresponding to our Routine Lab business; and
- the clinical trial CGU, corresponding to our Central Lab business.

To determine the value in use of each CGU, cash flows are discounted based on the weighted average cost of capital (WACC), calculated on the basis of expected return and market risk for each CGU.

The final value is calculated using ad infinitum order to pay of the discounted cash flow, determined on the basis of a normalized flow and an ad infinitum growth rate. This growth rate is in accordance with the markets development potential as regards the business as well as its competitive position. The discounted cash flows are compared to the sum of the goodwill value as well as to the operating assets allocated to the CGUs (intangible assets, items of property, plant and equipment and components of working capital, net of deferred tax liabilities).

Commercial goodwill acquired during the period is recognized as part of goodwill.

Derivative financial instruments

The group holds derivative financial instruments to hedge interest rate risk exposures. The derivative financial instruments held are interest rate swaps. The derivative financial instruments are not designated as hedging instruments in a hedging relationship as set out in IAS 39. Consequently, changes in their fair value are directly recognized in profit or loss.

Employee benefits

In accordance with the laws and practices of the countries in which it operates, the group grants its employees post-employment benefits (pension plans) and other long-term benefits (long-service bonuses).

Defined benefit plans. The group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have vested in return for their service in the current and prior periods. This benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on AA credit- rated bonds that have maturity dates approximating the terms of the group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. The group recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

Other long-term employee benefits. The group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefits vested by employees in return for their service in the current and prior periods. The benefits mainly comprise seniority bonuses.

Industry

Certain of the information set forth in this section has been derived from external sources, including the "Statistiques des soins de santé" published by INAMI, "Les comptes de la sécurité sociale" published by the Sécurité Sociale in 2014 and "Comptes nationaux de la santé 2013" published by the DREES in 2014, among others. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but some of this information may have been derived from estimates or subjective judgments or have been subject to limited audit and validation. While we believe this market data to be accurate and correct, we have not independently verified it.

Overview

We are engaged in three principal lines of business within the broader industry of clinical laboratory testing services. We conduct clinical pathology testing through our Routine Lab business and our Specialized Testing business. Our Routine Lab business provides local, low-complexity diagnostic testing services to patients. Our Specialized Testing business activities include providing highly complex clinical pathology, pathology and cytogenetic testing services outsourced from private and public laboratories. Additionally, our Central Lab business is engaged in supporting pharmaceutical and biotechnology companies in the clinical trial phase of their drug development. Each of our businesses focuses on different geographical regions, is targeted at a different clientele and is consequently subject to different competitive environments and market trends.

Clinical pathology testing

Clinical pathology testing is broadly split between routine laboratory testing, which we conduct through our Routine Lab business, and specialized laboratory testing, which we conduct through our Specialized Testing business.

Routine laboratory testing provides diagnostic, low-complexity testing to patients who are prescribed a particular test by their physician or on behalf of public and private hospitals that do not have in-house laboratories. Such diagnostic tests include clinical laboratory testing, or testing based on the analysis of bodily fluids, such as blood tests and urinalysis. Patients are either prescribed a test as part of a visit to their regular doctor or are required to undergo a diagnostic test when admitted to a hospital, in connection with the diagnosis, evaluation, detection, monitoring and treatment of medical conditions such as cancer, infectious diseases, endocrine disorders, cardiac disorders and genetic diseases. Laboratories such as ours receive business either directly from patients referred by their physician or patients who choose to have their tests performed by a particular laboratory.

Specialized laboratory testing focuses on complex, relatively uncommon laboratory testing needs that local smaller laboratories and hospitals are unable or unwilling to meet due to the expertise required. The types of tests that fall under this category include:

- clinical pathology, such as molecular and cellular-level testing, virology, immunological analyses, bacteriological testing, and other tests related to hormonology and oncology;
- anatomical pathology, which is the testing of histologic or cytological samples (such as human tissue); and
- cytogenetic testing, such as prenatal testing for hereditary disorders.

Market overview

We operate our Routine Lab business in various parts of France, Belgium and Luxembourg. Providers of routine laboratory testing services in these three countries include public laboratories associated with large public research facilities (such as regional hospitals and university hospitals in France), small local laboratories run by clinical pathologists themselves and clinical laboratory networks like us.

Customers in the specialized laboratory testing market differ from those of the routine laboratory testing market. Specialized laboratories mostly receive samples through outsourcing referrals from other private laboratories and public hospitals that do not have the facilities, certifications, expertise or volume levels necessary to perform the requested tests. Laboratories engaged in specialized testing typically centralize their testing functions in one location, transporting samples to be tested to their main testing facility. All of our specialized testing is performed at our centralized facility in Saint-Ouen-l'Aumône, France. Due to the low volume and high geographical dispersion of specialized samples origination, sophisticated logistics systems are required to transport samples from collection points all over the world to testing centers.

The specialized laboratory testing market is also marked by notably high barriers to entry. Establishing a specialty laboratory requires significant investments in specific equipment and the maintenance of a staff of trained professionals with a high level of scientific expertise and technological know-how. In order to sustain the profitability of its business, a specialty laboratory must also be able to manage logistics efficiently and cost-effectively, in particular with respect to sample transportation which needs to have a broad geographical scope to capture sufficient volumes for the business to be profitable. In addition, certain highly specialized tests require additional certification from local regulatory authorities. Finally, much like the routine laboratory testing business, the majority of prices for specialized laboratory testing are fixed by health regulatory authorities in the local jurisdiction. As a result of these requirements, many laboratories engaged in routine testing are unable to enter into the specialized testing business. Likewise, we believe that it would be challenging for foreign competitors with specialized testing capabilities to establish the necessary and accredited logistics footprint, comply with the regulatory requirements and obtain the required referrals to develop a sustainable competitive position in our core French market.

France

In 2013, according to "*Comptes nationaux de la santé 2013*", the private market for clinical laboratory testing in France increased by 0.4% and represented revenue of approximately €4.3 billion, making it one of the largest private markets in Europe. According to the "*Rapport de la Cour des Comptes*", the value of the French private clinical laboratory testing market is estimated to have experienced approximately 3.1% compound annual growth from 2007 to 2012, reflecting the net effect of tariff decreases and a combined growth effect of volume and mix. Based on government targeted annual savings in French clinical pathology expenditures of approximately €100 million (resulting from the recommendations of the Ballereau report issued in 2008), we believe, in accordance with data reported by "*Les comptes de la sécurité sociale*", that tariffs in the lab test market declined by 4.3% and 2.6% in 2012 and 2013, respectively. These tariff decreases were offset by 4.6% compound annual growth resulting from a combined volume and mix impact.

In France, doctors prescribe clinical laboratory tests and patients are free to choose the clinical laboratory in which they are tested. Patients typically choose a laboratory based on proximity to their home or workplace. Accordingly, choice of a high traffic location and reputation for quality of services are key factors. The laboratory completes the testing process in-house except for specialized tests which can be outsourced to specialized laboratories.

Tariffs for laboratory tests are set by the Ministry of Health (*Ministère des Affaires sociales et de la Santé*) and the National Health Insurance Fund (*Caisse Nationale d'Assurance Maladie*).

According to "Comptes nationaux de la santé 2013", in 2013, approximately 72.1% of spending in the French private clinical pathology testing market was financed by the French social security system and the remainder was covered by private insurance companies (approximately 25.1%) and by the patient directly out of pocket (approximately 2.8%). This split has not materially changed in recent years. The French social security system updates its catalog of tests (BIOLAM), on an annual basis, and determines the amount of reimbursement, if any, for each clinical test. Approximately 90% of our net sales for Routine Lab and Specialized Testing in France are derived from tests for which prices are regulated and reimbursed by the social security system.

The clinical pathology testing market remains highly fragmented in France, with approximately 6.2 laboratories per 100,000 people in 2013, as opposed to more consolidated markets such as Germany, where there were approximately 0.7 laboratories per 100,000 people in 2011. This fragmentation is the historical result of legal requirements that limited outsourcing, restricted laboratory ownership, capped the number of branches of a single laboratory and set constraints on how much of a specific area's testing needs any one laboratory could cover. The five leading networks of laboratories in France (including Labco, Cerba, Unilabs, Bomnis and Novescia) increased their market share from 16% to 26% between 2010 and 2014. Based on our net sales for 2011, we believe we had a market share of approximately 8.1% of the French private clinical pathology testing market. Following the Novescia acquisition, we expect our market share to increase to approximately 13.4%.

Belgium

According to the Belgian national healthcare regulator, INAMI, the Belgian regulated clinical pathology laboratory testing market grew at a compound annual rate of approximately 3.4% between 2008 and 2011 and generated revenue of approximately €1.4 billion in 2013, of which 75% is reimbursed by the Belgian social security system.

The laboratory services market in Belgium is split between tests performed for patients that are in the hospital, which is referred to as hospitalized care, and tests performed for patients that are not hospitalized, which is referred to as ambulatory care, our addressable market. Approximately 50% of all the tests performed for ambulatory care are performed by private laboratories such as ours, the other 50% being performed by intra-hospital laboratories. According to INAMI, the ambulatory care segment represented in 2010 approximately 60% of the total clinical pathology market. Ambulatory care is mainly structured on the basis of a business-to-business model where samples are collected at a doctor's practice before being delivered to clinical laboratories such as ours for testing. However, certain laboratories, including ours, also maintain collection centers for direct access to patients. Approximately 95% of our net sales for Routine Lab in Belgium are derived from tests for which prices are regulated and that are reimbursed by the social security system.

Reimbursement levels for tests included in the INAMI catalog are set by the Belgium health authorities. In certain cases, laboratories are allowed to bill a small supplemental administrative fee per patient in addition to the set price for a test. Laboratory tests that are prescribed for non-therapeutic reasons may be excluded from INAMI's price regulation and are set freely by individual laboratories.

The Belgian clinical biology market has undergone considerable consolidation in the past 20 years. The consolidation process has been primarily driven by the easing of ownership restrictions to allow for the ownership of clinical laboratories by investors who are not clinical pathologists, the increasing difficulty in obtaining authorizations to operate and tariff reductions. According to the specialized press, the number of accredited laboratories has decreased by 12,5% between March 2010 and February 2014 (*Le Medecin Spécialiste,* n° spécial/Avril 2014, ISSN 0770-8181).

Luxembourg

The Luxembourg market is split between public and private laboratories. Public laboratories (including laboratories that are part of hospitals and clinics, as well as institutions such as the National Health Laboratory) provide routine laboratory testing to hospitalized and ambulatory patients, whereas private laboratories serve ambulatory patients exclusively.

Prices for all laboratory tests are set by the Luxembourg Ministry of Health (*Ministère de la Santé*) and the national insurance scheme (*Caisse Nationale de Santé*). The state reimburses 100% of test expenses at the fee level set in the annual catalog released by government health authorities.

In 2011, the total ambulatory clinical laboratory services market in Luxembourg generated revenue of approximately €58.5 million, of which approximately €50.8 million was attributable to private laboratories. According to internal estimates, we believe that the value of the private lab testing segment in Luxembourg grew at a compound annual rate of approximately 4.9% from 2008 to 2011. As of 2011, there were three private laboratories operating in Luxembourg.

Competition

Routine Lab

The routine laboratory testing market in the countries in which we operate has limited competitive dynamics because of its fragmented nature and patients' tendency to go to the nearest laboratory to their home or workplace. As such, the competitive dynamics among the larger industry players revolve around the regional density of their network. In the long term, however, we believe that the rising pressures on governments to reduce healthcare spending as they face budget constraints are likely to lead to greater harmonization across the European market and further liberalization of regulatory requirements, which in turn will lead to increased competition. We believe that this could lead to cross-border consolidation among market participants and increased penetration of the European market by some of the major non-European laboratory groups such as Quest Diagnostics, Laboratory Corporation of America and Sonic Healthcare.

Due to the regulated fee structure of the routine laboratory testing markets in which we operate, we mostly compete on the basis of the quality of the services we provide and the density of our network. We believe that patients who are free to choose the clinical laboratories where they are tested usually base their choice on a laboratory's proximity to their home or workplace. Medical doctors sometimes refer patients to specific laboratories regardless of location. We believe that referring doctors and facilities that outsource their testing consider the following factors, among others, in selecting a clinical laboratory:

- medical and scientific expertise;
- the accuracy, timeliness and consistency in reporting test results;
- the reputation of the clinical laboratory in the medical community or field of specialty;
- the service capability and convenience;
- the number and type of tests performed;
- the method and speed of delivering/publishing results; and
- the tools for interpreting results offered.

The competitive landscape for the routine laboratory testing market that we face varies from market to market. In each of the countries in which we operate, however, we compete with local and regional independent laboratories.

In France, in addition to local and regional market participants, we also face competition from nationwide groups such as Labco, Novescia and Unilabs. We believe that we are one of the two largest providers in the French Routine Lab market in terms of revenue, based on management estimates for 2013, achieved through our local leadership within regional clusters. Through our recent acquisitions, we have grown our market share allowing us to secure a leading position in the industry.

In Belgium, we face competition from hospitals that provide routine laboratory testing themselves, as well as from nationwide private laboratories such as Labco, Sonic Healthcare, Amedes and Synlab. We believe that in 2011 we held a market share of approximately 5.1% of the Belgian ambulatory care testing market, based on our revenue, making us the third largest private provider of routine testing in Belgium, due in part to our leading presence in the Flanders region.

In Luxembourg, we compete with hospitals and with the other two private laboratories in Luxembourg, Laboratoires Réunis and Laboratoire Forges du Sud. We believe that in 2011 we held a market share of approximately 52.5% of the Luxembourg private ambulatory routine testing market, based on revenue, which makes us the largest private ambulatory care routine laboratory in Luxembourg.

Specialized testing

Because the services provided by specialized testing laboratories affect the delivery of healthcare, a large proportion of the tests performed by participants in this industry have rates set by central health authorities. Market participants are thus limited in the prices that they can charge patients or healthcare providers for services rendered and price competition is limited to only those tests that are outside the official testing catalog of the various public health authorities. Such pricing constraints do not apply in countries where pricing is liberalized, and international laboratories are able to set pricing competitively in such markets. However, most firms are limited to competing based on the breadth of their testing offerings, the amount of time it takes for test results to be made available to patients and the reliability of the logistics involved in sample transport.

Although we perform specialized tests for clients located in over 50 countries in Europe, North Africa and the Middle East, France generated 92.2% of our Specialized Testing net sales for the year ended December 31, 2013. We believe that in 2011, we held a leading share of the public and private specialized testing business in France, based on revenue. Today, we believe to be the co-leader in the French specialized testing market. Our main competitor in France is Biomnis. We also face a marginal amount of competition in France from public hospital laboratories. Outside France, we face competition from local participants and large international firms.

Market trends

Routine Lab

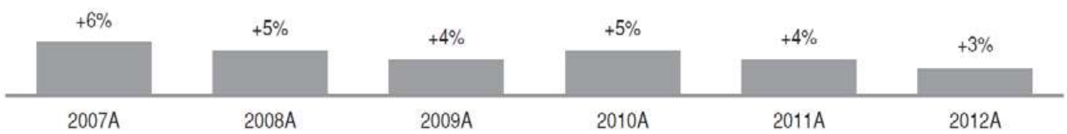
Shift to preventive care, early detection and companion diagnostics

Western European governments continue to face unprecedented financial strain and seek to rein in healthcare spending in order to meet deficit reduction goals. Concluding that it is less expensive to prevent a disease than to treat one after its onset, health ministries have pursued policies that strongly favor preventive care in addition to a push for more accurate diagnostic testing to facilitate early detection of disease. Further, doctors are increasingly prescribing clinical laboratory tests to help identify potential diseases for early detection and to monitor patients throughout the course of an illness to evaluate treatment and make modifications as necessary. This shift is leading to greater reliance on diagnostic testing services. Based on publicly available information, we believe that the portion of overall healthcare expenditure worldwide allocated to prediction, diagnosis and disease monitoring will have increased from approximately 40% in 2012 to 65% in 2025, at the expense of expenditures allocated to treatment. As technologies develop over the long term, we believe there will be a trend favoring companion diagnostics, or the use of genetic markers over the life of a patient to create specialized treatments and develop individualized prevention plans. We believe that this trend will result in overall greater demand for laboratory testing and, consequently, increased volumes.

Volume trends

We believe that demographic trends and changes in lifestyles will lead to increased demand, and consequently increased volume, for medical testing. As life expectancy continues to grow in Europe, the number of persons aged 60 and over will increase as well. The French National Institute of Statistics and Economic Studies (INSEE) reported in 2011 that the population aged 60 and over increased by +22.8% between 2001 and 2011 and predicted that it would increase by 10.4 million between 2007 and 2060. As a result, one in three person will be aged 60 and over in 2060. Further, similar aging trends can be seen in Luxembourg, where the proportion of the population aged 60 and over has increased in recent years and is likely to continue to increase. Older populations have greater demand for healthcare and testing. Further, recent years have seen the growth of chronic diseases that result from certain lifestyle choices, such as low levels of physical activity, malnutrition and stress, such as chronic illnesses related to obesity. We believe that these demographic and public health trends will lead to increased demand for healthcare services and, as a result, increase the volume of medical testing.

Evolution of lab test volumes in France 2007 - 2012 (year-on-year growth %)



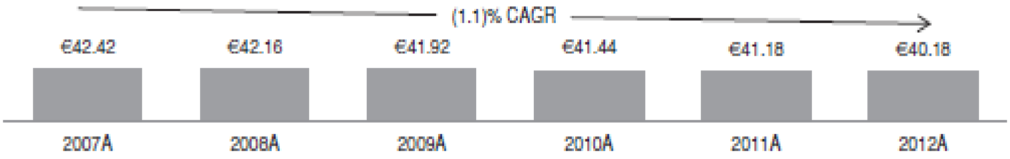
Source: “Rapport de la Cour des Comptes”, Jul-2013

We believe that volume growth will continue to be mitigated in part by government efforts to control healthcare spending. As governments face pressure to reduce deficits due to the current economic climate, they have turned to several measures to reduce expenditures, including putting pressure on testing volumes.

Pricing trends

The routine laboratory testing market has experienced tariff reductions as a result of pressure on state budgets to reduce deficits, leading to greater attention being paid to the costs of healthcare delivery. In France, Belgium and Luxembourg, laboratory tariff levels are regularly updated. For instance, France has faced particularly high deficits in its national health insurance scheme, including recent shortfalls of approximately €8.6 billion in 2011 and €5.9 billion in 2012 and €6.8 billion in 2013. The CNAM revises the price catalog for laboratory tests on an annual basis and we expect further downward pressure on tariffs in France going forward as the government endeavors to further reduce the rate of growth of national healthcare expenditures, although we are unable to be certain of the extent of any future reductions. In October 2013, an agreement was signed with the CNAM to provide for an annual total market increase in clinical pathology of 0.25% for the years 2014, 2015 and 2016, despite possible tariff reductions contemplated for the future.

Evolution of average lab test price in France (2007 - 2012)



Source: "Rapport de la Cour des Comptes", Jul-2013

According to INAMI, the Belgian social security system reimburses approximately 75% of regulated clinical pathology test expenditures. The "closed envelope" system, which is currently in place, enables the government to claw back excess or under-spending two years later in the pricing mechanism. In our case this has led to a high degree of variability, positive and negative, in price movements from one year to another.

Technological evolution and quality standards

As new technologies develop and set new standards for testing quality, laboratories are likely to experience pressure to upgrade and adopt new standards. For example, French regulatory reforms enacted in 2010 and 2013 now require that clinical laboratories conform to stricter ISO operating standards by 2020. Further improvements in medical and information technologies and quality standards are also shaping the private clinical laboratory services market on a broader level, as they facilitate timelier and more effective decisions which ultimately improve patient care and reduce medical costs. The costs of compliance with new quality standards and the continual need to invest in new testing equipment will favor larger participants with greater resources available to make large expenditures. We believe that laboratories will use their voluntary adherence to ever stricter standards of quality as a means of distinguishing themselves from their competitors.

Market consolidation

We believe that the routine laboratory testing market in Europe, particularly in France, will become less fragmented through the combined influence of pricing pressures from payers, liberalized regulation and enhanced quality and accreditation standards. Regulatory restrictions on outsourcing quotas and staffing quotas for clinical laboratories have been lifted over recent years in order to rationalize delivery of healthcare services and reduce the costs paid by social security systems. Further, fixed compliance costs have increased due to stricter safety and quality control standards. These higher fixed costs, combined with budget cutting measures to reduce or contain reimbursement rates, will likely encourage consolidation among market participants aiming to achieve economies of scale and other related synergies. We believe that consolidated networks of laboratories will be able to move toward a more industrialized model of clinical testing and transform the rest of the network into collection centers where samples are collected and transferred to a technical platform for testing with the ability to carry out a larger volume of tests by centralizing their testing operations at regional technical platforms. As previously mentioned, the operation of networks of collection centers around a central technical platform allows for cost efficiencies for reagent costs and equipment and administrative costs due to the concentration of testing volume in one testing facility. Given that patients generally choose the clinical laboratories where they are tested based on the proximity to their home or workplace, denser networks naturally allow for increased patient coverage and subsequent volumes. Consolidation will allow laboratories to achieve a critical size necessary to make up for diminishing marginal revenues from individual tests due to government-imposed tariff reductions. Such consolidation could increase the market share of medium—and large-scale laboratory groups with a preexisting footprint and level of expertise and could accelerate the entrance of large competitors in the European market.

Outsourcing

The outsourcing by public and private hospital laboratories to the benefit of private organizations is another trend observed in the European routine laboratory testing market over the last few years. In the long term, we believe that outsourcing will provide greater revenue for groups such as ours. We believe that the French, Belgian and Luxembourg markets may provide us with further outsourcing opportunities in the near future.

Specialized testing

Many of the same trends that affect the market for routine laboratory testing described above also play a key role in the market for specialized laboratory testing.

Shift to preventive care, early detection and companion diagnostics

Based on publicly available information, we believe that the share of overall healthcare spending worldwide dedicated to prediction, diagnosis and disease monitoring will have increased from approximately 40% in 2012 to 65% by 2025, spurred on by governments' emphasis on disease prevention as a means of reducing the costs associated with disease treatment. We believe that specialized laboratory testing stands to benefit substantially from this policy shift. For example, specialized tests such as cytogenetic testing for specific disease markers can be a very powerful tool for predicting, and ultimately preventing, many illnesses. As technologies develop over the long term, we believe there will be a trend favoring companion diagnostics, or the use of genetic markers over the life of a patient to create specialized treatments and develop individualized prevention plans. The trend can already be observed through the increasing demand for companion diagnostics using genetic testing. As specialized tests continue to develop as means for accurately predicting disease onset and drug interactions, we believe that physicians will be inclined to rely on them further in their clinical practice.

Pricing trends

Because specialized laboratory testing is a part of the healthcare system, prices are regulated by state medical insurance authorities and third-party payers in a similar manner to prices for routine laboratory testing. As a result, our specialized laboratory testing business is also susceptible to increased pressures to limit the increase of healthcare expenditure by governments through limiting the tariffs that can be legally charged for testing. We believe that efforts to limit the rate of growth in healthcare expenditure will result in further reductions in regulatory tariffs in the future. However, we expect price pressures will be lower than in our Routine Lab business given the relatively low prices that are already in place in France for specialized tests. Despite pricing pressures, reimbursement rates from public authorities and the number of tests that are covered by social security systems have remained relatively stable. Although our Specialized Testing business outside France is not technically regulated in terms of price, we need to price our offerings competitively with respect to local laboratories that may be subject to price regulations and on behalf of whom we perform specialized tests.

Volume trends

We believe the demand for specialized testing will increase as Europeans age and their healthcare needs increase. We also believe that the continuing trend toward preventive and predictive care will increase demand for laboratory testing, including the tests we perform in our Specialized Testing business. Public hospitals facing increased demand for specialized tests should be volume drivers as we believe there will be an increase in outsourcing to private laboratories such as ours. However, we believe that such an increase in outsourcing will be balanced by an increase in the internalization of specialized testing functions by regional groups of laboratories that, due to regulatory liberalization, are able to consolidate and combine forces to achieve the necessary scale to perform certain specialized tests on a cost-efficient basis, subject to achieving the required scope and logistics capabilities to make this economical. Testing volumes for specialized laboratories may be negatively impacted from time to time by technological progress as customers may find it more cost-efficient to insource certain specialized tests if affordable equipment becomes available in the market. For example, the development of a new vitamin D test that enabled smaller lab companies to perform the test internally impacted volumes of several large specialized laboratory companies including us.

Market consolidation

The consolidation of the private laboratories market in France may result in some volume shifts across the two main players as the acquiring networks tend to concentrate for efficiency purposes their outsourced volumes with one specialized laboratory.

Scientific advancements and quality standards

Because price competition is limited due to regulatory constraints, specialized laboratory testing market participants typically compete and seek to differentiate themselves on the perceived quality of their test offerings, their capacity for innovation and the scientific know-how of their staff. Specialized laboratory testing is also subject to the heightened regulatory accreditation standards that are currently in place in France and that are being implemented elsewhere in Europe.

Globalization

We derived 7.8% of the net sales of our Specialized Testing business for the year ended December 31, 2013 from markets outside of France, including other countries in Europe, North Africa and the Middle East. With increased improvements in logistics services and the capacity to transport samples reliably and quickly over long distances, we believe that the market for specialized laboratory testing will continue to develop on a global scale, with large actors competing for market share around the world.

Central Lab

We provide central laboratory testing services for pharmaceutical and biotechnology companies and contract research organizations (CROs) in connection with the clinical trial phase of their drug development processes. In 2011, the central laboratory testing market was estimated to be worth over $1.9 billion worldwide by MarketResearch.com. The central laboratory business is largely tied to the activity of biopharmaceutical companies.

New drugs generally go through four phases of clinical testing before being marketed to the general public for use. Drug safety authorities receive reports on the progress of each phase of clinical testing, and they may require the modification, suspension or termination of clinical trials if they conclude that an unwarranted risk is presented to patients or healthy volunteers.

Phase I. In Phase I, a drug is initially introduced into a small number of human individuals and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion. Phase I clinical trials are often conducted in healthy human male volunteers, and such cases do not provide evidence of efficacy. In the case of severe or life-threatening diseases, or severely toxic drug candidates, the initial human testing is often conducted in patients rather than healthy volunteers. Because these patients already have the target disease, these studies may provide initial evidence of efficacy that would traditionally be obtained in Phase II clinical trials. Consequently, these types of trials are frequently referred to as Phase I/II clinical trials.

Phase II. Phase II involves clinical trials in a limited patient population to further identify any possible adverse effects and safety risks and to determine the optimal dosage for dose tolerance and efficacy of the product for the specific target disease.

Phase III. Phase III clinical trials are undertaken to further evaluate dosage, clinical efficacy and to further test for safety in an expanded patient population, at geographically dispersed clinical study sites. Phase III clinical trials usually include a broader patient population so that safety and efficacy can be substantially established across a wide range of genetic variation. Phase III clinical trials cannot begin until Phase II evaluation demonstrates that a dosage range of the product may be effective (which is often referred to as demonstrating "proof of concept") and has an acceptable safety profile. In the event that Phase III testing yields desired results, pharmaceutical companies will apply to have the compound approved by the relevant drug safety regulator.

Phase IV. Phase IV clinical trials are performed if a drug safety regulator requires, or a pharmaceutical company pursues, additional clinical trials after a product is approved. These clinical trials may be made a condition to be satisfied after a drug receives approval. The results of Phase IV clinical trials can confirm the effectiveness of a product candidate and can provide important supplementary safety information.

Contract research organizations ("CROs") provide all-inclusive outsourced clinical services for pharmaceutical and biotechnology sponsors, including IT support, patient selection and logistical services. They provide their services throughout the clinical testing cycle, from preclinical testing to Phase IV studies and new drug applications. Reference laboratories work with both drug manufacturers and CROs by performing clinical pathology testing to provide data on a test product's usefulness and clinical safety.

Pricing in the central laboratory testing business is not tariff-regulated, but is set contractually with the third parties for whom services are provided. This greater flexibility allows for more intense, price-based competition among market participants. Additionally, the market is not limited to a particular geographic location; nearly all the laboratories engaged in central laboratory testing operate on a multinational level.

Contracts for Central Lab customers vary in duration from six to 60 months, depending on the length of the particular clinical trial for which our services are needed. Pricing is determined on a per test basis and is generally fixed, although customers are sometimes offered rebates based on the achievement of specified volumes of testing. Contracts estimate the volume of tests that will be required, although this is non-binding and does not represent a commitment to order a specific volume of tests. We are subject to liability if we fail to perform tests in a timely manner. Contracts may be terminated at any time at will by Central Lab customers, without indemnification. In the event that a customer cancels or terminates a contract, we typically would be entitled to receive payment for all services performed up to the cancellation date and subsequent customer-authorized services related to terminating the canceled project.

Competition

The central laboratory testing industry has a wide range of participants, from small providers of limited, highly specialized services to full-service global organizations. Our central laboratory testing business competes with the in-house research departments of pharmaceutical companies, limited and full-service CROs and public institutions such as universities and hospitals.

We believe that we are a significant player in the Central Lab market worldwide, based on management estimates for 2013. We compete mainly with U.S.-based large players such as Covance, Laboratory Corporation of America, Quest Diagnostics and Quintiles.

Factors that affect a laboratory's competitive outlook include:

- the prices for its services;
- the scope of its testing offerings;
- its scientific and medical expertise;
- its ability to acquire, process, analyze and report data in a rapid and accurate manner;
- its historic experience and customer relationships; and
- the quality of its laboratory facilities.

Market trends

Pricing trends

Pricing in the centralized laboratory testing market is set competitively based on negotiations with pharmaceutical companies and CROs. In addition, as market forces act to encourage consolidation among laboratories, we believe that laboratories could drive prices down further and intensify price-based competition. However, because the cost of analytical testing performed by centralized laboratory testing companies accounts for a relatively small portion of the total cost of conducting clinical trials, we believe that downward pricing pressure from pharmaceutical companies and CROs will be mitigated.

Market consolidation

We believe that the proportion of smaller central laboratories is likely to decrease following European regulatory reforms requiring more stringent, and therefore costlier, certification requirements for the registration of new drugs. Further, price-based competition favors larger participants able to provide economies of scale. Finally, larger laboratories have greater resources with which to satisfy regulatory operating standards and to attract scientific talent. As a result, we believe that further consolidation will take place in the market, leading to higher concentration of market share among larger participants.

Reinforced need for new products to replace aging blockbusters

The past several decades in the pharmaceutical industry have been marked by "blockbuster" drugs that provided unprecedented levels of revenue to drug companies. As time passes, patents providing exclusivity on such successful drugs expire, and the associated revenue streams decrease, particularly as a result of generic manufacturers. Drug companies seek to find new replacement drugs to help maintain profits. We believe this will result in additional support for R&D efforts, which will in turn lead to more business for CROs and reference laboratories such as us, since they play a key role in new drug development. Further, we believe new drug applications will continue to be increasingly sophisticated, leading to greater demand for specialized central laboratories with the expertise to support the patenting and regulatory approval of new products for clinical use.

Externalization of R&D

Due to pressures on their margins from the loss of patent protection for former blockbuster drugs, pressure on prices from insurance companies and the general economic downturn, pharmaceutical companies are seeking to innovate while focusing on their core competencies. We believe that their desire to reduce costs will lead to an increase in the outsourcing of their clinical trial functions. Because CROs and reference laboratories are specialized in the support of new drug development, from logistics through clinical testing and the registration process, they are better positioned to identify and exploit market efficiencies, and operate more cheaply as a result. Consequently, we believe pharmaceutical companies will find it increasingly cost efficient in the future to outsource their clinical trial functions entirely to CROs and reference laboratories rather than duplicate efforts inefficiently in-house. Further, while cost pressures have forced large pharmaceutical companies to reframe their operations around their core competencies, smaller and mid-sized companies have been able to develop without large companies' higher operating costs and outsource a great deal of their R&D functions. These companies have become an increasingly important driver of pharmaceutical industry growth. We believe that these smaller companies will continue to provide an important source of Central Lab business in the years ahead.

Business

Overview

We are a leading European clinical pathology laboratory, providing routine and specialized clinical laboratory testing services primarily in France, Belgium and Luxembourg, and supporting pharmaceutical and biotechnology companies worldwide in the clinical trial phase of their drug development processes.

Through our Routine Lab and Specialized Testing operations, we offer a range of over 2,500 routine and specialty clinical tests used by doctors and medical institutions to diagnose, monitor and treat diseases. We generally perform clinical tests using automated testing equipment, quickly delivering results to doctors, hospitals and patients and offering specialized assistance with respect to interpretation of results. Through a large network of high quality laboratories in France, Belgium and Luxembourg, our Routine Lab operations perform a wide variety of clinical tests for patients who have generally been prescribed these tests by their doctors or on behalf of public and private hospitals that do not have in-house laboratories. Our Specialized Testing operations offer private laboratories and public hospitals a broad range of specialty testing services, such as molecular biology testing, oncology testing, allergy testing, hormonology testing, infectious disease testing and diagnostic genetic testing. While French private laboratories and public hospitals represent the largest share of our Specialized Testing customer, we also offer our services to hospitals or laboratories based elsewhere in Europe, the Middle East and North Africa. While French private laboratories and public hospitals represent the largest share of our Specialized Testing customer base, we also offer our services to hospitals or laboratories based elsewhere in Europe, the Middle East and North Africa. The prices of a large majority of the clinical tests that we offer in our Routine Lab and Specialized Testing businesses are set by the respective government authorities of the countries in which we operate. The prices of a large majority of the clinical tests that we offer are set by the respective government authorities of the countries in which we operate.

Our Central Lab testing operations, which we operate through our BARC subsidiaries, provide safety and efficacy testing services to pharmaceutical companies and contract research organizations worldwide in connection with drug development processes. We leverage our Routine Lab and Specialized Testing facilities and expertise to develop testing protocols with our clients and to provide a range of safety, efficacy, pharmacodynamic and pharmacokinetic testing.

As of June 30, 2016, we had approximately 4,277 full-time equivalent employees and we employed approximately 400 clinical pathologists. Over the course of our history, we have developed our business through strategic acquisitions of regional laboratories, such as our acquisitions of JS Bio, Biotop, Biolille and Bioréunion, as well as through selective purchases of larger testing platforms for access to new markets, such as our acquisitions of LLAM in Luxembourg in 2011 and BARC in Belgium in 2007.

For the six months ended June 30, 2016, we generated net sales of €329.2 million (our Specialized Testing business accounted for €92.5 million, our Routine Lab business accounted for €235.7 million, our Central Lab business accounted for €12.5 million and intercompany sales accounted for negative €11.5 million). See "*Summary Historical Consolidated Financial Information and Other Data*."

Our history

We were founded in 1967 in France as Laboratoires Cerba, a laboratory focused on specialized testing for local medical laboratories and hospitals. We continued to develop our expertise in high quality specialized laboratory testing over the years, aided by our acquisition of the specialized medical biology department of the Pasteur Institute in Paris in 1998. This acquisition made us the leading specialized testing laboratory in Europe. Since then, we have pursued a strategy of diversifying our business both in terms of services provided and geographical coverage. With our acquisition of BARC in 2007, we expanded into the central laboratory testing business as well as the routine laboratory testing business in Belgium. We have continued to expand our Routine Lab business through a series of strategic acquisitions since then, including French laboratories such as Biolille in the Lille metropolitan area in 2009, CBCV in the Paris area and Biotop in the Marseille area in 2010, BioPyrénées Lab (formerly Bioadour) in southwestern France, Bioréunion in La Réunion, SELAS de la Baie in Brittany in 2011 and JS Bio in the Provence-Alpes-Côte d'Azur region as well as laboratories in Luxembourg, such as Ketterthill Laboratories (which we acquired through our acquisition of LLAM in 2011), and Belgium, such as Medic Lab, which we acquired in 2011. From a single laboratory site in 2007, we have grown to operate approximately 248 laboratory sites with a staff of approximately 400 clinical pathologists as of June 30, 2016.

A number of transactions have been conducted in the past with respect to the control and ownership of our group, most notably in 2010 with the purchase by PAI of a majority stake in our holding company. The remainder of our shares are held by laboratory doctors and members of management. Prior to the PAI acquisition, IK Investment Partners and Astorg Partners were our majority owners.

Our competitive strengths

Our business benefits from a number of competitive strengths, including:

Integrated, efficient and diversified business model

We operate an integrated, efficient and diversified business model based on strong and recognized medical expertise, as well as proven industrial and organizational know-how. Our reputation for scientific excellence, inherited from our historical specialty business founded in 1967 in France as well as our Central Lab business founded in 1985 in Belgium benefits the entire organization through cross-selling, cost synergies, training, technical support and sharing of best practices, as well as quicker and easier access to technology and to top-trained clinical pathologists. We believe our reputation for scientific excellence is particularly valuable to our Specialized Testing and Central Lab businesses and is a significant strength as we look to continue taking part in the consolidation of the routine lab market. Our reputation boosts our credibility as a market consolidator. Through its link with the medical and pharmaceutical communities, our Central Lab business provides us with insights into new clinical pathology tests being developed in the industry. The strong medical expertise of our group and its exposure to rare pathologies also help attract and retain the best clinical pathologists. We believe our Central Lab business leverages our Routine Lab and Specialized Testing infrastructure, equipment and clinical pathologists to perform safe and cost-effective testing of new drugs, thereby generating significant cost synergies.

Our business model also benefits from our strong experience in managing large-scale technical and logistical networks, which allows us not only to expand organically and geographically our different businesses, but also to optimize internal synergies between them. In particular, our strong logistics expertise, based on outsourced operations managed by in-house experts, allows us to optimize our size and organization in a cost—and operationally effective way.

Our presence across all segments of the industry also allows us to benefit from the entire life cycle of a test, from its early and confidential use, as part of a drug trial in Central Lab, to its more common use in Specialized Testing through to its massive dissemination as a routine test. Finally, our integrated business model has allowed us to better absorb pricing pressures and improve profitability by negotiating more advantageous purchasing conditions with our reagent and equipment suppliers. We regularly invest in the latest technological advances in our field and are able to attract and retain leading clinical pathologists.

Leading market positions across routine, specialty and central lab testing

We are the only clinical pathology laboratory in Europe with leading market positions in all its geographies and across all three segments of the clinical laboratory services industry based on revenue. Following the Acquisition, we believe that we will be the largest private network of clinical pathology laboratories in France and one of the top four private players in Europe by net sales, based on management estimates. We also believe that, based on management estimates for 2016, we were among the three largest private providers of routine testing in Belgium and among the three largest private ambulatory care routine laboratories in Luxembourg. In Specialized Testing, our historical core business, we believe that we were co-leader of the market in France based on management estimates for 2016, with customers in more than 50 countries across Europe, the Middle East and North Africa. Finally, we believe we are a significant player in the Central Lab market worldwide, based on management estimates for 2016. Our position as market leader in the three segments in which we operate enables us to attract the best clinical pathologists and to be at the forefront of both technological and medical advancements in the clinical pathology industry as a result of our privileged relationships with the medical and scientific communities. Our position as a leader has made us a key player in the consolidation of the routine market.

We believe we offer one of the largest catalogs of clinical tests in Europe, with over 2,500 tests as of December 31, 2014, of which approximately 1,500 are highly specialized in molecular clinical pathology, immunology, cellular clinical pathology, bacteriology, hormonology, oncology and rare biochemistry. As of June 30, 2016, we employed approximately 400 clinical pathologists who perform and interpret clinical tests processed on our technical platforms and assist external clinical pathologists and doctors in their diagnostics.

Resilient and growing market underpinned by strong fundamentals and further growth opportunities

The European clinical laboratory services market has been characterized by resilient growth over the past several years, including through economic downturns, benefiting from favorable demographic and scientific trends. The private clinical laboratory testing markets in France and Luxembourg experienced compound annual growth from 2008 to 2011 of approximately 1.8% and 4.9%, respectively, while the total clinical laboratory testing market in Belgium experienced compound annual growth of approximately 3.4% for the same period.

Past growth of the routine and specialty testing markets has been supported by strong demographic trends in our geographical markets. Contrary to certain other European countries, the population in France, our main market, continues to grow. In the meantime, as life expectancy continues to increase in Europe generally, the number of people aged 60 and over (an age at which people request and need more medical treatments) increases too. In addition, as birth rates remain relatively high in our markets, particularly in France, pregnant women also generate a significant volume of medical testing.

Public health and scientific trends have also been key drivers of the growth of the routine and specialty testing markets. As it is less expensive to prevent a disease than to treat it, governments have pursued policies that favor preventive care, in addition to encouraging more accurate and sophisticated tests to facilitate early detection. We believe, based on publicly available information, that from 2012 to 2025, the percentage of overall healthcare expenditure worldwide dedicated to diagnosis, prediction and disease monitoring will increase from approximately 40% to 65%. Finally, chronic diseases, which generally require regular testing for monitoring purposes, have increased in recent years likely due to certain lifestyle trends, such as low levels of physical activity, malnutrition, stress and pollution.

We believe that in addition to these demographic and public health fundamentals, other trends will lead to an increase in the volume of medical testing, and thus support the future growth of our different markets. In particular:

- we believe that new tests will emerge as technologies develop and personalization of prevention and treatment will become the norm; we believe that the market will shift progressively to preventive care, early detection and companion diagnostics;
- we also believe that the routine laboratory testing market in Europe will further consolidate, in particular in France, which is still highly fragmented, with approximately 6.2 laboratories per 100,000 people in 2013, as opposed to more consolidated markets such as Germany, where there were approximately 0.7 laboratories per 100,000 people in 2011;
- state budget reductions, as well as regulatory liberalization, will further increase outsourcing of routine and specialized tests from the public sector; in 2013, revenue from French clinical pathology laboratory testing totaled approximately €4.3 billion, with private laboratories representing approximately 60% of the overall French clinical laboratory testing market; and
- with respect to the central lab market, we believe that the necessity of the pharmaceutical industry to market new drugs to replace aging blockbusters, as well as the further externalization of pharmaceutical companies' R&D capabilities, will increase demand for central lab testing.

Significant barriers to entry

The European testing markets in which we operate are characterized by regulatory and structural specificities which make them more difficult and costly to penetrate for potential new entrants. We believe that scientific reputation, technical capabilities, market and regulatory knowledge, as well as critical size, all of which are characteristics of the Cerba group, are key elements that will be necessary to fully benefit from future growth opportunities.

We believe our group is well known for scientific excellence and cutting- edge technical know-how. Inherited from our historical core specialty lab business founded in 1967 in France and our central lab business founded in 1985 in Belgium, this reputation, which has allowed us to establish a renowned brand name in the medical laboratory testing industry, constitutes an invaluable strength vis-à-vis potential new entrants, in particular in central lab where referral processes are long and difficult.

We operate in a highly regulated market with stringent regulations and strict accreditation procedures governing the granting or the renewal of a license to operate a laboratory. Securing these mandatory accreditations entails significant investment and lengthy and complex processes making it increasingly difficult for new entrants to penetrate the market. For example, the existing administrative authorization process for the establishment and operation of clinical laboratories in France will be replaced in November 2020 by a new accreditation procedure that will introduce new, stricter requirements pursuant to the ISO standard (the new accreditation system will be gradually implemented with two steps in November 2016, when 50% of the tests performed by a laboratory will have to be accredited, and November 2018, when 70% of the tests performed by a laboratory will have to be accredited). Non-accredited clinical laboratories were required to demonstrate that they had effectively begun the new accreditation process by November 2013. This new accreditation process is costly and time-consuming. As such, it will constitute a significant barrier to entry for new entrants and a significant burden for existing small labs. Further, the legal constraints in the French market regarding mandatory shareholding of clinical pathologists with which we believe we already comply, constitute a significant barrier to entry into the French routine market. The stringent price regulations applicable to the routine and specialty markets in which we operate also constitute serious obstacles for new entrants as these price constraints favor well-established and large players who benefit from their existing reputation and large scale to implement a cost effective model. Finally, we believe that in France, new networks would be difficult to create as the opening of new laboratories or collection points requires several regulatory approvals, which are only rarely obtained as the market already includes too many laboratories.

We also believe that size and scale, which would be highly difficult and costly to achieve in the short term for any new entrant, are key strengths for larger market participants like us. We believe that larger participants, with well-established and integrated logistical capabilities, are better equipped and positioned to treat high volume testing in a more cost effective way, to consolidate the routine market where necessary, to secure loyalty from outsourcing (for specialty lab) and commercial (for central lab) partners, to optimize synergies within the different testing businesses and, finally, to seize growth opportunities in new geographical markets.

Finally, we believe that the logistics organization of our Specialized Testing business is a valuable asset that would be difficult for new entrants to replicate. For cost and operational efficiency, we have outsourced the operation of our logistics network to a trusted partner. Our partner, who is ISO accredited, is in charge of the collection and transportation of samples. While we have outsourced this aspect of the logistics for our Specialized Testing Business, we maintain in-house the management and proprietary mapping of the network. This model, as well as our strong in-house logistics expertise and experience, allow us to collect an average of approximately 13,000 samples per day, from more than 3,000 locations worldwide, and to ensure that all tubes arrive before 7 a.m. in our specialty laboratory in Saint-Ouen- l'Aumône, near Paris, France, to be tested within 24 hours.

Proven consolidation strategy with a structured approach to acquisitions

Founded as a specialty laboratory in 1967, we have since then expanded into new businesses and new geographies through acquisitions. With our acquisition of BARC in 2007, we expanded into the central laboratory testing business as well as the routine laboratory testing business in Belgium. We have continued to expand our Routine Lab business through a handful of strategic acquisitions in highly populated geographic areas of France (such as Biolille in the Lille metropolitan area in 2009, CBCV in the Paris area in 2010, Biotop in the Marseille area in 2010 and JS Bio in the Provence–Alpes–Côte d'Azur area in 2014), and Luxembourg (such as Ketterthill Laboratories, which we acquired through our acquisition of LLAM in 2011), complemented by a series of bolt-on acquisitions. While such strategic acquisitions are more complex and less frequent, they enable us to expand into new geographic zones or into new segments. The laboratories we acquire through these strategic acquisitions often serve as technical platforms regional clusters and perform the entire clinical laboratory testing for the region. We complement these strategic acquisitions with a number of small bolt-on acquisitions of laboratories that we transform into collection points where samples are collected from patients and sent to the technical platforms for testing. Through this regional clusterization strategy built around technical platforms, we have built a very dense network of laboratories centered around eight regional clusters in France, three in Belgium and one in Luxembourg. From a single laboratory site in 2007, we have grown to operate approximately 248 sites with a staff of approximately 400 clinical pathologists as of June 30, 2016.

Significant portions of the European clinical laboratory services market, especially the French market, remain highly fragmented. These markets present opportunities for consolidation and growth.

In addition, certain regulatory changes, such as the introduction of mandatory accreditation and higher-quality standards in France, generally benefit larger laboratory companies or networks like ours. Since 2007, we have been an active consolidator in the routine lab market, and we believe we are well positioned to capitalize on additional opportunities in France as well as in potential new markets. We have a dedicated team of four people focused on finding, evaluating and executing external growth opportunities and have developed a structured approach to acquisitions that capitalizes on the expertise and market knowledge of our senior management and local laboratory doctors. The laboratory companies we acquire are often clients or competitors of ours with whom we have had prior business interaction. This in-depth knowledge of the industry helps us pre-select suitable acquisition targets. We have a disciplined approach to acquisitions, including the setting of internal acquisition multiple targets and high due diligence standards, which include the participation of the senior executives at the various stages of the acquisition process. While we typically focus on the bolt-on acquisitions of small and medium sized laboratory companies with revenues in the range of approximately €1 million to €10 million with the aim of consolidating our regional network around existing technical platforms, we have also selectively acquired large regional clusters of laboratories in the past, such as BARC, LLAM and JS Bio to establish our footprint in new geographical markets or to enter into new industries. We believe that the fragmentation of the French clinical laboratory market, together with the general economic slowdown, allows us to complete acquisitions of clinical laboratories at attractive prices.

Post-acquisition, we generally implement cost reduction initiatives aimed at increasing the profitability of the clinical laboratories we acquire through economies of scale and the sharing of best practices with the rest of the network. Certain synergies from bolt-on acquisitions can be realized upon closing of the acquisition such as savings on reagent costs. We also achieve reductions in technical and administrative expenses as we shift technical and administrative functions to our technical platforms. We also achieve savings by redeploying the personnel of the acquired entity across our network in the technical platform, which can be a lengthier process taking more than 24 months after acquisition in certain cases. However, due to voluntary departures resulting from the redeployment process of our workforce to our regional platforms, some cost reductions relating to personnel can be quickly realized.

Track record of a strong and sustained financial performance, with high margin and strong cash flow generation

We have demonstrated sustained net sales compound annual growth of 18.9% between the year ended December 31, 2011 reported at the Original Company level and the year ended December 31, 2016 at the Company level. This sales growth has been underpinned by our acquisition strategy as we have sought to increase our market share in the Routine Lab testing market.

With the strong support of our main shareholders, we have developed and are implementing numerous cost initiatives that allow us to further control our costs by optimizing our relationships with our suppliers, our logistics operations and our information technology systems. This disciplined investment and cost control strategy has allowed us to achieve a significant increase in Adjusted EBITDA margins over the years.

Well regarded and experienced management team at group level and unique governance and ownership structure at operational level

We benefit from the experience and industry know-how of our current senior management team. In particular, Catherine Rondot-Courboillet, our CEO and a highly regarded industry specialist in Europe, Jérôme Thill, our CFO, Sylvie Cado, head of our Specialized Testing business, Alain Niederhoffer, our director of logistics and purchasing, Philippe Buhl, head of our Routine Labs in France and Cyril Dubreuil, our sales director in France, each of whom has more than 11 years of experience in the industry with an average of 24 years' industry experience and an average of 18 years' experience in the group.

Moreover, our ownership model is based on a strong entrepreneurial culture, where more than 100 laboratory doctors and managers are shareholders of our structure, at our holding company level and at the different operating laboratories levels. Our ownership model and structure gives us overall strategic control, while also incentivizing doctors and managers to fully contribute to a common commercial, scientific and industrial project and greatly rewarding commitment, development and innovation. We believe that our ownership structure is key to the strength and success of our model as a whole.

Finally, the support and investment experience of our controlling shareholder, PAI, supplements the leadership and knowledge of our senior management and laboratory doctors.

Our strategy

Based in particular on our strong scientific reputation and expertise, our strategy mainly consists of becoming a leading network in the French routine lab market through consolidation, while maintaining our unique positioning in the European specialty and central lab businesses. The key elements of our strategy are:

Drive organic volume growth across our business segments

The core of our group's strategy consists of developing organically each of our different business segments through coordinated but tailored action plans.

In the Specialty Testing market, we are committed first to maintaining our leadership through the renewal of our catalog of tests, the acceleration of compliance with new ISO regulations and the improvement of our logistics services, in particular at the international level. We intend to particularly focus our efforts on profitable organic growth driven mainly by new tests and, to a lesser degree, by the expansion of our international activity. As a result, we aim to innovate through new technologies, new tests and enhanced services for customers through partnerships with hospitals and biotech companies, and through the work of our scientific and medical committee. We also aim to further expand our export activity, leveraging our reputation and logistics capabilities to reach more customers, including in selective new geographical markets. Our focus on profitable organic growth will also imply the further development of synergies between our Specialized Testing business and our Central Lab activities, in particular through biomarkers innovations. Finally, we intend to foster the general profitability of our Specialized Testing business, including through the further automation of our processes (such as invoicing and samples encoding) and the better optimization of new regulations.

With respect to our Routine Lab business, our strategy will encompass operational and functional alignment between our regional clusters, which is facilitated by the deployment of a dedicated team. These alignment efforts will further include the standardization of our routine industrial processes with respect to technical platform operations, quality assurance and information systems. The dedicated team in charge of this integration strategy will also focus on improving the management of our routine staff and the organization of our networks. Finally, our strategy with respect to the organic growth of our Routine Lab business includes the selection of those of our youngest laboratory doctors with the most promising managerial capabilities; we will provide them with high quality business school training, with the aim of further improving the management of our laboratories at the local level.

Finally, we intend to develop our Central Lab business through the further differentiation of the positioning of BARC. In particular, we believe we will be able to achieve strong organic growth of our Central Lab business by broadening our product selection from safety to tailor-made biomarkers and leveraging our strong scientific knowledge and capabilities as well as our proven specialist approach implemented by a unique team of clinical pathologists, including through the co-development of new tests with clients. We also intend to develop our Central Lab business by strengthening our leadership position in Europe and Africa, working to establish a position in Asia, improving client services and adaptability including through price transparency and competitiveness, strengthening our pure testing player approach (that is, our ability to intervene in all clinical trial phases) and continuing our certification program and our tailor-made reporting approach. Finally, we intend to strengthen our worldwide lab networks to capture new contracts and expand our customer base.

Selectively pursue acquisitions

In the French routine lab market, we are organized in eight regional clusters, which we intend to further expand. In regions where we are already present, our expansion strategy will include selected small- and mid-size bolt-on acquisitions that fit into and complement the existing local networks organized around technical platforms. To expand into new regions, we intend either to pursue acquisitions of existing regional clusters followed by further bolt-on acquisitions in line with our clusterization strategy, or to implement more significant strategic transactions with larger players. Our strategic focus will be to pursue bolt-on acquisitions to strengthen and increase the density of our regional network and local market share. As in the past, we expect bolt-on acquisitions to generate immediate synergies by transforming the acquired small laboratories into collection points that feed samples to a technical platform where test analysis is centralized. The assumptions used in estimating synergies are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the synergy benefit estimates. We are also considering more significant, strategic and transformational combinations, as we believe that one or more of our major European competitors, including Unilabs, Amedes and Labco (some of which may be larger than us), may be available for acquisition on attractive terms over the near and intermediate term. We currently have reached no agreement with respect to any such acquisition and are not in discussions with any of these potential targets.

In the past, we completed a number of strategic acquisitions to expand our geographical coverage and gain critical mass in markets outside France. Although our acquisition strategy is currently focused on the French routine market, we may explore opportunities to purchase larger laboratory networks in other European countries. As such, our focus will be on the most densely populated regions as well as the regions with the largest number of prescribers.

Continue to deliver operating efficiencies

We also intend to continue to take advantage of the economies of scale provided by our presence in all three segments of the laboratory testing market and by the size of our network to streamline our operations and administrative functions and to control costs. We are aiming in particular at controlling costs through the further rationalization of our network (in particular in France by establishing technical platforms surrounded by a sophisticated and condensed network of collection points), the further industrialization and automation of our processes and the optimization of synergies between our segments and geographies. We also intend to further leverage our size to obtain favorable commercial conditions from suppliers. In cooperation with our main logistical partners, we will continue to improve our logistical organization and optimize samples collection and transportation, seeking logistical synergies between our national and international activities and between our three business segments. Finally, we will continue to work on the better integration of our laboratories, in particular with respect to those acquired most recently. In particular, we will seek to optimize our operating costs through the implementation of group agreements and processes with respect to IT, cars, rentals, external fees and utilities.

Our specific corporate structure

The Company is a *société par actions simplifiée* organized under French law (formerly 77.8% of the Company's share capital and voting rights are owned indirectly through companies organized under the laws of France and Luxembourg controlled by funds associated with PAI, a European private equity firm). The remainder of the Company's share capital and voting rights are owned by members of our senior management and clinical pathologists. For more information on the Company's shareholders, see "*Principal Shareholders and Related Party Transactions*."

We primarily conduct our business through our subsidiaries. Our French subsidiaries, which represented 67.2% of our net sales for the year ended December 31, 2013, are subject to strict regulations limiting the ownership of clinical laboratories and the corporate form such laboratories can take. French law requires that a majority of the voting rights of a laboratory company be held by clinical pathologists working in the relevant laboratory. In addition, persons that are not clinical pathologists or entities that are not laboratory companies may not own shares granting more than 25% of the share capital in a laboratory company. French law also dictates that clinical laboratories must take the corporate form of an SEL. For more information on the regulations affecting the corporate form and ownership of French clinical laboratories, see "*Regulation—Regulations Affecting our Routine Lab and Specialized Testing Businesses—France—Laboratory Ownership and Corporate Structure*."

We have organized our corporate structure to remain in compliance with such regulations. Each of our French laboratory subsidiaries is organized as an SEL, in accordance with French law. The Company indirectly holds its interests in all of its French operating subsidiaries through our non-laboratory subsidiary, Cefid, of which the Company owns approximately 99% of the share capital. In order to comply with SEL ownership restrictions, our corporate structure in France is such that Cefid holds 25% of the voting rights and share capital in certain of our French laboratory subsidiaries (currently Cerba Selafa), with the clinical pathologists operating such French laboratory subsidiaries holding the balance, i.e., a majority, of the share capital and voting rights. The by-laws of such French laboratory subsidiaries grant approximately 99% of financial rights (rights to receive dividend payments) to Cefid as regards Cerba Selafa. In addition, Cerba Selafa holds up to 49.9% of the voting rights in our other French laboratory company subsidiaries, with clinical pathologists operating each such other French laboratory subsidiary holding a majority of the voting rights. Cerba Selafa also holds between approximately 70% and 99.99% of these subsidiaries' financial rights.

Clinical pathologists must, under French law, be allowed to exercise their independent judgment in the conduct of their day-to-day operations. However, we maintain de facto control over our subsidiaries' actions through shareholders agreements, according to which major operating decisions (such as, for example, the incurrence of debt over a specified threshold, corporate mergers, yearly budgeting, entering into contracts that last for longer than one year or are worth over a specified threshold, among other things) are subject to a vote of controlling bodies (boards of directors or strategic committees) in which representatives of our subsidiary shareholders have a veto right. We do not, however, exercise control over the appointment by the subsidiary shareholders of its representatives in the controlling bodies of the French laboratory subsidiaries, as these decisions can be taken by the clinical pathologists owning a majority of the voting rights in the subsidiary shareholders. As a result, we are dependent on the clinical pathologists who hold the majority of the voting rights in our French subsidiaries for decisions affecting these subsidiaries' operations. As we acquire new French laboratories, we put into place a similar shareholding structure and shareholder agreement with the clinical pathologists at the newly acquired laboratory.

Regulatory restrictions on the ownership of our subsidiaries in Belgium and Luxembourg are much less stringent than those imposed by French law. As a result, our corporate structure in Belgium and Luxembourg is relatively simple. We operate our Routine Lab business in Belgium and Luxembourg through subsidiaries owned directly and indirectly through our wholly-owned subsidiary BARC, through which we also operate our Central Lab business.

We believe that we are in compliance with all regulatory structuring requirements. However, regulations are subject to change and we could incur significant expense if a regulatory authority were to take issue with our structure. See "*Risk Factors—Risks Related to Our Business—We are subject to numerous legal and regulatory requirements governing our activities, and we may face substantial fines and penalties, and our business activities may be negatively impacted, if we fail to comply*."

Our businesses

We operate three business lines: Routine Lab, Specialized Testing and Central Lab.

Routine Lab

Overview

Our Routine Lab business is our largest line of business and accounted for €388.3 million and €117.8 million of net sales for the year ended December 31, 2015 and for the six months ended June 30, 2016, respectively, representing 69.8% and 71.3% of our total net sales for the same periods.

We operate our Routine Lab business in France, Belgium and Luxembourg, where we estimate that we are among the largest clinical private laboratories in terms of revenue. Our Routine Lab business is highly regulated in each of these jurisdictions, including in terms of price for our services. See "*Industry—Clinical Pathology Testing—Market Overview" and "Regulation—Regulations Affecting our Routine Lab and Specialized Testing Businesses*."

Our Routine Lab services

Our Routine Lab business performs tests prescribed by doctors and medical institutions in connection with general patient care to establish or support a diagnosis, to monitor treatment or to search for an otherwise undiagnosed condition. The most frequently requested tests include:

- blood chemistry analyses;
- urinalyses;
- blood cell counts;
- thyroid tests; and
- cholesterol tests.

In each country, we operate several regional clusters consisting of multiple collection centers served by one or more technical platforms at which tests are performed. We believe this hub and spoke model provides an efficient use of our resources. By collecting samples within close proximity to patients' homes and workplaces, while centralizing testing equipment and professionals at technical platforms, we are able to reduce equipment and personnel overhead costs associated with carrying out testing at each collection center. We currently have around 150 collection sites in France served by eight regional clusters comprising nine technical platforms, 49 collection sites in Belgium served by three technical platforms and 42 collection sites in Luxembourg served by one technical platform. Our operating model also enables us to automate the testing process and report results quickly and efficiently. We perform and report the results of most routine procedures within 12 hours of the collection of the sample, utilizing a variety of sophisticated and computerized laboratory testing instruments at each of our technical platforms.

Testing is generally organized into three phases: (i) the pre- analytical phase, which includes collecting samples and delivering them to testing facilities; (ii) the analytical phase, during which the actual test is performed; and (iii) the post-analytical phase, where results are delivered to the prescribing doctor and the patient and interpretation assistance is offered by our clinical pathologists.

Pre-analytical phase. Before clinical testing is performed, samples are collected from the patient, identified and delivered to our laboratories. In France and Luxembourg, patient samples are collected directly by the laboratory, although in more remote areas, samples are collected by nurses who then submit samples to the laboratory. In Belgium, samples are primarily collected at doctors' offices and transported to our laboratories for testing.

Analytical phase. Once we have logged in the test request and collected the samples, we perform the necessary tests. Most of our routine tests are automated, while others must be performed manually by our clinical pathologists or technicians.

Post-analytical phase. Our clinical pathologists interpret test results once they become available. Routine testing is typically completed within less than 12 hours. Results are transmitted either in hard copy or made available electronically to patients or doctors via a server.

Our Routine Lab customers

Customers of our Routine Lab business are individual patients who require routine clinical tests in connection with the diagnosis, monitoring and treatment of different illnesses. Generally, doctors prescribe the relevant tests to their patients who then go to one of our collection centers.

Our Routine Lab operations

France

We believe we were the second largest private network of clinical pathology laboratories in France in terms of revenue, based on management estimates for 2014. We operate eight regional clusters with approximately 150 collection points:

- CBCV, in the Paris area;
- Biolille in the Lille area;
- Biotop in the Marseille area;
- Biobaie in the Saint-Brieuc, Brittany area;
- BioPyrénées Lab (formerly Bioadour) in the Tarbes and Lourdes area in southwestern France;
- Bioréunion in the overseas French *département* of Réunion;
- Biopole 80 in the Picardie area; and
- CBM in the Normandie area.

We believe that, for the French market in particular, location plays a key role in a clinical laboratory's success. Medical doctors in France are prohibited by law from administering laboratory analyses themselves. As a result, patients are prescribed medical analyses and find a walk-in laboratory or arrange for a nurse or technician to collect a sample from their home. Patients who travel to a laboratory to have their sample taken typically choose a laboratory based on proximity to their home or workplace. We have consequently focused on making selective acquisitions targeted at increasing the density of our footprint in France in order to build a leading position in the French routine laboratory testing market.

Each of our collection sites in France has an on-site clinical pathologist as required by law. Samples collected are then sent on to the nearest regional technical platform for testing. We processed approximately 4,100 million files in France in the twelve months ended September 30, 2014, or over 13,500 per day.

Our Routine Lab business in France generated €318.1 million and €99.3 million of net sales for the year ended December 31, 2015 and for the six months ended June 30, 2016, respectively, representing respectively 81.9% and 84.3% of our total Routine Lab net sales for the same period.

Belgium and Luxembourg

We have been active in the Belgian routine laboratory testing market since our acquisition of BARC in 2007. We believe that we are among the three largest private routine laboratories in Belgium in terms of revenue, based on management estimates for 2014, performing analyses for public and private hospitals, doctors and patients.

As of December 31, 2013, we operated in Belgium through three regional clusters:

- CRI, the largest private laboratory in the Ghent area with sites throughout a large part of Flanders;
- LBS, the largest private laboratory in the Brussels area; and
- Medic Lab, which serves Aalst and Sint-Gillis-Waas in Flanders.

Our laboratories in Belgium offer a broad range of routine tests. Our samples are collected at the collection centers that we operate or are collected at doctors' offices and sent to our laboratories for testing. In the twelve months ended September 30, 2014, we performed routine tests for approximately 620,000 patients in Belgium, or over 2,000 per day. We believe that we are the number one private routine ambulatory care laboratory in Luxembourg. Our routine laboratory testing business in Luxembourg is operated through Ketterthill Laboratories, which we acquired through our acquisition of LLAM in 2011. We have one technical platform with 39 collection sites throughout Luxembourg, through which we offer a broad range of routine tests. In 2013, we performed routine tests for approximately 355,000 patients in Luxembourg, or over 1,100 per day.

Our Routine Lab business in Belgium and in Luxembourg generated collectively €70.2 million and €18.5 million of net sales for the year ended December 31, 2015 and the six months ended June 30, 2016, respectively, representing 18.0% and 15.7% of our total Routine Lab net sales for the same periods.

Routine Lab growth through acquisitions

Both strategic and bolt-on acquisitions have played a key role in the development of our Routine Lab business, and we expect acquisitions to continue to be an important part of our growth strategy in the future. Before December 31, 2008, our business consisted of our Specialty Testing business unit, our Central Lab business unit, as well as our Routine Lab business in Belgium. We have accomplished our Routine Lab growth through the strategic acquisition of regional clusters, beginning with our acquisition of Biolille in 2009. We have augmented this development through bolt-on acquisitions of small laboratories that we are able to use as collection sites to increase our concentration in targeted market areas. Over the past three years, we have completed 36 separate acquisition transactions, of which 7 were large, strategic acquisitions, mainly consisting of acquisitions of routine labs in France. In addition, on December 19, 2014, we entered into the Securities Purchase Agreement with a view to acquiring the Target Group.

We have a two-Phase Investment analysis process. Target selection begins with our dedicated acquisition team of five professionals, including our chief executive officer, applying specified criteria to identify an attractive laboratory for acquisition. After evaluating the opportunity for synergies and market conditions in the target's region and determining a valuation estimate, the acquisition team presents its findings to an *ad hoc* Investment Committee organized to review the acquisition that is typically composed of our CEO, our CFO and a member of our business development team. Acquisitions with an estimated value greater than € 5 million are also presented to an *ad hoc* Executive Committee comprised of our CEO, our CFO and a representative of our majority shareholder for review. The committee reviewing the proposed transaction, upon consideration of the potential target's key financial information and the business rationale for the transaction, decides whether or not to proceed with the next phase. A favorable decision launches phase two, which entails a more thorough vetting of the target, including legal, financial and technical due diligence, determination of the appropriate structure for the transaction and negotiation of an acquisition agreement. Our business development manager, representatives of our finance department and the head of our routine laboratory testing business unit are all involved heavily in this phase. Upon completion of this phase, the transaction is once again presented to our Investment Committee (and to our Executive Committee for acquisitions above €5 million). Their favorable decision then results in the plan of acquisition being presented to our full board of directors for approval.

Once an acquisition agreement has been signed, our management liaises with clinical pathologists at the target laboratory to begin the integration process. A team of 20 professionals from our finance, quality control, purchasing, information technology, human resources, legal and engineering teams work in concert to begin harmonizing procedures in order to be in a position to rapidly integrate the laboratory after closing. Approximately six months after closing, management conducts a post-acquisition review during which it tracks the progress made on the plan put in place by the integration team and the performance of the newly acquired laboratory in the context of our group-level business plan.

Specialized testing

Overview

Our Specialized Testing business is our historical core business and today our second largest line of business. Our Specialized Testing business generated €154.4 million and €46.8 million of net sales for the year ended December 31, 2015 and for the six months ended June 30, 2016, respectively, representing 27.8% and 28.3% of our total net sales for the same periods. In France, we are the co-leader in specialized laboratory testing in terms of revenue based on management estimates for 2014, with our main competitor Biomnis.

We perform all our specialized testing at our laboratory in Saint-Ouen-l'Aumône, France, but collect samples for testing from over 3,000 collection points throughout France (including collection centers that we own and operate through our Routine Lab business as well as third-party routine laboratories), elsewhere in Europe, the Middle East and North Africa. We do not outsource any of our specialized testing to other laboratories.

Similar to our Routine Lab business, our Specialized Testing business is highly regulated, including in terms of price for our services in certain jurisdictions. See "*Industry—Clinical Pathology Testing—Market Overview*" *and "Regulation—Regulations Affecting our Routine Lab and Specialized Testing Businesses*."

Our specialized testing services

Our Specialized Testing business involves a more complex level of clinical laboratory tests than those provided through our Routine Lab business. These tests are conducted by highly skilled laboratory professionals and often require more sophisticated technology, equipment and materials.

Our Specialized Testing services consist of performing specialized tests on behalf of our Routine Lab business as well as those that are outsourced by other private laboratories and hospitals that do not have the scale, the expertise or the willingness to perform such tests, particularly due to the equipment needed for such testing and the lower demand for such testing compared to routine testing. Specialized testing also requires a high level of scientific and medical expertise, which we have developed since Cerba was established in 1967. Private laboratories, private hospitals and public hospitals (including most public hospitals in France) outsource their specialized tests to specialty private laboratories such as us.

Our specialized testing customers

Our Specialized Testing client base includes doctors from whom we directly receive samples (primarily in Belgium), public and private hospitals, as well as other clinical laboratories that choose to outsource their specialized testing.

We reach clients throughout Europe, the Middle East and North Africa who choose to send their samples to our specialized testing facility in France.

Our specialized testing logistics

Maintaining an efficient collection and transportation network is key to operating our Specialized Testing business. We collect samples for testing throughout France, the rest of Europe, the Middle East and North Africa. These samples are delivered at the same time on a daily basis to our testing facility in Saint-Ouen-l'Aumône, France, so that the results are delivered to clients within 24 hours of collection. In the past, we owned and operated a transportation fleet in order to collect and deliver Specialized Testing samples to our facility. However, to optimize costs, we have outsourced our specialized testing sample transportation services to a third-party contractor since 1998. We believe this is a more efficient use of our resources, as it avoids the need for us to incur capital expenditures on equipment necessary for such logistics, such as a fleet of vehicles, and eliminates the fixed costs associated with directly employing logistics staff. In addition, the accreditation requirements with respect to long-distance transportation of medical samples have become more stringent. As such, we feel confident about outsourcing our transportation to a partner that specializes in this field. Nevertheless, we maintain strict control over the operations of our logistics network. We employ a dedicated team in charge of managing our logistics provider to ensure that our logistics provider meets our strict quality standards, including our 24-hour turnaround time from sample collection to test result delivery. This team sets routes for the collection of samples and optimizes delivery times to our testing facility to allow for batches of similar tests to be run at once in order to maximize the efficient use of our equipment and clinical pathologists' time. We review our outsourcing arrangements on a regular basis and choose providers through formal tender procedures. In addition, we have the contractual right to take direct control over our provider's dedicated vehicles and logistics personnel in the event of a material problem with the services.

Our specialized testing operations

Our Specialized Testing business is structured into three groups: clinical pathology, anatomical pathology and cytogenetics. We perform approximately 23,000 tests on over 13,000 samples per day through our Specialized Testing business. Through our clinical pathology group, we are able to perform approximately 1,400 different specialized clinical pathology tests (one of the largest such offerings in Europe), including:

- screening for genetic disorders such as Down Syndrome;
- immunology (the study of the immune system, including allergies, transplant compatibility, antibodies, cytokines, immune system cells and their effect, receptor systems and autoimmune diseases);
- virology tests (such as determining a patient's viral load in order to determine the effectiveness of an antiviral regimen);
- bacteriology (the study of infectious bacteria);
- hormonology (the study of hormone secretions and their effects on body growth and metabolism); and
- oncology (the study of abnormal cell growth, including benign tumors and cancer).

The clinical pathology group performs approximately 20,500 tests per day from a catalog of approximately 2,500 tests. A medical team including approximately 20 clinical pathologists provides support to routine clinical pathologists and doctors for interpreting the results of the specialized clinical pathology tests we perform.

Our anatomical pathology group performs testing of histologic or cytological samples, mostly for oncology diagnostic testing purposes. Our offerings in this area range from skin tests and cervical smears to fetal testing. Since 2007, test volumes have grown by approximately 28%, from approximately 380,000 tests conducted in 2007 to approximately 485,000 tests in 2013. The group has a dedicated team of approximately 20 professionals. Our cytogenetics group performs, among other things, pre- and post-natal genetic screenings, genetic testing related to cancer and blood diseases as well as general genetic-level testing support for our other groups. We have a team of seven genetics specialists, approximately 55 specialized technicians and five medical secretaries dedicated to the operations of this group.

Central Lab

Overview

Our Central Lab business is our third line of business and accounted for €32.5 million and €6.5 million of net sales for the year ended December 31, 2015 and for the six months ended June 30, 2016, respectively, representing 5.8% and 3.9% of our total net sales for the same periods.

Our Central Lab business is engaged in the testing of the safety and efficacy of new molecules for use in clinical settings. We operate our Central Lab business through BARC, which we acquired in 2007. BARC has been engaged in the central laboratory testing business since its creation in 1985. We believe we are a significant player in the Central Lab market worldwide based on management estimates for 2014. New drugs generally go through four phases of clinical testing before being marketed to the general public for use. We provide testing to support the development of new pharmaceuticals generally through Phases II through IV of a drug's development. A large proportion of our Central Lab business is derived from Phase II clinical testing. For a description of the phases of clinical testing for pharmaceuticals, see "*Industry—Central Lab*."

Our Central Lab services

As a reference laboratory for pharmaceutical companies and CROs, we provide clinical trial assistance by running routine and specialized tests on samples received from patients in such trials. We provide six general types of services:

- collaboration with clients to develop new tests and define appropriate test panels;
- drug safety testing through hematology, biochemistry and urinalysis;
- drug efficacy testing through laboratory testing of surrogate endpoints (that is, biomarkers that are indicators of a desired clinical effect);
- pharmacodynamics testing, which measures the effects of a drug on the body;
- pharmacokinetics testing, which measures the effects of the body on a drug; and
- the recording and storing of tests and results that can be used in connection with future testing.

Our Central Lab customers

We work for research and development ("R&D") groups at major drug and pharmaceutical companies to develop tests to demonstrate a compound's medical usefulness. We also work for contract research organizations, or CROs, such as Onyx Scientific, to focus on the testing piece of a pharmaceutical company's wide scale R&D efforts. Most of our central laboratory testing business is conducted pursuant to contracts with pharmaceutical companies.

In general, our Central Lab customer contracts are linked to a particular clinical trial and last for the duration of the phase of the trial drug's development. Contracts fix the fees that we charge for our services over the length of the clinical trial. We do not enter into exclusivity contracts for clinical testing with any of our Central Lab customers. Contracts for Central Lab customers vary in duration from six to 60 months, depending on the length of the particular clinical trial for which our services are needed. Pricing is determined on a per test basis and is generally fixed, although customers are sometimes offered rebates based on the achievement of specified volumes of testing. Contracts estimate the volume of tests that will be required, although this is non-binding and does not represent a commitment to order a specific volume of tests. We are subject to liability if we fail to perform tests in a timely manner. However, we maintain insurance for any such potential claims and generally our liability under our Central Lab contracts is limited. Since drug safety authorities receive reports on the progress of each phase of clinical testing, they may require the modification, suspension or termination of clinical trials if they conclude that an unwarranted risk is presented to patients or healthy volunteers. Contracts may be terminated at any time at will by Central Lab customers, without indemnification. In the event that a customer cancels or terminates a contract, we typically would be entitled to receive payment for all services performed up to the cancellation date and subsequent customer-authorized services related to terminating the cancelled project.

Our Central Lab operations

For trials that are based in Europe and South Africa, we perform tests related to our Central Lab business through our routine and specialized facilities and technical platforms in France, Belgium and Luxembourg. Additionally, we have logistics and administrative facilities in each of the United States, Australia and Singapore, where we work with local laboratories to perform our central lab tests. Finally, we have local partners in China and Japan through which we conduct our entire Central Lab business in these countries.

We are one of the few market participants with both a routine laboratory testing business and a central laboratory testing business. We leverage this distinguishing characteristic in several ways. First, we are able to use the lab network and infrastructure that we already have for our Routine Lab and Specialized Testing businesses for our Central Lab business. This provides us cost savings that we would not necessarily have had if our Central Lab business was our sole line of business. We are able to pass on such cost savings to customers and provide Central Lab services at a competitive price. Further, potential Central Lab clients view the expertise that we have developed in the day-to-day operations of our Routine Lab and Specialized Testing businesses as a sign that we are familiar with the latest testing technology and are capable of effectively carrying out testing on a large scale.

Quality standards

Our different lines of business are generally highly regulated in terms of standard of quality and conduct of our tests. Our quality assurance efforts mainly focus on correct patient identification of samples, reporting accuracy, proficiency testing, reference range relevance, process audits, statistical process control and personnel training for all of our laboratories and collection centers. We also focus on the proper licensing, credentials and training of our professional and technical staff.

Our Routine Lab and Specialized Testing businesses are subject to national- level regulation that sets quality standards for our operations. These standards vary across jurisdictions. See "*Regulation*." We believe we are in compliance with applicable accreditation or certification standards of standard- setting bodies, such as the International Organization for Standardization ("ISO"), *Comité français d'accréditation* ("COFRAC") in France and BELAC in Belgium. In addition, our central laboratory business is exposed to regulatory constraints on test protocols and laboratory upkeep imposed on the pharmaceutical industry. We often agree in contracts with our clients to meet specific regulatory requirements on our central laboratory testing operations that would not have otherwise applied directly to us for commercial reasons. For more detail on the regulatory standards to which our operations are subject, see "*Regulation*."

We seek to assure the highest level of quality control throughout our group. We have a group-level Quality Committee that oversees our several business units. We also have dedicated quality assurance staff for each of our lines of business: our Routine Lab business (including separate quality assurance teams for our French Routine Lab business and our Belgium and Luxembourg Routine Lab businesses), our Specialized Testing business and our Central Lab testing business. Our facilities are subject to periodic external reviews for quality assurance. For example, our French Routine Lab and Specialty Testing facilities are subject to inspection by COFRAC every 18 months. Further our Belgian Routine Lab facilities are subject to review and inspection for adherence to BELAC norms on a periodic basis. Our Central Lab business is subject to periodic review by our clients to ensure that we are meeting the standards to which we agreed in our contracts. Such reviews occur at least once during each clinical trial we perform. Finally, we have a dedicated quality control team that monitors our relationship with our outsourced logistics provider and have put in place contingency measures in the event of the provider's material breach of our outsourcing agreement.

Our suppliers

The primary equipment and material required to conduct our business are testing equipment and reagents. We regularly evaluate the equipment (analytical systems and robotic, pre- and post-analytical devices) used by our business. We own the majority of the equipment necessary to conduct our Routine Lab, Specialized Testing and Central Lab businesses. We finance equipment acquisitions in the ordinary course of business through loans secured by the equipment being financed.

In addition to testing equipment, we also use basic materials such as reagents in our business. Our main suppliers include Roche, Siemens and Abbott. We do not enter into exclusivity contracts with any single supplier. However, our dedicated buying team crafts framework agreements pursuant to which suppliers are able to compete for the opportunity to supply our technical platforms with needed chemicals. No single provider is the source of more than 12% of our supplies for any particular calendar year.

Billing and payment

Billing for our Routine Lab and Specialized Testing businesses is a complex process involving several payers. Depending on the billing arrangement and the applicable law of the country in which we operate, the payer may be a third party responsible for providing health insurance coverage to patients (such as national public health insurance or a private medical insurance plan), a patient or other party (such as a hospital, another laboratory or an employer) who outsourced testing to us, or a combination of these parties.

We generally bill for clinical testing services on a fee-for-service basis. In each of the countries in which we operate our Routine Lab testing business, the rates we can legally charge for routine laboratory tests are set by regulators. According to "*Comptes nationaux de la santé 2013*," in 2013, approximately 72.1% of spending in the French private clinical pathology testing market was financed by the French social security system and the remainder was covered by private insurance companies (approximately 25.1%) and by the patient directly out of pocket (approximately 2.8%).

In Belgium, the state healthcare system pays for approximately 90% of the price set by the government, with patients responsible for the remainder. Belgian regulations also permit laboratories to charge patients a nominal administrative fee on a per patient basis. In Luxembourg, the entire cost of tests included in the national regulator's catalog are paid for by the national healthcare system. Routine tests are almost invariably subject to price controls and reimbursement from the government.

In France, Belgium and Luxembourg, our Routine Lab patients pay the portion of the fee for which they are responsible (if any) at the time of service and the remainder is paid to us by the third-party payer (national social security and/or private supplementary health insurance) generally within 30 days. However, if a routine test is administered in a non-therapeutic context (that is, if a patient is receiving elective medical treatment), that test would generally not be covered by government health insurance and the patient would be responsible for the entire cost of the test.

We have historically billed for our Specialized Testing business in much the same way as routine testing in France. However, new regulations in France in 2012 required that we invoice a routine laboratory that outsourced a test to our Specialized Testing business instead of invoicing patients directly. Prices for specialized tests are generally set by the government, but certain specialized tests that we provide are not on the French government catalog and therefore do not have a set fee. In such instances, we are free to set our fees on our own according to market forces. Further, tests done on samples imported from outside countries are not subject to fee restrictions. For such "export" tests, we generally set our fees taking into account the regulatory fee for the test in the exporting country, if any. Payments to us by national social security and/or private supplementary health insurance in the Specialized Testing business are generally made within approximately 60 days after testing. Payments by public entities, such as hospitals, take longer, running up to 80 days.

Our Central Lab business operates on a traditional contractual model through which we set rates directly with our clients. We are generally paid promptly for our services by our Central Lab clients.

Although we believe we have no material issues related to collecting fees for our services, we are subject to the risk of non-payment by patients and other clients. See "*Risk Factors—Risks Related to Our Business—Financial difficulties of certain of our clients or third-party payers may require us to write off debts*." We maintain reserves for doubtful accounts and amounts past due.

Environmental, health and safety

Our operations are subject to licensing and other requirements under EU, national and local laws and regulations relating to the protection of the environment and human and occupational health and safety, including those requirements governing the handling, transportation and disposal of medical samples and biological, infectious and hazardous waste. All our laboratories are subject to requirements for the disposal of laboratory samples at authorized facilities and we generally utilize outside vendors for the disposal of such samples. Nevertheless, we could be held responsible for cleanup of contamination at such sites attributable to our wastes.

In addition, we must meet extensive requirements relating to workplace safety in clinical laboratories, particularly for employees who could be exposed to blood-borne pathogens such as HIV and the hepatitis B virus. These regulations, among other things, require work practice controls, protective clothing and equipment, training, medical follow-up, vaccinations and other measures designed to minimize exposure to, and the transmission of, blood-borne pathogens.

Although we are not aware of any current material non-compliance with our obligations under environmental, health and safety laws and regulations in connection with our operations, failure to comply with such laws and regulations in the future could subject us to civil and criminal fines and penalties, remediation costs, enforcement actions, the suspension or termination of our licenses to operate or third-party claims. See "*Risk Factors—Risks Related to Our Business—We are subject to numerous legal and regulatory requirements governing our activities, and we may face substantial fines and penalties, and our business activities may be negatively impacted if we fail to comply*."

Information technology systems

We use information technology systems (or "IT systems") in virtually all aspects of our business, including clinical laboratory testing, central laboratory testing, billing, customer service and the management of medical data. We also use our and internal reporting system in order to monitor key performance indicators in each of our laboratories and adjust our operations accordingly. The successful delivery of our services depends, in part, on the continued and uninterrupted performance of our IT systems, especially when time is of the essence for a laboratory test result.

Historically, we have grown through acquisitions and as a consequence newly acquired laboratories may not use software platforms that are consistent with the systems we have implemented on a group-wide basis. Newly acquired laboratories may continue to use their existing IT systems for an indefinite amount of time after their acquisition, although we encourage them to adopt one of two pre-approved IT platforms when they consider changing their systems.

Facilities

Our facilities consist primarily of collection centers, technical platforms, our specialized laboratory facility in Saint-Ouen-l'Aumône, France, and office space. We rent the majority of our premises pursuant to commercial leases. We believe that our facilities are generally adequate for our present needs and that suitable additional or replacement space would be available to the extent required.

Employees

As of June 30, 2016 we had approximately 4,277 full-time equivalent employees and we employed approximately 400 clinical pathologists. In France and Belgium, we are subject to collective bargaining agreements negotiated between unions and employers' representatives at the national level and made mandatory pursuant to national labor law. Although we are subject from time to time to minor employment-related disputes, we believe that overall our relations with our employees are good.

Intellectual property

Generally, we do not regard intellectual property to be a material part of our assets or essential to our operations. Besides copyright protections on our business and trade names, we do not hold any material intellectual property assets.

Insurance

We maintain insurance, both on the group level and on the level of each of our individual laboratories, against various risks related to our business, including mandatory professional civil liability (for which amendments are made from time to time for laboratories conducting specific activities within the scope of our business, such as tests related to fertility treatments or prenatal diagnosis), combined property damage and, in respect of certain of our laboratories, business interruption policies. We have taken out directors' and officers' liability insurance for executives within our group. We also maintain applicable compulsory workers' compensation and motor liability coverage.

We believe that our existing insurance policies are adequate in terms of both amounts covered and conditions of coverage to cover the major risks of our business, taking into account the cost of insurance coverage and the potential risks to business operations. However, there can be no assurance that no losses will be incurred or that this coverage will be sufficient to cover the cost of defense or damages in the event of a significant claim. See "*Risk Factors—Risks Related to Our Business—We may incur liabilities that are not covered by insurance*."

Legal proceedings

We have been involved, and may be involved in the future, in various legal proceedings arising in the ordinary course of business, including disputes concerning professional liability and employee-related matters, as well as inquiries from governmental agencies and health insurance carriers regarding, among other things, billing issues. Additionally, we operate in a regulated industry. As such, in the ordinary course of business, we are subject to national and local regulatory scrutiny, supervision and controls. For more information on the regulations governing our business, see "*Regulation*."

On January 13, 2014, Mr. Jean-Luc Dourson and Biopart (a company wholly-owned by Mr. Dourson) initiated proceedings against us before the Paris Commercial Court (tribunal de commerce de Paris). The complainants are seeking rescission of the relevant contracts of sale of LLAM (owner of Luxembourg-based Ketterthill laboratory) which we acquired on June 6, 2011. The complainants argue that we did not fulfil our obligations under the contracts of sale and that rescission may be granted pursuant to Article 1184 of the French Civil Code.

We are vigorously defending the allegations and believe them to be without merit and consequently have not made any provision on our balance sheet for this litigation proceeding. LLAM is a Guarantor of the Senior Secured Notes and the Senior Notes and the shares of LLAM are pledged under the Existing Senior Secured Notes Indenture. If the sale of LLAM were rescinded, the Notes would no longer be guaranteed by LLAM and the holders of the Senior Secured Notes would no longer benefit from the pledge of the shares of LLAM under the Existing Senior Secured Notes Indenture.

One of our subsidiaries, BARC Finance, has been involved in a dispute with the Belgian tax authorities in connection with its payment of corporate income tax. Although BARC Finance paid the disputed amount of corporate tax for the taxable period ended December 31, 2008 (€1.4 million, including a 10% penalty), we do not believe this claim will have a material adverse effect on our business or results of operations.

Regulation

We are subject to extensive government regulation in each of the countries in which we operate across our lines of business. Regulations that pertain to operating requirements, professional qualifications of laboratory personnel, constraints on the ownership of clinical laboratories (which are especially strict in France), and pricing and reimbursement levels of clinical laboratory tests affect our Routine Lab and Specialized Testing businesses. In addition, our Central Lab business is subject to further regulations that particularly concern drug safety.

We are also affected by numerous other laws and regulations that impose restrictions and requirements on the handling and storing of certain chemicals and reagents as well as the disposal of biological refuse, govern the handling and storing of personal data and aim to prevent fraud to social security systems.

Regulations affecting our routine lab and specialized testing businesses

The activities we undertake as part of our Routine Lab and Specialized Testing operations are regulated on the national level in each of the three countries in which we operate.

France

Pricing and reimbursement

With respect to pricing and reimbursement, clinical laboratories are bound by the prices set by the Ministry of Health and the National Health Insurance Fund (*Caisse Nationale d'Assurance Maladie*). Prices are revised annually through negotiations among the Ministry of Health, the National Health Insurance Fund and clinical pathologists' labor unions. Over the past three years, tariffs for clinical laboratory testing have decreased by approximately €100 million per year. We expect further downward pressure on tariffs in France going forward as the government endeavors to further reduce the rate of growth of national healthcare expenditures, although we are unable to be certain of the extent of any future reductions.

According to "*Comptes nationaux de la santé 2013*," in 2013, approximately 72.1% of spending in the French private clinical pathology testing market was financed by the French social security system and the remainder was covered by private insurance companies (approximately 25.1%) and by the patient directly out of pocket (approximately 2.8%). This split has not materially changed in recent years.

The reimbursement of tests by the French National Health Insurance is subject to an agreement with the National Health Insurance Fund, which must be entered into by clinical laboratories and each of the pathologists practicing within the laboratory. Any failure of one of the pathologists or of the laboratory to comply with the terms of the aforementioned agreement may lead to the suspension of reimbursement by the National Health Insurance Fund (*déconventionnement*).

Quality and accreditation standards

French law requires an administrative authorization (*autorisation administrative*) for the establishment and operation of clinical laboratories. As part of the authorization process, local health authorities review a filing detailing the laboratory's corporate form and governance, premises, equipment, tests, and operating procedures, as well as the professional qualifications of the laboratory's personnel, including clinical pathologists. The law sets minimal standards to be met in each of these areas. A laboratory must inform local health authorities of changes affecting any of the above matters.

Pursuant to an ordinance dated January 13, 2010 (*ordonnance n° 2010-49 relative à la biologie médicale*), which was ratified by law n° 2013-442 dated May 30, 2013 related to the reform of medical biology, the existing administrative authorization process will be replaced after November 1, 2020 (with two intermediary steps in 2016 and 2018, concerning respectively 50% and 70% of the tests performed by a laboratory) by a new accreditation procedure to be carried out by a national accreditation body (the *Comité français d'accréditation*, or "COFRAC"). The accreditation procedure introduces new, stricter requirements for clinical laboratories pursuant to standards promulgated by the ISO (namely, ISO 15189). The ordinance provides for a transitional regime, whereby:

- until November 1, 2020, a non-accredited clinical laboratory may operate on the basis of its administrative authorization, and remains subject to the regulatory requirements described above relating to, notably, premises, equipment and mandatory minimums on the number of clinical pathologists. However, the administrative authorization will be withdrawn if by November 1, 2016, the laboratory has not been accredited for 50% of the tests it performs or if, by November 1, 2018, the laboratory has not been accredited for 70% of the tests it performs, and if, by November 1, 2020, the laboratory has not been accredited for 100% of the tests it performes; and

- since November 1, 2013, a non-accredited clinical laboratory is required to demonstrate that it has effectively begun the new accreditation process.

The COFRAC may suspend or revoke a laboratory's accreditation for all or part of the laboratory's business if such laboratory fails to comply with the requisite health, safety and quality standards. Furthermore, French law provides for substantial fines and penalties if the regulatory requirements for the grant of administrative authorizations and/or accreditation are breached.

There is a no limit under French law as to the number of branch offices that a laboratory incorporated as a company may operate. However, a laboratory company may not open branch offices in more than three contiguous *territoires de santé* and for each branch office, at least one clinical pathologist shall be appointed to enable a speedy medical support to each branch office (meaning that a laboratory company must have at least as many clinical pathologists as branch offices). Furthermore, regional health authorities (*agences régionales de santé*) may further deny authorization for new clinical laboratories (or new branch offices of existing laboratories) within a given geographic area (*territoire de santé*) if the proposed laboratory's testing operations would cause the offer of testing operations to exceed by 25% the relevant territory's testing needs. Health authorities may also veto acquisitions of laboratory companies or branch offices, or mergers of laboratory companies if the share of the tests performed by the consolidated laboratory would exceed 25% of the total number of tests performed in the relevant territory. Furthermore, the acquisition of shares of a laboratory company is prohibited if such acquisition would result in the acquiror controlling, directly or indirectly, the performance of more than 33% of the tests performed in the relevant territory.

French law also limits the number of tests that can be outsourced by a clinical laboratory to other laboratories every year to 15% of the total number of tests it conducts. This limitation does not apply to the outsourcing of tests between branch offices of a single clinical laboratory company. The outsourcing of tests is monitored by the regional health authorities and the absence of representation or misrepresentation concerning outsourced activities may give rise to administrative sanctions.

Professional licensing and ethics

Clinical pathologists, technicians and laboratory personnel collecting patient samples must meet certain minimum professional qualifications.

In France, each clinical laboratory must be supervised during business hours by at least one clinical pathologist who acts as the legal representative of the laboratory company and is responsible for its operations, including the processing of tests outsourced to other laboratories. Clinical pathologists must be registered with the pharmacists' professional association (*Ordre des Pharmaciens*) or the medical doctors' professional association (*Ordre des Médecins*, together, the "*Ordres*"), depending on whether they are qualified as pharmacists or medical doctors. Through their membership in an *Ordre*, clinical pathologists working in clinical laboratories are subject to the same rules of professional conduct as medical doctors and pharmacists set by the relevant *Ordre*. Laboratory companies must also be registered with one or both *Ordres*, based on the professional affiliation of the clinical pathologists practicing within such laboratories.

The *Ordre des Pharmaciens* and the *Ordre des Médecins* are self-regulatory bodies with administrative and disciplinary powers over practicing professionals. They also represent, respectively, the collective interests of pharmacists and medical doctors (including in both cases, clinical pathologists) before French public authorities and may be called upon to issue opinions (*avis*) on certain issues involving their profession, including proposed laws and regulations. The *Ordres* also monitor compliance by practicing professionals with applicable laws and regulations.

Among the professional conduct rules enforced by the *Ordre des Pharmaciens* is the principle of independence defined in Article R.4235-18 of the French Public Health Code. Pursuant to this principle, a pharmacist may not be subject to any financial, commercial, technical or moral constraint, if such constraint could impair his or her professional independence. A similar provision affecting medical doctors, Article R.4127-5 of the French Public Health Code, provides that a medical doctor cannot, in any manner or form, compromise his or her professional independence.

The *Ordre des Pharmaciens* and the *Ordre des Médecins* regulate access to the profession by maintaining respective national registries of practicing professionals (each, a *Tableau de l'Ordre*), on which every practicing pharmacist or medical doctor, as well as every clinical laboratory company, must be registered. New clinical laboratories, including entities formed by the merger of preexisting laboratories, must apply for registration on the relevant *Tableau de l'Ordre* as a prerequisite to obtaining administrative authorization. An *Ordre* may withhold or suspend registration due to violation of the relevant professional conduct rules.

Clinical laboratories are subject to ongoing regulatory supervision by each of the *Ordres* and, as a consequence, must submit to the relevant *Ordre* for review any proposed change in their capital ownership or articles of association, any cooperation contracts entered into with other clinical laboratories and, more generally, any agreements relating to their operations or governing the relations between their shareholders. Upon its review, the *Ordre* may inform regional health authorities of any perceived regulatory violations. The regional health authorities are not bound by the findings of the relevant *Ordre* in this respect. As part of its disciplinary powers, each professional association may impose disciplinary sanctions on clinical pathologists, including the temporary or permanent suspension of practicing professionals who have breached professional conduct rules.

It is worth mentioning that, following a complaint lodged by Labco, it has recently been found by the General Court of the European Union that the *Ordre des Pharmaciens* had restricted competition on the clinical biology analysis market by adopting a restrictive interpretation of French regulations in order to prevent groups of laboratories from developing in France (Judgment of 10th December 2014, Case T-90/11, *Ordre national des pharmaciens and Others v Commission*). This decision has been appealed by the *Ordre des Pharmaciens*.

Regional health authorities in France monitor compliance by clinical laboratories with health and safety regulations through on-site inspections. In addition, certain tests or categories of tests are controlled by specialized agencies as part of a yearly quality control program. Regional health authorities may impose administrative sanctions on clinical laboratories and, in certain instances, clinical pathologists, for violations of certain regulatory requirements, including health, safety and quality regulations. These sanctions range from fines to the temporary or permanent closing of the laboratory, in the case of particularly serious or repeated violations.

Certain illegal activities, including the illegal practice of clinical biology (*exercice illégal des fonctions de biologiste médical*) and the misleading use of the title of clinical pathologist by a person without the legal right to do so (*usage sans droit de la qualité de biologiste medical*), carry criminal penalties that range from the prohibition to practice clinical biology or operate a clinical laboratory to imprisonment for individuals.

In addition, clinical laboratories may not advertise their services, directly or indirectly, to the general public. Certain information provided to medical doctors is, however, excluded from this prohibition, notably information of a medical or scientific nature, and upon opening of a new laboratory, the public announcement of the laboratory's existence, location, and test offerings.

Laboratory ownership and corporate structure

French law also contains specific provisions dealing with the corporate form through which a clinical laboratory can be operated and imposes limitations on who can hold the capital stock and exercise the voting rights within such corporations. These provisions and limitations reflect the traditional view in France that clinical laboratories are engaged in medical activity conducted through small, privately owned entities by independent professionals (*profession libérale*).

Owners of a clinical laboratory who do not want to operate their laboratory directly can incorporate their business through a non-profit organization, a *société civile professionnelle* (SCP), a cooperative undertaking or a *société d'exercice libéral* (SEL). SELs can take several forms: *société d'exercice libéral à responsabilité limitée* (SELARL), *société d'exercice libéral à forme anonyme* (SELAFA), *société d'exercice libéral en commandite par actions* (SELCA) or *société d'exercice libéral par actions simplifiée* (SELAS). Another specific corporate form is the *société de participations financières de professions libérales* (SPFPL), which cannot directly operate a clinical laboratory but may serve as a holding company for SELs. All our French clinical laboratories are incorporated as SELAFA or SELAS.

The following principles apply to SELs in general:

- a clinical pathologist can only act as a responsible clinical pathologist for, and therefore manage, one SEL;

- more than half of the share capital and the voting rights must be held by clinical pathologists practicing within the SEL or by an SPFPL constituted by the clinical pathologists practicing within the SEL. French law used to provide for an exception whereby more than 50% of the share capital of a laboratory company could be held by individuals or legal entities which were external clinical pathologists or laboratory companies if these individuals or entities had an activity within the corporate purpose of the laboratory company considered or were SPFPL. However, law n° 2013-442 dated May 30, 2013 related to the reform of medical biology has removed this exception, such change only affecting laboratory companies set up after its enactment, *i.e.* after May 31, 2013. Consequently, any laboratory company set up after that date is subject to the following limitation regarding its ownership: more than 50% of its share capital and voting rights must be held, directly or indirectly through an SPFPL, by clinical pathologists working within the laboratory company considered. With regards to laboratory companies set up prior to May 31, 2013, which, at that date, did not comply with this requirement, they can still benefit from the former exception regarding ownership by external clinical pathologists and laboratory companies. However, in case of transfer of their shares, priority shall be given to clinical pathologists working within the laboratory company considered. If the latter are unable to buy such shares, said shares can be sold to any external clinical pathologist or laboratory company or SPFPL, or—within the limitations provided by law for the shareholding of laboratory companies by non-biologists—to persons that are not clinical pathologists and legal entities that are not laboratory companies;;

- persons that are not clinical pathologists and legal entities that are not laboratory companies cannot directly hold more than 25% of the share capital and voting rights of an SEL; to prevent conflicts of interest, certain types of professionals or entities (including other health professionals, medical suppliers and insurance companies) are prevented from holding shares in an SEL directly or indirectly;

- the articles of association of laboratory companies may provide for the inalienability of shares for a period not exceeding ten years; and

- finally, in order to be binding, all arrangements concerning laboratory companies or their shareholders that are not contained in the by-laws must be disclosed to, as the case may be, the *Ordre des Pharmaciens* and/or the *Ordre des Médecins*.

Certain aspects of the legal framework described above have been considered by the European Court of Justice. In March 2009, the European Commission commenced a proceeding against France, challenging two provisions of French law. First, the Commission argued that the 25% ownership limitations placed on third-party non-professionals imposed an undue burden on the freedom of establishment provided for in the Treaty Establishing the European Community. Second, the Commission criticized as overly restrictive the rule by which qualified entities or individuals could not own shares in more than two SELs. In its December 16, 2010 decision, the European Court of Justice found in favor of France on the first count, holding that the ownership limitations placed on non-professionals were reasonable in view of the state’s legitimate public health and safety concerns. The Court noted the threat to such independence that might arise from financial pressures placed on clinical pathologists by third-party investors and found that a Member State might validly conclude that the professional independence of clinical pathologists would not be adequately preserved in structures where such professionals would only hold a minority of the share capital, regardless of whether they were granted majority voting rights. The Court found against France on the second count, however, holding that the ownership restriction placed by existing regulations on qualified professionals was unnecessary and disproportionate to the public health objectives sought to be achieved. Pursuant to decree n° 2013-117 dated February 5, 2013 related to the conditions of operation of a laboratory by an SEL, individuals or legal entities who have an activity within the corporate purpose of the SEL are no longer subject to the limitation according to which they could not own shares in more than two SELs.

Belgium

Laboratory ownership and corporate structure

The conditions with respect to ownership and corporate structure which clinical laboratories must comply with are set forth in Royal Decree No. 143 of December 30, 1982. In the case of clinical laboratories operated by individuals, there is an explicit prohibition on the operation of such laboratories by doctors who dispense prescriptions. Such doctors are also barred from acting as directors, associates (*vennoten/associés*), members, managers (*zaakvoerders/gérants*) or designated representatives of clinical laboratory companies.

Legal form of ownership represents the primary regulatory constraint on the establishment and operation of clinical laboratories. These regulatory constraints are provided by the Royal Decree of April 26, 2007 (the "Royal Decree"). The Royal Decree lists the legal forms that clinical laboratory companies should take in order to eligible for reimbursement by the Belgian public health insurance system. The duration of this Royal Decree, which was initially due to expire on December 31, 2009, has been extended retrospectively until December 31, 2012 by a Decree of January 27, 2010. To date, no new extension has been enacted. The relevant agencies have not shown any indication that reimbursements would cease. The current legal gap should be filled by a new Decree which, as for January 2015, is still in a draft form and should be submitted to the Belgian government for approval. According to oral sources at the INAMI, this draft Decree (i) will leave unchanged the four legal forms that clinical laboratories should take in order to be eligible for reimbursement by the Belgian public health insurance system and (ii) will provide that these rules are no longer subject to expiration. However, this information has been obtained by unofficial sources at the INAMI. It is currently unclear whether the draft Decree will be adopted and, if so, what its content will be. The absence of any form of extension of the duration of the Royal Decree of April 26, 2007 could have a significant impact on all Belgian laboratories run under the same corporate form as ours, including us. For more information, see "*Risk Factors—Risks Related to Our Business—We are subject to numerous legal and regulatory requirements governing our activities, and we may face substantial fines and penalties, and our business activities may be negatively impacted if we fail to comply*."

The Royal Decree specifies that, in addition to hospitals, universities and other public bodies, only certain legal entities may operate clinical laboratories, namely civil companies incorporated in the form of a BVBA/SPRL (*besloten vennootschap met beperkte aansprakelijkheid/société privée à responsabilité limitée*), a general partnership (*vennootschap onder firma/société en nom collectif*), a cooperative company (*cooperative vennootschap/société coopérative*) or a non-profit organization *(vereniging zonder winstoogmerk/personne morale sans but lucratif*).

The provisions of Belgian company law applicable to Belgian companies that are eligible to operate clinical laboratories in accordance with the Royal Decree impose certain restrictions on the transferability of the shares of such companies. For example, any contemplated transfer of shares in a BVBA/SPRL must be consented to by half of the shareholders holding shares representing 75% of the capital of the company (minus the value of the shares which are being transferred). There are no requirements as to the legal form of an entity purchasing shares of a BVBA/SPRL. Belgian law does not provide for any specific rules with respect to the voting rights attached to the shares of a laboratory company.

In addition to restrictions on corporate form and share transferability, Belgian law sets forth additional general regulations affecting a laboratory company's conduct. Among other things, such rules stipulate that:

- the laboratory company must not have a corporate or statutory purpose other than the operation of clinical laboratories;
- the articles of association of a laboratory company must include a provision to the effect that the company is required to strive for a standard of quality that avoids any act entailing complementary expenses which are not justified by the compulsory healthcare insurer, by the patient or by the persons who insure the payment of these services (to the extent that the Royal Decree of April 26, 2007 remains applicable after January 1, 2013);
- the laboratory company is required to ensure, in a written agreement (subject to approval by the Ministry of Social Affairs and Health) with any persons performing services on its behalf, that such persons are free to perform such services as they wish and will have access to all means necessary to guarantee the quality of the services rendered;
- the laboratory company is required to organize a central collection of fees and other compensations paid by patients or third parties; and
- the laboratory company may not accord any benefits, directly or indirectly, to medical professionals who dispense prescriptions, and it may not influence these professionals in any way.

The laboratory company must provide the Ministry of Social Affairs and Health with an annual list of its members or associates (*vennoten/associés*) and must maintain accounting records, prepared in accordance with accounting standards set by the Royal Decree of November 18, 1983.

Pricing and reimbursement

Prices and reimbursement levels for laboratory tests are set on an annual basis. Reimbursements are only granted to clinical laboratories that have been accredited by the Belgian government. Currently, the pricing system includes a "claw-back" mechanism which allows the Belgian government to recover budgetary overspend in future periods. Reimbursement levels for tests included in the INAMI catalog are set by the Belgium health authorities. In certain cases, laboratories are allowed to bill a small supplemental administrative fee per patient in addition to the set price for a test. Laboratory tests that are prescribed for non-therapeutic reasons may be excluded from INAMI's price regulation and are set freely by individual laboratories.

Quality and accreditation standards

INAMI also requires that clinical laboratories operating in Belgium must meet certain operational standards set forth by BELAC, the Belgian national accreditation organization. Laboratories are subject to an inspection, every year during the first 3-year period of accreditation, and minimum three times (every 18 months at the latest) during the following 5-year period of accreditation, to verify that they are operating in conformity with BELAC standards.

Luxembourg

Pricing and reimbursement

According to article 65 of the Luxembourg Social Security Code, prices and reimbursement rules are set by the applicable nomenclature, which is set forth by grand-ducal regulations on the basis of recommendations of the Nomenclature Commission ("*Commission de Nomenclature*"). The list of tests that are reimbursed is set forth by a nomenclature. Other provisions, such as the statutes of the National Health Fund ("*Caisse Nationale de Santé*"), also apply.

For patients who are affiliated to the National Health Fund ("*Caisse Nationale de Santé*"), the Luxembourg social security system covers 100% of the costs of the laboratory tests (except for those performed in a hospital) that are (i) on the nomenclature list, (ii) carried out, subject to certain exceptions, within two months as of the date of the medical prescription related to the tests and (iii) carried out by laboratories authorized or covered by a convention concluded with the National Health Fund ("*Caisse Nationale de Santé*"), at the price set forth by the nomenclature. Laboratory tests performed for research purposes are not reimbursed by the Luxembourg social security system.

Quality and accreditation standards

Pursuant to article 3 of the Luxembourg law dated July 16, 1984 regarding clinical laboratories, as modified, (the "1984 Law"), the opening and operation of clinical laboratories are subject to an administrative authorization delivered by the Luxembourg Ministry of Health upon the opinion (*avis*) of the Medical Board (*Collège Médical)* and the Consultative Commission of the Laboratories (*Commission Consultative des Laboratoires*).

This administrative authorization will be delivered (i) if the creation of the laboratory responds to a need on the national, regional or local plan and (ii) if the requirements set forth by the 1984 Law and its implementing regulations are met. Mostly, these requirements are related to the specific qualifications of the person or persons running the clinical laboratory (see "*—Professional Licensing and Ethics*" below), in relation with the field of activity of the laboratory.

Any change in this respect (change of field of activity or change of the responsible person or persons) must be notified to the Ministry of Health. Such a change would require that a new administrative authorization be obtained. The administrative authorization can be revoked at any time by a motivated decision of the Ministry of Health if the legal and regulatory requirements abovementioned are no longer met.

The overall control of the clinical laboratories is provided by doctors, engineers and pharmacist-inspectors of the Health Direction (*Direction de la Santé)*, who act as investigating officers during the execution of their mission. They may be accompanied by experts.

Clinical laboratories must also submit to quality controls which are conducted by public or private organisms accredited by the Ministry of Health upon the opinion (*avis*) of the Consultative Commission of the Laboratories (*Commission Consultative des Laboratoires*).

Besides this administrative authorization, a clinical laboratory is bound to respect certain operational and quality standards set forth by the grand-ducal Regulation dated May 27, 2004 setting the minimum criteria to be met regarding the general activities of clinical laboratories.

Infringements of the abovementioned provisions of the 1984 Law and its implementing regulations are punishable by criminal sanctions set forth by article 15 of the 1984 Law.

Pursuant to the law of 4 July 2014 on reorganization of the Luxembourg Institute of Normalization, Accreditation, Safety and Quality of Products and Services (*"Institut luxembourgeois de la normalisation, de l'accréditation, de la sécurité et qualité des produits et services, ILNAS"*) and on organization of the general framework for the supervision of the market in the context of the marketing of products and the grand-ducal Regulation dated December 28, 2001 creating the Luxembourg Accreditation and Surveillance Office (*"Office Luxembourgeois d'Accréditation et de Surveillance, OLAS")*, a clinical laboratory can apply to obtain a certification of compliance with the standard ISO 15189.

Laboratory ownership and corporate structure

Pursuant to the 1984 Law, operators of a clinical laboratory can be either one or more individuals, or a private or public corporate entity.

Hospitals which are compelled to operate a clinical laboratory under the form of a hospital service can share a common structure in order to operate their services together. The individuals or the entities described above can become partners in this common structure in order to participate in the clinical laboratory's activities which are linked to the hospital sector.

Pursuant to the 1984 Law, the following entities may not become partners in, or own, directly or indirectly, a part of the share capital of, a corporate entity operating a medical laboratory:

- doctors, dentists, and other health professionals authorized to prescribe medical tests, except managers of clinical laboratories as described below;
- hospitals, without prejudice to the possibility to share a common structure as described above; and
- members of the managing body of a hospital or persons who directly or indirectly own a part of the share capital of the managing body of a hospital.

When the laboratory is operated by one or more physical person(s), such person(s) act in the capacity of director(s) of the laboratory and are bound to effectively and personally perform their duties in a responsible manner. Managers of clinical laboratories are not allowed to perform their duties in several clinical laboratories at the same time, or carry out another regular professional activity other than

- medical treatments and pharmaceutical prescriptions directly related to biology, and
- teaching functions on an ancillary basis.

Exemptions may be exceptionally granted by the Ministry of Health, upon the opinion (*avis*) of the Consultative Commission of the Laboratories (*"Commission Consultative des Laboratoires").*

Corporate entities operating a clinical laboratory must appoint one or more managers of a laboratory with the same duties as described above.

Professional licensing and ethics

Any clinical laboratory must be placed under the supervision of a person (a manager as described above) who acts as the legal representative of the laboratory company and is responsible for its operations.

This manager must either be qualified as a doctor, a pharmacist or a chemist (in this latter case by holding a Master's degree in chemistry, biochemistry or the equivalent).

Pursuant to the grand-ducal Regulation dated December 18, 1998 setting the disciplines of a clinical laboratory and regulating the specialized trainings of laboratories managers, as modified, the doctor, pharmacist or chemist in charge of a laboratory must in addition have relevant qualifications in the field of biomedical analysis (at least five years full time training) and a specialization in the field for which the administrative authorization is to be granted and in which the laboratory will operate (medical chemistry, hematology, microbiology or anatomical pathology). The manager of a clinical laboratory must apply for a prior authorization which is granted by the Ministry of Health. The authorization will be assessed based mainly on the above qualification requirements. The attributions of the laboratory technicians and technical medical assistants are determined by the laws and regulations regarding these professions.

The personnel of the laboratory must be able to reach a manager at any time during the operating hours of the laboratory. A minimal level of staffing of the laboratory may also be required, depending upon the annual activity of the laboratory. Further, a minimum set of facilities are required in the laboratory in order to preserve the dignity and the anonymity of the patients, in particular in relation to facilities used for the collection of patients' samples. All results of tests must be kept on file for a duration of ten years.

Regulations affecting our Central Lab business

Although our Central Lab business is global in scope, we conduct testing in the same laboratory facilities that we use for our Routine Lab and Specialized Testing operations. As a result, the regulations described above also affect our Central Lab business.

Additionally, our global footprint in the Central Lab business exposes us to a wide variety of further regulations designed to ensure the quality and integrity of testing processes across many different jurisdictions. We believe that our operating procedures are in accordance with the regulations and guidelines appropriate to each applicable jurisdiction.

We may voluntarily subject ourselves to certain international operating norms or regulatory standards through commercially negotiated provisions in the contracts governing our business relationships with our clients. These may include industry standards for conducting preclinical laboratory testing embodied in Good Laboratory Practice ("GLP") standards and those central laboratory operations standards required by the U.S. Food and Drug Administration (the "FDA"), the Department of Health in the United Kingdom, the European Agency for the Evaluation of Medicinal Products ("EMEA") in Europe and by similar regulatory authorities in other parts of the world. Our clinical testing may also be subject to industry standards for the conduct of clinical research and development studies that are embodied in the regulations for Good Clinical Practice ("GCP"). The FDA, EMEA and other regulatory authorities require that test results submitted to such authorities be based on studies conducted in accordance with GCP. As with GLP and Good Manufacturing Practice, noncompliance with GCP can result in the disqualification of data collected during a clinical trial.

By virtue of the fact that certain of our clients are subject to specific regulations related to the pharmaceutical industry, we are subject to audits that are performed by the relevant regulatory authority tasked with enforcing such regulations, including the FDA and the UK Department of Health.

Management

The Issuer

Issuer

The Issuer is a *société par actions simplifiée* (“SAS”) incorporated in France. The directors of the Issuer are Catherine Rondot-Courboillet and Jérôme Thill. The address for each of the directors of the Issuer is ZI Les Béthunes, 7, rue de l’Equerre, 95310 Saint- Ouen-l’Aumône, France.

Management of the Issuer

The affairs of the Issuer are managed by a Chief Executive Officer (*Président du Directoire*), with the assistance of a Deputy Chief Executive Officer and Chief Financial Officer. The governing body of the Issuer is an executive board (*Directoire*) which is supervised by a supervisory board (*Conseil de surveillance*). Each member of management, including the Chief Executive Officer, is designated by the Supervisory Board and serves for an unlimited term on the executive board. The Chief Executive Officer has full authority to represent and act in all circumstances on behalf of the Issuer, subject to the limits set by law and to the powers expressly granted by law or by the Issuer’s articles of association (*statuts*) to either the shareholders or the Supervisory Board.

Executive board

The Issuer’s articles of association set out the role and composition of the Executive Board.

The current members of the Executive Board are as follows:

Name	Age	Title
Catherine Rondot-Courboillet	53	Chief Executive Officer
Jérôme Thill	51	Deputy Chief Executive Officer and Chief Financial Officer

The following are brief biographical descriptions of the current members of the Executive Board.

Catherine Rondot-Courboillet, 53, has served as Chief Executive Officer of Cerba since 2005. She was previously the Chief Executive Officer of Cefid, from 2002 until 2005, and the general manager of Cerba Selafa from 1999 until 2002. Before joining our company, Ms. Rondot-Courboillet was the head of specialized laboratory testing activities at Laboratoire Lévy. She also served at Phadia, a developer and manufacturer of blood test systems. Ms. Rondot-Courboillet received a license from the Faculté d’Orsay at the Université of Paris XI in 1987.

Jérôme Thill, 51, is the Deputy Chief Executive Officer and Chief Financial Officer of Cerba. He has been our Chief Financial Officer of the Group since joining Cerba in 2004 and was appointed *Directeur Général* of the Issuer in 2010. Prior to joining Cerba, Mr. Thill served as Chief Financial Officer of Molecular Engines Laboratories, a biotechnology company focused on the development of anti-cancer drugs from 2003 to 2004. Mr. Thill also served as Finance Director of Dirigeants & Investisseurs from 1998 to 2003 and worked in the structured finance department at Barclays from 1991 to 1995. Mr. Thill received a Masters in Business Administration from the Institut d’Etudes Politiques de Paris in 1988.

Supervisory board

The Issuer’s articles of association set forth the role and composition of the Supervisory Board. The Supervisory Board is comprised of four to seven individuals, four of which are the nominees of the funds advised by PAI who are the shareholders of Top Luxco. Each of the current members of the Supervisory Board is a nominee of PAI. The members of the Supervisory Board are as follows:

Name	Age	Title
Frédéric Stévenin	47	President
Stefano Drago	41	Member
Sébastien Veil	36	Member

Lionel Zinsou-Derlin	58	Member

The following are brief biographical descriptions of the current members of the Supervisory Board.

Frédéric Stévenin, 50, is a Partner at PAI, responsible for its Food & Consumer Goods and Healthcare sector teams. He first joined PAI in 1993 and spent five years in PAI's Food & Beverage team before joining Deutsche Bank/Bankers Trust in the European Acquisition Finance Group as a Director and subsequently as Managing Director. In June 2001, Mr. Stévenin returned to PAI. Prior to joining PAI in 1993, he spent four years with Banque Paribas in the advisory team of the Private Banking division. Mr. Stévenin holds a degree from the Ecole Supérieure de Commerce de Paris.

Stefano Drago, 43, joined PAI in 2005 and is a Principal in its Healthcare sector team, in charge of healthcare services. Prior to joining PAI, Mr. Drago spent four years with McKinsey & Company in its Rome office, serving clients in Italy, France, the United Kingdom and Australia. He previously worked for three years within the R&D department of France Telecom, dealing with technico-regulatory affairs. Mr. Drago holds an MBA from Insead and previously graduated in engineering from both the Politecnico di Torino (Italy) and the Ecole Nationale Supérieure des Télécommunications (France).

Sébastien Veil, 39, joined PAI in 2008 and is a member of its Investment Group. Prior to joining PAI, Mr. Veil served as an adviser for labor market reform and social dialogue for the Office of the French President. Prior to this, he spent three years at the French Supreme Court of Administrative Justice (Conseil d'Etat) working on litigation between the French Government and companies or individuals. Mr. Veil holds degrees from the Ecole Normale Supérieure, the Institut d'Etudes Politiques de Paris and the Ecole Nationale d'Administration. He also holds a Master's degree in Economics from Ecole des Hautes Etudes en Sciences Sociales.

Lionel Zinsou-Derlin, 63, joined PAI in 2008 and is its Chairman and Chief Executive Officer. Mr. Zinsou-Derlin started his professional career as a lecturer and professor in Economics at the University of Paris and was a member of the Department of Industry's Ministerial office and of the Prime Minister's office. In 1986, he joined Danone, where he held various positions including Group Corporate Development Director, acted as Managing Director of HP and Lea & Perrins and was a member of the Group Executive Committee. In 1997, Mr. Zinsou-Derlin joined the Rothschild Bank as General Partner. There, he was the Head of the Consumer Products Group, the Head of Middle East and Africa and a member of the Global Investment Bank Committee. He was appointed Chairman and CEO of PAI in 2009. Mr. Zinsou-Derlin holds a degree from the Ecole Normale Supérieure. Additionally, he holds a Master's degree in Economic History and an "*Agregation*" in Economics and Social Sciences.

The consent of the Supervisory Board is required for certain important decisions including:

- any acquisition or disposal by the Issuer of property worth greater than €1,000,000;
- adoption of the annual budget of the Issuer and of the group;
- the granting of any security interests of a company that is part of the group in an amount greater than €500,000;
- any loans incurred by the Issuer or the group in an amount greater than €2,000,000;
- any issuance of securities by the group; and
- any decisions that affect Cefid (the entity through which the majority of our French laboratory company subsidiaries are held) that are outside the ordinary course of business.

Other consultative committees

The Issuer is also advised by two consultative committees that advise the Executive Board and the Supervisory Board. The Compensation Committee is tasked with making recommendations as to the compensation and other benefits of the members of the Executive Board (for all of their functions within the group). The Compensation Committee is currently composed of Frédéric Stévenin and Catherine Rondot-Courboillet. The Audit Committee analyzes the quarterly and annual accounts of the companies within the group and is tasked with all accounting-related matters. The Audit Committee is currently composed of Frédéric Stévenin and Stefano Drago.

Other key members of our management team

Philippe Buhl is the head of our Routine Lab operations in France. Mr. Buhl has 12 years' experience in the laboratory testing industry. Prior to joining Cerba in 2011, Mr. Buhl served as General Manager for the south of France for the Générale de Santé group. Mr. Buhl received a degree from the University of Paris X in 1988.

Sylvie Cado is the head of our Specialized Testing business. Ms. Cado has 23 years' experience in the laboratory testing industry. Prior to joining Cerba in 1991, Ms. Cado served as a hospital practitioner at the Centre Hospitalier of Douai. Ms. Cado received a degree from the University of Lille in 1987.

Cyril Dubreuil is our sales director and the head of our business development group. Mr. Dubreuil has 22 years' experience in the laboratory testing industry. Prior to joining Cerba in 2000, Mr. Dubreuil worked at Laboratoire Lévy. Mr. Dubreuil received a degree from the Ecole Nationale de Chimie et Biologie in 1992.

Lionelle Mazoyer is the head of our human resources department. Prior to joining Cerba in 2005, Ms. Mazoyer held positions at Genset, a biotechnology company, and Ethypharm, a pharmaceutical company.

Alain Niederhoffer is our director of logistics and purchasing. Mr. Niederhoffer has 40 years' experience in the laboratory testing industry, having joined Cerba in 1974. Mr. Niederhoffer joined Cerba directly after completing his education and received several diplomas and certifications during the course of his employment at Cerba, including a degree in Purchasing from CDAF in 1983 and in General Management from ESSEC in 1993, as well as certifications in the shipping of hazardous materials.

Paul Piersson is the head of our IT department. Prior to joining Cerba in 2012, Mr. Piersson held positions at Motorola, Nortel Networks, a telecommunications company, McDonald's and RLD Group, a business services company. Mr. Piersson received a degree from Supméca in Paris in 1990 and from HEC Paris in 2007.

Compensation

The compensation of the members of management of the Issuer is determined by the Supervisory Committee upon the recommendation of the Compensation Committee described above. Members of the Supervisory Board that are appointed by PAI are not entitled to receive compensation for their services pursuant to the terms of the Issuer's articles of association. Because each of the current members of the Supervisory Board is appointed by PAI, none receives compensation.

Conflicts of interest

Representatives of PAI who are members of the Supervisory Board may be in a situation of potential conflict of interest when PAI or any of its related entities have interests diverging from those of our group.

Except as indicated above and disclosed in "*Principal Shareholders and Related Party Transactions*," no member of the Executive Board or the Supervisory Board has any material conflict of interests between its private interests and his or her duties as a member of the Executive Board or the Supervisory Board.

Principal shareholders and related party transactions

The Issuer is a limited liability company (*société par actions simplifiée*) incorporated under the laws of France. The equity ownership of the Issuer is fully-owned by Holdco.

Holdco is a *société par actions simplifiée* incorporated under the laws of France and the direct holding company of the Issuer. Holdco is a wholly-owned subsidiary of Luxco, a *société anonyme* incorporated under the laws of Luxembourg.

Luxco is a wholly-owned subsidiary of Cerberus Nightingale 1, a holding company incorporated as a *société à responsabilité limitée* under the laws of Luxembourg. Cerberus Nightingale 1 is a wholly-owned subsidiary of Frenchco, a holding company incorporated as a *société par actions simplifiée* under the laws of France. Luxco and Cerberus Nightingale 1 were incorporated as holding companies for the purposes of the acquisition of the Issuer and its subsidiaries by funds advised by PAI.

As of the Issue Date, the equity ownership of Frenchco is as follows:

Name	Percentage
Funds advised by PAI	95.52%
Managers Group Cerba Investment (M.G.C.I.) ("Manco")	2.88%
Catherine Rondot-Courboillet	0.87%
Jérôme Thill	0.45%
Biopart Investments S.A.	0.27%

In July 2010, funds advised by PAI became our principal indirect shareholder following the acquisition of a majority shareholding from funds managed by IK Investment Partners and Astorg Partners. PAI is a major European private equity firm and is the largest private equity investor headquartered in France. It manages and advises dedicated private equity funds with a total value of approximately €7.9 billion. Since 1998, PAI has led 50 buyout investments in ten European countries, for a value of almost €36 billion.

Manco is a limited liability company (*société par actions simplifiée*) incorporated under the laws of France for the purpose of holding our shares by members of management and clinical pathologists. Biopart Investments S.A. is a *société anonyme* incorporated under the laws of Luxembourg, having its registered office at 37, rue Romain Fandel, L-4149 Esch-sur-Alzette and registered with the Luxembourg Trade and Companies Register under registration number B 132.445, and is controlled by Jean-Luc Dourson.

Collectively, members of former and current management own, directly or indirectly, 4.48% of the Issuer's and Cerberus Nightingale 1's equity. Our Chief Executive Officer, Catherine Rondot- Courboillet, directly owns 0.87% of the Issuer's equity and our Deputy Chief Executive Officer and Chief Financial Officer, Jérôme Thill, directly owns 0.45% of the Issuer's equity.

Capital structure of the Issuer

As of the date of this Listing Memorandum, the Senior Secured Issuer has a share capital of €810,246.05 comprised of 81,024,605 ordinary shares with a par value of €0.01, all of which are fully paid.

Shareholders' agreement

The shareholders' agreement entered into on November 4, 2014 (the "Shareholders' Agreement") among Frenchco, Manco, other members of management and the funds advised by PAI provides for the governance of the Issuer.

Related party transactions

In the course of our ordinary business activities, we render services to our affiliates and other related parties. In turn, such related parties may render services to us as part of their business. For example, as a part of the ordinary course of our Specialized Testing business, we conduct specialized laboratory tests for routine laboratories that we operate as part of our Routine Lab business and that are owned and operated directly by our operating subsidiaries. We believe that all transactions with affiliated companies and persons are negotiated and conducted on a basis equivalent to those that would have been achievable on an arm's-length basis and that the terms of these transactions are comparable to those currently contracted with unrelated third parties.

The Company has also engaged in various financing transactions with our shareholders.

Further, the Issuer is a party to the Existing Management Vendor Loans with Biopart Investments, one of Frenchco's shareholders, and Jean-Michel Damien, an indirect shareholder of the Issuer and a shareholder of Biolille. For a description of these loans, see "*Description of Other Indebtedness—Shareholder Debt—Other Bonds*."

The Company has issued a number of equity securities (including Preferred Shares and shares with attached warrants) to Luxco, and certain members of our key management from time to time.

In addition, the Company has issued PAI Convertible Bonds to Luxco for an IFRS outstanding amount as of September 30, 2014 of €7.0 million. On December 11, 2012, a portion of the PAI Convertible Bonds was converted into Class B Preferred Shares. The IFRS amount as of December 31, 2013 was €6.3 million.

We have also from time to time been extended shareholder's loans by Luxco in order to finance our acquisition activity, which we refer to as the "PAI Shareholder Loans." As of December 31, 2015, €4.3 million was outstanding under the PAI Shareholder Loans. On December 31, 2014, €6.1 million remained outstanding under the PAI Shareholder Loans.

In 2010, Cerberus Nightingale 1 issued a total amount of €326.93 million Series B and Series A Convertible Preferred Equity Certificates to the funds managed by PAI. On or about November 4, 2014, an amount of €396.26 million of Frenchco CPECs and accrued and unpaid interest were converted to shares of Cerberus Nightingale 1, leaving €3.64 million of Frenchco CPECs and accrued and unpaid interest outstanding as of that date which were transferred by PAI to Frenchco on November 4, 2014.

Description of other indebtedness

The following summary of certain provisions of the documents listed below governing certain of our indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Revolving Credit Facility Agreement

On January 18, 2013, the Issuer entered into the Revolving Credit Facility Agreement between, *inter alios*, Natixis as agent (the "Revolving Agent") and Wilmington Trust (London) Limited as Security Agent. Under the Revolving Credit Facility Agreement, the Issuer is a borrower and guarantor, and certain of our subsidiaries are also borrowers and guarantors (as applicable).

The Revolving Credit Facility Agreement provides for a Revolving Credit Facility of up to €50 million, which will be used for Permitted Acquisitions (as defined in the Revolving Credit Facility Agreement) and towards the general corporate and working capital purposes of the Issuer and its Restricted Subsidiaries (as defined in the Revolving Credit Facility Agreement), but will not be used for repaying, purchasing or otherwise acquiring the Notes or any senior notes, the payment of any dividend or any other distribution in respect of share capital, nor any acquisition of a company, business or undertaking other than a Permitted Acquisition. In addition, and in connection with the Acquisition, the Revolving Credit Facility Agreement will provide on the Completion Date for a one-time increase to the total commitments in an amount not exceeding €30 million, subject to certain conditions and at all times the commitments may be further increased to an amount which will not result in the total commitments exceeding the lower of (i) 65% of Consolidated Pro Forma EBITDA (as defined in the Revolving Credit Facility Agreement, including *Pro Forma* EBITDA for acquisitions and taking into account cost savings derived therefrom) for the relevant period and (ii) € 200 million, subject to certain conditions.

Repayments and prepayments

The Revolving Credit Facility will mature on January 31, 2019.

Subject to certain conditions, we may voluntarily prepay our utilizations and/or permanently cancel all or part of the available commitments under the Revolving Credit Facility by giving five business days' (or such shorter period as the required majority of lenders under the Revolving Credit Facility Agreement agree) prior notice to the Revolving Agent. We may reborrow amounts repaid, subject to certain conditions, until one month prior to maturity.

In addition to voluntary prepayments, the Revolving Credit Facility Agreement requires mandatory prepayment in full or in part in certain circumstances, including, subject to certain conditions, following a Notes Repurchase (as defined in the Revolving Credit Facility Agreement), if all or substantially all of the assets of the group are sold to a person that is not a member of the group, an Adverse Corporate Decision (as defined in the Revolving Credit Facility Agreement) occurs or upon the occurrence of a Change of Control (as defined in the Revolving Credit Facility Agreement). The "Change of Control" definition in the Revolving Credit Facility Agreement is generally more expansive than the "Change of Control" definition contained in the Existing Senior Secured Notes Indenture and, accordingly, certain events giving rise to a Change of Control under the Revolving Credit Facility Agreement may not constitute a Change of Control for purposes of the Existing Senior Secured Notes Indenture.

Interest and fees

The Revolving Credit Facility bears interest at a rate per annum equal to LIBOR or (for loans in euro) EURIBOR plus certain mandatory costs and a margin that will be 3.75% per annum. The margin may be reduced by reference to a Leverage Ratio (as defined in the Revolving Credit Facility Agreement). We are also required to pay a commitment fee, quarterly in arrears, on available but unused commitments under the Revolving Credit Facility Agreement at a rate of 40% of the applicable margin. We are also required to pay an arrangement fee and certain fees to the Revolving Agent and the Security Agent in connection with the Revolving Credit Facility.

Security and guarantees

The Issuer is the original borrower under the Revolving Credit Facility. The Revolving Credit Facility is guaranteed by the Guarantors (including the Issuer) under the Revolving Credit Facility Agreement, and (subject to certain agreed security principles set out in the Revolving Credit Facility Agreement) is secured by senior security over the shares in the Guarantors held by members of the group and over certain assets of the Guarantors as further described in the section entitled "*Description of the Senior Secured Notes—Security*." In addition, the Revolving Credit Facility is secured by senior security over the shares of Holdco and Luxco and over certain assets of Holdco and the Luxembourg Security Providers, as further described in the section entitled "*Description of the Senior Secured Notes—Security*."

Covenants

The Revolving Credit Facility Agreement contains customary positive and negative covenants (including restrictive covenants that will largely replicate those contained in the Existing Senior Secured Notes Indenture), subject to certain agreed exceptions.

One of these covenants requires the group to observe a Percentage Test (as defined in the Revolving Credit Facility Agreement) in relation to the Guarantors subject to certain exceptions. Pursuant to this test, the Issuer has to ensure that:

a) the aggregate (without double counting) earnings before interest, tax, depreciation (calculated on a LTM basis on the same basis as Consolidated EBITDA (as defined in the Revolving Credit Facility Agreement), taking each entity on an unconsolidated basis and excluding all intra-group items and investments in subsidiaries of any member of the group) of the Guarantors exceeds 85% of the Consolidated EBITDA of the group; and

b) the aggregate gross assets (taking each entity on an unconsolidated basis without double counting and excluding goodwill and all intra-group items and investments in subsidiaries of any member of the group) of the Guarantors exceeds 85% of the consolidated gross assets of the group,

in each case, by reference to most recent annual financial statements delivered to the Revolving Agent and the quarterly financial statements delivered to the Revolving Agent in respect of the financial quarter ending on June 30 in each financial year and in respect of any financial quarter in which a Significant Acquisition (as defined in the Revolving Credit Facility Agreement) takes place.

The Revolving Credit Facility Agreement also requires the group to observe a leverage covenant. In this respect, the group's financial and operating performance is monitored by a financial covenant, which requires us to ensure that the group's maximum Leverage Ratio (calculated as the ratio of Consolidated Total Net Debt to Consolidated Pro Forma EBITDA, each as defined in the Revolving Credit Facility Agreement) does not exceed: 6.00:1 as at the end of each relevant period up to September 30, 2014, 5.75:1 as at the end of each relevant period up to September 30, 2015 and 5.50:1 as at the end of the relevant period ending on December 31, 2015 and thereafter. This financial covenant will be tested quarterly on a rolling 12-month basis.

In addition, the Revolving Credit Facility Agreement requires the provision of customary financial and other information to the Revolving Lenders.

Events of default

The Revolving Credit Facility Agreement contains customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), including a cross-default with respect to an event of default under, and as defined in, the Existing Senior Secured Notes Indenture, the occurrence of which would allow the Revolving Lenders to accelerate all or part of the outstanding utilizations and/or terminate their commitments and/or declare all or part of their utilizations payable on demand and/or declare that cash cover in respect of ancillary facilities and outstanding letters of credit is immediately due and payable or is payable on demand and/or instruct the Security Agent to enforce the Collateral.

Governing law

The Revolving Credit Facility Agreement is governed by English law although the restrictive covenants and certain events of default, which are included in the Revolving Credit Facility Agreement and largely replicate those contained in the Existing Senior Secured Notes Indenture, are construed in accordance with New York law (without prejudice to the fact that the Revolving Credit Facility Agreement is governed by English law).

Intercreditor Agreement

Capitalized terms used in this description shall have the meanings given to them in this description, in priority to any defined term elsewhere in this Listing Memorandum, and if not so defined in this description shall have the meanings given to such term elsewhere in this Listing Memorandum.

In connection with entering into the Revolving Credit Facility Agreement and the Existing Senior Secured Notes Indenture on January 31, 2013, the Issuer, the Guarantors and certain other subsidiaries of the Issuer and certain other entities entered into the Intercreditor Agreement to govern the relationships and relative priorities among: (i) the lenders under the Revolving Credit Facility (the "Revolving Lenders"); (ii) any persons that accede to the Intercreditor Agreement as counterparties to certain hedging agreements (collectively, the "Hedging Agreements" and any persons that accede to the Intercreditor Agreement as counterparties to such Hedging Agreements being referred to in such capacity as the "Hedge Counterparties"); (iii) the Trustee, on its own behalf and on behalf of the holders of the Senior Secured Notes issued at such time (the "Original Senior Secured Noteholders"); (iv) certain intra-group creditors and debtors; (v) certain direct or indirect shareholders of the Issuer in respect of certain structural debt that the Issuer has incurred or may incur in the future (including any subordinated shareholder loans); and (vi) certain further creditors that might accede to the Intercreditor Agreement in accordance with its terms from time to time.

Subsequent to entering into such document, a further issuance of senior secured notes was made by the Issuer as contemplated by an offering memorandum dated April 24, 2014 and in accordance with the terms thereof constituted a single class of debt securities with the then existing Senior Secured Notes held by the Original Senior Secured Noteholders (the holders of all Existing Senior Secured Notes being together the "Existing Senior Secured Noteholders"). As described elsewhere in this Listing Memorandum, the Additional Notes to be issued as contemplated herein shall constitute a single class of debt securities with the Existing Senior Secured Notes under the Existing Senior Secured Notes Indenture and accordingly, subject to compliance with the requirements of the Intercreditor Agreement, will be Senior Secured Notes, including for the purposes of this description of the terms of the Intercreditor Agreement with the holders of all Senior Secured Notes being referred to in this description as the "Senior Secured Noteholders".

In addition, as noted above, the Intercreditor Agreement contemplates the potential issuance of further debt including provisions relating to future high yield notes, payment-in-kind notes or loans, exchange notes, debt securities, loans or other debt instruments ("Future Senior Notes") that may be incurred by CEL2 or any of its holding companies which are not prohibited under the Revolving Credit Facility Agreement, the Existing Senior Secured Notes Indenture, any Pari Passu Debt Document (as defined below) or any other Senior Notes Indenture (as defined below) to issue such Future Senior Notes, including Top Luxco, ranking with the priority set out under "*—Ranking and Priority*" below. It is intended that the Senior Notes will, save as otherwise noted, fall within these provisions, and accordingly, subject to compliance with the requirements of the Intercreditor Agreement, the term "Senior Notes" as used in this description shall comprise the Senior Notes and any Future Senior Notes issued from time to time in compliance with the terms of the Intercreditor Agreement, with the holders or lenders of all such Senior Notes being referred to as the "Senior Noteholders" and the liabilities of the issuers thereof (including Cerberus Nightingale 1) and the Debtors (as such term is defined below) in respect of all such Senior Notes being the "Senior Notes Liabilities," each indenture or other instrument or agreement under which Senior Notes are issued or advanced being a "Senior Notes Indenture" and the finance documents relating to the Senior Notes being the "Senior Notes Finance Documents".

Finally, the Intercreditor Agreement also contains provisions relating to future indebtedness that may be incurred by the Debtors (that are not subordinated in right of payment to any Super Senior Liabilities or Senior Secured Notes Liabilities (each as defined below)) in respect of any loan, credit or debt facility, notes, indenture or security which are permitted or not prohibited, under the terms of the Senior Secured Notes Finance Documents, the Pari Passu Debt Documents and the Super Senior Finance Documents (each as defined below), to share in the Transaction Security with the rights and obligations of *pari passu* creditors as provided for in the Intercreditor Agreement (such indebtedness being the "Pari Passu Debt," the creditors in respect of such indebtedness being the "Pari Passu Creditors," the liabilities of the Debtors in respect of such indebtedness being the "Pari Passu Debt Liabilities" and the documents under which such Pari Passu Debt is incurred being the "Pari Passu Debt Documents").

In this description:

- "Call Option Grantor" refers to persons or entities (other than a member of the Group) which are required under a Debt Document to grant certain call options in favor of the Security Agent in respect of the Investment Instruments issued by CEL2 and/or the Issuer;

- "CEL2" means Financière Gaillon 13 S.A.S.;

- "Debt Documents" means the documents creating or evidencing Revolving Creditor Liabilities, Hedging Liabilities, Senior Secured Notes Liabilities, Pari Passu Debt Liabilities, Senior Notes Liabilities, Subordinated Liabilities and Intra-Group Liabilities (each as defined below);

- "Group" refers to Cerberus Nightingale 1, Luxco, CEL2 and the Parent Group;

- "Investment Instruments" refers to shares of any class, loans, bonds or other equity or debt instruments (including preferred equity certificates and convertible preferred equity certificates issued by an entity);

- "Luxco" means Cerberus Nightingale 2;

- "Parent Group" refers to the Issuer and its restricted subsidiaries from time to time;

- "Security Provider" refers to any person or entity which party to the Intercreditor Agreement as a Debtor and which is granting Transaction Security (as defined below); and

- each member of the Group that incurs any liability or provides any security, guarantee, indemnity or other assurance against loss in respect of liabilities to those creditor regulated under the Intercreditor Agreement is referred to as a "Debtor" and are collectively referred to as the "Debtors."

The Intercreditor Agreement sets forth (among other things):

- the relative ranking of certain indebtedness of the Debtors;

- the relative ranking of certain security granted by the Debtors;

- when payments can be made in respect of certain indebtedness of the Debtors;

- when enforcement actions can be taken in respect of that indebtedness;

- the terms pursuant to which that indebtedness will be subordinated upon the occurrence of certain insolvency events;

- turnover provisions; and

- when security and guarantees will be released (or, in respect of Senior Notes Liabilities, acquired pursuant to a call option) to permit a sale or disposal of, or foreclosure in respect of, any assets subject to transaction security (such assets, the "Collateral," such security, the "Transaction Security" and the documents creating or evidencing such security the "Transaction Security Documents") (which, for the avoidance of doubt, do not include any Senior Notes Only Security (as defined below)).

Unless expressly stated otherwise in the Intercreditor Agreement, in the event of a conflict between the terms of the Revolving Credit Facility Agreement, the Existing Senior Secured Notes Indenture and each other indenture under which senior secured notes are issued (together with the Existing Senior Secured Notes Indenture, the "Senior Secured Notes Indenture"), the Pari Passu Debt Documents, the Senior Notes Indenture or any other Debt Document and the Intercreditor Agreement, the provisions of the Intercreditor Agreement will prevail.

By purchasing a Note, holders of the Notes shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement.

The preceding description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement and you are advised to read that document in its entirety because it, and not the discussion that follows, defines certain rights of the holders of the Notes.

Ranking and priority

The Intercreditor Agreement provides, subject to the provisions in respect of permitted payments described below, that (i) the liabilities of the Debtors under or with respect to the Revolving Credit Facility Agreement (the "Revolving Creditor Liabilities" and the finance documents relating to such liabilities the "Revolving Facility Documents"), (ii) the Hedging Agreements (the "Hedging Liabilities," *provided* that, where such Hedging Liabilities relate to the hedging of any interest rate exposure associated with the Revolving Credit Facility Agreement, the Senior Secured Notes or any other senior secured notes (collectively, the "Senior Secured Notes"), any Pari Passu Debt or any Senior Notes, such liabilities are "Priority Hedging Liabilities" and, together with the Revolving Creditor Liabilities, "Super Senior Liabilities" for the purposes of the Intercreditor Agreement and the documents evidencing such Super Senior Liabilities being the "Super Senior Finance Documents" and all other Hedging Liabilities are "Non Priority Hedging Liabilities" for the purposes of the Intercreditor Agreement), (iii) the liabilities of the Issuer and the Debtors in respect of the Senior Secured Notes (the "Senior Secured Notes Liabilities" and the finance documents relating to such liabilities "Senior Secured Notes Finance Documents"), (iv) the Pari Passu Debt Liabilities (together with the Senior Secured Notes Liabilities and the Non Priority Hedging Liabilities, the "Senior Secured Liabilities"), (v) the liabilities of Cerberus Nightingale 1 in respect of the Senior Notes (the "Cerberus Nightingale 1 Liabilities"), (vi) the liabilities of the Debtors under guarantees (the "Senior Notes Guarantees") in respect of the Senior Notes (the "Senior Notes Guarantee Liabilities"), and (vii) certain other unsecured liabilities will rank in right and priority of payment in the following order:

- (in respect of liabilities owed by the Debtors (other than Cerberus Nightingale 1) to the Primary Creditors (as defined below): first, the Revolving Creditor Liabilities, the Priority Hedging Liabilities, the Non Priority Hedging Liabilities, the Senior Secured Notes Liabilities, the Pari Passu Debt Liabilities, the Senior Secured Notes Trustee Amounts (as defined below), the Pari Passu Debt Representative Amounts (as defined below) and the Senior Notes Trustee Amounts (as defined below) *pari passu* and without any preference between them; and second, the Senior Notes Guarantee Liabilities *pari passu* between themselves and without any preference between them; and

- (in respect of liabilities owed by Cerberus Nightingale 1 to the Primary Creditors): *pari passu* and without any preference between each of the Revolving Creditor Liabilities, the Priority Hedging Liabilities, the Non Priority Hedging Liabilities, the Senior Secured Notes Liabilities (including the Senior Secured Notes Trustee Amounts), the Pari Passu Debt Liabilities and the Senior Notes Liabilities (including the Senior Notes Trustee Amounts).

The Transaction Security ranks and secures the following liabilities (but only to the extent that such Transaction Security is expressed to secured those liabilities) in the following order:

- first, the liabilities owed to the Security Agent, the liabilities owed to the agent under the Revolving Credit Facility (the "Revolving Agent") (the "Revolving Agent Liabilities"), the liabilities owed to each trustee (a "Senior Secured Notes Trustee") in respect of Senior Secured Notes (the "Senior Secured Notes Trustee Amounts"), the liabilities owed to each creditor representative (a "Pari Passu Debt Representative") in respect of Pari Passu Debt (the "Pari Passu Debt Representative Amounts") and the liabilities owed to each trustee or agent (a "Senior Notes Trustee") in respect of Senior Notes (the "Senior Notes Trustee Amounts") *pari passu* and without any preference between them;

- second, the Revolving Creditor Liabilities (other than the Revolving Agent Liabilities and the liabilities owed to the Security Agent), the Priority Hedging Liabilities, the Senior Secured Notes Liabilities (other than the Senior Secured Notes Trustee Amounts), the Pari Passu Debt Liabilities (other than the Pari Passu Debt Representative Amounts) and the Non Priority Hedging Liabilities *pari passu* and without any preference between them; and

- third, (to the extent only of any Senior Notes Shared Security (as defined below)) the Senior Notes Liabilities (other than the Senior Notes Trustee Amounts),

and that in any event (irrespective of the manner in which such Transaction Security is constituted) all proceeds of the Transaction Security shall be applied as described under "*—Application of Proceeds*" below.

In this section:

- any liabilities owed by any member of the Parent Group (and, while any Senior Notes issued by CEL2 or Top Luxco of CEL2 are outstanding, CEL2 or Top Luxco) to Top Luxco, Luxco, CEL2, each Call Option Grantor and each person who has become a party to the Intercreditor Agreement as a subordinated creditor (the "Subordinated Creditors") under any loan (including, without limitation, certain proceeds loans) or any Investment Instrument or which are indebtedness or which are declared dividends or any other distribution, are referred to as (to the extent owed to any Subordinated Creditor) "Subordinated Liabilities."

- any liabilities (excluding any Subordinated Liabilities) owed by any member of the Group to any other member of the Group which is a creditor in respect of indebtedness of that first member of the Group and which is or becomes a party to the Intercreditor Agreement as an intra-group lender (the "Intra-Group Lenders"), are referred to as "Intra-Group Liabilities."

Under the Intercreditor Agreement, all proceeds from enforcement of the Collateral and certain other recoveries will be applied as provided below under "*—Application of Proceeds*" below.

The Intercreditor Agreement further provides that the Senior Notes Liabilities owed by Cerberus Nightingale 1are senior obligations of Cerberus Nightingale 1 but that the Senior Notes Creditors agree that, until the Secured Debt Discharge Date (as defined below), they may not take any steps to appropriate the assets of Cerberus Nightingale 1 that constitute Transaction Security in connection with any enforcement action, other than as expressly permitted by the Intercreditor Agreement (but this does not impair the right of the Senior Notes Creditors to institute suit against a Cerberus Nightingale 1 for the recovery of any payment due under the Senior Notes).

Affected liabilities and soulte

Notwithstanding the above, the expressions "Hedging Liabilities", "Priority Hedging Liabilities", "Revolving Creditor Liabilities", "Senior Notes Liabilities", "Senior Secured Liabilities" and "Senior Secured Notes Liabilities" shall also encompass (a) such liabilities which have become Affected Liabilities from time to time and (b) the amount of any Soulte (as defined below) (if any) owed but not yet paid by the relevant creditors of such liabilities and the amount of any Soulte (if any) effectively paid by such creditors but only to the extent not funded (at the time of such payment) out of Cash Proceeds (as defined below) allocated in accordance with the Intercreditor Agreement or not repaid by the payee pursuant to a clawback.

For these purposes:

"Affected Liabilities" means in respect of any relevant Liabilities, (a) those Liabilities which have been extinguished or discharged in connection with a Foreclosure (as defined below) (other than by payment in cash), (b) those Liabilities which have been released, waived or reduced (including under an *abandon de créance or remise de dette*) at any time following the Foreclosure Date (as defined below), (c) those liabilities which have been converted into Investment Instruments, in each case at any time following a Foreclosure, (d) the amount of the Soulte (if any) effectively paid by the Creditors (as defined below) of those liabilities (or any representative thereof) in connection with a Foreclosure but only to the extent (i) not funded (at the time of such payment) out of Cash Proceeds allocated in accordance with the Intercreditor Agreement or (ii) not repaid by the relevant payee pursuant to a clawback; and (e) in respect of Super Senior Liabilities, Senior Secured Liabilities and/or Senior Notes Liabilities, the relevant Replacement Cost and Shareholding Cost (each as defined below) which have accrued for more than a year.

"Cash Proceeds" means (a) all amounts or distributions received in cash by the Foreclosed Assets Holders (as defined below) in respect of certain Collateral foreclosed on by the Secured Parties (as defined below) ("Foreclosed Assets") or Investment Instruments issued by a Secured Parties SPV (as defined below) (including in connection with a liquidation or a winding-up of a Secured Parties SPV) and (b) all proceeds received in cash by Foreclosed Assets Holders as a result of an Exit Disposal (as defined below), in each case before deducting any liabilities for taxes incurred and required to be paid by Foreclosed Assets Holders in connection with those distributions but, in the case of either a sale of Foreclosed Assets by a Secured Parties SPV or a sale of shares in any entity which is a subsidiary of any Debtor whose Investment Instruments are the object of a Foreclosure or the Secured Parties SPV, after deducting any taxes payable by the seller.

"Soulte" means, in relation to any enforcement action occurring by way of Foreclosure, the amount by which the value of the Collateral so appropriated or foreclosed as a result of such Foreclosure (as determined in accordance with the relevant Transaction Security Document) exceeds the amount of the secured obligations secured under the corresponding Transaction Security Document immediately prior to such Foreclosure occurring (which, for the avoidance of doubt, shall not include any Assigned Recourse Rights (as defined below) arising from or in connection with such Foreclosure).

New money and refinancing

The Intercreditor Agreement contemplates that, to the extent permitted by, and subject to compliance with the requirements of, the Intercreditor Agreement and the other Debt Documents:

- the Revolving Lenders may increase a Revolving Credit Facility and make further advances under such Revolving Credit Facility to members of the Group and each such advance or increased amount will be deemed to be made under the terms of the relevant Revolving Credit Facility;

- an Issuer may issue Senior Secured Notes in addition to the Senior Secured Notes issued at the time of entering into the Intercreditor Agreement (whether under the Existing Senior Secured Notes Indenture or an additional Senior Secured Notes Indenture);

- a Debtor may incur Pari Passu Debt under a Pari Passu Debt Document;

- Cerberus Nightingale 1 may issue Senior Notes or incur Senior Notes Liabilities under a Senior Notes Finance Document; and

- any of the above liabilities may with the consent of the Issuer be refinanced or replaced in whole or in part,

and that any such additional, increased or refinanced liabilities shall rank and be secured under the Intercreditor Agreement on a super senior basis, senior secured basis or (as applicable) senior basis as provided for under the Intercreditor Agreement.

The creditors in respect of Revolving Creditor Liabilities, Hedging Liabilities, Senior Secured Notes Liabilities, Pari Passu Debt Liabilities and Senior Notes Liabilities (together the "Secured Parties") agree that if any Transaction Security over any asset under the applicable Transaction Security Documents is amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released to ensure that the additional, increased or refinanced liabilities described above (the "Additional Secured Liabilities") can be secured with the ranking contemplated as set out under "*—Ranking and Priority*" above, then the Security Agent is authorized to effect such amendment, extension, renewal, restatement, supplement, modification, replacement or release the applicable Transaction Security Documents *provided* that:

- if an event of default under a Revolving Credit Facility (that is not to be refinanced or replaced in whole) is continuing at that time the requisite consent under the Revolving Credit Facility is obtained;

- immediately upon such release of Transaction Security, new Transaction Security shall be provided in favor of the providers of such Additional Secured Liabilities and the existing Secured Creditors (as defined below) on terms substantially the same as the terms of the Transaction Security Documents released and subject to the same ranking as set out under "*—Ranking and Priority*" above; and

- contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of Security of at least equivalent ranking over the same assets), the Issuer delivers to the Security Agent either (A) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance reasonably satisfactory to the Security Agent confirming the solvency of the Issuer, CEL2, Luxco or Top Luxco (as applicable) and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement or release and retaking; (B) a certificate from the board of directors or chief financial officer of the relevant person, which certificate confirms the solvency of the person granting such Transaction Security after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement or release and retaking; or (C) an opinion of counsel, in form and substance reasonably satisfactory to the Security Agent (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking, the Transaction Security created under the Transaction Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken is valid and perfected Transaction Security not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, that such Transaction Security was not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

Notwithstanding anything to the contrary in the Intercreditor Agreement, no Secured Party shall be required to release any Transaction Security under the Transaction Security Documents where the release described above may result in such Secured Party incurring any hardening period risk in respect of any such Transaction Security if and to the extent that the relevant Additional Secured Liabilities can be secured by lower ranking Security in favor of the Secured Parties with the ranking described under "—*Ranking and Priority*" above by virtue of the provisions of the Intercreditor Agreement.

Permitted payments

The Intercreditor Agreement permits, inter alia, payments to be made by the Debtors or relevant issuer under the Revolving Credit Facility, the Hedging Agreements, the Senior Secured Notes Indenture, the Pari Passu Debt Documents and the Senior Notes Indenture, in each case in accordance with the terms of the document creating or evidencing such liabilities, but subject to: (i) in the case of payments in respect of the Senior Secured Notes and Pari Passu Debt, compliance with certain conditions related to a Notes Repurchase (as defined in the Revolving Credit Facility Agreement) pursuant to which prepayments may not be made if the ratio of Consolidated Total Net Debt to Consolidated Pro Forma EBITDA (each, as defined in the Revolving Credit Facility Agreement) would exceed the ratio which is 10% below the specified ratio in the Revolving Credit Facility Agreement for the relevant period or any default is continuing or would occur as a result of the Notes Repurchase unless such prepayment is funded with the cash proceeds of a subscription for shares of the Issuer or a capital contribution to the Issuer; (ii) in the case of payments in respect of Hedging Liabilities, the conditions described under "—*Permitted Hedging Liabilities Payments*" below; and (iii) in the case of payments in respect of the Senior Notes and Additional Senior Liabilities, the conditions described under "—*Permitted Senior Notes Payments*" below.

After the occurrence of an Acceleration Event (as defined below) no member of the Group may make a payment in respect of Revolving Creditor Liabilities, Senior Secured Notes Liabilities or Pari Passu Debt Liabilities except from recoveries distributed in accordance with the payment waterfall described in "—*Application of Proceeds*" below. No payment may be made by a Debtor in respect of Hedging Liabilities after an Acceleration Event has occurred except from recoveries distributed in accordance with the payment waterfall described in "—*Application of Proceeds*" below.

The Intercreditor Agreement also permits payments to be made from time to time to Intra-Group Lenders owed any Intra-Group Liabilities ("Intra-Group Liabilities Payments") if at the time of payment no acceleration event has occurred in respect of the Revolving Creditor Liabilities, the Senior Secured Notes Liabilities, the Pari Passu Debt Liabilities or the Senior Notes Liabilities (an "Acceleration Event"). The Intercreditor Agreement permits Intra-Group Liabilities Payments if an Acceleration Event has occurred: (i) prior to the date on which the Super Senior Liabilities, Senior Secured Liabilities and Senior Notes Liabilities are discharged in cash (the "Final Discharge Date"), with the consent of (1) the requisite majority of Revolving Lenders (the "Majority Revolving Lenders"), the Senior Secured Notes Trustee(s) and the Pari Passu Debt Representative(s) or (2) (if, at that time, the Security Agent is obliged to give effect to instructions from the requisite majority of Senior Noteholders (the "Majority Senior Notes Creditors") as to the manner of enforcement of the Transaction Security as described under "—*Manner of Enforcement of Transaction Security*" below, the Majority Senior Notes Creditors; (ii) after the discharge date (the "Secured Debt Discharge Date") in respect of the Super Senior Liabilities and Senior Secured Liabilities (together the "Secured Debt") but prior to the discharge date in respect of the Senior Notes Liabilities (the "Senior Notes Discharge Date"), with the consent of the Majority Senior Notes Creditors; (iii) if that payment is made by a Debtor which is not a member of the Parent Group to an Intra-Group Lender which is not a member of the Parent Group; or (iv) if that payment is made solely to facilitate payment of the Super Senior Liabilities, Senior Secured Notes Liabilities, Pari Passu Debt Liabilities, Senior Secured Notes Trustee Amounts, Senior Notes Trustee Amounts or (to the extent permitted by the Intercreditor Agreement to be paid) Senior Notes Liabilities..

Payments may be made in respect of Subordinated Liabilities if: (i) the payment is not prohibited by the Revolving Credit Facility Agreement, the Senior Secured Notes Indenture, the Pari Passu Debt Documents and the Senior Notes Indenture, in each case prior to the relevant discharge date; (ii) prior to the Secured Debt Discharge Date, the Majority Senior Secured Creditors (as defined below), the Senior Secured Notes Trustee(s) and the Pari Passu Debt Representative(s) consent to such payment being made; or (iii) on or after the Secured Debt Discharge Date, the prior consent of the relevant Senior Notes Trustee is obtained.

Permitted hedging liabilities payments

Subject to the conditions described below (and unless an Acceleration Event has occurred), the Debtors may make payments to any Hedge Counterparty in respect of the Hedging Liabilities then due to that Hedge Counterparty under any Hedging Agreement in accordance with the terms of that Hedging Agreement: (i) if the payment is a scheduled payment arising under the relevant Hedging Agreement; (ii) to the extent that the relevant Debtor's obligation to make the payment arises as a result of the operation of certain provisions relating to non-- credit related close-outs under the Hedging Agreements including, *inter alia*, in relation to withholding tax, payments in the contractual currency, judgments and expenses; (iii) to the extent that the relevant Debtor's obligation to make the payment arises as a result of the operation of a credit related close-out or a permitted automatic early termination under the Hedging Agreement which arises as a result of an event relating to a Debtor and where no event of default under any Debt Document is continuing at the time of, or would result from, that payment; (iv) where the relevant payment relates to a close-out or termination arising as a result of a bankruptcy event of default or force majeure termination event with respect to the relevant Hedge Counterparty and where no default under any Debt Document is continuing at the time of, or would result from, that payment; (v) with the consent of the Majority Revolving Lenders and Majority Senior Secured Creditors or (vi) to the extent necessary to comply with the maximum Priority Hedging requirements in the Intercreditor Agreement.

Permitted Senior Notes payments

The Debtors who are members of the Parent Group may:

(a) prior to the Secured Debt Discharge Date, make payments to the Senior Notes Creditors in respect of the Senior Notes Liabilities then due in accordance with the Senior Notes Finance Documents:

(i) if:

(A) the payment is of:

(I) any of the principal amount of the Senior Notes Liabilities which is either (1) not prohibited from being paid by the Revolving Credit Facility Agreement (if the date of discharge of the Revolving Creditor Liabilities (the "Revolving Facility Discharge Date") has not occurred), the Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes are outstanding (if the date of discharge of the Senior Secured Notes Liabilities (the "Senior Secured Notes Discharge Date") has not occurred) or the Pari Passu Debt Documents pursuant to which Pari Passu Debt is outstanding (if the date of discharge of the Pari Passu Debt Liabilities (the "Pari Passu Debt Discharge Date") has not occurred) or (2) paid on or after the Senior Notes Discharge Date; or

(II) any other amount (including, without limitation, cash pay interest, default interest, fees and additional amounts) which is not an amount of principal or capitalized interest and any corresponding amount under any relevant proceeds loan,

provided that in any case where all the proceeds of any Senior Notes have not been contributed to the Issuer, the permitted payments described under this section in respect of the Senior Notes Liabilities related to those Senior Notes (the "Relevant Senior Notes Liabilities") shall be limited to:

(1) a refinancing in full (by way of the issue of new Senior Notes by Cerberus Nightingale 1) of the proceeds of any existing Senior Notes which have not been contributed to the Issuer;

(2) a percentage of each payment referred to in (I) and (II) above in respect of the Relevant Senior Notes Liabilities which is the same percentage as the percentage of the proceeds of the Senior Notes related to the Relevant Senior Notes Liabilities that has been contributed to the Issuer (and for these purposes an amount has been contributed to the Issuer if it has been contributed to the Issuer in cash by way of proceeds loan, certain other debt or equity instruments or subscription for shares in the Issuer (which in each case are subject to Transaction Security)); or

(3) payments in respect of certain permitted acquisition debt following the completion of a significant acquisition.

(B) no Senior Notes Payment Stop Notice (as defined below) is outstanding; and

(C) no payment default has occurred and is continuing under the Revolving Credit Facility, the documents evidencing Priority Hedging Liabilities, Senior Secured Notes Finance Documents or Pari Passu Debt Documents other than other than in respect of an amount (x) not constituting principal, interest or fees and (y) not exceeding €500,000 (or its equivalent in other currencies) (a “Secured Debt Payment Default”); or

(ii) if the Revolving Agent, the Senior Secured Notes Trustee(s) and the Pari Passu Debt Representative(s) give prior consent to that payment being made; or

(iii) if the payment is of a Senior Notes Trustee Amount; or

(iv) if the payment is by Cerberus Nightingale 1of any of its obligations under the Senior Notes and such payment is not financed directly or indirectly by a payment to Luxco or Cerberus Nightingale 1 from a member of the Parent Group which was prohibited (at the time it was made to Luxco or Cerberus Nightingale 1) by the Revolving Credit Facility Agreement (if the Super Senior Discharge Date has not occurred), the Senior Secured Notes Indenture(s) pursuant to which any Senior Secured Notes are outstanding (if the Senior Secured Discharge Date has not occurred) or the Pari Passu Debt Documents (if the Pari Passu Debt Discharge Date has not occurred);

(v) if the payment is of certain administrative costs relating to the Senior Notes and costs relating to the protection, preservation or enforcement of the Transaction Security; or

(vi) if the payment is of costs, commissions, taxes (including gross up amounts), consent fees and original issuance discount and upfront fees and expenses incurred in respect of (or reasonably incidental to) the Senior Notes Finance Documents (including in relation to any reporting or listing requirements under the Senior Notes Finance Documents); or

(vii) if the payment is of any other amount not exceeding €1,000,000 (or its equivalent in other currencies) in aggregate in any twelve month period; or

(viii) if the payment is of costs, commissions, taxes, premiums and any expenses incurred in respect of (or reasonably incidental to) any refinancing of the Senior Notes in compliance with the Intercreditor Agreement; and

(b) on or after the Secured Debt Discharge Date, make any payments to the Senior Notes Creditors to or with respect to the Senior Notes Liabilities in accordance with the Senior Notes Finance Documents (including, for the avoidance of doubt, payment of principal).

Issue of Senior Payment Stop Notice

(a) Until the Secured Debt Discharge Date, except with the prior consent of the Revolving Agent (if the Revolving Facility Discharge Date has not occurred), the Senior Secured Notes Trustee(s) (if the relevant Senior Secured Discharge Date has not occurred) and the Pari Passu Debt Representative(s) (if the relevant Pari Passu Debt Discharge Date has not occurred) and subject to the provisions of the Intercreditor Agreement which deal with the effects of an insolvency event, the Issuer shall not make (and shall procure that its Subsidiaries shall not make), and no Senior Notes Creditor may receive from the Issuer or any of its Subsidiaries, any payment in respect of the Senior Notes which would otherwise be permitted as referred to above (a “Permitted Senior Note Payment”) (other than any referred to in (a)(ii) of “*—Permitted Senior Notes Payments*” above and any Senior Notes Trustee Amounts) if:

(i) a Secured Debt Payment Default is continuing; or

(ii) an event of default under any document or instrument creating or evidencing the Secured Debt (other than a Secured Debt Payment Default) (a “Secured Debt Event of Default”) is continuing, from the date which is one Business Day (as defined in the Revolving Credit Facility Agreement) after the date on which the Revolving Agent, any Senior Secured Notes Trustee or any Pari Passu Debt Representative (as the case may be) delivers a notice (a “Senior Notes Payment Stop

Notice") specifying the event or circumstance in relation to that Secured Debt Event of Default to Cerberus Nightingale 1, the Security Agent, the Revolving Agent, the Senior Secured Notes Trustee(s), the Senior Notes Trustee(s) and the Pari Passu Debt Representative(s) (in each case, as applicable) until the earliest of:

(A) the date falling 179 days after delivery of that Senior Notes Payment Stop Notice;

(B) in relation to payments of Senior Notes Liabilities, if a Senior Note Standstill Period (as defined below) is in effect at any time after delivery of that Senior Notes Payment Stop Notice, the date on which that Senior Note Standstill Period expires;

(C) the date on which the relevant Secured Debt Event of Default has been remedied or waived or, if the relevant Revolving Creditor Liabilities or Senior Secured Notes Liabilities have been accelerated, such acceleration has been rescinded, in accordance with the Revolving Credit Facility Agreement or the relevant Senior Secured Finance Documents or Pari Passu Debt Finance Document (as applicable);

(D) the date on which each Revolving Agent, Senior Secured Notes Trustee(s) and Pari Passu Debt Representative(s) which delivered the relevant Senior Notes Payment Stop Notice delivers a notice to Cerberus Nightingale 1, the Security Agent, the Revolving Agent(s), the Senior Secured Notes Trustee(s), the Senior Note Representatives(s) and the Pari Passu Debt Representative(s) (in each case, as applicable) cancelling the Senior Notes Payment Stop Notice;

(E) the Secured Debt Discharge Date; and

(F) the date on which the Security Agent or a Senior Note Representative takes enforcement action permitted under the Intercreditor Agreement against a member of the Group.

(b) Unless the Senior Notes Trustee(s) waive this requirement:

(i) a new Senior Notes Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Senior Notes Payment Stop Notice; and

(ii) no Senior Notes Payment Stop Notice may be delivered in reliance on a Secured Debt Event of Default more than 45 days after the date the Revolving Agent, each Senior Secured Notes Trustee and each Pari Passu Debt Representative received notice of that Secured Debt Event of Default.

(c) The Revolving Agent, the Senior Secured Notes Trustee(s) and the Pari Passu Debt Representative(s) may only serve one Senior Notes Payment Stop Notice with respect to the same event or set of circumstances. Subject as described in paragraph (b) above, this shall not affect the right of the Revolving Agent or the Senior Secured Notes Trustee(s) or the Pari Passu Debt Representative(s) to issue a Senior Notes Payment Stop Notice in respect of any other event or set of circumstances.

(d) No Senior Notes Payment Stop Notice may be served by a Revolving Agent, a Senior Secured Notes Trustee or a Pari Passu Debt Representative in respect of a Secured Debt Event of Default which had been notified to the Revolving Agent, the Senior Secured Notes Trustee(s) and the Pari Passu Debt Representative(s), as relevant, at the time at which an earlier Senior Notes Payment Stop Notice was issued.

(e) For the avoidance of doubt, the provisions in the Intercreditor Agreement relating to a Senior Notes Payment Stop Notice:

(i) act as a suspension of payment and not as a waiver of the right to receive payment on the date such payments are due;

(ii) will not prevent the accrual or capitalization of interest (including default interest) in accordance with the Senior Notes Finance Documents;

(iii) will not prevent the payment of any Senior Notes Trustee Amounts and of certain administrative costs; and

(iv) will not prevent the payment of audit fees, directors' fees, taxes and other proper and incidental expenses required to maintain existence.

Cure of payment stop: Senior Notes Creditors

If:

(a) at any time following the issue of a Senior Notes Payment Stop Notice or the occurrence of a Secured Debt Payment Default, that Senior Notes Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Secured Debt Payment Default ceases to be continuing; and

(b) the relevant Debtor then promptly pays to the Senior Notes Creditors an amount equal to any payments which had accrued under the Senior Notes Finance Documents and which would have been Permitted Senior Notes Payments but for that Senior Notes Payment Stop Notice or Secured Debt Payment Default,

then any event of default which may have occurred as a result of that suspension of payments shall be waived and any Senior Notes Enforcement Notice (as defined below) which may have been issued as a result of that event of default shall be waived, in each case without any further action being required on the part of the Senior Notes Creditors.

Restrictions on enforcement by senior notes finance parties

Until the Secured Debt Discharge Date, except with the prior consent of or as required by an Instructing Group (as defined below):

(a) no Senior Noteholder shall direct the Security Agent to enforce or otherwise (to the extent applicable), require the enforcement of, any Transaction Security Documents; and

(b) no Senior Noteholder shall take or require the taking of any enforcement action in relation to the Senior Notes Guarantee Liabilities or, in the case of Senior Notes which are not issued by Top Luxco or a holding company of Top Luxco, the Senior Notes Guarantee Liabilities and/or Cerberus Nightingale 1 Liabilities,

except as described under "—Permitted Senior Notes Guarantee and Senior Notes Security Documents Enforcement" and under "—Enforcement on behalf of the Senior Notes Finance Parties" below.

Permitted senior notes guarantee and senior notes security documents enforcement

Except as provided under "—*Enforcement on behalf of Senior Notes Finance Parties*" below, the restrictions described under "—*Restrictions on Enforcement by Senior Notes Finance Parties*" above will not apply in respect of (i) the Senior Notes Liabilities or (ii) the security granted in favor of the Security Agent under the Transaction Security Documents over Investment Instruments issued by the Issuer to CEL2 or (if Cerberus Nightingale 1 is a holding company of CEL2) over any Investment Instruments issued by a Subsidiary of Cerberus Nightingale 1 which is a holding company of CEL2 (the "Senior Notes Shared Security") (if any) which secure Senior Notes Liabilities as permitted by the Intercreditor Agreement, if:

(a) an event of default (a "Senior Notes Event of Default") under the Senior Notes is continuing (the "Relevant Senior Notes Default");

(b) the Revolving Agent, the Senior Secured Notes Trustee(s) and the Pari Passu Debt Representative(s) have received a written notice of the Relevant Senior Notes Default specifying the event or circumstance in relation to the Relevant Senior Notes Default from the relevant Senior Notes Trustee;

(c) a Senior Notes Standstill Period (as defined below) has elapsed; and

(d) the Relevant Senior Notes Default is continuing at the end of the relevant Senior Notes Standstill Period.

Promptly upon becoming aware of a Senior Notes Event of Default, the relevant Senior Notes Trustee(s) may by notice (a "Senior Notes Enforcement Notice") in writing notify the Revolving Agent, each Senior Secured Notes Trustee and each Pari Passu Debt Representative of the existence of such Senior Notes Event of Default.

Senior notes standstill period

In relation to a Relevant Senior Notes Default, a Senior Notes Standstill Period shall mean the period beginning on the date (the "Senior Notes Standstill Start Date") the relevant Senior Notes Trustee(s) serves a Senior Notes Enforcement Notice on the Revolving Agent, each Senior Secured Notes Trustee and each Pari Passu Debt Representative in respect of such Relevant Senior Notes Default and ending on the earlier to occur of:

(a) the date falling 179 days after the Senior Notes Standstill Start Date (the "Senior Notes Standstill Period");

(b) the date the Secured Creditors take any enforcement action in relation to a particular member of the Group that is a guarantor of the Senior Notes (a "Senior Notes Guarantor") or as, applicable, Cerberus Nightingale 1 if it is not Top Luxco or a holding company of Top Luxco, *provided*, however, that:

(i) if a Senior Notes Standstill Period ends as described in this section, the Senior Notes Creditors may only take the same enforcement action in relation to the Senior Notes Guarantor as the enforcement action taken by the Secured Creditors against such Senior Notes Guarantor and not against any other member of the Group; and

(ii) enforcement action for these purposes does not include action taken to preserve or protect any Security as opposed to realize it;

(c) the date of an insolvency event (other than as a result of any action taken by any Senior Notes Creditor) in relation to a particular Senior Notes Guarantor or, as applicable, Cerberus Nightingale 1 if it is not Top Luxco or a holding company of Top Luxco, against whom enforcement action is to be taken;

(d) the expiry of any other Senior Notes Standstill Period outstanding at the date such first mentioned Senior Notes Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);

(e) the date on which Revolving Agent, each Senior Secured Notes Trustee and each Pari Passu Debt Representative give their consent to the termination of the relevant Senior Notes Standstill Period; and

(f) a failure to pay the principal amount outstanding on the Senior Notes at the final stated maturity of the Senior Notes.

The Senior Notes Finance Parties may take enforcement action as described under "*—Permitted Senior Notes Guarantee and Senior Notes Security Documents Enforcement*" above in relation to a Relevant Senior Notes Default even if, at the end of any relevant Senior Notes Standstill Period or at any later time, a further Senior Notes Standstill Period has begun as a result of any other Senior Notes Event of Default.

Enforcement on behalf of senior notes finance parties

(a) If the Security Agent has notified the Senior Notes Trustee(s) that it is taking steps to enforce Transaction Security created pursuant to any Transaction Security Document over shares of a Senior Notes Guarantor, no Senior Notes Finance Party may take any action described under "*—Permitted Senior Notes Guarantee and Senior Notes Security Documents Enforcement*" above against that Senior Notes Guarantor while the Security Agent (i) has requested instructions of an Instructing Group in relation to the enforcement of that Security and the relevant instructions have not been given or (ii) is taking steps to enforce that Security in accordance with the instructions of the Instructing Group where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

(b) If the Senior Notes Creditors are permitted to give instructions to the Security Agent to require the enforcement of the Transaction Security constituted pursuant to any Transaction Security Document in accordance with the provisions of the Intercreditor Agreement described under this section, such enforcement action must require the realization of the relevant Security by way of a sale or disposal conducted in compliance with the provisions of the Intercreditor Agreement described under "*—Conditions to release—Senior Notes protection*" below.

Manner of enforcement of transaction security

(a) The Security Agent may refrain from enforcing the Transaction Security or taking any other enforcement action unless instructed otherwise by either the requisite majority (the "Majority Super Senior Creditors") of Revolving Creditors and Hedge Counterparties in respect of Priority Hedging (the "Super Senior Creditors") or the requisite majority (the "Majority Senior Secured Creditors") of Senior Secured Notes Creditors, Pari Passu Creditors and Hedge Counterparties in respect of Non Priority Hedging (the "Senior Secured Creditors" and together with the Super Senior Creditors, the "Secured Creditors") whichever at the relevant time is entitled to give instructions in accordance with the terms of the Intercreditor Agreement as described below (each an "Instructing Group" *provided* that, if such enforcement is on or after the Secured Debt Discharge Date but before the Senior Notes Discharge Date, the Instructing Group shall for these purposes be the Majority Senior Notes Creditors).

(b) Subject to the Transaction Security having become enforceable in accordance with its terms:

(i) subject to the consultation requirements described below, an Instructing Group may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit *provided* that the instructions as to Enforcement given by the Instructing Group are consistent with the Security Enforcement Principles (as defined below); or

(ii) to the extent permitted to enforce or to require the enforcement of the Senior Notes Shared Security prior to the Senior Notes Discharge Date as described under "*—Permitted Senior Notes Guarantee and Senior Notes Security Documents Enforcement*" above and except as provided below, the Senior Notes Trustee(s) (acting on the instruction of the Majority Senior Notes Creditors) may give instructions to the Security Agent as to the enforcement of the Senior Notes Shared Security as they see fit.

(c) Prior to the Secured Debt Discharge Date:

(i) if the Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the Transaction Security; or

(ii) in the absence of instructions from the Instructing Group,

and, in each case, the Instructing Group has not required any Debtor to make a Distressed Disposal (as defined below), the Security Agent shall give effect to any instructions to enforce the Senior Notes Shared Security which the Senior Notes Trustee(s) (acting on the instructions of the Majority Senior Notes Creditors) are then entitled to give to the Security Agent as described under "*—Permitted Senior Notes Guarantee and Senior Notes Security Documents Enforcement*."

(d) Notwithstanding the above, if at any time the Senior Notes Trustee(s) are then entitled to give the Security Agent instructions to enforce the Senior Notes Shared Security pursuant to paragraph (c) above and the Senior Notes Trustee(s) either gives such instruction or indicates any intention to give such instruction, then:

(i) the Instructing Group may give instructions to the Security Agent to enforce the Senior Notes Shared Security as the Instructing Group sees fit in lieu of any instructions to enforce given by the Senior Notes Trustee(s) as described under "*—Permitted Senior Notes Guarantee and Senior Notes Security Documents Enforcement*" above; and

(ii) if the Instructing Group gives any instructions to enforce any Transaction Security over shares in a Holding Company of any member of the Parent Group whose shares are subject to Transaction Security with respect to which any such enforcement instructions by a Senior Note(s) Trustee have been given, the Security Agent may not act on such enforcement instructions from any Senior Notes Trustee(s) unless instructed to do so by the Instructing Group.

(e) No Secured Party shall have any independent power to enforce, or to have recourse to any Transaction Security or to exercise any rights or powers arising under the Transaction Security Documents except through the Security Agent.

If the Transaction Security is being enforced as described above, the Security Agent shall enforce the Transaction Security in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Security Agent) as an Instructing Group (or, in the relevant circumstances described above, the Senior Notes Trustee(s)) shall instructor, in the absence of any such instructions, as the Security Agent sees fit, in each case, so far as is consistent with the Security Enforcement Principles.

Consultation with respect to enforcement of transaction security

(a) Prior to the Final Discharge Date and subject to the provisions of the Intercreditor Agreement described under (c) below, before the giving of any instructions to the Security Agent to enforce the Transaction Security as described under "—*Manner of Enforcement of Transaction Security*" above (and before either the Majority Super Senior Creditors or the Majority Senior Secured Creditors shall be considered the Instructing Group), a Revolving Agent or representative for each of the Senior Secured Creditors shall deliver a copy of its proposed enforcement instructions to the other representatives and the Security Agent at least ten Business Days (or such shorter period as each representative shall agree) prior to the proposed date for the issuance of such instructions as set out therein (the "Proposed Enforcement Instruction Date").

(b) If the Security Agent, prior to the Proposed Enforcement Instruction Date, receives conflicting enforcement instructions from another representative (including the failure of the Majority Super Senior Creditors or Majority Senior Secured Creditors to give instructions, which, for the sole purpose of triggering a consultation period as described under this "—*Consultation with respect to enforcement of Transaction Security*," will be deemed to be conflicting enforcement instructions), then the representatives for each of the Super Senior Creditors and the Senior Secured Creditors shall be notified of such conflicting enforcement instructions by the Security Agent and must consult with each other and the Security Agent in good faith for a period of up to 30 days (or such shorter period as the they may agree) from the date of receipt of the latest of such instructions, with a view to coordinating the enforcement instructions (the "Consultation Period"). In the event that no conflicting enforcement instructions are received prior to the Proposed Enforcement Instruction Date, the Security Agent will act in accordance with the enforcement instructions received by it on the Proposed Enforcement Instruction Date.

(c) Following the Consultation Period, if the relevant representatives are able to agree the manner in which enforcement action shall be implemented, they shall give joint instructions to the Security Agent to enforce the Transaction Security as described under "—*Manner of Enforcement of Transaction Security*" above. If such representatives have not been able to agree on an enforcement strategy by the end of the Consultation Period, the Security Agent shall, subject to (d) and (g) below, follow instructions as to how enforce or to refrain from enforcing the Transaction Security given by the Majority Senior Secured Creditors (if it is so instructed).

(d) If a representative for the Senior Secured Noteholders or Pari Passu Creditors is unable to give instructions as to how to enforce or to refrain from enforcing the Transaction Security as described under (c) above, the Security Agent shall follow the instructions of a Revolving Agent.

(e) A representative acting on behalf of the Majority Super Senior Creditors or the Majority Senior Secured Creditors, as the case may be, may at any time provide immediate enforcement instructions to the Security Agent and shall not be obliged to consult (as described above):

(i) if the Transaction Security has become enforceable as a result of the occurrence of any insolvency event in relation to a member of the Group; or

(ii) if a Revolving Agent or representative for the Senior Secured Creditors determines in good faith that to do so and thereby delay enforcement could reasonably be expected to have a material adverse effect on (A) its ability to enforce the Transaction Security or (B) the proceeds of realization of the Transaction Security.

(f) Prior to the Final Discharge Date and except as described under (g) below, if the Security Agent receives conflicting enforcement instructions from a Revolving Agent and a representative acting on behalf of the Majority Super Senior Creditors or the Majority Senior Secured Creditors, as the case may be, then *provided* that the instructions from the representative acting on behalf of the Majority Senior Secured Creditors comply with the consultation requirements described above and with the Security Enforcement Principles, the Security Agent shall comply with the enforcement instructions received from the representative of the Majority Senior Secured Creditors.

(g) In the event that:

(i) the Revolving Lenders have not been fully repaid within six months of the relevant Proposed Enforcement Instruction Date; or

(ii) the Security Agent has not commenced any enforcement action within three months of the relevant Proposed Enforcement Instruction Date,

then the instructions of the Majority Super Senior Creditors shall prevail (with effect from the date of the earliest to occur of such events).

(h) If the Majority Super Senior Creditors or the Majority Senior Secured Creditors (in each case acting reasonably) consider that the Security Agent is enforcing the Transaction Security in a manner which is not consistent with the Security Enforcement Principles, subject to (e) and (f) above, the representative(s) for the Super Senior Creditors or the Senior Secured Creditors (as appropriate) shall give notice to the representative(s) for the other Super Senior Creditors and the Senior Secured Creditors (as appropriate) after which the representative(s) for the other Super Senior Creditors and Senior Secured Creditors (as appropriate) shall consult with the Security Agent for a period of 10 days (or such lesser period as the relevant representatives may agree) with a view to agreeing the manner of enforcement *provided* that such representatives shall not be obliged to consult as described in this paragraph (h) more than once in relation to each enforcement action.

Limitation on enforcement of subordinated liabilities

Creditors in respect of the Subordinated Liabilities will not be permitted to take any enforcement action in respect of such liabilities prior to the Final Discharge Date (other than certain specific enforcement action relating to payment of the Subordinated Liabilities which at the time of such enforcement action would be permitted as described under "*—Permitted Payments*" above unless, at such time, the Secured Parties and Senior Notes Creditors (the "Primary Creditors") are or the Security Agent is taking any enforcement action required by the Instructing Group or following an Acceleration Event) save that, after the occurrence of an insolvency event in relation to a member of the Parent Group (or, while Senior Notes issued by CEL2 or a holding company of CEL2 are outstanding, in relation to CEL2 or that holding company) each such Creditor may only (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Creditor in accordance with the terms of the Intercreditor Agreement), exercise any right it may otherwise have against that member of the Group to:

(a) accelerate any of that member of the Group's Subordinated Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Subordinated Liabilities;

(c) exercise any right of set-off or take or receive any payment in respect of any Subordinated Liabilities of that member of the Group; or

(d) claim and prove in the liquidation of that member of the Group for the Subordinated Liabilities owing to it.

Limitation on enforcement of intra-group liabilities

Creditors in respect of the Intra-Group Liabilities will not be permitted to take any enforcement action in respect of such liabilities prior to the Final Discharge Date (other than certain specific enforcement action as set out in the Intercreditor Agreement) save that, after the occurrence of an insolvency event in relation to any member of the Group, each Intra-Group Lender may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Intra-Group Lender in accordance with the Intercreditor Agreement) and shall, if so directed by the Security Agent, exercise any right it may otherwise have against that member of the Group to:

(a) accelerate any of that member of the Group's Intra-Group Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Intra-Group Liabilities;

(c) exercise any right of set-off or take or receive any payment in respect of any Intra-Group Liabilities of that member of the Group; or

(d) file claims, or claim and prove in the liquidation of that member of the Group for the Intra-Group Liabilities owing to it.

Security enforcement principles

The Intercreditor Agreement provides for enforcement instructions in relation to the Transaction Security to be consistent with the following security enforcement principles (the "Security Enforcement Principles"):

(a) it shall be the primary and overriding aim of any enforcement of the Transaction Security to achieve the objective of maximizing the recovery of the Secured Parties, to the extent consistent with (i) a prompt and expeditious enforcement of the Transaction Security (to the extent reasonably possible) and (ii) the rights and obligations of the Security Agent under the terms of the Intercreditor Agreement and under applicable law (the "Security Enforcement Objective");

(b) the Security Enforcement Principles may be amended, varied or waived with the prior written consent of the Majority Super Senior Creditors and the Majority Senior Secured Creditors;

(c) except in the case of a Foreclosure, the Transaction Security will be enforced and other action as to enforcement will be taken such that either:

(i) all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the payment waterfall described in "—*Application of Proceeds*" below; or

(ii) sufficient proceeds from enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with in accordance with the payment waterfall described in "—*Application of Proceeds*" below, the Super Senior Liabilities are repaid and discharged in full (unless the Majority Super Senior Creditors agree otherwise);

(d) any Exit Disposal (as defined below) may only be effected upon the instructions of an Instructing Group and in accordance with these Security Enforcement Principles as if such Exit Disposal was an enforcement of Transaction Security;

(e) the enforcement action must be prompt and expeditious it being acknowledged that, subject to the other provisions of this Agreement, the timeframe for the realization of value from the enforcement of the Transaction Security or Distressed Disposal or Exit Disposal pursuant to enforcement will be determined by the Instructing Group *provided* that it is consistent with the Security Enforcement Objective;

(f) on (i) a proposed enforcement of any of the Transaction Security over assets other than shares in a member of the Group, where the aggregate book value of such assets exceeds a specified amount (or its equivalent in other currencies) or (ii) a proposed enforcement of any of the Transaction Security over some or all of the shares in a member of the Group over which Transaction Security exists, the Security Agent shall if requested by the Majority Super Senior Creditors or the Majority Senior Secured Creditors, and at the expense of the Parent, (to the extent that financial advisers have not adopted a general policy of not providing such opinions) appoint a financial adviser (a "Financial Advisor") to opine:

(i) that the consideration received for any disposal is fair from a financial point of view taking into account all relevant circumstances;

(ii) on the optimal method of enforcing the Transaction Security so as to achieve the Security Enforcement Principles and maximize the recovery of any such enforcement action; and

(iii) that such sale is otherwise in accordance with the Security Enforcement Objective,

(the "Financial Adviser's Opinion") *provided* that, if the Security Agent is unable to obtain an opinion from a Financial Adviser covering the matters set out under (ii) and (iii) above (and after considering making such modifications to the enforcement process as may be reasonably available and consistent with the Security Enforcement Principles to obtain such opinion), then an opinion covering (i) above shall be sufficient to constitute a Financial Adviser's Opinion for the purposes of the Security Enforcement Principles;

(g) the Security Agent shall be under no obligation to appoint a Financial Adviser or to seek the advice of a Financial Adviser, unless expressly required to do so by these Security Enforcement Principles or any other provision of this Agreement. Prior to making any appointment of a Financial Advisor, the Security Agent is entitled to ensure that cost cover (at a level it is satisfied with acting reasonably) has been provided;

(h) the Financial Adviser's Opinion (or any equivalent opinion obtained by the Security Agent in relation to any other enforcement of the Transaction Security that such action is fair from a financial point of view after taking into account all relevant circumstances) will be conclusive evidence that the Security Enforcement Objective has been met;

(i) in the absence of written notice from a creditor or group of creditors that are not part of the relevant Instructing Group that such creditor(s) object to any enforcement of the Transaction Security on the grounds that such enforcement action does not aim to achieve the Security Enforcement Objective, the Security Agent is entitled to assume that such enforcement of the Transaction Security is in accordance with the Security Enforcement Objective;

(j) if the Security Agent is unable to obtain a Financial Adviser's Opinion after attempting to do so (and after considering making such modifications to the enforcement process as may be reasonably available and consistent with the Security Enforcement Principles to obtain such opinion) because such opinions are not generally available in the market in such circumstances it shall notify the Revolving Agent and each representative in respect of the Senior Secured Notes Liabilities or Pari Passu Debt and may proceed to enforce the Transaction Security without needing to demonstrate (by way of a Financial Adviser's Opinion or otherwise) that such enforcement is aiming to achieve the Security Enforcement Objective; and

(k) if enforcement of any Transaction Security is conducted by way of a public auction or other competitive sales process specified in the Intercreditor Agreement, no Financial Adviser shall be required to be appointed, and no Financial Adviser's Opinion shall be required, in relation to such enforcement *provided* that the Security Agent shall be entitled (but not obliged) to appoint a Financial Adviser to provide such advice as the Security Agent deems appropriate in relation to such enforcement by way of public auction or other competitive sale process in accordance with the Intercreditor Agreement.

Exercise of voting rights

After the occurrence of an insolvency event in respect of any Debtor, prior to the Final Discharge Date, each creditor of Subordinated Liabilities and Intra-Group Liabilities (each a "Subordinated Party") irrevocably authorizes the Security Agent to exercise, to the extent permitted by law, all powers of convening meetings, voting and representation in relation to that Subordinated Party in respect of the Intra Group Liabilities and the Subordinated Liabilities and each relevant Subordinated Party will provide all forms of proxy and representation requested by the Security Agent for such purpose. In particular, following the occurrence of any judicial reorganization, safeguard or similar process in relation to any member of the Group, each Creditor and each Subordinated Creditor agrees that it will cast its vote in any proposal put to the vote of that Creditor or Subordinated Creditor in such capacity by or under the supervision of any judicial or supervisory authority in respect of any such proceeding, to the extent permitted by applicable laws, as instructed by that Security Agent (acting as directed by the relevant Instructing Group) and in any event in a manner which is consistent with the principles set forth and the provisions of the Intercreditor Agreement.

Payment of a soulte

"Foreclosed Asset" means (i) any secured assets foreclosed by Secured Parties following a Foreclosure, (ii) (where such secured assets include shares in any company) any asset of such company(ies) or any Subsidiary(ies) thereof, (iii) any asset of the type referred to in (i) or (ii) transferred to any Secured Parties SPV and/or (d) any share of any Secured Parties SPV having acquired assets of the type referred to in (i) or (ii) above (including in the context of the enforcement of a Transaction Security Document by way of sale).

"Foreclosed Assets Holders" means the Secured Parties (or their Affiliates) in their capacity as holders (directly or indirectly through a Secured Parties SPV) of Foreclosed Assets.

"Foreclosure" means the enforcement of any Transaction Security as a result of which the relevant Foreclosed Assets are owned either by Secured Parties (or any representative on their behalf) or a Secured Parties SPV following (a) an appropriation (including pursuant to *a pacte commissoire* or a private appropriation) by, judicial foreclosure in favor of, or attribution to, Secured Parties (or any representative on their behalf) or a Secured Parties SPV or (b) a disposal to a Secured Parties SPV (including a disposal made in the context of the enforcement of a Transaction Security Document by way of sale), in each case, in accordance with the relevant Transaction Security Documents.

"Foreclosure Date" means the first date on which a Foreclosure occurs.

"Secured Parties SPV" means a special purpose limited liability vehicle acquiring or holding Investment Instruments or assets pledged under the Transaction Security pursuant to a Foreclosure and whose share capital is held (directly or indirectly) by the Secured Parties or any Affiliate(s) of any Secured Parties.

If in the context of a Foreclosure a Soulte is owed by the Secured Parties to any Security Provider or Debtor, such Soulte shall be payable:

(a) only by the relevant Creditors having participated in the relevant Foreclosure (pro rata to the amount of Liabilities which have been discharged as a result of such Foreclosure);

(b) only on the earlier of:

(i) the date which is 10 days after the Final Discharge Date; and

(ii) the date falling 18 months or, in connection with Foreclosure of any Transaction Security governed by French law, 12 months, after the date of such Foreclosure *provided* that in such case, the Soulte be turned over to the Security Agent.

Enforcement procedures with respect to the senior notes shared security

The Security Agent may require all Secured Creditors to participate in the Foreclosure of any Senior Notes Shared Security, *provided* that any Soulte in connection with such Foreclosure shall only be payable by (i) Super Senior Creditors if the Majority Super Senior Creditors constitute the Instructing Group requesting such Foreclosure or (ii) the Secured Creditors, if the Majority Senior Secured Creditors constitute the Instructing Group requesting such Foreclosure.

In case several different classes of Secured Creditors participate in a Foreclosure in respect of any Senior Notes Shares Security, and if the relevant Collateral under Senior Notes Shared Security may not be held on trust by the Security Agent for the benefit of the Secured Creditors, such Collateral under Senior Notes Shared Security shall be attributed (on the basis of the value determined in accordance with the relevant Transaction Security Document) first to the Super Senior Creditors, then to the Senior Secured Creditors and then to the Senior Notes Creditors, in each case, on a *pari passu* basis and accordance with the waterfall provisions of the Intercreditor Agreement as if such Collateral under Senior Notes Shared Security had been cash.

Senior notes call option

The Senior Notes Call Option (as defined below) may not be exercised with respect to any Senior Notes Liabilities in respect of which Cerberus Nightingale 1 is Top Luxco or any of its holding companies. Accordingly, the provisions in this section shall not apply to the issuance of Senior Notes contemplated by this Listing Memorandum.

The Security Agent may after the occurrence of an enforcement action referred to in sub-paragraph (i) below (and acting on the instructions of the relevant Instructing Group which instructed it in respect of that enforcement action), by giving not less than five days' notice to the Senior Notes Trustee (the "Senior Notes Call Option Exercise Notice"), require an assignment to it (or to a nominee or nominees) by each Senior Notes Creditor of all of the rights, benefits and obligations of each Senior Notes Creditors in respect of the Senior Notes Liabilities (the "Senior Notes Call Option") if:

(i) the Security Agent has initiated (or simultaneously with the service of the Senior Notes Call Option Exercise Notice initiates) enforcement action with respect to any Transaction Security over Investment Instruments in Cerberus Nightingale 1 or any of its Holding Companies; and

(ii) the Senior Notes Call Option is exercised vis-à-vis each Senior Notes Creditor simultaneously, it being acknowledged by each Senior Notes Creditor that the effectiveness or ineffectiveness of any exercise of the Senior Notes Call Option vis-à-vis any other Senior Notes Creditors shall have no effect whatsoever on its rights and obligations under the relevant provisions of the Intercreditor Agreement.

The assignment of the Senior Notes Liabilities to the Security Agent (or to a nominee or nominees) pursuant to the Senior Notes Call Option shall occur without any formality and be deemed to occur on the date upon which the Senior Notes Trustee receives the Senior Notes Call Option Exercise Notice (the "Senior Notes Liabilities Assignment Date"), and is made by each Senior Notes Creditor unilaterally, irrevocably and unconditionally free and clear from any Security and without any formality.

The aggregate consideration (the "Senior Notes Liabilities Deferred Consideration") for the assignment of the Senior Notes Liabilities under the Senior Notes Call Option shall be equal to the amount of the Senior Notes Liabilities (and Replacement Cost thereon, as the case may be) from time to time (as reduced in accordance with paragraph "—Senior Notes Only Charged Property Call Option" below as the case may be) but shall be payable only to the extent and when there are enough proceeds to be applied by the Security Agent to pay such Senior Notes Liabilities Deferred Consideration in accordance with the order of priority and the waterfall provisions described under "*—Application of Proceeds*" below.

The Senior Notes Liabilities which are subject to the Senior Notes Call Option may be assigned and/or transferred by the Security Agent in the context of an Exit Disposal or to facilitate such Exit Disposal.

Following the Senior Notes Liabilities Assignment Date, the Senior Notes Trustee shall act solely upon the instructions of the Security Agent in relation to any matter in respect of the Senior Notes Liabilities other than in respect of Senior Notes Only Charged Property in respect of which the Senior Notes Only Call Option has been exercised in accordance with the description under "*—Senior Notes Only Charged Property Call Option*" below).

After the Senior Notes Liabilities Assignment Date, the Senior Notes Sellers (as defined below) shall remain entitled to receive all financial statements to be provided by members of the Group to the Senior Notes Trustee in the relevant Senior Notes Indenture (as currently in force as at the date the Senior Notes Call Option is exercised) as if they were still Senior Noteholders.

On and from the Senior Notes Liabilities Assignment Date (or the date of any release or transfer of Senior Notes Liabilities pursuant to paragraph "*—Distressed Disposal*" below) in connection with a Foreclosure) to the date falling 179 days thereafter (and *provided* that, at such time, no Exit Disposal has been completed or commenced) the Senior Notes Sellers Agent (as defined below) may request the Security Agent to appoint, at the cost of the Senior Notes Sellers Agent, a Financial Adviser to provide a valuation (including an enterprise valuation of the members of the Group forming part of the assets which are subject of the Senior Notes Shared Security) in relation to the immediate recovery value of the Senior Notes Liabilities assuming an immediate sale for cash of the Collateral under the Senior Notes Shared Security and taking into consideration the waterfall provisions described under "*—Application of Proceeds*" below (the "Senior Notes Recovery Value"). Such valuation shall promptly be notified by the Financial Adviser to the Security Agent and the Senior Notes Sellers Agent. Within two months of such notification, and if such valuation demonstrates that the Senior Notes Recovery Value exceeds the value of all the payments and distributions that would be required under the first eight paragraphs of the payment waterfall described under "*—Application of Proceeds*" below, the Senior Notes Sellers Agent shall have the right to request the Security Agent promptly to commence an Exit Disposal in respect of the Collateral under the Senior Notes Shared Security which shall be conducted in compliance with the provisions of the Intercreditor Agreement described under "*—Conditions to release—Senior Notes protection*" below. There shall be no obligation to complete such Exit Disposal unless all the payments and distributions referred to in the first eight paragraphs of the payment waterfall described under "*—Application of Proceeds*" below will be made in cash and in full upon such Exit Disposal being completed.

Senior notes only charged property call option

The provisions in this section shall not apply to the issuance of Senior Notes contemplated by this Listing Memorandum as they will not benefit from any Senior Notes Only Charged Property (as defined below).

Following the Senior Notes Liabilities Assignment Date and for a period of 2 months thereafter, the Senior Notes Sellers Agent may request the Security Agent to appoint a Financial Adviser to provide a valuation (the "Senior Notes Only Charged Property Value") of the assets (the "Senior Notes Only Charged Property") which are subject to the Security granted for the Senior Notes Liabilities over assets of CEL2 which (a) are not subject to Transaction Security and (b) are not shares in, or liabilities owed by, the Parent or any of its subsidiaries (the "Senior Notes Only Security").

Upon notice (the "Senior Notes Only Call Option Exercise Notice") from the Senior Notes Sellers Agent to Cerberus Nightingale 1 and to the Security Agent, Cerberus Nightingale 1 shall assign unilaterally, irrevocably and unconditionally the Senior Notes Only Charged Property to the Senior Notes Sellers Agent or a nominee on its behalf (the "Senior Notes Only Call Option").

The Senior Notes Sellers Agent shall only be entitled to exercise the Senior Notes Only Call Option for a period of three months following receipt by it of the notice setting forth the Senior Notes Only Charged Property Value.

The aggregate consideration (the "Senior Notes Only Charged Property Deferred Consideration") payable to Cerberus Nightingale 1 for the assignment of the Senior Notes Only Charged Property pursuant to the Senior Notes Only Charged Property Call Option shall be equal to the Senior Notes Only Charged Property Value and shall be applied as follows:

(i) first, immediately (and, to the extent possible, on a cashless basis), by way of set-off against the Senior Notes Liabilities (whether or not such Senior Notes Liabilities are then due and payable) and on the basis that for this purpose the Senior Notes Liabilities will be ascribed the value they would have had without regard to any amendment or waiver thereof since the Senior Notes Liabilities Assignment Date and on the assumption that interest (x) accrued on the Senior Notes Liabilities since the Senior Notes Liabilities Assignment Date at the highest contractual rate applicable to the Senior Notes Liabilities as at the Senior Notes Liabilities Assignment Date and (y) was capitalized on any interest payment date(s) that fell since the Senior Notes Liabilities Assignment Date); and

(ii) second, the balance (if any) in cash to Cerberus Nightingale 1 on the date which is ten Business Days after the date on which the Senior Notes Sellers Agent (or its nominee) has sold or otherwise disposed of the Senior Notes Only Charged Property substantially for cash, *provided* that the balance payable under this sub-paragraph (ii) shall be reduced by the amount (if any) by which the proceeds of such sale or disposal (net of any costs, expenses and taxes in connection therewith) are less than the Senior Notes Only Charged Property Deferred Consideration.

Cerberus Nightingale 1 may only assign the Senior Notes Only Charged Property pursuant to the Senior Notes Only Call Option if the Security Agent is reasonably satisfied on the Senior Notes Only Assignment Date that (x) the set off contemplated in paragraph (i) above will occur in accordance with applicable law and without significant risk of clawback and (y) the Senior Notes Sellers Agent has, or (following the exercise of the Senior Notes Only Call Option) will have, sufficient cash resources available to pay to Cerberus Nightingale 1 any applicable amounts referred to in paragraph (ii) above.

Without prejudice to the set-off contemplated in paragraph (i) above, on the Senior Notes Liabilities Assignment Date, the Senior Notes Liabilities Deferred Consideration shall automatically be reduced in an amount equal to the Senior Notes Only Charged Property Value.

From the Senior Notes Liabilities Assignment Date until the day after the date on which the Senior Notes Only Call Option may not be exercised, the Secured Creditors will not (i) cause or facilitate any reorganization or restructuring of, or take any enforcement action with respect to (A) any company whose Investment Instruments are Senior Notes Only Charged Property; or (B) any Subsidiary of any such company or (ii) dispose of any of the Senior Notes Only Charged Property, without the consent of the Senior Notes Sellers Agent.

For the purposes of this Paragraph "*—Senior Notes Only Charged Property Call Option*" and "*—Senior Notes Call Option*":

"Senior Notes Seller" means each Senior Noteholder immediately after it has sold its Senior Notes further to the exercise of the Senior Notes Call Option, it being specified that following the exercise of the Senior Notes Call Option, the Senior Notes Sellers shall instruct the Senior Notes Sellers Agent according to the same rules mutatis mutandis as those whereby the Senior Noteholders instruct the Senior Notes Trustee pursuant to the relevant Senior Notes Indenture.

"Senior Notes Sellers Agent" means, after the Senior Notes Call Option has been exercised, each Senior Notes Trustee, which will act as the agent of the relevant Senior Notes Seller according to the same rules mutatis mutandis as those governing such Senior Notes Trustee pursuant to the relevant Senior Notes Indenture.

Exit disposal

The taking of any steps towards making an Exit Disposal shall be treated as the enforcement of a Transaction Security for all purposes under the Intercreditor Agreement where "Exit Disposal" means, following a Foreclosure of certain Foreclosed Assets, a sale, disposal or transfer of: (a) such Foreclosed Assets, (b) any Investment Instrument issued by a Secured Parties SPV holding such Foreclosed Assets or (c) if the Foreclosed Assets consist of shares of any member of the Group, any assets held by such member of the Group or any Subsidiary of it, in each case, to a person or persons which is not a member of the Group or a Secured Parties SPV.

Turnover

The Intercreditor Agreement provides that if at any time prior to the Final Discharge Date, subject to certain exceptions, any Primary Creditor (or in the case of a Super Senior Creditor or Senior Secured Creditor only in respect of the fourth paragraph below) or Subordinated Party (each a "Creditor") or Secured Parties SPV receives or recovers, *inter alia*:

- any payment or distribution of, or on account of or in relation to, any liability owed by a Debtor which is not a permitted payment under the Intercreditor Agreement or made in accordance with the order of priority described under "—*Application of Proceeds*" below;

- (except with respect to certain set-off rights, including set-off rights in relation to multi account overdraft balances, and close-out netting and payment netting rights of hedge counterparties), any amount by way of set off in respect of any liability owed by a Debtor which does not give effect to a permitted payment under the Intercreditor Agreement;

- (except with respect to certain set-off rights) (i) on account of or in relation to any liability owed by a Debtor after the occurrence of an Acceleration Event or as a result of the enforcement of any Transaction Security (each, a "Distress Event") or as a result of litigation or other proceedings against a member of the Group (other than after the occurrence of an insolvency event in respect of that member of the Group), or (ii) by way of set off in respect of any liability of a Debtor after the occurrence of a Distress Event;

- the proceeds of any enforcement of any Transaction Security, the proceeds of any Distressed Disposal (including where any assets of a Debtor are disposed of outside of the Group by or on behalf of a Debtor after a Distress Event), any Exit Disposal, any Soulte, any Cash Proceeds or the proceeds of any Assigned Recourse Rights, except in accordance with the order of priority described under "—*Application of Proceeds*" below; or

- (except with respect to certain set-off rights) any distribution in cash or in kind or payment of, or on account of or in relation to, any liability owed by any member of the Group which is not in accordance with the order of priority described in "—*Application of Proceeds*" below and which is made as a result of, or after, the occurrence of an insolvency event in respect of that member of the Group,

then that Creditor (or Secured Parties SPV as the case may be):

- in relation to receipts or recoveries not received or recovered by way of set off, must hold that amount on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

- in relation to receipts and recoveries received or recovered by way of set off, must promptly pay an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Deferral of subrogation rights

If any Liabilities owed to the Secured Creditors ("Secured Creditor Liabilities") are wholly or partly paid out of any proceeds received in respect of or on account of the Senior Notes Liabilities owing to one or more Senior Notes Creditors, those Senior Notes Creditors will to that extent be subrogated to the Secured Creditor Liabilities so paid (and all securities and guarantees for those Secured Creditor Liabilities).

To the extent that a Senior Notes Creditor (a "subrogated creditor") is entitled to exercise rights of subrogation, each other Creditor (subject in each case to it being indemnified, secured and/or prefunded to its satisfaction against any resulting costs, expenses and liabilities) will give such assistance to enable such rights so to be exercised as such subrogated creditor may reasonably request.

Notwithstanding the foregoing, no Creditor, Subordinated Party or Debtor will exercise any rights which it may have by reason of the performance by it of its obligations under the Debt Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor which ranks ahead of it in accordance with the priorities set out in the Intercreditor Agreement until such time as all of the Liabilities owing to each prior ranking Creditor (or, in the case of any Debtor, owing to each Creditor) have been irrevocably paid in full.

No Subordinated Creditor will exercise any rights which it may have to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor until such time as all of the Liabilities owing to each Creditor have been irrevocably paid in full.

Assignment of recourse rights

In this section, "Recourse Rights" means any and all rights (including accessory rights such as security interests), actions and claims that any member of the Group, any guarantor, any Debtor or any Security Provider which has granted any Transaction Security or a guarantee in order to secure or guarantee all or part of the secured obligations may have against any other person (whether a Debtor or not), in each case as a result of an enforcement action of any Transaction Security, enforcement of that guarantee or otherwise as a result of the payment of such secured obligations in lieu of such other person, and including any right to be repaid by, to receive any amount from or to be indemnified by, that other person (whether prior to or after enforcement), any right of recourse by way of subrogation, *recours subrogatoire*, *recours personnel* or any other similar right, action or claim under any applicable law, whether such right arise by law, contract or otherwise.

Each member of the Parent Group, each Security Provider and each Debtor irrevocably and unconditionally assigns under the Intercreditor Agreement to the Security Agent acting in its name, all Recourse Rights (the "Assigned Recourse Rights") which it has or may have in the future (the Assigned Recourse Rights and the amount thereof at any time being hereinafter referred to as the "Amount of the Assigned Recourse Rights").

The consideration (the "Assigned Recourse Rights Deferred Consideration") for the assignment of the Assigned Recourse Rights shall be equal to the Amount of the Assigned Recourse Rights but shall be payable only to the extent and when there are enough cash proceeds to be applied by the Security Agent to pay such Assigned Recourse Rights Deferred Consideration in accordance with the waterfall provisions of the Intercreditor Agreement.

Application of proceeds

Subject to certain exceptions as set out therein, the Intercreditor Agreement provides that amounts received by the Security Agent from the realization or enforcement of all or any part of the Transaction Security or a transaction in lieu of enforcement of Transaction Security or received from another Creditor pursuant to the turnover provisions described above will be applied in the following order of priority:

- first, in payment or distribution to:

(a) the Security Agent, any receiver or any delegate for application towards the discharge of any sums owing to any of them from any party to the Intercreditor Agreement;

(b) each Revolving Agent on its own behalf for application towards the discharge of the Revolving Agent Liabilities;

(c) each Senior Secured Notes Trustee on its own behalf for application towards the discharge of the Senior Secured Notes Trustee Amounts;

(d) each Pari Passu Debt Representative on its own behalf for application towards the discharge of Pari Passu Debt Representative Amounts; and

(e) each Senior Notes Trustee on its own behalf for application towards the discharge of the Senior Notes Trustee Amounts,

on a pro rata basis and ranking *pari passu* between (a), (b), (c), (d) and (e), and in the case of (b), (c), (d) and (e) above, including any such amounts arising in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement;

- second, in payment or distribution to the Secured Parties of all costs and expenses incurred by any of them in connection with any realization or enforcement of the Transaction Security, in each case taken in accordance with the terms of the Intercreditor Agreement;

- third, (if the Foreclosure Date has occurred) in payment or distribution to the Foreclosed Asset Holders of their tax liabilities (if any) (in each case on a pro rata and *pari passu* basis amongst themselves);

- fourth, in payment or distribution to relevant Subordinated Creditors of any Soulte payable and not yet paid (to the extent paid back to the Security Agent by the Subordinated Creditors in accordance with turnover provisions as a result of a Foreclosure);

- fifth, (subject to the relevant provisions contained in the Intercreditor Agreement dealing with New Money, as defined in the Intercreditor Agreement), in payment or distribution, or repayment of all costs, expenses, interest and principal amounts due to the relevant creditors under any New Money (if any) (in each case on a pro rata and *pari passu* basis amongst themselves);

- sixth, in payment or distribution to:

(a) each Revolving Agent on behalf of the arrangers under the Revolving Credit Facility (the "Arrangers") and the Revolving Lenders; and

(b) the Hedge Counterparties,

for application towards:

(i) the liabilities of the Arrangers and the Revolving Creditor Liabilities;

(ii) the Priority Hedging Liabilities; and

(iii) the Replacement Costs (as defined below) calculated in relation to any Liabilities referred to in paragraph (i) and (ii) above which have become Affected Liabilities,

on a pro rata basis and *pari passu* between paragraphs (i), (ii) and (iii) above;

- • seventh, in payment or distribution to:

(a) each Senior Secured Notes Trustee on behalf of the Senior Secured Noteholders or, if there is no Senior Secured Notes Trustee acting on behalf of any relevant Senior Secured Noteholders, such Senior Secured Noteholders;

(b) each Pari Passu Debt Representative on behalf of Pari Passu Creditors or, if there is no Pari Passu Debt Representative acting on behalf of any relevant Pari Passu Creditors, such Pari Passu Creditors; and

(c) the Hedge Counterparties,

for application towards:

(i) the Senior Secured Notes Liabilities owed to the Senior Secured Noteholders (in accordance with the terms of the Senior Secured Notes Finance Documents);

(ii) the Pari Passu Debt Liabilities owed to the Pari Passu Creditors (in accordance with the terms of the Pari Passu Debt Documents);

(iii) the Non Priority Hedging Liabilities; and

(iv) the Replacement Costs calculated in relation to any Liabilities referred to in paragraph (i), (ii) or (iii) above which have become Affected Liabilities,

on a pro rata basis and *pari passu* between paragraphs (i) to (iv) above;

- eighth, in payment or distribution to:

(a) each Revolving Agent on behalf of the Arrangers and the Revolving Credit Facility Lenders in respect of the Revolving Creditor Liabilities;

(b) each Senior Secured Notes Trustee on behalf of the Senior Secured Noteholders or, if there is no Senior Secured Notes Trustee acting on behalf of any relevant Senior Secured Noteholders, such Senior Secured Noteholders in respect of the Senior Secured Notes Liabilities;

(c) each Pari Passu Debt Representative on behalf of Pari Passu Creditors or, if there is no Pari Passu Debt Representative acting on behalf of any relevant Pari Passu Creditors, such Pari Passu Creditors in respect of the Pari Passu Debt Liabilities; and

(d) the Hedge Counterparties in respect of the Hedging Liabilities,

for application (on a *pari passu* basis) towards the Shareholding Costs calculated in respect of Revolving Creditor Liabilities, Priority Hedging Liabilities, Senior Secured Notes Liabilities, Pari Passu Debt Liabilities and Non-Priority Hedging Liabilities which have become Affected Liabilities;

- ninth, to the extent paid out of enforcement proceeds resulting from the enforcement of Senior Notes Shared Security, the Senior Notes Guarantee or proceeds from Exit Disposal in relation with assets which were previously Collateral under Senior Notes Shared Security, in payment or distribution to:

(a) prior to the Senior Notes Liabilities Assignment Date, each Senior Notes Trustee on behalf of the Senior Noteholders or, if there is no Senior Notes Trustee acting on behalf of any relevant Senior Noteholders, such Senior Noteholders for application towards the discharge of (i) the Senior Notes Liabilities owed to the Senior Noteholders and (ii) Replacement Costs calculated in respect of any Senior Notes Liabilities which have become Affected Liabilities; or

(b) (on or after the Senior Notes Liabilities Assignment Date) each Senior Notes Sellers Agent on behalf of the Senior Notes Sellers or, if there is no Senior Notes Sellers Agent acting on behalf of any relevant Senior Notes Sellers, such Senior Notes Sellers for application towards the discharge of the Senior Notes Liabilities Deferred Consideration.

- tenth (if the Foreclosure Date has occurred), pro rata and *pari passu* amongst themselves:

(a) to any Security Provider, guarantor or Subordinated Creditor to which a Soulte has been paid or remains payable, in payment or distribution in an amount equal to such Soulte (and to the extent such Soulte has been already paid by any Secured Parties to such Security Provider, guarantor or Subordinated Creditor, only to the extent that such Security Provider, guarantor or Subordinated Creditor has turned such Soulte over to the Security Agent in accordance with the turnover provisions);

(b) to any Security Provider, guarantor or Subordinated Creditor, in payment or distribution of the deferred price of the Assigned Recourse Rights Deferred Consideration; and

(c) to any Call Option Grantor, in payment or distribution of any call exercise price complement under any relevant call option agreement; and

- eleventh, the balance, if any, in payment or distribution to the Issuer or relevant Debtor which is a Subsidiary thereof.

In this section:

"Replacement Cost" means an amount payable to any Super Senior Creditor, any Senior Secured Notes Creditor, any Pari Passu Creditor or any Senior Notes Creditor which is equal to the interest which would have accrued at the Replacement Rate (capitalized yearly) on a principal amount from time to time equal to the relevant Super Senior Liabilities, Senior Secured Notes Liabilities, Pari Passu Debt Liabilities or Senior Notes Liabilities which have become Affected Liabilities from time to time.

"Replacement Rate" means in respect of any Super Senior Liabilities, Senior Secured Notes Liabilities, Pari Passu Debt Liabilities or Senior Notes Liabilities which have become Affected Liabilities, a rate per annum which is equal to the highest contractual rate (including default rate) which was applicable to such Liabilities under the relevant Debt Documents on the date such Liabilities have become Affected Liabilities.

"Shareholding Cost" means the difference, to the extent positive, between (i) an amount payable to any Super Senior Creditor or any Senior Secured Creditor which is equal to the interest which would have accrued at a rate of 10% per annum (capitalized yearly) on a principal amount from time to time equal to the relevant Affected Liabilities held by such Super Senior Creditor or Senior Secured Creditor and (ii) the Replacement Costs.

Release of the guarantees and the security

Distressed disposals

The Intercreditor Agreement provides that in relation to the disposal of an asset of a member of the Parent Group (or, to the extent subject to Transaction Security, CEL2, Luxco or Top Luxco) which is being effected: on instructions from the Instructing Group in circumstances where the Transaction Security is enforceable; by an enforcement of the Transaction Security; or after the occurrence of a Distress Event by or on behalf of a Debtor to a person outside of the Parent Group (a "Distressed Disposal"), an Exit Disposal or a Foreclosure, the Security Agent is authorized to (i) release the Transaction Security over the relevant asset; (ii) if the relevant asset consists of shares in the capital of a Debtor to release that Debtor and any of its subsidiaries from its liabilities in its capacity as a guarantor or a borrower (and certain other liabilities) under the Revolving Credit

Facility, the Senior Secured Notes, the Pari Passu Debt and the Senior Notes and certain other liabilities and to release any Transaction Security granted by that Debtor over any of its assets; (iii) if the relevant asset consists of shares in the capital of a holding company of a Debtor, to release that holding company and any of its subsidiaries from their liabilities in their capacity as a guarantor or a borrower under the Revolving Credit Facility, the Senior Secured Notes, the Pari Passu Debt, the Senior Notes and certain other liabilities, and to release any Transaction Security granted by that subsidiary or holding company over any of its assets and any other claims against that holding company or any of its subsidiaries; (iv) if the relevant asset consists of shares in the capital of a Debtor or holding company of a Debtor and the Security Agent decides to dispose to another entity all or any part of the liabilities of that first Debtor or holding company or any subsidiaries of that first Debtor or holding company, then the Security Agent shall enter into any relevant documentation *provided* that, if it is intended that the transferee Debtor should not be a Senior Creditor or secured party, the transferee Debtor shall not be treated as a Senior Creditor or secured party, and if it is intended that the transferee Debtor should be a Senior Creditor or secured party, then all (and not part) of the liabilities owed to Senior Creditors, and all or part of any other liabilities and Debtor liabilities should be disposed; and (v) if the relevant asset consists of shares in the capital of a Debtor or holding company of a Debtor and the Security Agent decides to transfer to another Debtor all or any part of the first Debtor or its obligations or any obligations of any subsidiary of that first Debtor in respect of liabilities owed to a Debtor or intra group lender, transfer all or part of such obligations on behalf of the person to which they are owed and accept the transfer of those obligations on behalf of the transferee Debtor.

Non-distressed disposals

In addition, if (a) a disposal relates to an asset of a Debtor or an asset which is subject to Transaction Security to a person or persons outside the Parent Group, (b) that disposal is not prohibited by or permitted under respectively (prior to the Revolving Facility Discharge Date) the Revolving Facility Documents, (prior to the Senior Secured Notes Discharge Date) the Senior Secured Documents, (prior to the Pari Passu Debt Discharge Date) the Pari Passu Debt Documents, and (prior to the Senior Notes Discharge Date) the Senior Notes Finance Documents and (c) that disposal is not a disposal being effected in the circumstances described under "—*Distressed Disposals*" above, the Security Agent is irrevocably authorized, at the cost of the relevant Debtor or the Subordinated Creditor and without any consent, sanction, authority or further confirmation from any other party to the Intercreditor Agreement, (i) to release the Transaction Security over that asset, (ii) where that asset consists of shares in the capital of a Debtor, to release the Transaction Security over that Debtor's assets, or, to the extent they are at such time being disposed of, the assets of any subsidiary of that Debtor and, to the extent that they are at such time being disposed of, the subsidiaries of that Debtor and their respective assets, and (iii) to execute and deliver or enter into any release of security and any claim described in (i) and (ii) above and issue any certificates of non-crystallization of any floating charge or any consent to dealing that the Security Agent considers to be necessary or desirable.

Conditions to release—senior notes protection

If on or after the first date of issue of Senior Notes, but before the Senior Notes Discharge Date:

(a) a Distressed Disposal is being effected such that the Senior Notes Guarantees and Senior Notes Shared Security will be released as described under "—*Distressed Disposal*" above;

(b) an Exit Disposal in respect of assets which were Collateral under Senior Notes Shared Security, which were subject to Transaction Security over Investment Instruments in Cerberus Nightingale 1 or any of its holding companies or which were owned by a Senior Notes Guarantor is being effected after (i) the Senior Notes Guarantees and Senior Notes Shared Security have been released as described under "Distressed Disposal" above following a Foreclosure or (ii) the Senior Notes Call Option has been exercised,

it is a further condition to any such release or disposal that either (1) the relevant Senior Notes Trustee has approved the release and/or the disposal or (2) where such shares or assets are sold or disposed of:

(i) the proceeds of such sale or disposal are in cash (or substantially in cash);

(ii) all claims of the Primary Creditors against any member of the Group and any subsidiary of that member of the Group whose shares that are owned by a Debtor are pledged in favor of the Primary Creditors are sold or disposed of pursuant to such Distressed Disposal or such Exit Disposal, are unconditionally released and discharged concurrently with such sale (and are not assumed by the purchaser or one of its Affiliates), and all security under the Security Documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale *provided* that in the event of a sale or disposal of any such claim (instead of a release or discharge):

(A) the Instructing Group determines acting reasonably and in good faith that the Secured Creditors (taken as a whole) will recover more than if such claim was released or discharged; and

(B) the representative(s) in respect of the Instructing Group serve a notice on the Security Agent notifying the Security Agent of the same, in which case the Security Agent shall be entitled immediately to sell and transfer such claim to such purchaser (or an affiliate of such purchaser); and

(iii) such sale or disposal is made:

(A) pursuant to a public auction or other competitive sale process specified in the Intercreditor Agreement; or

(B) where a Financial Adviser confirms that the sale, disposal or transfer price is fair from a financial point of view after taking into account all relevant circumstances, although there shall be no obligation to postpone any such sale, disposal or transfer in order to achieve a higher price.

The provisions described in this section shall not apply to releases of Senior Notes Guarantees and Senior Notes Shared Security effected pursuant to the Intercreditor Agreement following Foreclosure.

Nothing in paragraph "—Release of the Guarantees and the Security" shall permit any release of Senior Notes Only Security.

Amendment

Subject to certain exceptions, the Intercreditor Agreement provides that it may only be amended with the consent of the Issuer, the Majority Revolving Lenders, the requisite majority of Pari Passu Creditors, each Senior Secured Notes Trustee, each Senior Notes Trustee and the Security Agent unless (i) such amendments are made to cure defects, resolve ambiguities or reflect changes of a minor, technical or administrative nature or as otherwise prescribed by the relevant Debt Documents, which amendments may be made by the Issuer and the Security Agent or (ii) such amendments are made to meet the requirements of any person proposing to act as the Revolving Agent, a Senior Secured Trustee, a Pari Passu Debt Representative or a Senior Notes Trustee which are customary for persons acting in such capacity and which would not have a material adverse effect,, which amendments may be made by the Issuer and the Security Agent. No amendment or waiver of the Intercreditor Agreement may impose new or additional obligations on any Primary Creditor without their prior written consent other than in the case of Hedge Counterparties where the amendment does not adversely affect their rights, or where the rights of the other Senior Creditors are also amended or waived to the same extent.

An amendment or waiver to the Intercreditor Agreement that relates to, *inter alia*, certain of the matters described under "*—Manner of Enforcement of Transaction Security*" and "*—Security Enforcement Principles*" and to the Security Enforcement Principles may be made by the Majority Super Senior Creditors and the Majority Senior Secured Creditors.

The Security Agent may amend the terms of, waive any of the requirements of, or grant consents under, any of the Transaction Security Documents acting on the instructions of each representative, with the consent of the Issuer, unless provided otherwise under the relevant documents. No such amendment, waiver or consent may affect the nature or scope of the obligations, the security or the manner in which the proceeds of enforcement of the security are distributed without the consent of the relevant party, save where such amendment would affect the rights of Senior Creditors generally or save as provided under "Disposals" above. Notwithstanding the foregoing, the prior consent of the Revolving Agent only is required to authorize any amendment or waiver of, or consent under, any Security Document that is entered into only for the benefit of the Super Senior Creditors.

Option to purchase: senior secured notes creditors and pari passu creditors

After a Distress Event, by giving not less than 10 days' prior written notice to the Security Agent, the Senior Secured Noteholders and Pari Passu Creditors will have the right to acquire or procure that a nominee acquires by way of transfer all (but not part only) of the rights and obligations of the Revolving Lenders and the Hedge Counterparties in respect of Revolving Creditor Liabilities and the Hedging Liabilities constituting Priority Hedging.

Any such purchase will be on terms which will include, without limitation, payment in full of an amount equal to all (but not part) of the Revolving Creditor Liabilities and Hedging Liabilities constituting Priority Hedging then outstanding, including certain costs and expenses of the Revolving Creditors and Hedge Counterparties; after the transfer, no Revolving Creditor or Hedge Counterparty will be under any actual or contingent liability to any Debtor or any other person under the relevant Debt Documents; the acquiring entities indemnify each Revolving Creditor and Hedge Counterparty for any actual or alleged obligation to repay or claw back any amount received by such Revolving Creditor or Hedge Counterparty; and the relevant transfer shall be without recourse to, or warranty from, any Revolving Creditor or Hedge Counterparty, save for certain representations as to title and other matters as set out in the Intercreditor Agreement.

Option to purchase: senior notes creditors

After a Distress Event (and until the earlier of Foreclosure or a public auction or competitive sale process specified in the Intercreditor Agreement in respect of shares or other investments in Luxco, CEL2 or the Issuer) by giving not less than 10 days' prior written notice to the Security Agent, the Senior Noteholders will have the right to acquire or procure that a nominee acquires by way of transfer all (but not part only) of the rights and obligations of the Creditors in respect of Revolving Creditor Liabilities, the Hedging Liabilities, the Senior Secured Notes Liabilities and the Pari Passu Debt Liabilities.

Any such purchase will be on terms which will include, without limitation, payment in full of an amount equal to all (but not part) of the relevant liabilities then outstanding, including certain costs and expenses of the Revolving Creditors, Hedge Counterparties, Senior Secured Noteholders and Pari Passu Creditors; after the transfer, no Revolving Creditor, Hedge Counterparty, Senior Secured Noteholder or Pari Passu Creditor will be under any actual or contingent liability to any Debtor or any other person under the relevant Debt Documents; the acquiring entities indemnify each relevant transferring Creditor for any actual or alleged obligation to repay or claw back any amount received by such transferring Creditor; and the relevant transfer shall be without recourse to, or warranty from, any transferring Creditor, save for certain representations as to title and other matters as set out in the Intercreditor Agreement.

Termination

The Intercreditor Agreement shall terminate on the date the Security Agent is reasonably satisfied that (i) all Liabilities (other than the Subordinated Liabilities) have been discharged in full in cash or (ii) there are no cash proceeds or recoveries whatsoever which may be turned over to it and applied by it in accordance with the provisions of the Intercreditor Agreement.

Governing law

The Intercreditor Agreement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Finance leases

Certain of our subsidiaries are party to finance leases totaling €104.5 million as of June 30, 2016.

Bilateral credit facilities

Certain subsidiaries (including certain of the Guarantors) of the Issuer have entered into bilateral credit facilities with a number of banks. As of September 30, 2014, €32.9 million was owed under the bilateral credit facilities. Loans have maturities ranging from 2013 to 2021 and applicable interest rates ranging from 2.2% to 6.3%. Certain of the bilateral credit facilities are secured, either by the assets financed by the facilities or by the fixed assets of the borrowing entity.

Factoring agreement

Cerba Selafa is party to a non-recourse factoring agreement with Natixis Factor SA. It incurred factoring fees and factoring-related interest charges of a negligible amount during the year ended September 30, 2014.

The aggregate outstanding factoring cap under the agreement is approximately €10.0 million. As of September 30, 2014, € 0.0 million was outstanding under the factoring facility. A commission of 0.07% of amounts drawn under the factoring agreement is payable, subject to a minimum annual amount of €65,000. The disbursement fee is based on the three-month EURIBOR plus a margin. The agreement is subject to customary terms and conditions.

Shareholder debt

We are party to several debt financing instruments with our shareholders. In connection with the Offering, we intend to make modifications to the terms of certain of these instruments to the extent necessary in order to comply with the terms of the Indenture.

Other bonds

On June 10, 2011, the Issuer entered into a subscription agreement with Biopart Investments for the issuance of €10.0 million aggregate principal amount of subordinated notes (the "Biopart Bonds"). On December 1, 2011, the Issuer entered into a subscription agreement with Jean-Michel Damien for the issuance of €1.0 million aggregate principal amount of subordinated notes (the "Damien Bonds" and together with the Biopart Bonds, the "Existing Management Vendor Loans"). The terms of the notes issued pursuant to the Existing Management Vendor Loans are largely identical. The Existing Management Vendor Loans bear interest at a rate of 10% per annum and mature on July 21, 2025. The Existing Management Vendor Loans are redeemable (i) at any time at the option of the Issuer or (ii) upon the first to occur of the Issuer's initial public offering or a change of control, absent an agreement to the contrary between the Issuer and the borrower. As of September 30, 2014, €15.0 million was outstanding under the Existing Management Vendor Loans, including accrued but unpaid interest thereon.

PAI convertible bonds

The Issuer issued convertible notes to its majority shareholder, Luxco, on four separate occasions in 2010 and 2011 (the "PAI Convertible Bonds"). On July 21, 2010, the Issuer issued Luxco €112.0 million aggregate principal amount of PAI Convertible Bonds. Subsequently, on December 16, 2010, the Issuer issued Luxco €6.5 million aggregate principal amount of PAI Convertible Bonds. Additionally, on May 12, 2011, the Issuer issued Luxco €12.8 million aggregate principal amount of PAI Convertible Bonds. The Issuer issued a further €3.6 million aggregate principal amount of PAI Convertible Bonds to Luxco on December 15, 2011. As of September 30, 2014, the IFRS amount of the PAI Convertible Bonds is €7.0 million.

On December 11, 2012, Luxco exercised its option to convert the majority of the PAI Convertible Bonds into 158,109 shares of Series B Preferred Stock. On January 31, 2013, Luxco transferred the PAI Convertible Bonds with aggregate amount of €10.1 million onto the books of its wholly-owned subsidiary, Financière Gaillon 13 SAS.

PAI shareholder loans

Luxco and the Issuer are party to a term loan agreement, dated as of January 6, 2012 and amended on September 21, 2012, pursuant to which Luxco agreed to lend an aggregate amount of €13.0 million to the Issuer in order to finance its acquisition activities (the "PAI Shareholder Loans"). The loan accrues interest at a rate of 10% per annum. The loan was payable in full on March 31, 2013, subject to the prior repayment of amounts outstanding under the loan through set-off by issuances of the Issuer's equity to Luxco. As the loan was not repaid in full by March 31, 2013, the parties have agreed that the repayment date shall be postponed to July 21, 2025, with such amended terms and conditions as to match those of the PAI Convertible Bonds.

On December 11, 2012, in set-off of a portion of the amounts outstanding of the PAI Shareholder Loans, the Issuer issued 8,746 Class B Preferred Shares to Luxco, reducing the amount outstanding under the PAI Shareholder Loans to €6.9 million. On January 31, 2013, Luxco transferred the PAI Shareholder Loans with aggregate amount of €5.3 million onto the books of its wholly-owned subsidiary, Financière Gaillon 13 SAS.

As of September 30, 2014, €5.9 million was outstanding under the PAI Shareholder Loans, including accrued but unpaid interest thereon.

French CPECs

In October 2010, Cerberus Nightingale 1 issued a total amount of €326.93 million Series B and Series A Convertible Preferred Equity Certificates, to the funds managed by PAI. On or about November 4, 2014 an amount of €396.26 million of Frenchco CPECs and accrued and unpaid interest were converted to shares of Cerberus Nightingale 1, leaving €3.64 million of Frenchco CPECs and accrued and unpaid interest outstanding as of that date which were transferred by PAI to Frenchco on November 4, 2014. The Frenchco CPECs and accrued and unpaid interest bear interest at a rate of 9.90% per annum based on a 360-day year and the actual number of days elapsed and mature in July 2025. Interest accrues daily and is payable annually unless such payment would render Cerberus Nightingale 1 insolvent. The Frenchco CPECs are convertible into shares of Cerberus Nightingale 1 at the option of Frenchco and are redeemable in cash at the option of Cerberus Nightingale 1.

Hedging obligations

We enter into interest rate swaps from time to time in order to hedge against interest rate risk associated with our borrowings subject to floating rates of interest. As the Notes have a fixed rate of interest, we do not anticipate entering into any interest rate hedges in connection therewith.

Existing Novescia Facilities

Certain subsidiaries of Novescia have entered into bilateral credit facilities with a number of banks. As of September 30, 2014, the financial debt of Novescia (the financial debt is the sum of the current and non-current liabilities and the bank overdrafts) is €50.5 million. Loans have maturities ranging from 2016 to 2021 and interest rates based on the three-month EURIBOR plus an annual margin. Certain of the bilateral credit facilities are secured, either by the assets financed by the facilities or by assets of the borrowing entity or guaranteed by letters of intent issued by Novescia.

Description of the Senior Secured Notes

On October 4, 2016 (the "*Additional Senior Notes Issue Date*"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended, Cerba HealthCare S.A.S. (formerly known as Cerba European Lab S.A.S.), a *société par actions simplifiée* organized under the laws of France (the "*Issuer*"), issued €40.0 million in aggregate principal amount of 7.00% senior secured notes due 2020 (the "*Additional Senior Secured Notes*") under an indenture dated January 31, 2013 as supplemented by supplemental indentures dated April 23, 2014 and March 10, 2015 (the "*Senior Secured Notes Indenture*"), between, among others, the Issuer, certain subsidiaries of the Senior Secured Notes Issuer that guarantee the Senior Secured Notes (the "*Senior Secured Notes Guarantors*"), Financière Gaillon 13 S.A.S. ("*Holdco*"), Cerberus Nightingale 1 S.à r.l. ("*Top Luxco*"), Cerberus Nightingale 2 S.A. ("*Luxco*" and, together with Top Luxco, the "*Luxembourg Security Providers*"), Wilmington Trust, National Association, as trustee (the "*Trustee*"), and Wilmington Trust (London) Limited, as security agent (the "*Security Agent*"), pursuant to which the Senior Secured Notes Issuer initially issued €365.0 million senior secured notes due 2020 (the "*Initial Existing Senior Secured Notes*"); on May 23, 2014, issued an additional €80.0 million senior secured notes due 2020 and on March 10, 2015, issued an additional €85.0 million senior secured notes due 2020 (together with the Initial Existing Senior Secured Notes, the "*Existing Senior Secured Notes*" the "*Existing Senior Secured Notes*", and collectively with the Additional Senior Secured Notes, the "*Senior Secured Notes*"). The term "Senior Secured Notes" refers also to Book-Entry Interests (as defined below) in the Senior Secured Notes. Except as set forth herein, the terms of the Senior Secured Notes include those set forth in the Senior Secured Notes Indenture.

The definitions of certain terms used in this description are set forth under the subheading "*—Certain Definitions*." Certain defined terms used in this description but not defined below under "*—Certain Definitions*" have the meanings assigned to them in the Senior Secured Notes Indenture. In this "*Description of the Senior Secured Notes*," references to (i) the "Senior Secured Notes Issuer" refer only to Cerba European Lab S.A.S. and not to any of its Subsidiaries; and (ii) "we," "our," "us" refer to the Senior Secured Notes Issuer and its Restricted Subsidiaries.

The terms of the Senior Secured Notes include those set forth in the Senior Secured Notes Indenture. The Senior Secured Notes Indenture is not qualified under, and is not be subject to, the U.S. Trust Senior Secured Notes Indenture Act of 1939, as amended (the "*TIA*"). Consequently, the holders of the Senior Secured Notes generally are not entitled to the protections provided under the TIA to holders of debt securities issued under a qualified indenture, including those requiring the Senior Secured Notes Trustee to resign in the event of certain conflicts of interest and to inform the holders of the Senior Secured Notes of certain relationships between it and the Senior Secured Notes Issuer or the Senior Secured Notes Guarantors. The Security Documents referred to below under the caption "*—Security*" define the terms of the security that secure the Senior Secured Notes.

The following description is a summary of the material terms of the Senior Secured Notes Indenture, the Senior Secured Notes and refers to the Intercreditor Agreement, the Security Documents and certain other agreements relating to the Senior Secured Notes. It does not, however, restate any of those agreements in its entirety. You should read the Senior Secured Notes Indenture, the Senior Secured Notes, the Intercreditor Agreement and the Security Documents because they, and not this description, define your rights as a holder of the Senior Secured Notes. Copies of the Senior Secured Notes Indenture, the form of the Global Notes (as defined below), the Intercreditor Agreement and the Security Documents may be obtained upon request from the Senior Secured Notes Issuer as set forth below under "*—Listing and General Information.*"

The Senior Secured Notes Issuer has made an application for the Additional Senior Secured Notes to be admitted to the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange (the "*Euro MTF Market*"). Please see "*—Payments on the Senior Secured Notes; Paying Agent, Registrar and Transfer Agent for the Senior Secured Notes*."

The registered holder of a Senior Secured Note is treated as the owner of it for all purposes. Only registered holders have rights under the Senior Secured Notes Indenture.

Principal, maturity and interest

The Senior Secured Notes Issuer issued €40.0 million in an aggregate principal amount of Additional Senior Secured Notes in this Senior Secured Notes Offering. The Additional Senior Secured Notes will mature on February 1, 2020, at which time 100% of the principal amount of the Additional Senior Secured Notes shall be payable, unless redeemed prior thereto as described herein. Subject to the covenant described under "*—Certain*

Covenants—Limitation on Debt,” the Senior Secured Notes Issuer is permitted to further issue additional Senior Secured Notes under the Senior Secured Notes Indenture from time to time after this Senior Secured Notes Offering. The Senior Secured Notes and any further additional notes that are actually issued are treated as a single class for all purposes of the Senior Secured Notes Indenture, including waivers, amendments, redemptions and offers to purchase, except for certain waivers and amendments. Unless the context otherwise requires, references to the "Senior Secured Notes" for all purposes of the Senior Secured Notes Indenture and in this "*Description of the Senior Secured Notes*" include references to any additional notes that are actually issued under the Senior Secured Notes Indenture (including the Additional Senior Secured Notes issued pursuant to this Senior Secured Notes Offering).

Interest on the Additional Senior Secured Notes will accrue at the rate of 7.00% *per annum*. Interest on the Additional Senior Secured Notes will accrue from August 1, 2016. Interest will be payable on each Note semi-annually in arrears on February 1 and August 1 of each year. The first interest payment for the Additional Senior Secured Notes will be February 1, 2017. The Senior Secured Notes Issuer will pay interest on each Note to holders of record of each Note in respect of the principal amount thereof outstanding as of the immediately preceding January 15 and July 15. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months (and in the case of an incomplete month, the number of days actually elapsed). Interest on overdue principal and interest, including Additional Amounts (as defined below), if any, will accrue at a rate that is 1% higher than the interest rate on the Senior Secured Notes.

Brief description of the senior secured notes and the senior secured note guarantees

The Senior Secured Notes

The Senior Secured Notes:

- will be general obligations of the Senior Secured Notes Issuer;
- will be *pari passu* in right of payment with all existing and future Debt of the Senior Secured Notes Issuer that is not subordinated in right of payment to the Senior Secured Notes;
- will be senior in right of payment to all existing and future Debt of the Senior Secured Notes Issuer that is subordinated in right of payment to the Senior Secured Notes;
- will be guaranteed by the Senior Secured Notes Guarantors;
- will be secured by senior Liens over the Senior Secured Notes Collateral as described below under "—*Security*"; *provided* that the Revolving Credit Facility and certain priority Hedging Obligations will be repaid with the proceeds from any enforcement of the Senior Secured Notes Collateral in priority to the Senior Secured Notes;
- will be effectively subordinated to any existing and future Debt of the Senior Secured Notes Issuer that is secured by property or assets that do not secure the Senior Secured Notes, to the extent of the value of the property and assets securing such Debt; and
- will be structurally subordinated to all obligations of the Senior Secured Notes Issuer's Subsidiaries that are not Senior Secured Notes Guarantors.

The Senior Secured Note Guarantees

The Senior Secured Note Guarantee of each Senior Secured Notes Guarantor:

- will be a general obligation of that Senior Secured Notes Guarantor;
- will be *pari passu* in right of payment with all existing and future Debt of that Senior Secured Notes Guarantor that is not subordinated in right of payment to such Senior Secured Note Guarantee;
- will be senior in right of payment to all existing and future Debt of that Senior Secured Notes Guarantor that is subordinated in right of payment to such Senior Secured Note Guarantee;
- will be secured by senior Liens over the Senior Secured Notes Collateral, as described below under "—*Security;*" *provided* that the Revolving Credit Facility and certain priority Hedging Obligations will be

repaid with the proceeds from any enforcement of the Senior Secured Notes Collateral in priority to the Senior Secured Note Guarantee of that Senior Secured Notes Guarantor;

- will be effectively subordinated to any existing and future Debt of that Senior Secured Notes Guarantor that is secured by property or assets that do not secure the Senior Secured Notes, to the extent of the value of the property and assets securing such Debt;
- will be structurally subordinated to all obligations of that Senior Secured Notes Guarantor's Subsidiaries that are not Senior Secured Notes Guarantors; and
- will be contractually limited to reflect limitations under applicable law.

For the twelve months ended June 30, 2016 the group generated an EBITDA of €142.2 million. The Senior Secured Notes Guarantors generated approximately 88.0% of the group's EBITDA for that period. As of June 30, 2016 the group had consolidated total assets of €1,394.4 million. The Senior Secured Notes Guarantors held approximately 90.0% of the group's consolidated total assets as of that date.

Payments on the senior secured notes; paying agent, registrar and transfer agent for the senior secured notes

The Senior Secured Notes Issuer will maintain one or more paying agents (each, a "*Paying Agent*") for the Senior Secured Notes in a member state of the European Union that are not obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income, or any law implementing, or complying with or introduced in order to conform to, such directive. The initial Paying Agent is Citibank N. A., London Branch in London.

The Senior Secured Notes Issuer will also maintain one or more registrars (each, a "*Registrar*") and one or more transfer agents in a member state of the European Union. The initial Registrar is Citigroup Global Markets Deutschland AG. The initial transfer agent is Citibank N. A., London Branch. The Registrar will maintain a register reflecting ownership of Definitive Registered Senior Secured Notes (as defined herein) outstanding from time to time (the "*Register*") and will make payments on and facilitate transfer of Definitive Registered Senior Secured Notes on the behalf of the Senior Secured Notes Issuer.

The Senior Secured Notes Issuer may change the Paying Agent, the Registrar or the transfer agent without prior notice to the holders of Senior Secured Notes. For so long as the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, the Senior Secured Notes Issuer will publish a notice of any change of Paying Agent, Registrar or transfer agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules and regulations, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

No service charge will be made for any registration of a transfer, exchange or redemption of the Senior Secured Notes, but the Senior Secured Notes Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection with any such registration of transfer or exchange (but not for a redemption).

Form of senior secured notes

The Additional Senior Secured Notes were issued on the Completion Date only in fully registered form without coupons and only in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

Additional Senior Secured Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act ("*Rule 144A*") will initially be represented by a Global Note (as defined below) in registered form without interest coupons attached (the "*144A Global Note*"). The 144A Global Note will be deposited, on the Completion Date, with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream. Additional Senior Secured Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by a Global Note in registered form without interest coupons attached (the "*Regulation S Global Note*" and, together with the 144A Global Note, the "*Global Notes*"). The Regulation S Global Note will be deposited, on the Completion Date, with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream. Please see "*Book-Entry, Delivery and Form*".

Transfer and exchange

The Global Notes may be transferred in accordance with the Senior Secured Notes Indenture. Ownership of interests in the Global Notes (the "*Book-Entry Interests*") will be limited to Persons that have accounts with Euroclear or Clearstream or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Transfer Restrictions.*" In addition, transfers of Book-Entry Interests between participants in Euroclear or Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants. Book-Entry Interests in the 144A Global Note (the "*Restricted Book-Entry Interests*") may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Note (the "*Regulation S Book-Entry Interests*") only upon delivery by the transferor to the Registrar of a written certification (in the form provided in the Senior Secured Notes Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If definitive notes in registered form ("*Definitive Registered Senior Secured Notes*") are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates and other documentation required by the Senior Secured Notes Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Senior Secured Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Senior Secured Notes Indenture or as otherwise determined by the Senior Secured Notes Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Transfer Restrictions*."

Subject to the restrictions on transfer referred to above, Senior Secured Notes issued as Definitive Registered Senior Secured Notes may be transferred or exchanged, in whole or in part, in minimum denominations of € 100,000 in principal amount and integral multiples of €1,000 in excess thereof, to persons who take delivery thereof in the form of Definitive Registered Senior Secured Notes. In connection with any such transfer or exchange, the Senior Secured Notes Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, furnish certain certificates and opinions, and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any Taxes payable in connection with such transfer or exchange.

Notwithstanding the foregoing, the Senior Secured Notes Issuer is not required to register the transfer of any Definitive Registered Senior Secured Notes:

(a) for a period of 15 days prior to any date fixed for the redemption of the Senior Secured Notes;

(b) for a period of 15 days immediately prior to the date fixed for selection of Senior Secured Notes to be redeemed in part;

(c) for a period of 15 days prior to the record date with respect to any interest payment date; or

(d) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, Excess Proceeds Offer or Senior Secured Notes Offer.

The Senior Secured Notes will be subject to certain restrictions on transfer and certification requirements, as described under "*Transfer Restrictions.*"

Additional amounts

All payments made by or on behalf of the Senior Secured Notes Issuer under or with respect to the Senior Secured Notes or any of the Senior Secured Notes Guarantors with respect to any Senior Secured Note Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of (1) any jurisdiction in which the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor is then incorporated or organized, engaged in business for tax purposes or otherwise resident for tax purposes or any political subdivision or governmental authority thereof or therein or (2) any jurisdiction from or through which payment is made by or on behalf of the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor (including the jurisdiction of any paying agent for the Senior Secured Notes) or any political subdivision or governmental authority thereof or therein (each, a "*Tax Jurisdiction*") will at any time be required to be made from any payments made by or on behalf of the Senior Secured Notes Issuer under or with respect to the Senior Secured Notes or any of the Senior Secured Notes Guarantors with respect to any Senior Secured Note Guarantee, including, without limitation, payments of principal, redemption price, interest or premium, the Senior Secured Notes Issuer or the relevant Senior Secured Notes Guarantor, as applicable, will pay such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments by each holder of Senior Secured Notes after such withholding, deduction or imposition (including any such withholding, deduction or imposition from such Additional Amounts) will equal the respective amounts that would have been received by the holder in respect of such payments in the absence of such withholding or deduction; *provided*, *however*, that no Additional Amounts will be payable with respect to:

(a) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any actual or deemed present or former connection between the holder or the beneficial owner of the Senior Secured Notes (or between a fiduciary, settlor, beneficiary, partner of, member or shareholder of, or possessor of a power over, the relevant holder, if the relevant holder is an estate, trust, nominee, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction (including, without limitation, being or having been a resident, citizen or national of such jurisdiction or being or having been present or engaged in a trade or business there or having or having had a permanent establishment therein for Tax purposes), but excluding any connection arising merely from the holding of such Senior Secured Note, the enforcement of rights under such Senior Secured Note or under a Senior Secured Note Guarantee or the receipt of any payments in respect of such Senior Secured Note or a Senior Secured Note Guarantee;

(b) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Senior Secured Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period);

(c) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes, or excise taxes imposed on the transfer of Senior Secured Notes;

(d) any Taxes withheld, deducted or imposed on a payment to an individual that are required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of November 26 and 27, 2000 on the taxation of savings income, or any law implementing or complying with or introduced in order to conform to, such directive;

(e) Taxes imposed on or with respect to a payment made to a holder or beneficial owner of Senior Secured Notes who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union;

(f) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Senior Secured Notes or with respect to any Senior Secured Note Guarantee;

(g) any Taxes to the extent such Taxes are imposed or withheld by reason of the failure of the holder or beneficial owner of Senior Secured Notes, following the Senior Secured Notes Issuer's written request addressed to the holder or beneficial owner (and made at a time that would enable the holder or beneficial owner acting reasonably to comply with that request), to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or beneficial owner is legally entitled to provide such certification or documentation;

(h) any Taxes imposed on or with respect to any payment by the Senior Secured Notes Issuer or Senior Secured Notes Guarantor to the holder if such holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such holder been the sole beneficial owner of such Senior Secured Note;

(i) any Taxes payable under Sections 1471 through 1474 of the Code, as of the date of the offering memorandum relating to the offering of the Initial Existing Senior Secured Notes (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements (including any intergovernmental agreements) entered into pursuant thereto; or

(j) any combination of items (a) through (i) above.

In addition to the foregoing, the Senior Secured Notes Issuer and the Senior Secured Notes Guarantors will also pay and indemnify the holder for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and any other reasonable expenses related thereto) which are levied by any Tax Jurisdiction on the execution, delivery, issuance, initial resale, enforcement or registration of any of the Senior Secured Notes, the Senior Secured Notes Indenture, any Senior Secured Note Guarantee or any other document referred to therein (other than a transfer of Senior Secured Notes other than the initial resale by the relevant initial purchaser, if applicable), or the receipt of any payments with respect thereto (limited, solely in the case of Taxes attributable to the receipt of any payments with respect thereto, to any such Taxes imposed in a Tax Jurisdiction that are not excluded under clauses (a) through (e) or (g) through (i) above or any combination thereof), or any such taxes, charges or similar levies imposed by any jurisdiction as a result of, or in connection with, the enforcement of any of the Senior Secured Notes or any Senior Secured Note Guarantee.

If the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Senior Secured Notes or any Senior Secured Note Guarantee, each of the Senior Secured Notes Issuer or the relevant Senior Secured Notes Guarantor, as the case may be, will deliver to the Senior Secured Notes Trustee (copied to the Paying Agent) on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the Senior Secured Notes Issuer or the relevant Senior Secured Notes Guarantor shall notify the Senior Secured Notes Trustee promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificate(s) must also set forth any other information reasonably necessary to enable the paying agents to pay such Additional Amounts to holders on the relevant payment date. The Senior Secured Notes Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

The Senior Secured Notes Issuer or the relevant Senior Secured Notes Guarantor will make or cause to be made all withholdings and deductions required by law and will timely remit or cause to be remitted the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Senior Secured Notes Issuer or the relevant Senior Secured Notes Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Senior Secured Notes Issuer or the relevant Senior Secured Notes Guarantor will furnish to the Senior Secured Notes Trustee, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Senior Secured Notes Issuer or a Senior Secured Notes Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Senior Secured Notes Trustee) by such entity. If reasonably requested by the Senior Secured Notes Trustee or the Paying Agent, the Senior Secured Notes Issuer or the Senior Secured Notes Guarantors will provide to the Senior Secured Notes Trustee such information as may be in the possession of the Senior Secured Notes Issuer or the Senior Secured Notes Guarantors (and not otherwise in the possession of the Senior Secured Notes Trustee) to enable the Senior Secured Notes Trustee to determine the amount of withholding taxes attributable to any particular holder; *provided*, *however*, that in no event shall the Senior Secured Notes Issuer or the Senior Secured Notes Guarantors be required to disclose any information that it reasonably deems to be confidential. For the avoidance of doubt, in no event shall the Senior Secured Notes Trustee be required to determine the amount of withholding taxes attributable to any particular holder.

Whenever in the Senior Secured Notes Indenture or in this "*Description of the Senior Secured Notes*" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Senior Secured Notes or of principal, redemption or purchase prices in connection with a redemption or purchase of the Senior Secured Notes, interest or of any other amount payable under, or with respect to, any of the Senior Secured Notes or any Senior Secured Note Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Senior Secured Notes Indenture, any transfer by a holder or beneficial owner of its Senior Secured Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor is incorporated, engaged in business for tax purposes or resident for tax purposes or any jurisdiction from or through which such Person makes any payment on the Senior Secured Notes (or any Senior Secured Note Guarantee) and any department or political subdivision thereof or therein.

The senior secured note guarantees

The Additional Senior Secured Notes are guaranteed under the Senior Secured Notes Indenture by BARC NV, Biolille Société d'Exercice Libéral de Directeurs et Directeurs Adjoints en Laboratoire d'Analyse de Biologie Médicale, Bioréunion, Biotop Développement, Centre Biologique du Chemin Vert, Cefid SA, Cerba Selafa, CRI, LBS and LLAM SA as of the Completion Date. The Senior Secured Note Guarantees will be joint and several obligations of the Senior Secured Notes Guarantors.

Each of the Senior Secured Note Guarantees and the amounts recoverable thereunder will be contractually limited to the maximum amount that can be guaranteed by a particular Senior Secured Notes Guarantor without rendering its guarantee voidable or otherwise ineffective under applicable law, including laws relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally, or otherwise to reflect applicable laws, including laws relating to capital maintenance, corporate benefit and the liability of directors and officers. By virtue of these limitations, a Senior Secured Notes Guarantor's obligations under its Senior Secured Note Guarantee or any security interest granted by such Senior Secured Notes Guarantor, as applicable, could be significantly less than amounts payable in respect of the Senior Secured Notes. Other debt of such Senior Secured Notes Guarantor may not be similarly limited. See "*Risk Factors—Risks Related to the Notes—The Note Guarantees and the Security Interests over the Collateral may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability*".

The operations of the Senior Secured Notes Issuer are conducted through its Subsidiaries and, therefore the Senior Secured Notes Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Senior Secured Notes. Not all of the Senior Secured Notes Issuer's Subsidiaries guarantee the Senior Secured Notes. The Senior Secured Notes are effectively subordinated in right of payment to all Debt and other liabilities and commitments (including trade payables and lease obligations) of the Senior Secured Notes Issuer's non-guarantor Subsidiaries. Any right of the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor to receive assets of any of its non-guarantor Subsidiaries upon that non-guarantor Subsidiary's liquidation or reorganization (and the consequent right of the holders of the Senior Secured Notes to participate in those assets) will be effectively subordinated to the claims of that non-guarantor Subsidiary's creditors, except to the extent that the Senior Secured Notes Issuer or such Senior Secured Notes Guarantor is itself recognized as a creditor of the non-guarantor Subsidiary, in which case the claims of the Senior Secured Notes Issuer or such Senior Secured Notes Guarantor, as the case may be, would still be subordinated in right of payment to any security in the assets of the non-guarantor Subsidiary. See "*Risk Factors—Risks Related to Our Indebtedness—The Senior Secured Notes Issuer, the Senior Notes Issuer and certain of the Guarantors are holding companies that have no revenue generating operations of their own and will depend on cash from the operating companies of our group to be able to make payments on the Senior Secured Notes, the Senior Notes or their respective Note Guarantees.*" Pursuant to the Intercreditor Agreement, after an acceleration event in respect of the Senior Secured Notes, borrowings under the Revolving Credit Facility or other debt subject to the Intercreditor Agreement, neither the Senior Secured Notes Issuer nor the Senior Secured Notes Guarantors may make payments in respect of the Senior Secured Notes and the other debt subject to the Intercreditor Agreement (save for payments of certain agency or trustee fees, costs and expenses).

Release of the senior secured note guarantees

The Senior Secured Note Guarantees will be released:

(a) in connection with any sale, transfer or other disposition of all or substantially all of the assets of that Senior Secured Notes Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Senior Secured Notes Issuer or a Restricted Subsidiary, if the sale, transfer or other disposition does not violate the covenant described under "*—Certain Covenants—Limitation on Sale of Certain Assets*" below;

(b) in connection with any sale, transfer or other disposition of Capital Stock of that Senior Secured Notes Guarantor or any parent of that Senior Secured Notes Guarantor to a Person that is not (either before or after giving effect to such transaction) the Senior Secured Notes Issuer or a Restricted Subsidiary, if the sale, transfer or other disposition does not violate the covenant described under "*—Certain Covenants—Limitation on Sale of Certain Assets*" below and the Senior Secured Notes Guarantor ceases to be a Restricted Subsidiary as a result of the sale, transfer or other disposition;

(c) with respect to the Senior Secured Note Guarantee of any Senior Secured Notes Guarantor that was required to provide such Senior Secured Note Guarantee pursuant to the covenant described under the caption "*—Certain Covenants—Additional Guarantees*" upon such Senior Secured Notes Guarantor being unconditionally released and discharged from its liability with respect to the Debt giving rise to the requirement to provide such Senior Secured Note Guarantee so long as no other Debt guaranteed by the relevant Senior Secured Notes Guarantor would result in the requirement that such Senior Secured Notes Guarantor provide a Senior Secured Note Guarantee pursuant to the covenant described under the caption "*—Certain Covenants—Additional Guarantees*" immediately after the release of such Senior Secured Note Guarantee;

(d) upon the full and final payment and performance of all obligations of the Senior Secured Notes Issuer under the Senior Secured Notes Indenture and the Senior Secured Notes;

(e) in accordance with the caption entitled "*—Amendments and Waivers;*"

(f) as a result of a transaction permitted by the third and fourth paragraphs under the caption entitled "*—Certain Covenants—Consolidation, Merger and Sale of Assets;*"

(g) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Secured Notes Indenture as provided below under the captions "*—Legal Defeasance or Covenant Defeasance of Senior Secured Notes Indenture*" and "*—Satisfaction and Discharge;*"

(h) upon the sale of all the Capital Stock of, or all or substantially all of the assets of, that Senior Secured Notes Guarantor or any direct or indirect parent of that Senior Secured Notes Guarantor pursuant to a security enforcement sale in compliance with the Intercreditor Agreement and any Additional Intercreditor Agreement; and

(i) if the Senior Secured Notes Issuer designates any Restricted Subsidiary that is a Senior Secured Notes Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Senior Secured Notes Indenture.

Upon any occurrence giving rise to a release as specified above, the Senior Secured Notes Trustee will execute any documents reasonably requested in order to evidence or effect such release, discharge and termination in respect of such guarantee. Neither the Senior Secured Notes Issuer nor any Senior Secured Notes Guarantor will be required to make a notation on the Senior Secured Notes to reflect any such release, termination or discharge.

Security

General

The obligations of the Senior Secured Notes Issuer under the Senior Secured Notes and the obligations of the Senior Secured Notes Guarantors under their respective Senior Secured Note Guarantees will be secured by the Senior Secured Notes Collateral on a senior basis.

As of the Completion Date, the Senior Secured Notes Collateral (as defined below) includes pursuant to the Senior Secured Notes Indenture the following properties and assets of the Senior Secured Notes Issuer and the Senior Secured Notes Guarantors:

(a) a first-ranking pledge over the Capital Stock of each of the Senior Secured Notes Guarantors, as well as CSS and BARC Finance, in each case that are owned by the Senior Secured Notes Issuer or a Restricted Subsidiary;

(b) a first-ranking pledge over certain intercompany receivables and other obligations held by the Senior Secured Notes Issuer and each of the Senior Secured Notes Guarantors;

(c) a first-ranking pledge over certain bank accounts of the Senior Secured Notes Issuer and each of the Senior Secured Notes Guarantors; and

(d) a first-ranking pledge of the ongoing business (including intellectual property rights) (*nantissement de fonds de commerce*) of Cerba Selafa.

In addition, the Senior Secured Notes Collateral includes, as of the Completion Date, the following properties and assets of the Luxembourg Security Providers and Holdco:

(a) a first-ranking pledge over (i) the Capital Stock of the Senior Secured Notes Issuer and other debt and equity instruments issued by the Senior Secured Notes Issuer owned by Holdco; (ii) the Capital Stock of Holdco and other debt and equity instruments issued by Holdco owned by Luxco and (iii) the Capital Stock and other debt and equity instruments issued by Luxco owned by Top Luxco;

(b) a first-ranking pledge over certain bank accounts of Holdco and each of the Luxembourg Security Providers;

(c) a first-ranking pledge over certain intercompany receivables of (i) Holdco from the Senior Secured Notes Issuer and any of its Restricted Subsidiaries, (ii) Luxco from Holdco, the Senior Secured Notes Issuer and any of its Restricted Subsidiaries and (iii) Top Luxco from Luxco (including in respect of the Luxco Proceeds Loan).

On November 4, 2014, we completed the Roll-Over transactions contemplated by the Senior Secured Notes Indenture. Prior to the completion of such transactions, 77.8% of the Capital Stock of the Senior Secured Notes Issuer was held by Holdco and the remainder was held directly and indirectly by members of the Senior Secured Notes Issuer's executive board and certain other stockholders. Following the completion of the Roll-Over transactions, 100% of the Capital Stock of the Senior Secured Notes Issuer is held by Holdco (and pledged under the relevant share pledge agreement), 100% of the Capital Stock of Holdco is by Luxco (and pledged under the relevant share pledge agreement) and 100% of the Capital Stock of Luxco is held by Top Luxco (and pledged under the relevant share pledge agreement). Consequently, the call options with respect to the Capital Stock of the Senior Secured Notes Issuer no longer form part of the Senior Secured Notes Collateral. See "*Summary—Summary Corporate and Financing Structure*" and "*Principal Shareholders and Related Party Transactions*."

The Senior Secured Notes Collateral relating to rights, property and assets of Holdco is referred to herein as "*Holdco Security*" and the Senior Secured Notes Collateral relating to rights, property and assets owned by the Luxembourg Security Providers is referred to herein as the "*Luxco Security*" (the Luxco Security, together with Holdco Security, the "*Structural Security*").

The assets and property of the Luxembourg Security Providers, Holdco, the Senior Secured Notes Issuer and its Subsidiaries that are from time to time subject to, or required to be subject to, a Lien pursuant to the Security Documents are referred to as the "*Collateral*." The security and other agreements in respect of the Senior Secured Notes Collateral are referred to as the "*Security Documents*." The assets subject to the Structural Security form part of the Senior Secured Notes Collateral, and the instruments creating the Structural Security constitute "*Security Documents*."

The Senior Secured Notes Collateral will be contractually limited to reflect limitations under applicable law, including laws relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally, or other restrictions applicable to security providers, including laws relating to capital maintenance, corporate benefit and the liability of directors and officers.

The Liens securing the Senior Secured Notes and the Senior Secured Note Guarantees also secure the obligations of the Senior Secured Notes Issuer and the Senior Secured Notes Guarantors under the Revolving Credit Facility Agreement and certain hedging obligations on a *pari passu* basis. Pursuant to the terms of the Intercreditor Agreement, the obligations of the Senior Secured Notes Issuer and the Senior Secured Notes

Guarantors under the Revolving Credit Facility Agreement and certain hedging obligations will be entitled to receive payment from the proceeds of enforcement of the Security Documents prior to the Senior Secured Notes Trustee for the benefit of the holders of the Senior Secured Notes. In addition, under the Senior Secured Notes Indenture, the Senior Secured Notes Issuer and its Restricted Subsidiaries will be permitted to incur certain additional Debt in the future that may share in the Senior Secured Notes Collateral, including Debt with priority rights to proceeds from the enforcement of the Senior Secured Notes Collateral. The amount of such additional Debt will be limited by the covenants described under the captions "*—Certain Covenants—Limitation on Liens*" and "*—Certain Covenants—Limitation on Debt*." Under certain circumstances, the amount of such additional Debt that may share in the Senior Secured Notes Collateral could be significant.

Under the Security Documents, the Senior Secured Notes Collateral is pledged by the Senior Secured Notes Issuer, the Senior Secured Notes Guarantors, Holdco and the Luxembourg Security Providers to secure the payment when due of the Senior Secured Notes Issuer's and the Senior Secured Notes Guarantors', as applicable, payment obligations under the Senior Secured Notes, the Senior Secured Note Guarantees and the Senior Secured Notes Indenture. The Security Documents were entered into by, *inter alios*, the Security Agent or its nominee(s), who will act as Security Agent for the lenders under the Revolving Credit Facility Agreement, certain secured hedge counterparties, and for the Senior Secured Notes Trustee and the holders of Senior Secured Notes. The Security Documents governed by French law were also entered into by the beneficiaries of the security.

In certain jurisdictions, due to the laws and other jurisprudence governing the creation and perfection of security interests, the relevant Security Documents provide for the creation of "parallel debt" obligations in favor of the Security Agent, and the security interests in such jurisdictions secure the parallel debt (and not the Debt under the Senior Secured Notes, the Senior Secured Note Guarantees and the other secured obligations). The parallel debt construct has not been fully tested under law in certain of these jurisdictions. See "*Risk Factors—Risks Relating to the Notes—In certain jurisdictions, security over the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce the Collateral may be restricted by local law.*"

Each holder of Senior Secured Notes, by accepting a Senior Secured Note, shall be deemed (i) to have authorized the Senior Secured Notes Trustee to enter into the Intercreditor Agreement and the Security Agent to enter into the Security Documents and the Intercreditor Agreement and (ii) to be bound thereby. Each holder of Senior Secured Notes, by accepting a Senior Secured Note, appoints the Senior Secured Notes Trustee or the Security Agent, as the case may be, as its agent under the Intercreditor Agreement and the Security Documents and authorizes it to act as such.

The holders of the Senior Secured Notes are not a party to the Security Documents, and therefore holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The holders may only act through the Senior Secured Notes Trustee or the Security Agent (as creditor of the parallel debt, in respect of the Security Documents governed by French law), as applicable. The Security Agent will agree to any release of the security interests created by the Security Documents (the "*Security Interests*") that is in accordance with the Senior Secured Notes Indenture and the Intercreditor Agreement without requiring any consent of the holders. The Senior Secured Notes Trustee will have the ability to direct the Security Agent to commence enforcement action under the Security Documents in accordance with the Senior Secured Notes Indenture and the terms of the Intercreditor Agreement. See "*Description of Other Indebtedness—Intercreditor Agreement—Manner of Enforcement of Transaction Security.*"

Subject to the terms of the Security Documents and prior to enforcement of any such Senior Secured Notes Collateral, the Senior Secured Notes Issuer, the Senior Secured Notes Guarantors, Holdco and the Luxembourg Security Providers, as the case may be, have the right to remain in possession and retain exclusive control of the Senior Secured Notes Collateral securing the Senior Secured Notes and the Senior Secured Note Guarantees, to freely operate the Senior Secured Notes Collateral and to collect, invest and dispose of any income therefrom and, in respect of the shares that are part of the Senior Secured Notes Collateral, are entitled to exercise any and all voting rights and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting from stock splits or reclassifications, rights issue, warrants, options and other distributions (whether similar or dissimilar to the foregoing).

The value of the Senior Secured Notes Collateral securing the Senior Secured Notes and the Senior Secured Note Guarantees may not be sufficient to satisfy the Senior Secured Notes Issuer's and the Senior Secured Notes Guarantors' obligations under the Senior Secured Notes and the Senior Secured Note Guarantees, respectively, and the Senior Secured Notes Collateral securing the Senior Secured Notes and the Senior Secured Note

Guarantees may be reduced or diluted under certain circumstances, including the issuance of Additional Senior Secured Notes and the disposition of assets comprising the Senior Secured Notes Collateral, subject to the terms of the Senior Secured Notes Indenture. Please see "*Risk Factors—Additional Risks Related to the Senior Secured Notes—The value of the Senior Secured Notes Collateral securing the Senior Secured Notes may not be sufficient to satisfy our obligations under the Senior Secured Notes and such Senior Secured Notes Collateral may be reduced or diluted under certain circumstances*".

No appraisals of the Senior Secured Notes Collateral have been prepared by or on behalf of the Senior Secured Notes Issuer or the Senior Secured Notes Guarantors in connection with this Senior Secured Notes Offering. There can be no assurance that the proceeds of any sale of the Senior Secured Notes Collateral, in whole or in part, pursuant to the Senior Secured Notes Indenture, the Intercreditor Agreement and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Senior Secured Notes or the Senior Secured Note Guarantees. By its nature, some or all the Senior Secured Notes Collateral may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Senior Secured Notes Collateral would be sold in a timely manner or at all. See "*Risk Factors—Additional Risks Related to the Senior Secured Notes—Your ability to enforce the pledges over shares of our French laboratory companies will be limited by French law restrictions on the ownership of laboratory companies*."

The Security Documents are governed by the laws of France, Belgium and Luxembourg and provide that the rights with respect to the Senior Secured Notes and the Senior Secured Notes Indenture must be exercised by the Security Agent and in respect of the entire outstanding amount of the Senior Secured Notes. The term "*Security Interests*" refers to the Liens on the Senior Secured Notes Collateral.

Each of the Senior Secured Notes Issuer, the Senior Secured Notes Guarantors, Holdco and the Luxembourg Security Providers shall, and shall procure that each of their respective Subsidiaries, if any, shall, at their own expense, execute and do all such acts and things and provide such assurances as the Security Agent may require (i) for registering any Security Document relating to the Senior Secured Notes Collateral in any required register and for perfecting or protecting the security intended to be afforded by such Security Document relating to the Senior Secured Notes Collateral; and (ii) if such Security Document is enforced in accordance with the terms of the Senior Secured Notes Indenture, the relevant Security Document and the Intercreditor Agreement, for facilitating the realization of all or any part of the assets which are subject to such Security Document and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of the Senior Secured Notes Collateral. Each of the Senior Secured Notes Issuer, the Senior Secured Notes Guarantors, Holdco and the Luxembourg Security Providers shall, and shall procure that each of their respective Subsidiaries, if any, shall, execute such transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give such notices, orders and directions which the Security Agent may request.

Release of the security

The Senior Secured Notes Collateral will be released from the Liens over such Senior Secured Notes Collateral under any one or more of the following circumstances:

(a) in respect of the Senior Secured Notes Collateral other than the Structural Security, in connection with any sale, assignment, transfer, conveyance or other disposition of such property or assets to a Person that is not (either before or after giving effect to such transaction) the Senior Secured Notes Issuer or a Restricted Subsidiary, if the sale, transfer or other disposition does not violate the covenant described under "—*Certain Covenants—Limitation on Sale of Certain Assets*" below;

(b) in the case of a Senior Secured Notes Guarantor that is released from its Senior Secured Note Guarantee pursuant to the terms of the Senior Secured Notes Indenture, the release of the property and assets, and Capital Stock, of such Senior Secured Notes Guarantor;

(c) upon a release of the Lien (the "*Initial Lien*") that resulted in the creation of the Lien (the "*Senior Secured Notes Lien*") under the covenant described below under the caption "*—Certain Covenants—Limitation on Liens*" so long as immediately after the release of the Senior Secured Notes Lien there is no other Debt secured by a Lien on the property and assets that was the subject of the Initial Lien and Senior Secured Notes Lien that would result in the requirement for the Senior Secured Notes and the Senior Secured Note Guarantees to be secured equally and ratably with, or prior to (or junior in respect of certain obligations that are granted priority in accordance with clauses (b) and (d) of the definition of "Permitted Collateral Liens"), such Lien;

(d) upon the full and final payment and performance of all financial obligations of the Senior Secured Notes Issuer under the Senior Secured Notes Indenture and the Senior Secured Notes;

(e) in accordance with the caption entitled "*—Amendments and Waivers;*"

(f) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Secured Notes Indenture as provided below under the captions "*—Legal Defeasance or Covenant Defeasance of Senior Secured Notes Indenture*" and "*—Satisfaction and Discharge;*"

(g) in the case of a security enforcement sale in compliance with the Intercreditor Agreement and any Additional Intercreditor Agreement, the release of the property and assets subject to such enforcement sale;

(h) in respect of a release followed by an immediate retaking in accordance with the further proviso in the covenant described under "*—Certain Covenants—Impairment of Security Interest;*"

(i) with respect to all or part of the Structural Security only, as may be permitted by the covenant described under "*—Certain Covenants—Maintenance of Double LuxCo Structure;*"

(j) if the Senior Secured Notes Issuer designates any of its Restricted Subsidiaries to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Senior Secured Notes Indenture, the release of the property and assets, and Capital Stock, of such Restricted Subsidiary; or

(k) in respect of the Luxco Security (except in respect of any Issuer Proceeds Loan constituting Senior Secured Notes Collateral in accordance with clause (2)(p) of the "*Limitation on Debt*" covenant), upon a Change of Control (other than in the context of an enforcement of the Luxco Security not involving a release in accordance with clause (g) above).

Following written request by the Senior Secured Notes Issuer, the Security Agent and, if necessary, the Senior Secured Notes Trustee will take all necessary action required to effect any release of Collateral securing the Senior Secured Notes and the Senior Secured Note Guarantees, in accordance with the provisions of the Senior Secured Notes Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the holders or any action on the part of the Senior Secured Notes Trustee.

Optional redemption

Optional redemption of senior secured notes prior to February 1, 2016, upon equity offering

At any time prior to February 1, 2016, upon not less than 30 nor more than 60 days' written notice to holders of the Senior Secured Notes, the Senior Secured Notes Issuer may on any one or more occasions redeem up to 35% of the aggregate principal amount of the Senior Secured Notes issued under the Senior Secured Notes Indenture at a redemption price equal to 107.000% of the principal amount of the Senior Secured Notes being redeemed, in each case plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the redemption date (subject to the rights of holders of the Senior Secured Notes on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds from one or more Equity Offerings. The Senior Secured Notes Issuer may only do this, however, if:

(a) at least 65% of the aggregate principal amount of the Senior Secured Notes issued under the Senior Secured Notes Indenture (excluding Senior Secured Notes held by the Senior Secured Notes Issuer or any of its Subsidiaries) would remain outstanding immediately after the occurrence of such proposed redemption; and

(b) the redemption occurs within 90 days after the closing of such Equity Offering.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof, and any such redemption or notice may, at the Senior Secured Notes Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering, with such conditions precedent being stated in the notice to the holders of the Senior Secured Notes.

Optional redemption of senior secured notes prior to February 1, 2016

At any time prior to February 1, 2016, upon not less than 30 nor more than 60 days' written notice to holders of the Senior Secured Notes, the Senior Secured Notes Issuer may on any one or more occasions redeem all or part of the Senior Secured Notes, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Redemption Premium of the Senior Secured Notes plus accrued and unpaid interest on the Senior Secured Notes to, but not including, the redemption date. Any such redemption or notice may, at the Senior Secured Notes Issuer's discretion, be subject to one or more conditions precedent, with such conditions precedent being stated in the notice to the holders of the Senior Secured Notes.

Optional redemption of senior secured notes on or after February 1, 2016

At any time on or after February 1, 2016, and prior to maturity, upon not less than 30 nor more than 60 days' written notice to holders of the Senior Secured Notes, the Senior Secured Notes Issuer may on any one or more occasions redeem all or part of the Senior Secured Notes. These redemptions will be in amounts of €100,000 or integral multiples of €1,000 in excess thereof at the following redemption prices (expressed as percentages of their principal amount at maturity), plus accrued and unpaid interest, if any, to, but not including, the redemption date, if redeemed during the 12-month period commencing on February 1 of the years set forth below. This redemption is subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date.

Year	Senior Secured Notes redemption prices
2016	103.500%
2017	101.750%
2018 and thereafter	100.000%

Unless the Senior Secured Notes Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Senior Secured Notes or portion thereof called for redemption on the applicable redemption date. Any such redemption or notice may, at the Senior Secured Notes Issuer's discretion, be subject to one or more conditions precedent.

Tax redemption

The Senior Secured Notes Issuer may redeem the Senior Secured Notes, in whole but not in part, at the Senior Secured Notes Issuer's discretion at any time upon giving not less than 30 nor more than 60 days' prior written notice to the holders of the Senior Secured Notes (which notice will be irrevocable), at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Senior Secured Notes Issuer for redemption (a "*Tax Redemption Date*") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the Senior Secured Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Senior Secured Notes or any Senior Secured Note Guarantee, the Senior Secured Notes Issuer under or with respect to the Senior Secured Notes or any of the Senior Secured Notes Guarantors with respect to any Senior Secured Note Guarantee, as the case may be, is or would be required to pay Additional Amounts (but, in the case of the relevant Senior Secured Notes Guarantor, only if such amount cannot be paid by the Senior Secured Notes Issuer or another Senior Secured Notes Guarantor who can pay such amount without the obligation to pay Additional Amounts), and the Senior Secured Notes Issuer or Senior Secured Notes Guarantor, as applicable, cannot avoid any such payment obligation by taking reasonable measures available (including making payment through a paying agent located in another jurisdiction), and the requirement arises as a result of:

(a) any amendment to, or change in, the laws or treaties (or any regulations or rulings promulgated thereunder) of a relevant Tax Jurisdiction which change or amendment has not been publicly announced as formally proposed before and which becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date); or

(b) any amendment to, or change in, any existing official written interpretation or application of such laws, treaties, regulations or rulings (including by virtue of a holding, judgment, order by a court of competent jurisdiction or a change in published administrative practice) which amendment or change has not been publicly announced as formally proposed before and which becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date) (each of the foregoing clauses (a) and (b), a "*Change in Tax Law*").

The Senior Secured Notes Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Senior Secured Notes Issuer or the Senior Secured Notes Guarantor, as applicable, would be obligated to make such payment or withholding if a payment in respect of the Senior Secured Notes was then due, and the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the Senior Secured Notes pursuant to the foregoing, the Senior Secured Notes Issuer will deliver to the Senior Secured Notes Trustee an opinion of independent tax counsel (the choice of such counsel to be subject to the prior written approval of the Senior Secured Notes Trustee (such approval not to be unreasonably withheld)) to the effect that there has been such amendment or change which would entitle the Senior Secured Notes Issuer to redeem the Senior Secured Notes pursuant to the terms of the Senior Secured Notes Indenture. In addition, before the Senior Secured Notes Issuer publishes or mails notice of redemption of the Senior Secured Notes as described above, it will deliver to the Senior Secured Notes Trustee an Officer's Certificate to the effect that it cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it and that it is entitled to redeem such Senior Secured Notes pursuant to the their terms.

The Senior Secured Notes Trustee will accept and shall be entitled to rely on such Officer's Certificate and opinion of counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders of the Senior Secured Notes.

The foregoing provisions shall apply (a) to a Senior Secured Notes Guarantor only after such Senior Secured Notes Guarantor has become obligated to make at least one payment on the Senior Secured Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Senior Secured Notes Indenture, with respect to a Change in Tax Law occurring on or after the date on which such successor Person becomes a party to the Senior Secured Notes Indenture.

Sinking fund; offers to purchase; open market purchases

The Senior Secured Notes Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Senior Secured Notes. However, under certain circumstances, the Senior Secured Notes Issuer may be required to offer to purchase the Senior Secured Notes as described under the captions "—*Purchase of Senior Secured Notes upon a Change of Control*" and "*—Certain Covenants—Limitation on Sale of Certain Assets.*" The Senior Secured Notes Issuer and any Restricted Subsidiary may at any time and from time to time purchase Senior Secured Notes in the open market or otherwise.

Purchase of senior secured notes upon a change of control

If a Change of Control (as defined below) occurs at any time, then the Senior Secured Notes Issuer must make an offer (a "*Change of Control Offer*") to each holder of Senior Secured Notes to repurchase all or any part (equal to €100,000 or in integral multiples of €1,000 in excess thereof) of such holder's Senior Secured Notes, at a purchase price (the "*Change of Control Purchase Price*") in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the date of purchase (the "*Change of Control Purchase Date*") (subject to the rights of holders of record on relevant regular record dates that are prior to the Change of Control Purchase Date to receive interest due on an interest payment date). Purchases made under a Change of Control Offer will also be subject to other procedures set forth in the Senior Secured Notes Indenture.

Unless the Senior Secured Notes Issuer has unconditionally exercised its right to redeem all the Senior Secured Notes in accordance with the Senior Secured Notes Indenture and all conditions to such redemption have been satisfied or waived, within 30 days following any Change of Control, the Senior Secured Notes Issuer will deliver a notice to each holder of the Senior Secured Notes at such holder's registered address or otherwise deliver a notice in accordance with the procedures described under "*—Selection and Notice,*" stating that a Change of Control Offer is being made and offering to repurchase Senior Secured Notes on the Change of Control Purchase Date, and the notice will state:

(a) that a Change of Control has occurred, and the date it occurred and offering to purchase the Senior Secured Notes on the date specified in the notice;

(b) the circumstances and relevant facts and financial information regarding the transaction or transactions that constitute a Change of Control;

(c) the Change of Control Purchase Price and the Change of Control Purchase Date, which will be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act and any applicable securities laws or regulations;

(d) that any Senior Secured Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Purchase Date unless the Change of Control Purchase Price is not paid;

(e) that any Senior Secured Note (or part thereof) not tendered will continue to accrue interest; and

(f) any other procedures that a holder of Senior Secured Notes must follow to accept a Change of Control Offer or to withdraw such acceptance.

An agent of the Senior Secured Notes Issuer (expected to be the Paying Agent) will at the written direction of the Senior Secured Notes Issuer promptly mail (or cause to be delivered) to each holder of Senior Secured Notes properly tendered the Change of Control Purchase Price for such Senior Secured Notes. The Senior Secured Notes Trustee (or the authenticating agent appointed by it) will promptly authenticate and deliver (or cause to be transferred by book-entry) to each holder a new Note or Senior Secured Notes equal in principal amount to any unpurchased portion of Senior Secured Notes surrendered, if any, to the holder of Senior Secured Notes in global form or to each holder of certificated Senior Secured Notes; *provided* that each new Note will be in a principal amount of € 100,000 or in integral multiples of €1,000 in excess thereof. The Senior Secured Notes Issuer will publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

The ability of the Senior Secured Notes Issuer to repurchase Senior Secured Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that would constitute a Change of Control could trigger a mandatory repayment and cancellation of the Revolving Credit Facility Agreement. In addition, certain events that may constitute a change of control under the Revolving Credit Facility Agreement may not constitute a Change of Control under the Senior Secured Notes Indenture. The Senior Secured Notes Issuer's future indebtedness and the future indebtedness of its Subsidiaries may also require such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of the Senior Secured Notes of their right to require a repurchase of the Senior Secured Notes upon a Change of Control could cause a default under such indebtedness, even if the Change of Control itself does not, due to the possible financial effect on the Senior Secured Notes Issuer of such repurchase.

If a Change of Control Offer is made, the Senior Secured Notes Issuer cannot provide any assurance that it will have available funds sufficient to pay the Change of Control Purchase Price for all the Senior Secured Notes that might be delivered by holders of the Senior Secured Notes seeking to accept the Change of Control Offer. If the Senior Secured Notes Issuer fails to make or consummate a Change of Control Offer or pay the Change of Control Purchase Price when due, such failure would result in an Event of Default and would give the Senior Secured Notes Trustee and the holders of the Senior Secured Notes the rights described under "*—Events of Default.*"

Even if sufficient funds were otherwise available, the terms of the other indebtedness of the Senior Secured Notes Issuer and its subsidiaries may prohibit the prepayment of the Senior Secured Notes prior to their scheduled maturity. The Revolving Credit Facility includes a covenant restricting the Senior Secured Notes Issuer from offering to purchase the Senior Secured Notes if a pro forma leverage ratio is not met or a default would occur under the Revolving Credit Facility Agreement unless such purchase of the Senior Secured Notes is funded with the cash proceeds of the issuance of shares by the Senior Secured Notes Issuer or the contributions to the Senior Secured Notes Issuer's equity capital. If the Senior Secured Notes Issuer was so prohibited from conducting a Change of Control Offer and not able to prepay any indebtedness containing any such restrictions or obtain requisite consents, the Senior Secured Notes Issuer would be unable to fulfill its repurchase obligations to holders of the Senior Secured Notes who exercise their right to redeem their Senior Secured Notes following a Change of Control, which would cause a Default or Event of Default under the Senior Secured Notes Indenture. A Default or Event of Default under the Senior Secured Notes Indenture, unless waived by holders of the Senior Secured Notes, could result in a cross-default under certain of the financing arrangements described under "*Description of Certain Other Indebtedness.*"

The Change of Control purchase feature of the Senior Secured Notes may in certain circumstances make more difficult or discourage a sale or takeover of the Senior Secured Notes Issuer and, thus, the removal of incumbent management. The Senior Secured Notes Issuer has no present intention to engage in a transaction involving a Change of Control, although it is possible that the Senior Secured Notes Issuer could decide to do so in the future. Subject to limitations discussed below, the Senior Secured Notes Issuer could, in the future, enter into certain transactions, including acquisitions, refinancing or other recapitalizations, that would not constitute a Change of Control under the Senior Secured Notes Indenture, but that could increase the amount of Debt outstanding at such time or otherwise affect the Senior Secured Notes Issuer's capital structure or credit ratings. Restrictions on the Senior Secured Notes Issuer's ability to incur additional Debt are contained in the covenants described below under "*—Certain Covenants—Limitation on Debt*" and "*—Limitation on Liens.*" Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the Senior Secured Notes then outstanding (subject to the provisions described under "*—Amendments and Waivers*"). Except for the limitations contained in such covenants, however, the provisions of the Senior Secured Notes Indenture will not require the Senior Secured Notes Issuer to make a Change of Control Offer in the event of certain highly leveraged transactions, or certain other transactions, including a reorganization, restructuring, merger or similar transaction that may adversely affect holders of the Senior Secured Notes, if such transaction is not a transaction defined as a Change of Control.

The Senior Secured Notes Issuer will not be required to make a Change of Control Offer if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Senior Secured Notes Indenture applicable to a Change of Control Offer made by the Senior Secured Notes Issuer and purchases all Senior Secured Notes validly tendered and not withdrawn under such Change of Control Offer or (2) a notice of redemption has been given pursuant to the Senior Secured Notes Indenture as described above under the caption "*—Optional Redemption*," unless and until there is a default in payment of the applicable redemption price. The Change of Control provisions described above will be applicable whether or not any other provisions of the Senior Secured Notes Indenture are applicable. Any such transaction, however, would have to comply with the applicable provisions of the Senior Secured Notes Indenture, including the "*—Limitation on Debt*" covenant.

Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Senior Secured Notes Issuer will comply with the requirements of applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Senior Secured Notes Indenture, the Senior Secured Notes Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached their obligations under the Senior Secured Notes Indenture by virtue of such conflict.

"*Change of Control*" means the occurrence of any of the following events:

(a) the Senior Secured Notes Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Senior Secured Notes Issuer (or any successor entity permitted by the covenant described under the caption "*—Certain Covenants—Consolidation, Merger and Sale of Assets*"); *provided* that, for the purposes of this clause, (x) no Change of Control shall be deemed to occur by reason of the Senior Secured Notes Issuer becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the "beneficial owner" (as so defined) shall not be included in any Voting Stock of which any such person or group is the "beneficial owner" (as so defined), unless that person or group is not an affiliate of a Permitted Holder and has the sole voting power with respect to that Voting Stock;

(b) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Senior Secured Notes Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than or one or more Permitted Holders; or

(c) the Senior Secured Notes Issuer is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction that complies with the provisions described under the caption "*—Certain Covenants—Consolidation, Merger and Sale of Assets.*"

The provisions under the Senior Secured Notes Indenture relating to the Senior Secured Notes Issuer's obligation to make an offer to repurchase the Senior Secured Notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in principal amount of the Senior Secured Notes if made prior to the occurrence of the Change of Control.

If and for so long as the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, the Senior Secured Notes Issuer will publish notices relating to a Change of Control Offer on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Selection and notice

If fewer than all the Senior Secured Notes are to be redeemed at any time, the Senior Secured Notes Trustee or the Registrar will select the Senior Secured Notes for redemption by a method that complies with the requirements, as certified to the Senior Secured Notes Trustee and the Registrar by the Senior Secured Notes Issuer, of the principal securities exchange, if any, on which the Senior Secured Notes are listed at such time or, if the Senior Secured Notes are not listed on a securities exchange, *pro rata*, by a pool factor or by such other method as the Senior Secured Notes Trustee or the Registrar in its sole discretion shall deem fair and appropriate unless otherwise required by law; *provided*, *however*, that no such partial redemption shall reduce the portion of the principal amount of a Senior Secured Note not redeemed to less than €100,000. Neither the Senior Secured Notes Trustee nor the Registrar shall be liable for any selections made by it in accordance with this paragraph.

No Senior Secured Notes of €100,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of Senior Secured Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Senior Secured Notes or a satisfaction and discharge of the Senior Secured Notes Indenture.

If any Senior Secured Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. While the Senior Secured Notes are held in certificated form, a new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Senior Secured Notes upon cancellation of the original Note. Senior Secured Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior Secured Notes or portions of Senior Secured Notes redeemed.

For Senior Secured Notes which are represented by global certificates held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant Senior Secured Notes shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules and regulations, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and, in connection with any redemption, the Senior Secured Notes Issuer will notify the Luxembourg Stock Exchange of any change in the principal amount of Senior Secured Notes outstanding.

Suspension of certain covenants when senior secured notes rated investment grade

If on any date following the Issue Date, the Senior Secured Notes attain an Investment Grade Rating from both of the Rating Agencies and no Default or Event of Default has occurred and is continuing under the Senior Secured Notes Indenture (a "*Suspension Event*"), beginning on the day of the Suspension Event and continuing until such time (the "*Suspension Period*"), if any, at which the Senior Secured Notes cease to have an Investment Grade Rating from each Rating Agency (the "*Reversion Date*"), the covenants summarized under the following captions will not apply to the Senior Secured Notes and any related default provisions of the Senior Secured Notes Indenture will cease to be effective and will not be applicable to the Senior Secured Notes Issuer and its Restricted Subsidiaries:

(1) "—Certain Covenants—Limitation on Debt;"

(2) "—Certain Covenants—Limitation on Restricted Payments;"

(3) "—Certain Covenants—Limitation on Transactions with Affiliates;"

(4) "—Certain Covenants—Limitation on Sale of Certain Assets;"

(5) "—Certain Covenants—Additional Guarantees;"

(6) "—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries;"

(7) "—Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries;" and

(8) "—Certain Covenants—Consolidation, Merger and Sale of Assets" (but only clause (c) of the first paragraph of such covenant).

Such covenants and any related default provisions will again apply according to their terms on and after the Reversion Date. Such covenants will not, however, be of any effect with regard to actions of the Senior Secured Notes Issuer or the Restricted Subsidiaries properly taken during the Suspension Period, and the "*—Certain Covenants—Limitation on Restricted Payments*" covenant will be interpreted as if it had been in effect since the Issue Date, except that no default will be deemed to have occurred solely by reason of a Restricted Payment made during the Suspension Period. On the Reversion Date, all Debt incurred during the continuance of the Suspension Period will be classified as having been incurred pursuant to clause (2)(d) of the covenant described under *"—Certain Covenants—Limitation on Debt."* Any transactions prohibited by the covenant described under "*—Certain Covenants—Limitation on Transactions with Affiliates*" entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (c) of the second paragraph of the covenant described under *"—Certain Covenants—Limitation on Transactions with Affiliates."* Any encumbrance or restriction on the ability of any Restricted Subsidiary to take any action described in clauses (a) through (d) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (2)(c) of the covenant described under *"—Certain Covenants—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries."* No Subsidiary of the Senior Secured Notes Issuer shall be required to comply with the covenant described under "*—Certain Covenants—Additional Guarantees*" after such reinstatement with respect to any guarantee entered into by such Subsidiary during any Suspension Period. Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero.

Upon the occurrence of a Suspension Event, the Senior Secured Notes Issuer will send written notice to the Senior Secured Notes Trustee.

Certain covenants

Limitation on debt

(1) The Senior Secured Notes Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually or collectively, to "*incur*" or, as appropriate, an "*incurrence*"), any Debt (including Acquired

Debt); *provided, however*, the Senior Secured Notes Issuer and any Senior Secured Notes Guarantor will be permitted to incur Debt (including Acquired Debt) if:

(a) after giving effect to the incurrence of such Debt and the application of the proceeds thereof, on a pro forma basis, the Consolidated Fixed Charge Coverage Ratio of the Senior Secured Notes Issuer for the four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Debt, taken as one period, would have been at least 2.0 to 1.0; and

(b) in the case of Senior Secured Debt, after giving effect to the incurrence of such Senior Secured Debt and the application of the proceeds thereof, on a pro forma basis, the Consolidated Senior Secured Leverage Ratio of the Senior Secured Notes Issuer for the four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Debt, taken as one period, would have been no greater than (i) 4.5 to 1.0 and (ii) if such Senior Secured Debt is incurred in connection with or after the occurrence of a Significant Acquisition by the Senior Secured Notes Issuer or any of its Restricted Subsidiaries, 4.0 to 1.0.

(2) The first paragraph of this covenant will not, however, prohibit the following (collectively, "*Permitted Debt*"):

(a) the incurrence by the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor of Debt under Credit Facilities in an aggregate principal amount at any time outstanding not to exceed the greater of (i) €50.0 million and (ii) 65% of Consolidated EBITDA of the Senior Secured Notes Issuer, determined on a pro forma basis (including pro forma application of the proceeds thereof) as per the most recent four fiscal quarters for which financial statements are available immediately preceding the incurrence of such Debt *plus*, in the case of any refinancing of any Debt permitted under this clause (a) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing, *less* the aggregate amount of all Net Cash Proceeds of Asset Sales applied by the Senior Secured Notes Issuer or any Restricted Subsidiary since the Issue Date to permanently repay any Debt under a Credit Facility and effect a corresponding commitment reduction thereunder pursuant to the covenant described below under the caption "*—Limitation on Sale of Certain Assets*"; *provided, however*, that in no event shall such reduction reduce the availability under this clause (2)(a) to less than €30.0 million;

(b) the incurrence by the Senior Secured Notes Issuer and the Senior Secured Notes Guarantors of Debt represented by the Senior Secured Notes and the related Senior Secured Note Guarantees issued on the Issue Date and any "parallel debt" obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;

(c) the incurrence by the Senior Secured Notes Issuer or any Restricted Subsidiary of intercompany Debt between the Senior Secured Notes Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries; *provided* that:

(i) if the Senior Secured Notes Issuer or a Senior Secured Notes Guarantor is the obligor on any such Debt and the payee is not the Senior Secured Notes Issuer or a Senior Secured Notes Guarantor, such Debt is unsecured and expressly subordinated to the prior payment in full in cash of all obligations with respect to the Senior Secured Notes, in the case of the Senior Secured Notes Issuer, or the Senior Secured Note Guarantee, in the case of a Senior Secured Notes Guarantor (A) except in respect of Working Capital Intercompany Loans and (B) only to the extent legally permitted (the Senior Secured Notes Issuer and the Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Debt); and

(ii) (A) any disposition, pledge or transfer of any such Debt to a Person (other than a disposition, pledge or transfer to the Senior Secured Notes Issuer or a Restricted Subsidiary) and (B) any transaction pursuant to which any Restricted Subsidiary that has Debt owing by the Senior Secured Notes Issuer or another Restricted Subsidiary ceases to be a Restricted Subsidiary, will, in each case, be deemed to be an incurrence of such Debt not permitted by this clause (c);

(d) any Debt of the Senior Secured Notes Issuer or any Restricted Subsidiary (other than Debt described in clauses (a) and (b) of this paragraph) outstanding on the Issue Date after giving effect to the Transactions on the Issue Date;

(e) guarantees of the Senior Secured Notes Issuer's Debt or Debt of any Restricted Subsidiary by the Senior Secured Notes Issuer or any Restricted Subsidiary; *provided* that (i) the incurrence of the Debt being guaranteed was permitted by another provision of this covenant and (ii) if the Debt being guaranteed is subordinated to the Senior Secured Notes or to a Senior Secured Note Guarantee then such guarantee must be subordinated to the same extent as the Debt being guaranteed;

(f) the incurrence by the Senior Secured Notes Issuer or any Restricted Subsidiary of Debt arising from customary agreements providing for guarantees, indemnities or obligations in respect of earn-outs or other purchase price adjustments or, in each case, similar obligations, in connection with the acquisition or disposition of any business or assets or Person or any shares of Capital Stock of a Subsidiary, other than guarantees or similar credit support given by the Senior Secured Notes Issuer or any Restricted Subsidiary of Debt incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Debt permitted pursuant to this clause (f) will at no time exceed the net proceeds, including the Fair Market Value of non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received from such disposition;

(g) the incurrence by the Senior Secured Notes Issuer or any Restricted Subsidiary of Debt under Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements, in each case entered into not for speculative purposes (as determined in good faith by the board of directors or a member of senior management of the Senior Secured Notes Issuer) (collectively, "*Hedging Obligations*");

(h) the incurrence by the Senior Secured Notes Issuer or any of the Restricted Subsidiaries of Debt in the form of customer deposits and advance payments received in the ordinary course of business from customers for services purchased in the ordinary course of business;

(i) [Intentionally omitted];

(j) the incurrence by the Senior Secured Notes Issuer or any Restricted Subsidiary of Debt in respect of workers' compensation and claims arising under similar legislation, captive insurance companies, or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances or credit;

(k) the incurrence by the Senior Secured Notes Issuer or any Restricted Subsidiary of Debt arising from (i) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; *provided* that such Debt is extinguished within 30 days of incurrence, (ii) bankers' acceptances, performance, surety, judgment, appeal or similar bonds, warranties, or similar instruments or obligations, (iii) completion guarantees or performance or appeal bonds provided or letters of credit obtained by the Senior Secured Notes Issuer or any Restricted Subsidiary in the ordinary course of business, (iv) VAT or other tax guarantees in the ordinary course of business, (v) self-insurance obligations or captive insurance company obligations or the financing of insurance premiums in the ordinary course of business and (vi) any customary cash management, cash pooling or netting or setting-off arrangements;

(l) Debt of any Person incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Senior Secured Notes Issuer or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Senior Secured Notes Issuer or any Restricted Subsidiary (other than Debt incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Senior Secured Notes Issuer or a Restricted Subsidiary or that was otherwise incurred in connection with or contemplation of such acquisition); *provided*, *however*, that at the time of such acquisition or other transaction pursuant to which such Debt is deemed to be incurred, (x) the Senior Secured Notes Issuer could incur at least €1.00 of additional Debt under the clause (1)(a) of this covenant after giving *pro forma* effect to such acquisition or other transaction or (y) the Consolidated Fixed Charge Coverage Ratio of the Senior Secured Notes Issuer would not be less than it was immediately prior to giving effect to such acquisition or other transaction;

(m) the incurrence by the Senior Secured Notes Issuer or any Restricted Subsidiary of Permitted Refinancing Debt incurred to renew, refund, replace, refinance, defease or discharge Debt incurred by it pursuant to, or described in, paragraph (1) or clause (2)(b), (2)(d) (including, in the case of (2)(d), any Debt that renews, refunds, replaces (whether upon or after termination or otherwise) or refinances any such Debt that has been repaid, prepaid, purchased, repurchased, redeemed, defeased or otherwise extinguished, in whole or in part), (2)(l) or this (2)(m) of this covenant, as the case may be;

(n) Contribution Debt;

(o) the incurrence by the Senior Secured Notes Issuer or any Restricted Subsidiary of Debt represented by guarantees of any Management Advances;

(p) any guarantees by the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor of Parent Debt, the proceeds of which have been lent to the Senior Secured Notes Issuer pursuant to an Issuer Proceeds Loan, *provided* that such Issuer Proceeds Loan has been incurred in compliance with clause (1) or (2) of this covenant other than this clause (2)(p), and such guarantees are subordinated to the Senior Secured Notes and the Senior Secured Note Guarantees, as applicable, pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement; *provided further* that such Issuer Proceeds Loan is pledged to secure the Senior Secured Notes and the Senior Secured Note Guarantees on a senior basis in accordance in the Intercreditor Agreement and any Additional Intercreditor Agreement; or

(q) (i) the incurrence by the Senior Secured Notes Issuer or any Restricted Subsidiary of Debt represented by Capitalized Lease Obligations, Purchase Money Obligations, mortgage financings or other Debt, in each case, incurred in connection with the financing of all or any part of the purchase price, lease expense, rental payments or cost of design, construction, installation or improvement of property, (real or personal) plant or equipment used in a Permitted Business of the Senior Secured Notes Issuer and the Restricted Subsidiaries, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Debt incurred to renew, refund, replace, refinance, defease or discharge any Debt incurred pursuant to this clause (q)(i) and (ii) the incurrence by the Senior Secured Notes Issuer or any Restricted Subsidiary of Debt (other than and in addition to Debt permitted under clauses (a) through (p) above) in an aggregate principal amount at any one time outstanding, including all Permitted Refinancing Debt incurred to renew, refund, replace, refinance, defease or discharge any Debt incurred pursuant to this clause (q)(ii), in an aggregate amount for (i) and (ii) not to exceed the greater of (A) €35.0 million and (B) 4.0% of Total Assets; *provided* that no Debt in excess of (x) €20.0 million or (y) after the occurrence of a Significant Acquisition by a Permitted Acquirer, €30.0 million, at any one time outstanding may be incurred pursuant to clause (q)(ii) by a Restricted Subsidiary that is not a Senior Secured Notes Guarantor.

(3) Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Debt, the payment of dividends on Preferred Stock or Redeemable Capital Stock in the form of additional shares of Preferred Stock or Redeemable

Capital Stock or the reclassification of commitments or obligations not treated as Debt due to a change in IFRS will not be deemed to be an incurrence of Debt for purposes of this covenant. For purposes of determining compliance with any restriction on the incurrence of Debt in euro where Debt is denominated in a different currency, the amount of such Debt will be the Euro Equivalent determined on the date of such determination; *provided* that if any such Debt denominated in a different currency is subject to a Currency Agreement (with respect to euro) covering principal amounts payable on such Debt, the amount of such Debt expressed in euro will be adjusted to take into account the effect of such Currency Agreement. The principal amount of any refinancing Debt incurred in the same currency as the Debt being refinanced will be the Euro Equivalent of the Debt refinanced determined on the date such Debt being refinanced was initially incurred, except to the extent that such Euro Equivalent was determined based on a Currency Agreement (with respect to euro), in which case, the amount of such refinancing Debt will be adjusted to take into account the effect of such Currency Agreement. Notwithstanding any other provision of this covenant, for purposes of determining compliance with this "*—Limitation on Debt*" covenant, increases in Debt solely due to fluctuations in the exchange rates of currencies or currency values will not be deemed to exceed the maximum amount that the Senior Secured Notes Issuer or a Restricted Subsidiary may incur under the "*—Limitation on Debt*" covenant.

(4) For purposes of determining any particular amount of Debt under this "*—Limitation on Debt*" covenant (a) obligations with respect to letters of credit, guarantees or Liens, in each case supporting Debt otherwise included in the determination of such particular amount will not be included and (b) any Liens granted pursuant to the equal and ratable provisions referred to in the "*—Certain Covenants— Limitation on Liens*" covenant will not be treated as Debt.

(5) For the purposes of determining "Consolidated EBITDA" under clause (2)(a)(ii) of this covenant, *pro forma* effect shall be given to Consolidated EBITDA on the same basis as for calculating the Consolidated Fixed Charge Coverage Ratio of the Senior Secured Notes Issuer and Consolidated EBITDA shall be measured as at the time that the Senior Secured Notes Issuer or the Senior Secured Notes Guarantor obtains new commitments (in the case of revolving facilities) or incurs new Indebtedness (in the case of term facilities).

(6) The amount of any Debt outstanding as of any date will be:

(a) in the case of any Debt issued with original issue discount, the accreted value of such Debt and in the case of pay-in-kind Debt, the amount of such Debt shall include any interest paid in the form of additional Debt;

(b) the principal amount of the Debt or the liquidation preference thereof, as applicable, in the case of any other Debt determined in accordance with IFRS; and

(c) in respect of Debt of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(i) the Fair Market Value of such assets at the date of determination; and

(ii) the amount of the Debt of the other Person.

(7) If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Debt of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary as of such date (and, if such Debt is not permitted to be incurred as of such date under this "*—Limitation on Debt*" covenant, the Restricted Subsidiary shall be in Default of this covenant).

(8) In the event that an item of Debt meets the criteria of more than one of the types of Debt described in clauses (2)(a) through (q) of this covenant or is entitled to be incurred pursuant to clause (1) of this "*—Limitation on Debt*" covenant, the Senior Secured Notes Issuer, in its sole discretion, will be permitted to classify items of Debt on the date of its incurrence and will only be required to include the amount and type of such Debt in one of such clauses or paragraphs, and the Senior Secured Notes Issuer will be entitled to divide and classify an item of Debt in more than one of the types of Debt described in clauses (1) and (2) of this covenant, and may change the classification of an item of Debt (or any portion thereof) to any other type of Debt described in this "*—Limitation on Debt*" covenant at any time; *provided* that Debt incurred pursuant to clause (2)(a) above may not be reclassified. Debt under the Revolving Credit Facility incurred or outstanding on the Issue Date will be deemed to have been incurred on such date in reliance of the exception provided in clause (2)(a) above.

Limitation on restricted payments

(1) The Senior Secured Notes Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions (each of which is a "*Restricted Payment*" and which are collectively referred to as "*Restricted Payments*"):

(a) declare or pay any dividend on or make any other payment or distribution (whether made in cash, securities or other property) with respect to any of the Senior Secured Notes Issuer's or any Restricted Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger or consolidation involving the Senior Secured Notes Issuer or any Restricted Subsidiary), to the direct or indirect holders of the Senior Secured Notes Issuer's or any Restricted Subsidiary's Capital Stock (including any Parent Company or any Management Investment Company) in their capacity as holders (other than (i) to the Senior Secured Notes Issuer or any Restricted Subsidiary, (ii) for dividends or distributions payable solely in Qualified Capital Stock of the Senior Secured Notes Issuer, Capital Stock of any Parent Company or any Management Investment Company or in Deeply Subordinated Funding or Management Proceeds Funding, or (iii) to all holders of Capital Stock of a Restricted Subsidiary on a *pro rata* basis (where applicable, in accordance with their economic rights pursuant to the relevant Stockholders Documents) or on a basis that results in the receipt by the Senior Secured Notes Issuer or a Restricted Subsidiary of dividends or distributions of greater value than the Senior Secured Notes Issuer or such Restricted Subsidiary would have received on such *pro rata* basis;

(b) purchase, repurchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation), directly or indirectly, any Capital Stock of the Senior Secured Notes Issuer or of any Parent Company held by persons other than the Senior Secured Notes Issuer or a Restricted Subsidiary or any securities exchangeable or convertible into any shares of such Capital Stock or any options, warrants or other rights to acquire such shares of Capital Stock;

(c) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value any Debt of the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor that is Subordinated Debt (excluding any intercompany Debt between or among the Senior Secured Notes Issuer and any Restricted Subsidiary), except (i) a payment of interest or principal at the Stated Maturity thereof or (ii) the purchase, repurchase or other acquisition of Debt purchased in anticipation of satisfying a scheduled sinking fund obligation, principal installment or scheduled maturity, in each case, due within one year of the date of such purchase, repurchase or other acquisition;

(d) make any cash interest payment or principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, any Deeply Subordinated Funding, Management Proceeds Funding or Existing Management Vendor Loans; or

(e) make any Investment (other than any Permitted Investment) in any Person.

(2) Notwithstanding the foregoing, the Senior Secured Notes Issuer or any Restricted Subsidiary may make a Restricted Payment if, at the time of and after giving *pro forma* effect to such proposed Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(b) the Senior Secured Notes Issuer could incur at least €1.00 of additional Debt under clause (1)(a) of the "*—Certain Covenants—Limitation on Debt*" covenant; and

(c) the aggregate amount of all Restricted Payments declared or made after the Issue Date (including Restricted Payments permitted by clauses (3)(a), (d)(ii), (h), (k), (l), (q) (except to the extent such payment relates to repayment of the corresponding Parent Debt (up to the amount of such proceeds of Parent Debt contributed under an Issuer Proceeds Loan or as a Parent Debt Contribution) or a corresponding amount has been deducted in calculating Consolidated Adjusted Net Income for the purposes of clause (i) below), (r) (except to the extent a corresponding amount has been deducted in calculating Consolidated Adjusted Net Income for the purposes of clause (i) below) and (s) below, but excluding all other Restricted Payments described in paragraph (3) below) does not exceed the sum of (without duplication):

(i) 50% of aggregate Consolidated Adjusted Net Income of the Senior Secured Notes Issuer on accumulative basis during the period beginning on January 1, 2013, and ending on the last day of the Senior Secured Notes Issuer's most recently ended fiscal quarter for which financial statements are available at the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Adjusted Net Income shall be a negative number, minus 100% of such negative amount); *plus*

(ii) the aggregate net cash proceeds and the Fair Market Value of marketable securities received by the Senior Secured Notes Issuer after the Issue Date as capital contributions or from the issuance or sale (other than to any Subsidiary of the Senior Secured Notes Issuer) of shares of the Qualified Capital Stock of the Senior Secured Notes Issuer, Deeply Subordinated Funding or Management Proceeds Funding (including upon the exercise of options, warrants or rights) or warrants, options or rights to purchase, the shares of the Senior Secured Notes Issuer's Qualified Capital Stock or Deeply Subordinated Funding or Management Proceeds Funding (except, in each case, for Excluded Contributions, Parent Debt Contributions or Cash Contributions for Contribution Debt) (excluding the net cash proceeds from the issuance of the Senior Secured Notes Issuer's Qualified Capital Stock or Deeply Subordinated Funding or Management Proceeds Funding financed, directly or indirectly, using funds borrowed from the Senior Secured Notes Issuer or any Restricted Subsidiary until and to the extent such borrowing is repaid); *plus*

(iii) (x) the amount by which the Senior Secured Notes Issuer's Debt or Debt of any Restricted Subsidiary is reduced on the Senior Secured Notes Issuer's consolidated balance sheet after the Issue Date upon the conversion or exchange (other than by the Senior Secured Notes Issuer or its Restricted Subsidiary) of such Debt into the Qualified Capital Stock of the Senior Secured Notes Issuer, Capital Stock of any Parent Company or any Management Investment Company, Deeply Subordinated Funding or Management Proceeds Funding, and (y) the aggregate net cash proceeds and the Fair Market Value of marketable securities received after the Issue Date by the Senior Secured Notes Issuer from the issuance or sale (other than to any Restricted Subsidiary) of Redeemable Capital Stock of the Senior Secured Notes Issuer that has been converted into or exchanged for the Qualified Capital Stock of the Senior Secured Notes Issuer, Capital Stock of any Parent Company or any Management Investment Company, Deeply Subordinated Funding or Management Proceeds Funding, to the extent such Redeemable Capital Stock of the Senior Secured Notes Issuer was originally sold for cash or Cash Equivalents, together with, in the case of both clauses (x) and (y), the aggregate net cash proceeds and the Fair Market Value of marketable securities received by the Senior Secured Notes Issuer at the time of such conversion or exchange (excluding Cash Contributions for Contribution Debt, Excluded Contributions, Parent Debt Contributions and the net cash proceeds or marketable securities from the issuance of the Qualified Capital Stock of the Senior Secured Notes Issuer, Capital Stock of any Parent Company or any Management Investment Company, Deeply Subordinated Funding or Management Proceeds Funding financed, directly or indirectly, using funds borrowed from the Senior Secured Notes Issuer or any Restricted Subsidiary until and to the extent such borrowing is repaid); *plus*

(iv) (x) in the case of any Investment that is sold, disposed of or otherwise cancelled, liquidated or repaid, constituting a Restricted Payment made after the Issue Date, an amount equal to 100% of the aggregate amount received in cash and the Fair Market Value of marketable securities received by the Senior Secured Notes Issuer or any Restricted Subsidiary and (y) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or if an Unrestricted Subsidiary is merged or consolidated into the Senior Secured Notes Issuer or a Restricted Subsidiary or the assets of an Unrestricted Subsidiary are transferred to the Senior Secured Notes Issuer or a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of the Senior Secured Notes Issuer's interest in such Subsidiary as of the date of such designation or at the time of such merger, consolidation or transfer of assets; *plus*

(v) to the extent that any Investment constituting a Restricted Payment that was made after the Issue Date is made in an entity that subsequently becomes a Restricted Subsidiary, the Fair Market Value of such Investment of the Senior Secured Notes Issuer and the Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; *plus*

(vi) 100% of any dividends or distributions received by the Senior Secured Notes Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividends or distributions were not otherwise included in the Consolidated Adjusted Net Income of the Senior Secured Notes Issuer for such period.

(3) Paragraphs (1) and (2) above will not prohibit (so long as with respect to clauses (h) and (s) below no Default or Event of Default has occurred and is continuing):

(a) the payment of any dividend within 60 days after the date of its declaration if at such date of its declaration such payment would have been permitted by the provisions of this covenant;

(b) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary of the Senior Secured Notes Issuer) of, shares of the Senior Secured Notes Issuer's Qualified Capital Stock, Deeply Subordinated Funding or Management Proceeds Funding, or from the substantially concurrent contribution of common equity capital to the Senior Secured Notes Issuer; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clauses (2)(c)(ii) and (2)(c)(iii) above and will not be considered Excluded Contributions, Parent Debt Contributions or to be net cash proceeds from an Equity Offering for the purposes of the "Optional Redemption" provisions of the Senior Secured Notes;

(c) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Debt in exchange for, or out of the net cash proceeds of an incurrence (other than to a Subsidiary) of, Permitted Refinancing Debt;

(d) (i) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Debt (other than any Subordinated Debt held by Affiliates of the Senior Secured Notes Issuer) upon a Change of Control or Asset Sale to the extent required by the agreements governing such Debt; *provided* that the Senior Secured Notes Issuer shall have complied with the "*—Purchase of Senior Secured Notes upon a Change of Control*" or "*—Limitation on Sale of Certain Assets*" covenant, as the case may be, and the Senior Secured Notes Issuer repurchased all Senior Secured Notes tendered pursuant to the offer required by such covenants prior to offering to purchase, purchasing or repaying such Debt; *provided further* that the purchase price for such Subordinated Debt shall not be greater than 101% of the principal amount thereof in respect of a Change of Control or 100% of the principal amount thereof in respect of an Asset Sale, in each case plus accrued and unpaid interest; and (ii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Existing Management Vendor Loans (including, after the Roll-Over, directly or indirectly through the Senior Secured Notes Issuer and Holdco) upon the occurrence of an event allowing the holder to elect the redemption thereof in accordance with the terms of the Existing Management Vendor Loans in effect on the Issue Date except if such Existing Management Vendor Loans are redeemable at the option of the holder in connection with an event or transaction involving the issuance and sale of Issuer's Qualified Capital Stock, Deeply Subordinated Funding or Management Proceeds Funding for cash (including a Public Offering), or other cash contribution to common equity capital of the Senior Secured Notes Issuer;

(e) the repurchase of Capital Stock deemed to occur upon the exercise of stock options or warrants to the extent such Capital Stock represents a portion of the exercise price of those stock options or warrants;

(f) payments of cash, dividends, distributions, advances or other Restricted Payments by the Senior Secured Notes Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of issuing fractional shares upon (i) exercise of options or warrants or (ii) the exchange or conversion of Capital Stock of any such Person;

(g) cash payments, advances, loans or expense reimbursements made to any Parent Company to permit any such company to pay (i) general operating expenses, customary directors' fees, accounting, legal, corporate reporting and administrative expenses incurred in the ordinary course of business to the extent such costs and expenses are attributable to the ownership or operation of the Senior Secured Notes Issuer and the Restricted Subsidiaries, (ii) any taxes, duties or similar governmental fees of any such Parent Company to the extent such tax obligations are directly attributable to its ownership of the Senior Secured Notes Issuer and the Restricted Subsidiaries or its funding or holding Deeply Subordinated Funding or Management Proceeds Funding, (iii) costs (including all professional fees and expenses) incurred by any Parent Company in connection with reporting obligations under or otherwise incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Senior Secured Notes Indenture or any other agreement or instrument relating to Debt of the Senior Secured Notes Issuer or any Restricted Subsidiary and (iv) fees and expenses of any Parent Company incurred in relation to any public offering or other sale of Capital Stock or Debt (x) where the net proceeds of such offering or sale are received by or contributed to the Senior Secured Notes Issuer or any Restricted Subsidiary or (y) in a prorated amount of such expenses in proportion to the amount of such net proceeds received or contributed;

(h) following a Public Offering of the Senior Secured Notes Issuer or of a Parent Company, the declaration or payment of dividends or distributions, or the making of any cash payments, advances, loans or expense reimbursements on the Qualified Capital Stock of the Senior Secured Notes Issuer or Capital Stock of any Parent Company if the aggregate amount of all such dividends or distributions under this clause (h) do not exceed in any fiscal year the greater of (i) 6% of the net cash proceeds received by the Senior Secured Notes Issuer in connection with any such Public Offering or subsequent Equity Offering by the Senior Secured Notes Issuer or contributed in cash to the capital of the Senior Secured Notes Issuer (other than through the issuance of Redeemable Capital Stock or where such contribution is an Excluded Contribution) by a Parent Company from any such Public Offering or subsequent Equity Offering of a Parent Company and (ii) following the Initial Public Offering, an amount not to exceed the greater of (x) 5% of the net cash proceeds from such Initial Public Offering received by the Senior Secured Notes Issuer or contributed in cash to the Senior Secured Notes Issuer's equity (other than through the issuance of Redeemable Capital Stock or where such contribution is an Excluded Contribution) and (y) 5% of the Market Capitalization; *provided* that, in the case of (ii), after giving *pro forma* effect to the payment of any such dividend or making of any such distribution, the Consolidated Leverage Ratio of the Senior Secured Notes Issuer would not exceed 3.0 to 1.0; *provided*, *further*, that if such Public Offering was of Capital Stock of a Parent Company, the net proceeds of any such dividend are used to fund a corresponding dividend in equal or greater amount on the Capital Stock of such Parent Company;

(i) the payment of any Securitization Fees and purchases of Securitization Assets and related assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Financing;

(j) Restricted Payments that are made with Excluded Contributions;

(k) advances or loans to (i) any future, present or former officer, director, employee, consultant or independent contractor of the Senior Secured Notes Issuer, a Restricted Subsidiary, Holdco and any Management Investor or Management Investment Company to pay for the purchase or other acquisition for value of Capital Stock of the Senior Secured Notes Issuer, a Parent Company or a Restricted Subsidiary or Capital Stock of any Management Investment Company or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (ii) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Capital Stock of the Senior Secured Notes Issuer, a Parent Company or a Restricted Subsidiary or Capital Stock of any Management Investment Company; *provided* that the total aggregate amount of Restricted Payments made under this clause (k) and clause (l) does not exceed €4.0 million in any calendar year (with any unused amounts in any calendar year carried over to the next two succeeding calendar years); *provided* that such amount in any calendar year may be increased pursuant to the further proviso set forth in clause (l) below;

(l) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Qualified Capital Stock of the Senior Secured Notes Issuer, Capital Stock of a Parent Company, a Management Investment Company or a Restricted Subsidiary held by any current or former officer, director, employee, consultant or independent contractor of the Senior Secured Notes Issuer or any Restricted Subsidiary or any Management Investor pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock when aggregated with any Restricted Payment made under clause (k) does not exceed €4.0 million in any calendar year (with unused amounts in any calendar year being carried over to the next two succeeding calendar years); and *provided further*, that such amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds received by the Senior Secured Notes Issuer during such calendar year (including through receipt of proceeds from the issuance or sale of its Qualified Capital Stock to a Parent Company, a Management Investment Company or a Management Investor or the incurrence of any Management Proceeds Funding) from, or as a capital contribution from, the issuance or sale of Qualified Capital Stock of the Senior Secured Notes Issuer, Capital Stock of a Parent Company or any Management Investment Company, in each case to Management Investors, other members of management, directors, consultants or independent contractors of the Senior Secured Notes Issuer or any of its Restricted Subsidiaries or any Parent Company to the extent the cash proceeds from the sale or issuance of such Capital Stock have not otherwise been designated as Excluded Contributions, constitute a Parent Debt Contribution, applied to the making of Restricted Payments pursuant to clauses (2)(c)(ii) or (2)(c)(iii) or clauses (b) or (d)(ii) of this paragraph or utilized for Contribution Debt and (B) the cash proceeds of key man life insurance policies to the extent such cash proceeds have not been applied to the making of Restricted Payments pursuant to clause (2)(c)(ii) or clauses (b) or (d)(ii) of this paragraph or utilized for Contribution Debt;

(m) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Redeemable Capital Stock, or of any Preferred Stock of a Restricted Subsidiary, incurred in accordance with the terms of the "*Limitation on Debt*" covenant;

(n) without duplication of any payment made pursuant to clause (g) above, payments or other transactions pursuant to any tax sharing agreement or arrangement among the Senior Secured Notes Issuer or any Restricted Subsidiary and any other Person with which the Senior Secured Notes Issuer or any Restricted Subsidiary files or filed a consolidated tax return or with which the Senior Secured Notes Issuer or any Restricted Subsidiary is or was part of a consolidated group for tax purposes; *provided*, *however*, that such payments, and the value of such transactions, shall not exceed the amount of tax that the Senior Secured Notes Issuer or such Restricted Subsidiaries would owe without taking into account such other Person;

(o) the making of any payments and any reimbursements as contemplated in the section entitled "*Use of Proceeds*" in the offering memorandum relating to the offering of the Initial Existing Senior Secured Notes and the repayment of up to €2.0 million of shareholder loans as contemplated in the section entitled "*Summary—Recent Developments—Recent Acquisitions*" in the offering memorandum relating to the offering of the Initial Existing Senior Secured Notes;

(p) cash dividends or other distributions on the Senior Secured Notes Issuer's Capital Stock used to, or the making of Investments in any Parent Company to, fund the payment of fees and expenses owed by the Senior Secured Notes Issuer or the Restricted Subsidiaries to Affiliates, to the extent permitted by clause (h), (k), (l) or (m) of the "*—Limitation on Transactions with Affiliates*" covenant;

(q) (i) payments under an Issuer Proceeds Loan incurred in compliance with clause (1) or clause (2) other than clause (2)(p) of the "*Limitation on Debt*" covenant (A) for the purposes of making corresponding interest payments on the applicable Debt incurred by a Parent Company; or (B) solely to effect the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Debt permitted pursuant to clause (3)(d) above; and (ii) if proceeds of Parent Debt were contributed as a Parent Debt Contribution, (A) payments to a Parent Company for the purposes of making corresponding interest payments on such Parent Debt (whether directly or indirectly through a Parent Company) and (B) solely to effect the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Parent Debt permitted pursuant to clause (3)(d)(i) above; *provided* that, (x) in each case, the Parent Company applies such payments substantially concurrently with the receipt of such payments and (y) in the case of (ii), such payments to such Parent Company may only be made to the extent that the proceeds of the Parent Debt for which the corresponding interest payment is to be made have been contributed to the Senior Secured Notes Issuer as a Parent Debt Contribution;

(r) dividends, distributions or other payments to (x) Holdco in respect of Eligible Acquisition Holdco Debt and any Permitted Refinancing Debt in respect thereof and (y) a Parent Company (whether directly or indirectly through Holdco or other Parent Companies) in respect of Eligible Acquisition Investor Payments, in each of (x) and (y), following the relevant Significant Acquisition by a Permitted Acquirer; *provided* that, Holdco or the applicable Parent Company applies such payments substantially concurrently with the receipt of such payment; and

(s) any other Restricted Payment; *provided* that the total aggregate amount of Restricted Payments made under this clause (s) since the Issue Date does not exceed € 15.0 million.

(4) The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Senior Secured Notes Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount, and the Fair Market Value of any non-cash Restricted Payment shall be determined conclusively by the board of directors of the Senior Secured Notes Issuer acting in good faith.

Limitation on transactions with affiliates

The Senior Secured Notes Issuer will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service) for the benefit of any Affiliate of the Senior Secured Notes Issuer involving aggregate payments or consideration in excess of €2.5 million unless:

(a) such transaction or series of related transactions is on terms that, taken as a whole, are not materially less favorable to the Senior Secured Notes Issuer or the relevant Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's length transaction with third parties that are not Affiliates; and

(b) the Senior Secured Notes Issuer delivers to the Senior Secured Notes Trustee:

(i) with respect to any such transaction or series of related transactions involving aggregate payments or the transfer of assets or provision of services, in each case having a value greater than €5.0 million, a resolution of its board of directors set out in an Officer's Certificate certifying that such transaction or series of related transactions complies with this covenant and that such transaction or series of related transactions has been approved by a majority of disinterested members of its board of directors; and, in addition,

(ii) with respect to any such transaction or series of related transactions involving aggregate payments or the transfer of assets or the provision of services, in each case having a value greater than €15.0 million, a written opinion of an accounting, appraisal, investment banking or advisory firm of international standing, or other recognized independent expert of international standing with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that the transaction or series of transactions is (i) fair to the Senior Secured Notes Issuer or the relevant Restricted Subsidiary from a financial point of view taking into account all relevant circumstances or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

Notwithstanding the foregoing, the restrictions set forth in this description will not apply to:

(a) any issuance of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment agreement, collective bargaining agreement, consulting agreement, employee benefit arrangements with any employee, consultant, independent contractor, officer or director of the Senior Secured Notes Issuer or any Restricted Subsidiary or any Management Investor, including under any stock option, management equity plan, stock appreciation rights, stock incentive or similar plans in the ordinary course of business;

(b) any Restricted Payments not prohibited by the "*—Limitation on Restricted Payments*" covenant and Permitted Investments (other than a Permitted Investment described in clauses (c)(iii) and (p) of the definition thereof);

(c) transactions pursuant to, or contemplated by any agreement or arrangement in effect on the Issue Date and transactions pursuant to any amendment, modification, supplement or extension thereto; *provided* that any such amendment, modification, supplement or extension to the terms thereof is not materially more disadvantageous to the holders of the Senior Secured Notes than the original agreement or arrangement as in effect on the Issue Date;

(d) any transaction in the ordinary course of business between or among the Senior Secured Notes Issuer or any Restricted Subsidiary and any Affiliate of the Senior Secured Notes Issuer or an Associate or similar entity (in each case other than an Unrestricted Subsidiary of the Senior Secured Notes Issuer) that would constitute an Affiliate Transaction solely because the Senior Secured Notes Issuer or a Restricted Subsidiary or any Affiliate of the Senior Secured Notes Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(e) transactions between or among the Senior Secured Notes Issuer and the Restricted Subsidiaries or between or among Restricted Subsidiaries and any guarantees issued by the Senior Secured Notes Issuer or a Restricted Subsidiary for the benefit of the Senior Secured Notes Issuer or a Restricted Subsidiary, as the case may be, in accordance with the "*—Limitation on Debt*" covenant;

(f) payments or other transactions pursuant to any tax sharing agreement or arrangement among the Senior Secured Notes Issuer or any Restricted Subsidiary and any other Person with which the Senior Secured Notes Issuer or any Restricted Subsidiary files or filed a consolidated tax return or with which the Senior Secured Notes Issuer or any Restricted Subsidiary is or was part of a consolidated group for tax purposes; *provided*, *however*, that such payments, and the value of such transactions, shall not exceed the amount of tax that the Senior Secured Notes Issuer or such Restricted Subsidiaries would owe without taking into account such other Person;

(g) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, providers of employees or other labor (including, subsequent to a Significant Acquisition, such transactions with a shared services provider to the Senior Secured Notes Issuer and Restricted Subsidiaries and the business acquired in such Significant Acquisition) in the ordinary course of business and otherwise in compliance with the terms of the Senior Secured Notes Indenture that are fair to the Senior Secured Notes Issuer or the Restricted Subsidiaries or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person, in each case, as determined in good faith by the board of directors or a member of senior management of the Senior Secured Notes Issuer;

(h) the payment of customary director's fees and indemnities and similar payments (including the payment of directors' and officers' insurance premiums), payments of consulting fees, employee and director salaries, bonuses, payments of other fees to officers, consultants, independent contractors and directors of the Senior Secured Notes Issuer and the Restricted Subsidiaries (whether directly or indirectly including through any Parent Company) in the ordinary course of business;

(i) (A) issuances or sales of Qualified Capital Stock of the Senior Secured Notes Issuer, Capital Stock of any Parent Company, any Management Investment Company, Deeply Subordinated Funding or Management Proceeds Funding; and (B) any amendment, waiver or other transaction with respect to any Deeply Subordinated Funding or Management Proceeds Funding in compliance with the other provisions of the Senior Secured Notes Indenture;

(j) any transaction effected as part of or in connection with a Qualified Securitization Financing;

(k) Management Advances;

(l) (i) the entering into any agreement to pay, and the payment of, customary annual management, consulting, monitoring and advisory fees to Permitted Holders or their Affiliates (whether directly or indirectly, including through any Parent Company) in an amount not to exceed €1.0 million in any consecutive four-quarter period and (ii) payments by the Senior Secured Notes Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Company) for management consulting, financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions, divestitures, mergers, recapitalizations or similar transactions, which payments pursuant to this clause (ii) are approved by the board of directors of the Senior Secured Notes Issuer in good faith;

(m) the Transactions, including the use of proceeds from the offering of the Initial Existing Senior Secured Notes as contemplated in the section entitled "*Use of Proceeds*" in the offering memorandum relating to the offering of the Initial Existing Senior Secured Notes;

(n) transactions (i) on terms that, taken as a whole, are not materially less favorable to the Senior Secured Notes Issuer or the relevant Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's length transaction with third parties that are not Affiliates of the Senior Secured Notes Issuer and (ii) in which the Senior Secured Notes Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Senior Secured Notes Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Senior Secured Notes Issuer or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the Senior Secured Notes Issuer or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Senior Secured Notes Issuer or such Restricted Subsidiary with an unrelated person on an arm's length basis;

(o) to effect or participate in a Permitted Reorganization or a Significant Acquisition by a Permitted Acquirer; *provided* that the consideration in such Permitted Reorganization consists solely of Qualified Capital Stock of the Senior Secured Notes Issuer or its Surviving Entity, Deeply Subordinated Funding or Management Proceeds Funding; or

(p) pledges of Capital Stock of Unrestricted Subsidiaries.

Limitation on liens

The Senior Secured Notes Issuer, Holdco and the Luxembourg Security Providers will not, and the Senior Secured Notes Issuer will not cause or permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Debt upon any of their property or assets now owned or hereafter acquired, except (1) in the case of any property or asset that does not constitute Senior Secured Notes Collateral, (a) Permitted Liens or (b) Liens on property or assets that are not Permitted Liens if the obligations under the Senior Secured Notes and the Senior Secured Note Guarantees are secured at least equally and ratably with, or, in the case of Liens in respect of Subordinated Debt, prior or senior to, the Debt secured by such Lien for so long as such Debt is so secured and (2) in the case of any property or asset that constitutes Senior Secured Notes Collateral, Permitted Collateral Liens. In the case of the Luxembourg Security Providers only, this covenant shall cease to apply upon a Change of Control.

Limitation on sale of certain assets

(1) The Senior Secured Notes Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale unless:

(a) the consideration the Senior Secured Notes Issuer or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value of the assets sold or Capital Stock issued or sold or otherwise disposed of; and

(b) at least 75% of the consideration the Senior Secured Notes Issuer or such Restricted Subsidiary receives in respect of such Asset Sale consists of (i) cash; (ii) Cash Equivalents; (iii) any securities, notes or other obligations received by the Senior Secured Notes Issuer or any such Restricted Subsidiary from such transferee that are converted by the Senior Secured Notes Issuer or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion; (iv) the assumption by the purchaser of any liabilities, as recorded on the balance sheet of the Senior Secured Notes Issuer or any Restricted Subsidiary (other than Subordinated Debt), that are assumed by the transferee of any such assets and as a result of which the Senior Secured Notes Issuer and the Restricted Subsidiaries are no longer obligated with respect to such liabilities or are indemnified against further liabilities; (v) Debt of any Restricted Subsidiary (other than Subordinated Debt) that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Senior Secured Notes Issuer and each Restricted Subsidiary are released from any guarantee of such Debt in connection with such Asset Sale; (vi) any Capital Stock or assets of the kind referred to in clause (2)(e), (f) or (g) of this covenant; (vii) consideration consisting of Debt (or the cancellation of Debt) of the Senior Secured Notes Issuer or any Restricted Subsidiary received by the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor from Persons who are not the Senior Secured Notes Issuer or any Restricted Subsidiary; (viii) any Designated Non-cash Consideration received by the Senior Secured Notes Issuer or any Restricted Subsidiary in such Asset Sale; *provided* that the aggregate Fair Market Value of such Designated Non-cash Consideration, taken together with the Fair Market Value at the time of receipt of all other Designated Non-cash Consideration received and designated as such pursuant to this clause (viii), is less than (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value) € 10.0 million; or (ix) a combination of the consideration specified in clauses (i) to (viii).

(2) If the Senior Secured Notes Issuer or any Restricted Subsidiary consummates an Asset Sale, the Net Cash Proceeds from such Asset Sale, within 365 days after the consummation of such Asset Sale, may be used or committed in a binding commitment to be used (*provided* that such Net Cash Proceeds are actually used within the later of 365 days from the consummation of the Asset Sale or 180 days from the date of such binding commitment) at the option of the Senior Secured Notes Issuer or such Restricted Subsidiary:

(a) to purchase the Senior Secured Notes pursuant to an offer to all holders of the Senior Secured Notes at a purchase price equal to at least 100% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase (a "*Senior Secured Notes Offer*");

(b) to purchase or permanently prepay or redeem or repay any Debt under Credit Facilities (*provided* that in connection with any revolving credit borrowings under Credit Facilities, the related commitment will be cancelled) incurred pursuant to clause 2(a) of the covenant described under the caption "—*Limitation on Debt*" that is secured by a Lien on assets or property which constitute Senior Secured Notes Collateral;

(c) to purchase or permanently prepay or redeem or repay (i) except with respect to Debt that is the subject of clause (b), any Debt (*provided* that in connection with any revolving credit borrowings under Credit Facilities, the related commitment will not be required to be reduced) that is secured by a Lien on assets or property which do not constitute Senior Secured Notes Collateral or (ii) any Debt of a Restricted Subsidiary that is not a Senior Secured Notes Guarantor;

(d) unless included in clause (2)(b) above, to purchase, or prepay or redeem or repay, any Pari Passu Debt to the extent secured by a Lien on the Senior Secured Notes Collateral at a price equal to 100% of the principal amount (or accreted value, as applicable) of such Debt so long as the Senior Secured Notes Issuer or such Restricted Subsidiary makes an offer on a *pro rata* basis to all holders of the Senior Secured Notes at a purchase price equal to 100% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase;

(e) to acquire all or substantially all the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;

(f) to make a capital expenditure;

(g) to acquire other assets (other than Capital Stock) that are used or useful in a Permitted Business; or

(h) any combination of the foregoing.

(3) Pending the final application of any Net Cash Proceeds (including cash or Cash Equivalents received from the conversion of any securities, notes or other obligations), the Senior Secured Notes Issuer (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by the Senior Secured Notes Indenture.

(4) Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clause (2) of this covenant will constitute "*Excess Proceeds*." The Senior Secured Notes Issuer may also at any time, and the Senior Secured Notes Issuer will within ten Business Days after the aggregate amount of Excess Proceeds exceeds €10.0 million, make an offer (an "*Excess Proceeds Offer*") to purchase, prepay or redeem with the proceeds of sales of assets the maximum principal amount of Senior Secured Notes and Pari Passu Debt, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with the procedures set forth in the Senior Secured Notes Indenture or the agreements governing any such Pari Passu Debt. The offer price for the Senior Secured Notes and any such Pari Passu Debt will be payable in cash in an amount equal to 100% of the principal amount of such Senior Secured Note (and solely in the case of Pari Passu Debt, no greater than 100% of the principal amount (or accreted value, as applicable) of such Debt), plus in each case accrued and unpaid interest, if any, to the date of purchase and Additional Amounts, if any, to the date of purchase, prepayment or redemption.

(5) To the extent that the aggregate principal amount of the Senior Secured Notes and any such Pari Passu Debt tendered pursuant to an Excess Proceeds Offer is less than the aggregate amount of Excess Proceeds, the Senior Secured Notes Issuer (or applicable Restricted Subsidiary) may use the amount of such Excess Proceeds not used to purchase the Senior Secured Notes and other Pari Passu Debt for general corporate purposes that are not otherwise prohibited by the Senior Secured Notes Indenture. If the aggregate principal amount of the Senior Secured Notes and any such Pari Passu Debt to be prepaid or validly tendered and not withdrawn by holders thereof exceeds the aggregate amount of Excess Proceeds, the Senior Secured Notes and any such Pari Passu Debt to be purchased will be purchased, prepaid or redeemed, as applicable, on a *pro rata* basis (based upon the principal amount of the Senior Secured Notes and the principal amount or accreted value of such Pari Passu Debt to be prepaid or tendered by each holder). Upon completion of each such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero. If the aggregate principal amount of Senior Secured Notes to be purchased exceeds the amount of proceeds received for application to such principal amount, the Senior Secured Notes Trustee will select the Senior Secured Notes to be purchased on a *pro rata* basis (or in the manner described under "*—Selection and Notice*"), based on the amounts tendered.

(6) If the Senior Secured Notes Issuer is obligated to make an Excess Proceeds Offer, the Senior Secured Notes Issuer will purchase the Senior Secured Notes and Pari Passu Debt, at the option of the holders thereof, in whole or in part in integral multiples of €1,000, on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such holders, or such later date as may

be required under the Exchange Act; *provided* that no Note of less than €100,000 remains outstanding thereafter.

(7) The Senior Secured Notes Issuer will comply with the applicable requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Senior Secured Notes pursuant to an Excess Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Senior Secured Notes Indenture, the Senior Secured Notes Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached their respective obligations under the Asset Sale provisions of the Senior Secured Notes Indenture by virtue of such compliance.

Additional guarantees

The Senior Secured Notes Issuer will not permit any of its Restricted Subsidiaries that is not a Senior Secured Notes Guarantor, directly or indirectly, to guarantee the payment of any other Debt of the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Senior Secured Notes Indenture providing for a Senior Secured Note Guarantee of the payment of the Senior Secured Notes by such Restricted Subsidiary, which Senior Secured Note Guarantee will be *pari passu* with or senior to such Restricted Subsidiary's guarantee of such other Debt.

The Senior Secured Notes Issuer shall ensure that within 120 days after the end of each fiscal year the Senior Secured Notes Issuer beginning with the first fiscal year ending after the Issue Date, either:

(1) (a) the aggregate Consolidated EBITDA (determined separately, without double counting and excluding any Consolidated Adjusted Net Income or adjustments attributable to Subsidiaries of the Senior Secured Notes Issuer or such Senior Secured Notes Guarantor) for such fiscal year of each of the Senior Secured Notes Issuer and the Senior Secured Notes Guarantors shall equal or exceed 80% of Consolidated EBITDA for such ended fiscal year of the Senior Secured Notes Issuer; and

(b) the aggregate combined assets (determined separately, without double counting (for the avoidance of doubt, all intra-group items and investments in Subsidiaries by the Senior Secured Notes Issuer or any of its Restricted Subsidiaries shall be excluded)) as of the last day of such fiscal year of the Senior Secured Notes Issuer and the Senior Secured Notes Guarantors shall equal or exceed 85% of the Total Assets; or

(2) if all Obligors (as defined in the Revolving Credit Facility) are Senior Secured Notes Guarantors or the Senior Secured Notes Issuer under the Revolving Credit Facility, the Senior Secured Notes Issuer complies with the Percentage Test (as defined in the Revolving Credit Facility Agreement on the Issue Date, and if such definition is no longer used or applicable under the Revolving Credit Facility Agreement, then only clause (1) of this paragraph shall apply),

by causing one or more of its Restricted Subsidiaries that are not Senior Secured Notes Guarantors to become Senior Secured Notes Guarantors to the extent necessary to ensure the foregoing thresholds are met. A Restricted Subsidiary that is not a Senior Secured Notes Guarantor may become a Senior Secured Notes Guarantor if it executes and delivers a supplemental indenture to the Senior Secured Notes Indenture providing for a Senior Secured Note Guarantee of the payment of the Senior Secured Notes by such Restricted Subsidiary on the terms and conditions set forth in the Senior Secured Notes Indenture and the Guarantees.

Each additional Senior Secured Note Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

The first paragraph of this covenant will not be applicable to any guarantee of any Restricted Subsidiary (a) existing on the Issue Date, (b) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or (c) given to a bank or trust company having combined capital and surplus and undivided profits of not less than €250.0 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established for the benefit of the Senior Secured Notes Issuer or the Restricted Subsidiaries.

Notwithstanding the foregoing, the Senior Secured Notes Issuer shall not be obligated to cause a Restricted Subsidiary to guarantee the payment of the Senior Secured Notes to the extent that such Senior Secured Note Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in (a) a violation of applicable law, which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Senior Secured Notes Issuer or the Restricted Subsidiary; (b) any liability for the officers, directors or shareholders of such Restricted Subsidiary; or (c) significant cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses and other than reasonably expenses incurred in connection with any governmental or regulatory filings required as a result or, or any measures pursuant to clause (b) undertaken in connection with, such Senior Secured Note Guarantee, which cannot be avoided through measures reasonably available to the Senior Secured Notes Issuer or any Restricted Subsidiary.

Limitation on dividend and other payment restrictions affecting restricted subsidiaries

(1) The Senior Secured Notes Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock to the Senior Secured Notes Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits;

(b) pay any Debt owed to the Senior Secured Notes Issuer or any other Restricted Subsidiary;

(c) make loans or advances to the Senior Secured Notes Issuer or any other Restricted Subsidiary; or

(d) transfer any of its properties or assets to the Senior Secured Notes Issuer or any other Restricted Subsidiary;

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Senior Secured Notes Issuer or any Restricted Subsidiary to other Debt incurred by the Senior Secured Notes Issuer or any Restricted Subsidiary, shall not be deemed to constitute such an encumbrance or restriction.

(2) The provisions of the covenant described in paragraph (1) above will not apply to encumbrances or restrictions existing under or by reason of:

(a) the Senior Secured Notes (including Additional Senior Secured Notes), the Senior Secured Note Guarantees, the Senior Secured Notes Indenture, the Revolving Credit Facility Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents;

(b) any agreements or instruments with respect to Debt of the Senior Secured Notes Issuer or any Restricted Subsidiary permitted to be incurred subsequent to the Issue Date pursuant to the provisions of "—*Limitation on Debt*," and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancing of those agreements; *provided* that such encumbrances or restrictions taken as a whole, as determined in good faith by the board of directors or a member of senior management of the Senior Secured Notes Issuer, are not materially less favorable to the holders of the Senior Secured Notes than (i) the encumbrances and restrictions contained in the Revolving Credit Facility Agreement, the Senior Secured Notes, the Senior Secured Notes Indenture and the Intercreditor Agreement, in each case, as in effect on the Issue Date or (ii) is customary in comparable financings and where, in the case of this subclause (ii), the Senior Secured Notes Issuer determines at the time such Debt is incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Senior Secured Notes Issuer's ability to make principal or interest payments on the Senior Secured Notes (as determined in good faith by the board of directors);

(c) any agreement in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancing of those agreements; *provided* that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancing are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date (as determined in good faith by the board of directors or a member of senior management of the Senior Secured Notes Issuer);

(d) customary non-assignment and similar provisions in contracts, leases and licenses entered into in the ordinary course of business;

(e) any agreement or other instrument of a Person (including its Subsidiaries), acquired by the Senior Secured Notes Issuer or any Restricted Subsidiary in effect at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired (including its Subsidiaries);

(f) any agreement for the sale or other disposition of the Capital Stock or all or substantially all the property and assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(g) Liens permitted to be incurred under the provisions of the covenant described above under the caption "*—Limitation on Liens*" that limit the right of the debtor to dispose of the assets subject to such Liens;

(h) applicable law, rule, regulation or order or the terms of any governmental licenses, authorizations, concessions, franchises or permits;

(i) encumbrances or restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;

(j) customary limitations on the distribution or disposition of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment), which limitations are applicable only to the assets that are the subject of such agreements;

(k) Purchase Money Obligations and mortgage financings for property acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (1)(d) of the preceding paragraph;

(l) any Qualified Securitization Financing; and

(m) any agreement that extends, renews, amends, modifies, restates, supplements, refunds, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (2)(a) through (l), or in this clause (2)(m); *provided* that the terms and conditions of any such encumbrances or restrictions are not materially less favorable, taken as a whole, to the holders of the Senior Secured Notes than those under or pursuant to the agreement so extended, renewed, amended, modified, restated, supplemented, refunded, refinanced or replaced.

Lines of business

The Senior Secured Notes Issuer will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to such extent as would not be material to the Senior Secured Notes Issuer and its Restricted Subsidiaries, taken as a whole.

Designation of unrestricted and restricted subsidiaries

The board of directors of the Senior Secured Notes Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if no Default or Event of Default shall have occurred or be continuing at the time of or after giving effect to such designation and such Subsidiary to be so designated or any of its Subsidiaries does not own any Capital Stock or Debt of, or own or hold any Lien on any property of, the Senior Secured Notes Issuer or any other Subsidiary of the Senior Secured Notes Issuer that is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Senior Secured Notes Issuer and the Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption "*—Limitation on Restricted Payments*" or under one or more clauses of the definition of Permitted Investments, as determined by the Senior Secured Notes Issuer. That designation will only be permitted if the Investment of the Senior Secured Notes Issuer in such Subsidiary would be permitted at that time under the covenant "*—Limitation on Restricted Payments.*" The board of directors of the Senior Secured Notes Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Subsidiary of the Senior Secured Notes Issuer as an Unrestricted Subsidiary will be evidenced to the Senior Secured Notes Trustee by filing with the Senior Secured Notes Trustee a copy of a resolution of the board of directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "*—Limitation on Restricted Payments*." The board of directors of the Senior Secured Notes Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an incurrence of Debt by a Restricted Subsidiary of any outstanding Debt of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Debt is permitted under the covenant described under the caption "*—Limitation on Debt,*" calculated on a *pro forma* basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation. Any designation of an Unrestricted Subsidiary of the Senior Secured Notes Issuer as a Restricted Subsidiary will be evidenced to the Senior Secured Notes Trustee by filing with the Senior Secured Notes Trustee a copy of a resolution of the board of directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions.

Provision of information

So long as the Senior Secured Notes are outstanding, the Senior Secured Notes Issuer will furnish to the Senior Secured Notes Trustee:

(a) within 120 days after the end of the Senior Secured Notes Issuer's fiscal year beginning with the fiscal year ended December 31, 2012, annual reports containing the following information with a level of detail that is substantially comparable in all material respects to the offering memorandum relating to the offering of the Initial Existing Senior Secured Notes: (i) audited consolidated balance sheets of the Senior Secured Notes Issuer as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Senior Secured Notes Issuer for the two most recent fiscal years, including complete footnotes to such financial statements and the report of its independent auditors on the financial statements; (ii) *pro forma* income statement and balance sheet information of the Senior Secured Notes Issuer, together with explanatory footnotes, for any acquisition or disposition that, individually or in the aggregate when considered with all other acquisitions or dispositions that have occurred since the beginning of the most recent completed fiscal year as to which such annual report relates, represent greater than 20% of the consolidated revenues, EBITDA, or assets of the Senior Secured Notes Issuer on a *pro forma* basis or material recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (b)(ii) or (b)(iii) below; (iii) an operating and financial review of the audited financial statements, including a discussion of the consolidated results of operations, financial condition, EBITDA and liquidity and capital resources, and a discussion of material commitments and contingencies, capital expenditures and critical accounting policies; (iv) a description of the business, management and shareholders of the Senior Secured Notes Issuer, material affiliate transactions, material debt instruments and material contracts; and (v) material risk factors and material recent developments;

(b) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Senior Secured Notes Issuer beginning with the quarter ending March 31, 2013, all quarterly financial statements of the Senior Secured Notes Issuer containing the following information: (i) an unaudited condensed combined balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent year-to- date period ending on the unaudited condensed balance sheet date, and the comparable prior year period (which may be presented on a *pro forma* basis), together with condensed footnote disclosure; (ii) *pro forma* income statement and balance sheet information of the Senior Secured Notes Issuer, together with explanatory footnotes, for any acquisition or disposition that, individually or in the aggregate when considered with all other acquisitions or dispositions that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report relates, represent greater than 20% of the consolidated revenues, EBITDA or assets of the Senior Secured Notes Issuer on a *pro forma* basis or material recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report related, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (b)(i) or (b)(iii); (iii) an operating and financial review (containing information with a level of detail that is substantially comparable in all material respects to the interim period in the offering memorandum relating to the offering of the Initial Existing Senior Secured Notes) of the unaudited financial statements, including a discussion of the consolidated results of operations, financial condition and EBITDA and material changes in liquidity and capital resources of the Senior Secured Notes Issuer and any material change between the current year-to-date period and the corresponding period of the prior year; and (iv) material recent developments and any material changes to the risk factors disclosed in the most recent annual report; and

(c) promptly after the occurrence of any material acquisition, disposition, restructuring or business consolidation or combination of the Senior Secured Notes Issuer and the Restricted Subsidiaries, taken as a whole, or any senior executive officer changes at the Senior Secured Notes Issuer or change in auditors of the Senior Secured Notes Issuer or any other material event that the Senior Secured Notes Issuer announces publicly, a report containing a description of such event.

All historical financial statements shall be prepared in accordance with IFRS on a consistent basis for the periods presented. Except as provided for above, no report need include separate financial statements for the Senior Secured Notes Issuer or any Subsidiaries of the Senior Secured Notes Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in the offering memorandum relating to the offering of the Initial Existing Senior Secured Notes and in no event (i) shall U.S. GAAP information or reconciliation to U.S. GAAP be required or (ii) such report shall include separate financial statements for any Senior Secured Notes Guarantor and non-Senior Secured Notes Guarantor Subsidiaries of the Senior Secured Notes Issuer.

Contemporaneously with the furnishing of each such report discussed above, the Senior Secured Notes Issuer will also (i) file a press release with the appropriate internationally recognized wire services (including, without limitation, through the newswire service of Bloomberg, or if Bloomberg does not then operate, any similar agency) in connection with such report or (ii) post each such report on such website as may be then maintained by the Senior Secured Notes Issuer.

So long as any of the Senior Secured Notes remain outstanding and during any period during which the Senior Secured Notes Issuer is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b) under the Exchange Act, the Senior Secured Notes Issuer will make available to any prospective purchaser of Senior Secured Notes or beneficial owner of Senior Secured Notes in connection with any sale thereof the information required by Rule 144A(d)(4) under the Securities Act.

At any time that any of the Senior Secured Notes Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Senior Secured Notes Issuer, then the quarterly and annual financial information required by the first paragraph of this "*—Provision of Information*" covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Senior Secured Notes Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Senior Secured Notes Issuer.

In the event that (i) the Senior Secured Notes Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the Commission or (ii) the Senior Secured Notes Issuer elects to provide reports which, if filed with the Commission, would satisfy (in the good faith judgment of the Senior Secured Notes Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Senior Secured Notes Issuer will make available such annual reports, information, documents and other reports that the Senior Secured Notes Issuer is, or would be, required to file with the Commission pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Senior Secured Notes Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs of this covenant.

Consolidation, merger and sale of assets

The Senior Secured Notes Issuer will not, directly or indirectly, in a single transaction or through a series of related transactions, consolidate or merge with or into another Person (whether or not the Senior Secured Notes Issuer is the surviving Person) or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Senior Secured Notes Issuer and its Restricted Subsidiaries, taken as a whole, in one or more related transactions, to another Person, unless:

(a) at the time of, and immediately after giving effect to, any such transaction or series of transactions, either (i) the Senior Secured Notes Issuer will be the surviving Person or (ii) the Person (if other than the Senior Secured Notes Issuer) formed by or surviving any such consolidation or merger or to which such sale, assignment, conveyance, transfer, lease or disposition of all or substantially all the properties and assets of the Senior Secured Notes Issuer and the Restricted Subsidiaries on a consolidated basis has been made (the "*Surviving Entity*"):

(x) will be a Person duly incorporated and validly existing under the laws of any member state of the European Union as in effect on December 31, 2003, Switzerland, Canada, the United States of America, any state thereof or the District of Columbia; and

(y) will expressly assume the Senior Secured Notes Issuer's obligations under the Senior Secured Notes, the Senior Secured Notes Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents pursuant to a supplemental indenture, accession agreement, security documents and any other relevant document, in each case, delivered to the Senior Secured Notes Trustee and the Security Agent;

(b) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (and treating any obligation of the Senior Secured Notes Issuer or any Restricted Subsidiary incurred in connection with or as a result of such transaction or series of related transactions as having been incurred by the Senior Secured Notes Issuer or such Restricted Subsidiary at the time of such transaction), no Default or Event of Default will have occurred and be continuing;

(c) the Senior Secured Notes Issuer or the Surviving Entity would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to incur at least €1.00 of additional Debt pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in clause (1)(a) of the "*—Limitation on Debt*" covenant or (ii) have a Consolidated Fixed Charge Coverage Ratio not less than it was immediately prior to giving effect to such transaction;

(d) (i) except to the extent any Liens are amended, extended, renewed, restated, supplemented, modified or otherwise released and retaken in accordance with "*—Impairment of Security Interest,*" the Liens on the Senior Secured Notes Collateral will remain in full force and effect securing the Senior Secured Notes; and (ii) in connection with a Significant Acquisition by the Senior Secured Notes Issuer, the Senior Secured Notes Issuer or the Surviving Entity shall pledge its Capital Stock in any direct Subsidiaries that became Subsidiaries as a result of such transaction to secure the Senior Secured Notes and the Senior Secured Note Guarantees on a senior basis in accordance in the Intercreditor Agreement and any Additional Intercreditor Agreement and (iii) the Senior Secured Notes Issuer and any Surviving Entity shall remain in compliance with the "*Limitation on Issuer*" covenant; and

(e) the Senior Secured Notes Issuer or the Surviving Entity will have delivered to the Senior Secured Notes Trustee, in form satisfactory to the Senior Secured Notes Trustee, an Officer's Certificate and an opinion of counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with this covenant and that the supplemental indenture and the Senior Secured Notes constitute the Senior Secured Notes Issuer's or Surviving Entity's legal, valid and binding obligations, enforceable (subject to customary qualifications) in accordance with their terms.

The Surviving Entity will succeed to, be substituted for and may exercise every right and power of the Senior Secured Notes Issuer under the Senior Secured Notes, the Senior Secured Notes Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents.

A Senior Secured Notes Guarantor (other than any Senior Secured Notes Guarantor whose Senior Secured Note Guarantee is to be released in accordance with the terms of the Senior Secured Note Guarantee and the Senior Secured Notes Indenture as described under "*—The Senior Secured Note Guarantees*") will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Senior Secured Notes Guarantor is the surviving Person), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of such Senior Secured Notes Guarantor and its Subsidiaries which are Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(a) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(b) either:

(i) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than the Senior Secured Notes Guarantor) assumes all the obligations of such Senior Secured Notes Guarantor under its Senior Secured Note Guarantee, the Senior Secured Notes Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which such Senior Secured Notes Guarantor is party pursuant to a supplemental indenture, accession agreement and appropriate security documents delivered to the Senior Secured Notes Trustee and the Security Agent; or

(ii) the Net Cash Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Senior Secured Notes Indenture.

Notwithstanding clauses (b) and (c) of the first paragraph of this covenant and clause (a) of the second paragraph of this covenant (which do not apply to the transactions referred to in this sentence) (i) any Restricted Subsidiary may consolidate with, merge into or transfer all or substantially all of its properties and assets to the Senior Secured Notes Issuer or any other Restricted Subsidiary and (ii) the Senior Secured Notes Issuer may consolidate with, merge into or transfer all or substantially all of its properties and assets to any Senior Secured Notes Guarantor. In addition, clause (c) of the first paragraph of this covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Senior Secured Notes Issuer with or into an Affiliate solely for the purpose of reincorporating the Senior Secured Notes Issuer in another jurisdiction for tax reasons.

Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

Center of main interests and establishments

Prior to a Change of Control, each of the Luxembourg Security Providers will, for the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the “*Insolvency Proceedings Regulation*”) or otherwise, ensure that its center of main interest (as that term is used in Article 3(1) of the Insolvency Proceedings Regulation) is situated in its original respective jurisdiction of organization and ensure that it has no “establishment” (as that term is used in Article 2(b) of the Insolvency Proceedings Regulation) in any other jurisdiction where to do so could reasonably be expected to adversely affect the interests of the holders of the Senior Secured Notes.

Without prejudice to the generality of the foregoing, prior to a Change of Control each of the Luxembourg Security Providers will:

(a) hold all meetings of its board of directors in Luxembourg (with members present or by telephone (in which case the conference call shall be initiated from Luxembourg by one of the directors));

(b) keep any share register, official corporate books and account records in Luxembourg; and

(c) exercise its administration in Luxembourg.

Maintenance of double LuxCo structure

(a) Prior to a Change of Control, Top Luxco or any successor Person will not sell, assign, convey, transfer, lease or otherwise dispose of any voting power of the Voting Stock of Luxco or any successor Person and will not otherwise cease to own and hold directly all of the total voting power of the Voting Stock of Luxco or such successor Person and all of the Capital Stock of Luxco or such Successor Person shall constitute Senior Secured Notes Collateral.

(b) Prior to a Change of Control, Luxco or any successor Person will not sell, assign, convey, transfer, lease or otherwise dispose of any voting power of the Voting Stock of Holdco or any successor Person and will not otherwise cease to own and hold (i) prior to a Roll-Over, if any, and a Significant Acquisition by Holdco, if any, directly all of the total voting power of the Voting Stock of Holdco or such successor Person (other than voting power in respect of directors’ qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Luxco or such Successor Person), and

Luxco or such Successor Person will ensure that all of the Capital Stock of Holdco or its successor Person (other than directors' qualifying shares or shares (or other Capital Stock) required by applicable law to be held by a Person other than Luxco or its successor Person) constitutes Senior Secured Notes Collateral; (ii) upon and subsequent to a Roll-Over, if any, but prior to a Significant Acquisition by Holdco, if any, or a Top Luxco Roll-Over, if any, directly at least 70.0% of the total voting power of the Voting Stock of Holdco or such successor Person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Luxco) less voting power of the Voting Stock transferred to other Persons (by way of one or more holding companies) decreasing the amount of the total voting power of the Voting Stock of Holdco or such successor Person owned and held by Luxco or any successor Person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Luxco or any successor Person) to no less than 55.0%, and Luxco or any successor Person will ensure that all of the Capital Stock of Holdco or its successor Person (other than directors' qualifying shares or shares (or other Capital Stock) required by applicable law to be held by a Person other than Luxco or its successor Person) constitutes Senior Secured Notes Collateral (including call options in respect of Capital Stock held by a Person other than Luxco or its successor Person); (iii) upon and subsequent to a Roll-Over, if any, and a Significant Acquisition by Holdco, if any, but prior to a Top Luxco Roll- Over, if any, directly at least a majority of the total voting power of the Voting Stock of Holdco or such successor Person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Luxco or its successor Person), and Luxco or its successor Person will ensure that all of the Capital Stock of Holdco or its successor Person (other than directors' qualifying shares or shares (or other Capital Stock) required by applicable law to be held by a Person other than Luxco or its successor Person) constitutes Senior Secured Notes Collateral (including call options in respect of Qualified Capital Stock held by a Person other than Luxco or its successor Person); and (iv) upon and subsequent to a Top Luxco Roll-Over, if any which occurs after a Roll-Over, directly less than 95% of the total voting power of the Voting Stock of Holdco or such successor Person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Luxco or its successor Person), and Luxco or its successor Person will ensure that all of the Capital Stock of Holdco or its successor Person (other than directors' qualifying shares or shares (or other Capital Stock) required by applicable law to be held by a Person other than Luxco or its successor Person) constitutes Senior Secured Notes Collateral; *provided* that in the case of (iv) any voting power of the Voting Stock of Holdco or a successor Person that is not owned and held from time to time by Luxco or a successor person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Luxco or its successor Person) is owned and held by any combination of Persons who held Existing Management Vendor Loans as of the Issue Date (together with their successors, controlling stockholders, spouses, family members, heirs, estate trusts, executors, administrators or beneficiaries), Investor Companies, Management Investment Companies, Management Investors, Manco and/or Senior Management; *provided further* that in the case of each of (i), (ii), (iii) and (iv), upon the consummation of, or concurrently with, any Public Equity Offering of the Qualified Capital Stock of Holdco or its successor Person, the minimum percentage of the total voting power of the Voting Stock required to be directly held by Luxco, or its successor Person pursuant to this covenant shall be proportionally decreased and the Senior Secured Notes Collateral in respect of the Qualified Capital Stock of Holdco or such successor Person offered in such Public Equity Offering may be released and will no longer be required to constitute Senior Secured Notes Collateral; and

(c) Holdco or any successor Person will not sell, assign, convey, transfer, lease or otherwise dispose of Voting Stock of the Senior Secured Notes Issuer or any successor Person and will not otherwise cease to own and hold (i) prior to any Roll-Over, any Top Luxco Roll-Over and any Significant Acquisition by a Permitted Acquirer, if any, directly at least 70.0% of the total voting power of the Voting Stock of the Senior Secured Notes Issuer or such successor Person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Holdco or any successor Person) less voting power of the Voting Stock transferred to other Persons (by way of one or more holding companies) decreasing the amount of the total voting power of the Voting Stock of the Senior Secured Notes Issuer or such successor Person owned and held by Holdco or any Successor Person to no less than 55.0%, and Holdco or any successor Person will ensure that all of the Capital Stock of the Senior Secured Notes Issuer or its successor Person (other than directors' qualifying shares of or shares (or Capital Stock) required by applicable law to be held by a Person other than Holdco or any successor Person) constitutes Senior Secured Notes Collateral (including call options in respect of Capital Stock held by a Person other than Holdco or its successor Person); (ii) upon and subsequent to any Roll-Over or any Top Luxco Roll-Over but prior to a Significant Acquisition by a Permitted Acquirer, if any, directly less than 95% of the voting power of the Voting Stock of the Senior Secured Notes Issuer or such successor Person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Holdco or its successor Person), and Holdco or its successor Person will ensure that all of the Capital Stock of the Senior Secured Notes Issuer or its successor Person (other than directors' qualifying shares of or shares (or Capital Stock) required by applicable law to be held by a Person other than Holdco or any successor Person) constitutes Senior Secured Notes Collateral; and (iii) upon and subsequent to any Roll-Over or any Top Luxco Roll-Over and a Significant Acquisition by a Permitted Acquirer, if any, directly at least 90.0% of the total voting power of the Voting Stock of the Senior Secured Notes Issuer or such successor Person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Holdco or its successor Person), and Holdco or its successor Person will ensure that at least 90.0% of the Capital Stock of the Senior Secured Notes Issuer or its successor Person (other than directors' qualifying shares of or shares (or Capital Stock) required by applicable law to be held by a Person other than Holdco or any successor Person) constitutes Senior Secured Notes Collateral; *provided* that in the case of (ii) any voting power of the Voting Stock of the Senior Secured Notes Issuer or a successor Person that is not owned and held from time to time by Holdco or a successor person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Holdco or its successor Person) is owned and held by any combination of Persons who held Existing Management Vendor Loans as of the Issue Date (together with their successors, controlling stockholders, spouses, family members, heirs, estate trusts, executors, administrators or beneficiaries), Investor Companies, Management Investment Companies, Management Investors, Manco and/or Senior Management.

(d) Any requirement for Capital Stock to constitute Senior Secured Notes Collateral in this covenant is a requirement that such Senior Secured Notes Collateral secures the Senior Secured Notes and the Senior Secured Note Guarantees on a senior basis (or constitutes call options granted to the Security Agent for the benefit of the holders of the Senior Secured Notes and the Note Senior Secured Notes Guarantors) in accordance in the Intercreditor Agreement and any Additional Intercreditor Agreement. Nothing in this covenant shall restrict or prohibit (i) any Liens created by the Security Documents, any Permitted Liens or Permitted Collateral Liens; (ii) any release of Liens over the Senior Secured Notes Collateral that may otherwise be permitted under the Senior Secured Notes Indenture or (iii) subject to clause (c)(iii) above, a Permitted Reorganization.

(e) Nothing in this covenant shall require any Capital Stock of Holdco or the Senior Secured Notes Issuer or their successor Person held by a Person as a result of a requirement to hold directors' or their successor Person qualifying shares or Capital Stock or other voting power in the Voting Stock of Holdco or the Senior Secured Notes Issuer required by law to be held by such Person to constitute Senior Secured Notes Collateral. Notwithstanding the foregoing, nothing in this covenant shall prevent the Senior Secured Notes Issuer, Holdco, Luxco or Top Luxco from effecting the Roll-Over or the Top Luxco Roll- Over, including, solely for the purpose of implementing such transactions, not owning or holding the relevant percentages of voting power in the Voting Stock of an entity or ensuring Capital Stock of a Person constitutes Senior Secured Notes Collateral; provided that, immediately following completion of such Roll-Over or Top Luxco Roll-Over, the Senior Secured Notes Issuer, Holdco, Luxco or Top Luxco shall be in compliance with this covenant.

Impairment of security interest

The Senior Secured Notes Issuer, the Senior Secured Notes Guarantors, Holdco and the Luxembourg Security Providers will not, and the Senior Secured Notes Issuer will not cause or permit any of its Restricted Subsidiaries to, take, or knowingly or negligently omit to take, any action which might or would have the result of materially impairing the Security Interest with respect to the Senior Secured Notes Collateral (it being understood that (subject to provisos below) the incurrence of Liens on the Senior Secured Notes Collateral permitted by the definition of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Security Interest with respect to the Senior Secured Notes Collateral) for the benefit of the Senior Secured Notes Trustee and the holders of the Senior Secured Notes, and the Senior Secured Notes Issuer, the Senior Secured Notes Guarantors, Holdco and the Luxembourg Security Providers will not, and the Senior Secured Notes Issuer will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Security Agent, for the benefit of the Senior Secured Notes Trustee and the holders of the Senior Secured Notes and the other beneficiaries described in the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement any interest whatsoever in any of the Senior Secured Notes Collateral; *provided* that (a) nothing in this provision shall restrict the discharge or release of the Senior Secured Notes Collateral in accordance with any other provision of the Senior Secured Notes Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement and (b) the Senior Secured

Notes Issuer, Holdco the Luxembourg Security Providers and the Senior Secured Notes Issuer's Restricted Subsidiaries may incur Permitted Collateral Liens; and *provided further, however*, that, except with respect to clause (a) of the foregoing proviso, no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or a Lien over the Senior Secured Notes Collateral released and immediately retaken unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, replacement or release and retaking, the Senior Secured Notes Issuer delivers to the Senior Secured Notes Trustee any of (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance reasonably satisfactory to the Senior Secured Notes Trustee confirming the solvency of the Senior Secured Notes Issuer and its Subsidiaries, taken as a whole, Holdco and its Subsidiaries, taken as a whole, or the Luxembourg Security Providers and their Subsidiaries, taken as a whole (as applicable) after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification, replacement or release and retaking, (2) a certificate from the board of directors or the chief financial officer of the relevant Person amending, extending, renewing, restating, supplementing, modifying, replacing or releasing and retaking such Security Document which confirms the solvency of such Person after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release and retaking and replacement, or (3) an opinion of counsel, in form and substance reasonably satisfactory to the Senior Secured Notes Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens securing the Senior Secured Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced, released and retaken are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, and that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release.

At the written direction of the Senior Secured Notes Issuer and without the consent of the holders of the Senior Secured Notes, the Senior Secured Notes Trustee and the Security Agent may from time to time enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Senior Secured Notes Collateral; (iv) comply with the terms of the Intercreditor Agreement; (v) evidence the succession of another Person to the Senior Secured Notes Issuer, Holdco, the Luxembourg Security Providers or a Senior Secured Notes Guarantor and the assumption by such successor of the obligations under the Senior Secured Notes Indenture, the Senior Secured Notes, the applicable Senior Secured Note Guarantee and the Security Documents, in each case, in accordance with "*—Certain Covenants—Merger, Consolidation or Sale of Assets;*" (vi) provide for the release of property and assets constituting Collateral from the Lien of the Security Documents or the release of the Senior Secured Note Guarantee of a Senior Secured Notes Guarantor, in each case, in accordance with (and if permitted by) the terms of the Senior Secured Notes Indenture; (vii) conform the Security Documents to this "*Description of the Senior Secured Notes;*" (viii) evidence and provide for the acceptance of the appointment of a successor Senior Secured Notes Trustee or Security Agent; (ix) to provide for Additional Senior Secured Notes to also benefit from the Senior Secured Notes Collateral or (x) make any other change thereto that does not adversely affect the rights of the holders of the Senior Secured Notes in any material respect.

In the event that the Senior Secured Notes Issuer complies with this covenant, the Security Agent and the Senior Secured Notes Issuer and the Senior Secured Notes Trustee, if required, shall take all action necessary to effect such amendment, extension, renewal, restatement, supplement, modification or replacement.

Additional intercreditor agreements

At the written request of the Senior Secured Notes Issuer, at the time of, or prior to, the Incurrence or refinancing of any Debt that is permitted to share the Senior Secured Notes Collateral, the Senior Secured Notes Issuer, the relevant Senior Secured Notes Guarantors, the Senior Secured Notes Trustee and the Security Agent will (without the consent of the holders of the Senior Secured Notes) enter into an additional intercreditor agreement (each an "*Additional Intercreditor Agreement*") on terms substantially similar to the Intercreditor Agreement (or more favorable to the holders of the Senior Secured Notes) or an amendment to or an amendment and restatement of the Intercreditor Agreement (which amendment in the good faith judgment of the Senior Secured Notes Issuer does not adversely affect the rights of holder of the Senior Secured Notes in any material respect), it being understood that an increase in the amount of Debt being subject to the terms of the Intercreditor Agreement or Additional Intercreditor Agreement will be deemed to be on substantially similar terms to the Intercreditor Agreement and will be deemed not to adversely affect the rights of the holders of the Senior Secured Notes and will be permitted by this covenant if, in each case, the incurrence of such Debt (and any Lien in its favor is permitted by the "*Limitation on Debt*" and "*Limitation on Liens*" covenants;

provided that such Intercreditor Agreement or Additional Intercreditor Agreement will not impose any personal obligations on the Senior Secured Notes Trustee or the Security Agent or adversely affect the rights, duties, liabilities, protections, indemnities or immunities of the Senior Secured Notes Trustee and the Security Agent under the Senior Secured Notes Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Senior Secured Notes Indenture will also provide that, at the written direction of the Senior Secured Notes Issuer and without the consent of the holders of the Senior Secured Notes, the Senior Secured Notes Trustee and the Security Agent shall from time to time enter into one or more amendments to the Intercreditor Agreement or any Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of such agreement, (2) increase the amount or types of Debt covered by such agreement that may be incurred by the Senior Secured Notes Issuer or a Senior Secured Notes Guarantor that is subject to such agreement (including with respect to the Intercreditor Agreement or any Additional Intercreditor Agreement, the addition of provisions relating to new Debt ranking junior in right of payment to the Senior Secured Notes or the Senior Secured Note Guarantees, or an amendment or modification of provisions relating to Debt ranking junior in right of payment to the Senior Secured Notes or the Senior Secured Note Guarantees if such amendments do not adversely affect the holders of the Senior Secured Notes in any material respect, (3) add Restricted Subsidiaries or new Senior Secured Notes Guarantors to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Senior Secured Notes (including Additional Senior Secured Notes), (5) make provision for equal and ratable pledges of or call options on the Senior Secured Notes Collateral to secure Additional Senior Secured Notes, (6) implement any Permitted Collateral Liens, (7) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (8) make any other change to any such agreement that does not adversely affect the holders of the Senior Secured Notes in any material respect.

The Senior Secured Notes Indenture will also provide that, in relation to the Intercreditor Agreement or any Additional Intercreditor Agreement, the Senior Secured Notes Trustee (and Security Agent, if applicable) shall consent on behalf of the holders of the Senior Secured Notes to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of Subordinated Debt; *provided* that such transaction would comply with the covenant described under the caption "—*Restricted Payments*."

The Senior Secured Notes Indenture will provide that each holder of a Senior Secured Note, by accepting such Senior Secured Note, will be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement, Additional Intercreditor Agreement, and any amendment that complies with the provisions of this covenant and none of the Senior Secured Notes Issuer, the Senior Secured Notes Trustee or the Security Agent will be required to seek the consent of any holders of the Senior Secured Notes to perform its obligations under and in accordance with this covenant. Each holder of the Senior Secured Notes will be deemed to have consented to and directed the Senior Secured Notes Trustee and the Security Agent to execute the Intercreditor Agreement, any Additional Intercreditor Agreement or amendment or amendment and restatement of the Intercreditor Agreement or any Additional Intercreditor Agreement that complies with the provisions of this covenant.

Maintenance of listing

The Senior Secured Notes Issuer will use its commercially reasonable efforts to obtain and maintain the listing of the Senior Secured Notes on the Luxembourg Stock Exchange for so long as such Senior Secured Notes are outstanding; *provided* that if the Senior Secured Notes Issuer is unable to obtain admission to listing of the Senior Secured Notes on the Luxembourg Stock Exchange or if at any time the Senior Secured Notes Issuer determines that it will not maintain such listing, it will use its commercially reasonable efforts to obtain and maintain a listing of such Senior Secured Notes on another recognized stock exchange.

Limitation on issuer

The Senior Secured Notes Issuer shall not trade, carry on any business or own any material assets except for:

(a) holding and voting shares and other debt and equity securities of its Subsidiaries on the Issue Date, intercompany Debt between the Senior Secured Notes Issuer and any Restricted Subsidiary, other credit balances in bank accounts and any other asset or property it owns on the Issue Date; and to sell, issue, convey, transfer, lease, or otherwise dispose of all of the foregoing in accordance with the Senior Secured Notes Indenture; *provided* that Issuer may from time to time receive in a transaction otherwise permitted under the Senior Secured Notes Indenture properties and assets (including cash and Cash Equivalents, shares and/or other equity or debt securities, Debt and/or other obligations) for the purpose of transferring such properties and assets to the direct or indirect holders of its Capital Stock or any of its Subsidiaries, so long as in any case such further transfer is made promptly by Issuer and, after giving effect thereto, Issuer is again in compliance with this clause;

(b) holding and voting shares and other debt and equity securities of any Person acquired in connection with a Significant Acquisition by the Senior Secured Notes Issuer or any wholly-owned direct Subsidiaries (other than voting power in respect of directors' qualifying shares or shares (or other Capital Stock) required by applicable law to be held by a Person other than the Senior Secured Notes Issuer) formed for such purpose; *provided that* the Capital Stock owned by the Senior Secured Notes Issuer in any direct Subsidiaries of the Senior Secured Notes Issuer that became Subsidiaries as a result of such transaction is pledged to secure the Senior Secured Notes and the Senior Secured Note Guarantees on a senior basis in accordance in the Intercreditor Agreement and any Additional Intercreditor Agreement;

(c) the incurrence of (i) Debt in accordance with the covenant described under "*—Certain Covenants—Limitation on Debt;*" (ii) Deeply Subordinated Funding, Management Proceeds Funding and Existing Management Vendor Loans and (iii) the performance of the terms and conditions of and exercise of rights in respect of such Debt, Deeply Subordinated Funding, Management Proceeds Funding and Existing Management Vendor Loans to the extent such activities are otherwise permitted or not prohibited by the Senior Secured Notes Indenture and, in the case of (i) and (ii), the offering, sale, purchase, repurchase, redemption, defeasance, refinancing or other acquisition, retirement, amendment, exchange, or servicing thereof in accordance with the Senior Secured Notes Indenture;

(d) (x) the listing of Qualified Capital Stock or Debt of the Senior Secured Notes Issuer and the issuance, offering and sale of its Capital Stock or Management Stock, including compliance with applicable regulatory and other obligations in connection therewith and entry into any agreements with respect thereto; and (y) any purchase, repurchase, redemption, or the performance of the terms and conditions of, or an exercise of rights in respect of, such Capital Stock or Management Stock; *provided* that, in the case of (x) and (y), any such issuance, offering and sale is permitted or not prohibited by the Senior Secured Notes Indenture and the relevant Security Documents;

(e) the granting of any Permitted Lien, any Permitted Collateral Liens and any other Lien and the extension, renewal, refinancing, replacement or release, in whole or in part, of any such Lien to the extent permitted or not prohibited by the Senior Secured Notes Indenture and the relevant Security Documents;

(f) entry into and performance of its rights and obligations under the Senior Secured Notes Indenture, the Senior Secured Notes, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Revolving Credit Facility Agreement, the Security Documents and other Debt instruments and other documents to which it is a party or which a Parent Company or a Restricted Subsidiary is party in respect of Debt to the extent not prohibited under the Senior Secured Notes Indenture;

(g) holding cash and Cash Equivalents;

(h) paying dividends, distributions and other payments as permitted or not prohibited under the Senior Secured Notes Indenture, including without limitation, any Restricted Payment permitted pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" and making any Permitted Payment, any Permitted Investment or any transaction specifically excluded from the definition of the term "Restricted Payment;"

(i) pursuant to or in connection with the Transactions;

(j) making Investments in the Senior Secured Notes or any other Debt or other obligations or securities permitted or not prohibited under the Senior Secured Notes Indenture;

(k) the performance of obligations and exercise of rights under contracts or arrangements with any Management Investor, Management Investment Company and any Person who directly or indirectly holds Capital Stock of the Senior Secured Notes Issuer or any Parent Company or any of their affiliates in accordance with the "*Maintenance of Double LuxCo Structure*" covenant or Management Proceeds Funding entered into in compliance with the Senior Secured Notes Indenture;

(l) the entry into and performance of its rights and obligations in respect of (A) contracts and agreements with its officers, directors, employees, consultants and independent directors, (B) subscription or purchase agreements for securities and/or preferred equity certificates, public offering rights agreements, voting and other stockholder agreements, engagement letters, underwriting agreements, dealer manager agreements, solicitation agency agreements, agreements with rating agencies and other agreements in respect of its securities or any offering, issuance or sale thereof and (C) engagement letters and reliance letters in respect of legal, accounting and other advice and/or reports received and/or commissioned by it;

(m) the performance of any contract, agreement or other transaction (x) existing on the Issue Date or (y) with Holdco, Luxembourg Security Providers and Restricted Subsidiaries, in each case to the extent permitted under, or not prohibited by, the Senior Secured Notes Indenture, the Senior Secured Notes, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;

(n) the provision of administration services, treasury services and management services to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries, including, without limitation, those relating to overhead costs and paying filing fees and other ordinary course expenses (such as audit fees and Taxes), periodic reporting requirements, those directly related or reasonably incidental to the establishment and/or maintenance of its or its subsidiaries' corporate existence, and the ownership, holding or disposition of assets permitted to be held by it under the Senior Secured Notes Indenture;

(o) effecting or participating in a Roll-Over or Top Luxco Roll- Over, a Permitted Reorganization or effecting a Significant Acquisition by a Permitted Acquirer (including undertaking any liability management transactions in connection with a Significant Acquisition by a Permitted Acquirer); *provided* that the Senior Secured Notes Issuer remains in compliance with the other provisions of this covenant while effecting or participating in such transactions;

(p) the exercise of its management rights and responsibilities in connection with the business of the Senior Secured Notes Issuer and its Restricted Subsidiaries consistent with past practice; and

(q) activities undertaken on the Issue Date and subsequent activities substantially consistent with activities undertaken as of the Issue Date and other activities not specifically enumerated above that are incidental to, or are reasonably necessary to effect, the foregoing or are de minimis in nature.

Limitation on Holdco

(a) Holdco shall not trade, carry on any business or own any material assets except for:

(i) subscribing for, holding and voting shares or other debt and equity securities of the Senior Secured Notes Issuer, Debt of its Subsidiaries, other credit balances in bank accounts and any other asset or property it owns on the Issue Date, and to sell, issue, convey, transfer, lease, or otherwise dispose of all of the foregoing in each case, as permitted or not prohibited to be incurred under the Senior Secured Notes Indenture; *provided that* Holdco may from time to time receive in a transaction otherwise permitted under the Senior Secured Notes Indenture properties and assets (including cash and Cash Equivalents, shares and/or other equity or debt securities, Debt and/or other obligations) for the purpose of transferring such properties and assets to the direct or indirect holders of its Capital Stock or any of its Subsidiaries, so long as in any case such further transfer is made promptly by Holdco and, after giving effect thereto, Holdco is again in compliance with this clause;

(ii) (A) the issuance, offering and sale of Capital Stock, other equity securities or other debt instruments or securities of Holdco, Holdco Subordinated Funding, Existing Management Vendor Loans (upon a Roll-Over) and Management Stock; (B) using the net cash proceeds of such issuance, or exchanging or converting such instruments, to fund the purchase price or redemption of any Debt or other equity and debt instrument of the Senior Secured Notes Issuer, or contributing to the common equity of its Subsidiaries to the extent permitted or not prohibited by the Senior Secured Notes Indenture and the relevant Security Documents; and (C) any purchase, repurchase, redemption, or the performance of the terms and conditions of, and exercise of rights in respect of, the foregoing, as applicable, to the extent such activities are otherwise permitted or not prohibited by the Senior Secured Notes Indenture and the relevant Security Documents;

(iii) (A) the listing of Qualified Capital Stock or Debt of Holdco and the issuance, offering and sale of such Qualified Capital Stock (including in a Public Equity Offering) or Debt, including compliance with applicable regulatory and other obligations in connection therewith and entry into any agreements with respect thereto; (B) the performance of the terms and conditions of, or an exercise of rights in respect of the foregoing; *provided* that, in the case of (A) and (B), any such transaction is permitted or not prohibited by the Senior Secured Notes Indenture and the relevant Security Documents;

(iv) the granting of any Permitted Liens, any Permitted Collateral Liens or any Liens in accordance with the "*Limitation on Liens*" covenant, and the extension, renewal, refinancing, release or replacement, in whole or in part, of any such Lien to the extent permitted or not prohibited by the Senior Secured Notes Indenture and the applicable Security Documents;

(v) entry into and performance of its rights and obligations under the Senior Secured Notes Indenture, the Senior Secured Notes, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Revolving Credit Facility Agreement, the Security Documents and other documents or instruments evidencing Debt or other obligations to which it or any of its Subsidiaries or a Parent Company is a party (to the extent permitted or not prohibited under the Senior Secured Notes Indenture);

(vi) holding cash and Cash Equivalents;

(vii) paying dividends, making distributions and other payments as permitted or not prohibited under the Senior Secured Notes Indenture;

(viii) pursuant to or in connection with the Transactions;

(ix) making Investments in the Senior Secured Notes, any Debt of Luxembourg Security Providers, Holdco or a Subsidiary of Holdco (other than an Unrestricted Subsidiary), Deeply Subordinated Funding, Management Proceeds Funding, Holdco Subordinated Funding or Existing Management Vendor Loans permitted or not prohibited to be incurred under the Senior Secured Notes Indenture;

(x) the entry into and performance of its rights and obligations in respect of (A) contracts and agreements with officers, directors, employees advisors, or consultants, (B) subscription or purchase agreements for securities and/or preferred equity certificates, public offering rights agreements, voting and other stockholder agreements, engagement letters, underwriting agreements, dealer manager agreements, solicitation agency agreements, agreements with rating agencies and other agreements in respect of its securities or any offering, issuance or sale thereof and (C) engagement letters and reliance letters in respect of legal, accounting and other advice and/or reports received and/or commissioned by it;

(xi) the performance of obligations and exercise of rights under contracts or arrangements with any Management Investor, Management Investment Company and any Person who directly or indirectly holds Capital Stock of the Senior Secured Notes Issuer or any Parent Company or any of their affiliates in accordance with the "*Maintenance of Double LuxCo Structure*" covenant or Management Proceeds Funding entered into in compliance with the Senior Secured Notes Indenture;

(xii) the entry into and performance of its rights and obligations under any contract, agreement or other transaction with the Luxembourg Security Providers or any Subsidiary of Holdco to the extent permitted under, or not prohibited by, the Senior Secured Notes Indenture, the Senior Secured Notes, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;

(xiii) the provision of administration services, treasury services and management services to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries, including, without limitation, those relating to overhead costs and paying filing fees and other ordinary course expenses (such as audit fees and Taxes), periodic reporting requirements, those directly related or reasonably incidental to the establishment and/or maintenance of its or its Subsidiaries' corporate existence, and the ownership of assets necessary to provide such services;

(xiv) the entry into and completion of a Significant Acquisition (including undertaking any liability management transactions in connection with a Significant Acquisition), and holding of Capital Stock and shareholder loans or proceeds loans of Subsidiaries or other assets acquired in connection with such Significant Acquisition; and the sale, conveyance, transfer, lease, or other disposition of any of the foregoing in each case, as permitted or not prohibited under the Senior Secured Notes Indenture;

(xv) effecting or participating in a Permitted Reorganization, Roll- Over and Top Luxco Roll-Over; and

(xvi) activities undertaken on the Issue Date and subsequent activities substantially consistent with activities undertaken by the Senior Secured Notes Issuer as of the Issue Date and other activities not specifically enumerated above that are incidental to the foregoing or are de minimis in nature.

(b) Holdco will not incur any Debt except:

(i) Permitted Holdco Acquisition Debt if, after giving effect to the incurrence of such Permitted Holdco Acquisition Debt and the application of the proceeds thereof and such Significant Acquisition, on a pro forma basis, the Consolidated Leverage Ratio of Holdco for the four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Permitted Holdco Acquisition Debt, taken as one period, would be no greater than 5.25 to 1.0; *provided that* for the purposes of calculating the Consolidated Leverage Ratio of Holdco, (x) "Consolidated Leverage" shall be determined on (A) the total amount of Debt of Holdco and its Subsidiaries other than any Unrestricted Subsidiary; less (B) cash and Cash Equivalents of Holdco and its Subsidiaries other than any Unrestricted Subsidiary on a consolidated basis; (y) "Consolidated EBITDA" shall be determined based on Holdco and its Subsidiaries other than any Unrestricted Subsidiary on a consolidated basis; and (z) references to "Restricted Subsidiaries" shall be deemed to mean Subsidiaries of Holdco other than Unrestricted Subsidiaries;

(ii) Debt if, after giving effect to the incurrence of such Debt and the application of the proceeds thereof, on a pro forma basis, the Consolidated Leverage Ratio of Holdco for the four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Debt, taken as one period, would be no greater than 5.25 to 1.0; *provided that* for the purposes of calculating the Consolidated Leverage Ratio of Holdco, (x) "Consolidated Leverage" shall be determined on (A) the total amount of Debt of Holdco and its Subsidiaries other than any Unrestricted Subsidiary; less (B) cash and Cash Equivalents of Holdco and its Subsidiaries other than any

Unrestricted Subsidiary on a consolidated basis; (y) "Consolidated EBITDA" shall be determined based on Holdco and its Subsidiaries other than any Unrestricted Subsidiary on a consolidated basis; and (z) references to "Restricted Subsidiaries" shall be deemed to mean Subsidiaries of Holdco other than Unrestricted Subsidiaries; *provided further* that such Debt is not incurred, directly or indirectly, for the purpose of or otherwise in connection with a Significant Acquisition;

(iii) Eligible Acquisition Holdco Debt to renew, substitute, replace or refinance, in whole or in part:

(A) Permitted Holdco Acquisition Debt and any Permitted Refinancing Debt in respect of any Permitted Holdco Acquisition Debt if, after giving effect to the incurrence of such Eligible Acquisition Holdco Debt and the application of the proceeds thereof, on a pro forma basis and treating the Fixed Charges of such Eligible Acquisition Holdco Debt as if incurred by Issuer in lieu of Holdco, the Consolidated Fixed Charge Coverage Ratio of the Senior Secured Notes Issuer for the four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Eligible Acquisition Holdco Debt, taken as one period, would have been at least 2.0 to 1.0; and

(B) Investor Acquisition Debt if:

(I) after giving effect to the incurrence of such Eligible Acquisition Holdco Debt and the application of the proceeds thereof, on a pro forma basis and treating the Fixed Charges of such Eligible Acquisition Holdco Debt as if incurred by Issuer, the Consolidated Fixed Charge Coverage Ratio of the Senior Secured Notes Issuer for the four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Eligible Acquisition Holdco Debt, taken as one period, would have been at least 2.0 to 1.0;

(II) at the time of incurrence of such Eligible Acquisition Holdco Debt renewing, substituting, replacing or refinancing such Investor Acquisition Debt, after giving effect to the incurrence of the Eligible Acquisition Holdco Debt renewing, substituting, replacing or refinancing such Investor Acquisition Debt and the application of the proceeds thereof and the applicable Significant Acquisition, on a pro forma basis, the Consolidated Leverage Ratio of Holdco for the four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Eligible Acquisition Holdco Debt, as applicable, taken as one period, would be no greater than 5.25 to 1.0; *provided* that for the purposes of calculating the Consolidated Leverage Ratio of Holdco, (x) "Consolidated Leverage" shall be determined on (a) the total amount of Debt of Holdco and its Subsidiaries other than any Unrestricted Subsidiary; less (b) cash and Cash Equivalents of Holdco and its Subsidiaries other than any Unrestricted Subsidiary on a consolidated basis; (y) "Consolidated EBITDA" shall be determined based on Holdco and its Subsidiaries other than any Unrestricted Subsidiary on a consolidated basis; and (z) references to "Restricted Subsidiaries" shall be deemed to mean Subsidiaries of Holdco other than Unrestricted Subsidiaries; and

(C) Eligible Acquisition Investor Debt if at the time of incurrence of such Eligible Acquisition Holdco Debt renewing, substituting, replacing or refinancing such Eligible Acquisition Investor Debt, after giving effect to the incurrence of Eligible Acquisition Holdco Debt renewing, substituting, replacing or refinancing such Eligible Acquisition Investor Debt and the application of the proceeds thereof and the applicable Significant Acquisition, on a pro forma basis, the Consolidated Leverage Ratio of Holdco for the four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Eligible Acquisition Holdco Debt, as applicable, taken as one period, would be no greater than 5.25 to 1.0; provided that for the purposes of calculating the Consolidated Leverage Ratio of Holdco, (x) "Consolidated Leverage" shall be determined on (a) the total amount of Debt of Holdco and its Subsidiaries other than any Unrestricted Subsidiary; less (b) cash and Cash Equivalents of Holdco and its Subsidiaries other than any Unrestricted Subsidiary on a consolidated basis; (y) "Consolidated EBITDA" shall be determined based on Holdco and its Subsidiaries other than any Unrestricted Subsidiary on a consolidated basis; and (z) references to “Restricted Subsidiaries” shall be deemed to mean Subsidiaries of Holdco other than Unrestricted Subsidiaries,

provided that in the case of (A), (B) and (C) such Eligible Acquisition Holdco Debt is in an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value and if pay-in-kind debt, the value of such debt including any interest paid in the form of additional Debt) then outstanding of the Permitted Holdco Acquisition Debt (or Permitted Refinancing Debt in respect thereof), Investor Acquisition Debt or Eligible Acquisition Investor Debt being renewed, substituted, refinanced or replaced and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such renewal, substitution, refinancing or replacement;

(iv) Permitted Refinancing Debt incurred to renew, refund, replace, refinance, defease or discharge Debt incurred by it pursuant to clause (i), (ii), (iii) or this clause (iv); *provided* that such Permitted Refinancing Debt in respect of any Permitted Holdco Acquisition Debt or any Permitted Refinancing Debt in respect thereof also complies with the proviso in the definition of “Permitted Holdco Acquisition Debt”;

(v) any “parallel debt” obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents or any security document in respect of Permitted Liens or Permitted Collateral Liens or any Liens in accordance with the “*Limitation on Liens*” covenant;

(vi) Debt arising from (x) customary agreements providing for guarantees, indemnities or obligations in respect of earn-outs or other purchase price adjustments or, in each case, similar obligations and (y) any obligations in respect of a liability management transaction, in the case of (x) and (y), in connection with a Significant Acquisition;

(vii) Debt arising from (w) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; provided that such Debt is extinguished within 30 days of incurrence, (x) bankers’ acceptances, performance, surety judgment, appeal or similar bonds, warranties, or similar instruments or obligations, bonds provided or letters of credit obtained by the Senior Secured Notes Issuer or any Restricted Subsidiary in the ordinary course of business, (y) VAT or other tax guarantees in the ordinary course of business and (z) any customary cash pooling or netting or setting-off arrangements; and

(viii) loans or credit in the ordinary course of holding company activities to the extent that it is not otherwise prohibited by the Senior Secured Notes Indenture;

and, in the case of clause (b), Holdco may perform the terms and conditions of, and exercise rights in respect of, or under, such Debt to the extent such activities are otherwise permitted or not prohibited by the Senior Secured Notes Indenture and, Holdco may offer, sell, purchase, repurchase, redeem, defease, amend, retire, exchange and service such Debt unless prohibited by the Senior Secured Notes Indenture.

For the avoidance of doubt, Holdco may incur Holdco Subordinated Funding and may purchase, repurchase, redeem, or perform the terms and conditions of, or exercise its rights in respect, of such Holdco Subordinated Funding.

Limitation on Luxembourg Security Providers

(a) Prior to a Change of Control, none of the Luxembourg Security Providers shall trade, carry on any business or own any material assets except for:

(i) (A) in the case of the Top Luxco, subscribing for, holding and voting shares or other debt and equity securities of Luxco, Debt (or shareholder loans) of its Subsidiaries, other credit balances in bank accounts and any other asset or property it owns on the Issue Date; (B) in the case of Luxco, subscribing for, holding and voting shares or other debt and equity securities of Holdco and Debt (or shareholder loans) of its Subsidiaries, Holdco Subordinated Funding and credit balances in bank accounts and any other asset or property it owns on the Issue Date; and, in the case of (A) and (B), each of Top Luxco and Luxco can sell, issue, convey, transfer, lease, or otherwise dispose of all of the foregoing, in each case, as permitted or not prohibited to be incurred under the Senior Secured

Notes Indenture; *provided* that each Luxembourg Security Provider may from time to time receive in a transaction otherwise permitted under the Senior Secured Notes Indenture properties and assets (including cash and Cash Equivalents, shares and/or other equity or debt securities, Debt and/or other obligations) for the purpose of transferring such properties and assets to any direct or indirect holders of the Capital Stock of such Luxembourg Security Provider, and any of its Subsidiaries or any other Person, so long as in any case such further transfer is made promptly by such Luxembourg Security Provider and, after giving effect thereto, such Luxembourg Security Provider is again in compliance with this clause;

(ii) (A) the issuance, offering and sale of Capital Stock, other equity securities, shareholder loans, bonds or other debt instruments or securities of Top Luxco and Luxco and Management Stock to the extent permitted or not prohibited by the Senior Secured Notes Indenture; (B) using the net cash proceeds of such issuance, or exchanging or converting such instruments, to fund the purchase, repurchase or redemption of, any Debt or other equity or debt instrument of Luxco or Holdco, or to contribute to the common the equity of its direct Subsidiary, to the extent permitted or not prohibited by the Senior Secured Notes Indenture and the relevant Security Documents; and (C) any purchase, repurchase, redemption, or the performance of the terms and conditions of, and exercise of rights in respect of, the foregoing, to the extent such activities are otherwise permitted or not prohibited by the Senior Secured Notes Indenture and the relevant Security Documents;

(iii) (A) the listing of Qualified Capital Stock or Debt of Top Luxco and the issuance, offering and sale of such Qualified Capital Stock (including in a Public Equity Offering) or Debt, including compliance with applicable regulatory and other obligations in connection therewith and entry into any agreements with respect thereto or to contribute to the common equity of its direct Subsidiary; (B) the performance of the terms and conditions of, or an exercise of rights in respect of the foregoing; *provided* that, in the case of (A) and (B), any such transaction is permitted or not prohibited by the Senior Secured Notes Indenture and the relevant Security Documents;

(iv) the granting of any Permitted Liens, any Permitted Collateral Liens or any Liens in accordance with the "*Limitation on Liens*" covenant, and the extension, renewal, refinancing, release or replacement, in whole or in part, of any such guarantee or Lien to the extent permitted or not prohibited by the Senior Secured Notes Indenture and the applicable Security Documents;

(v) entry into and performance of its rights and obligations under the Senior Secured Notes Indenture, the Senior Secured Notes, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Revolving Credit Facility Agreement (and any Credit Facility that refinances, replaces, restates or extends the Revolving Credit Facility in accordance with the terms of the Senior Secured Notes Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement), the Security Documents and other documents or instruments evidencing Debt or other obligations to which it or any of its Subsidiaries or a Parent Company is a party (to the extent permitted or not prohibited under the Senior Secured Notes Indenture);

(vi) holding cash and Cash Equivalents;

(vii) paying dividends, making distributions and other payments as permitted or not prohibited under the Senior Secured Notes Indenture;

(viii) pursuant to or in connection with the Transactions, the Roll- Over or the Top Luxco Roll-Over;

(ix) making Investments in the Senior Secured Notes or any other Debt of Luxembourg Security Providers, Holdco, the Senior Secured Notes Issuer or a Subsidiary (other than an Unrestricted Subsidiary) permitted or not prohibited to be incurred under the Senior Secured Notes Indenture;

(x) the entry into and performance of its rights and obligations in respect of (A) contracts and agreements with officers, directors, employees, advisors or consultants, (B) subscription or purchase agreements for securities and/or preferred equity certificates, public offering rights agreements, voting and other stockholder agreements, engagement letters, underwriting agreements, dealer manager agreements, solicitation agency agreements, agreements with rating agencies and other agreements in respect of its securities or any offering, issuance or sale thereof and (C) engagement letters and reliance letters in respect of legal, accounting and other advice and/or reports received and/or commissioned by it;

(xi) the performance of obligations and exercise of rights under contracts or arrangements with any Management Investor, Management Investment Company entered into in compliance with the Senior Secured Notes Indenture and any Person who directly or indirectly holds Capital Stock of the Senior Secured Notes Issuer or any Parent Company or any of their affiliates in accordance with the "*Maintenance of Double LuxCo Structure*" covenant;

(xii) the entry into and performance of its rights and obligations under any contract, agreement or other transaction with a Luxembourg Security Provider, Holdco, the Senior Secured Notes Issuer or any Subsidiary of such Luxembourg Security Provider to the extent permitted under, or not prohibited by, the Senior Secured Notes Indenture, the Senior Secured Notes, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;

(xiii) the provision of administration services, treasury services and management services to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries, including, without limitation, those relating to overhead costs and paying filing fees and other ordinary course expenses (such as audit fees and Taxes), periodic reporting requirements, those directly related or reasonably incidental to the establishment and/or maintenance of its or its subsidiaries' corporate existence, and the ownership of assets necessary to provide such services;

(xiv) in the case of Top Luxco, to undertake transactions reasonably necessary in connection with a Significant Acquisition (including any liability management transactions in connection with a Significant Acquisition); and

(xv) activities undertaken on the Issue Date and subsequent activities substantially consistent with activities undertaken by the relevant Luxembourg Security Provider and other activities not specifically enumerated above that are incidental to the foregoing or are de minimis in nature.

(b) Prior to a Change of Control, Luxco will not incur any Debt except:

(i) Debt, to the extent the net proceeds of such Debt are contributed, directly or indirectly, to (A) the Senior Secured Notes Issuer in accordance with the covenants described under "*—Certain Covenants—Limitation on Debt*" and "*—Certain Covenants—Limitation on Restricted Payments*;" and/or (B) Holdco in accordance with the covenant described under "*—Certain Covenants—Limitation on Holdco*";

(ii) Proceeds Loans, shareholder loans, bonds or other debt instruments to fund the purchase, repurchase or redemption of (including, without limitation, in exchange for or conversion of, or out of or with the net cash proceeds of a substantially concurrent issuance or sale of), any Debt or other equity or debt instrument of Holdco, the issuance or incurrence of which is permitted or not prohibited by the Senior Secured Notes Indenture and the relevant Security Documents; and

(iii) any "parallel debt" obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents or any security document in respect of Permitted Liens or Permitted Collateral Liens or any Liens in accordance with the "*Limitation on Liens*" covenant.

and, in the case of clause (b), Luxco may perform the terms and conditions of, and exercise rights in respect of, such Debt to the extent such activities are otherwise permitted or not prohibited by the Senior Secured Notes Indenture, and Luxco may offer, sell, purchase, repurchase, redeem, defease, amend, retire, exchange and service such Debt unless prohibited by the Senior Secured Notes Indenture.

(c) Notwithstanding the foregoing clauses (a) and (b), Luxco may from time to time receive in a transaction otherwise permitted under the Senior Secured Notes Indenture properties and assets (including cash and Cash Equivalents, Debt, shares and/or other equity and debt instruments and/or other obligations) for the purpose of transferring such properties and assets to the direct or indirect holders of its Capital Stock or any of its Subsidiaries, so long as in any case such further transfer is made promptly by Luxco and, after giving effect thereto, Luxco is again in compliance with this covenant.

Payments for consent

The Senior Secured Notes Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of Senior Secured Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Senior Secured Notes Indenture or the Senior Secured Notes unless such consideration is offered to be paid and is paid to all holders of the Senior Secured Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Senior Secured Notes Issuer and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Senior Secured Notes Indenture or the Senior Secured Notes, to exclude holders of Senior Secured Notes in any jurisdiction where (a) the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash, or (b) the payment of the consideration therefor would require the Senior Secured Notes Issuer or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Senior Secured Notes Issuer in its sole discretion determines (acting in good faith) (x) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction); or (y) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Events of default

(1) Each of the following will be an "*Event of Default*" under the Senior Secured Notes Indenture:

(a) default for 30 days in the payment when due of any interest or any Additional Amounts on any Senior Secured Note;

(b) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of or premium, if any, on any Senior Secured Note;

(c) failure by the Senior Secured Notes Issuer, the relevant Senior Secured Notes Guarantor, Holdco or the relevant Luxembourg Security Provider for 30 days after the written notice specified in clause (d) below to comply with any of its obligations in the covenants described above under "*—Certain Covenants*" (other than a covenant or agreement that is specifically dealt with in clause (a) or (b) above);

(d) failure by the Senior Secured Notes Issuer, or relevant Senior Secured Notes Guarantor, Holdco or the relevant Luxembourg Security Provider for 60 days after written notice to the Senior Secured Notes Issuer by the Senior Secured Notes Trustee or the holders of at least 25% in aggregate principal amount of the Senior Secured Notes then outstanding voting as a single class to comply with any of the agreements in the Senior Secured Notes Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (a), (b) or (c) above or the Senior Secured Notes, the Senior Secured Note Guarantees or the Security Documents);

(e) default under the terms of any instrument evidencing or securing Debt for money borrowed by the Senior Secured Notes Issuer or any Restricted Subsidiary, if that default (x) results in the acceleration of the payment of such Debt or (y) is caused by a failure to pay principal of such Debt at final maturity thereof after giving effect to any applicable grace periods, and such failure to make any payment has not been waived or the maturity of such Debt has not been extended (a "*Payment Default*"), and in either case the total amount of such Debt unpaid or accelerated exceeds €10.0 million;

(f) any Senior Secured Note Guarantee ceases to be, is held in any judicial proceeding or shall be asserted in writing by any Senior Secured Notes Guarantor, or any Person acting on behalf of any Senior Secured Notes Guarantor, not to be, in full force and effect or enforceable in accordance with its terms (other than as provided for in the Senior Secured Notes Indenture, any Senior Secured Note Guarantee or the Intercreditor Agreement);

(g) failure by the Senior Secured Notes Issuer or any Significant Subsidiary or a group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, to pay final judgments, orders or decrees (not subject to appeal) entered by a court or courts of competent jurisdiction aggregating in excess of €10.0 million (exclusive of any amounts covered by insurance policies issued by reputable and creditworthy insurance companies), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days or more during which a stay of enforcement of such judgment, order or decree (by reason of pending appeal, waiver or otherwise) shall not have been in effect;

(h) (i) the Security Interests purported to be created under any Security Document (with respect to Collateral) having a Fair Market Value in excess of €5.0 million (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Senior Secured Notes Indenture) will, at any time, cease to be in full force and effect and constitute a valid and perfected Lien with the priority required by the applicable Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Senior Secured Notes Indenture for any reason other than the satisfaction in full of all obligations under the Senior Secured Notes Indenture and discharge of the Senior Secured Notes Indenture or in accordance with the terms of the Intercreditor Agreement, any Additional Intercreditor Agreement, the Senior Secured Notes Indenture and the Security Documents or (ii) any Security Interest purported to be created under any Security Document is declared invalid or unenforceable or the Senior Secured Notes Issuer, Holdco, any Luxembourg Security Provider or any Restricted Subsidiary granting Collateral that is the subject of any such Security Interest asserts, in any pleading in any court of competent jurisdiction, that any such Security Interest is invalid or unenforceable and such failure to be in full force and effect or such assertion has continued uncured for a period of 15 days; and

(i) the occurrence of certain events of bankruptcy or insolvency described in the Senior Secured Notes Indenture with respect to the Senior Secured Notes Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that taken as a whole would constitute a Significant Subsidiary.

(2) If an Event of Default (other than as specified in clause (1)(i) above with respect to the Senior Secured Notes Issuer) occurs and is continuing, the Senior Secured Notes Trustee or the holders of not less than 25% in aggregate principal amount of the Senior Secured Notes then outstanding by written notice to the Senior Secured Notes Issuer (and to the Senior Secured Notes Trustee if such notice is given by the holders) may, and the Senior Secured Notes Trustee, upon the written request of such holders, shall, declare the principal of, premium, if any, and any Additional Amounts and accrued interest on all the outstanding Senior Secured Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the Senior Secured Notes will become immediately due and payable.

(3) If an Event of Default specified in clause (1)(i) above with respect to the Senior Secured Notes Issuer occurs and is continuing, then the principal of, premium, if any, and Additional Amounts and accrued and unpaid interest on all the outstanding Senior Secured Notes shall become and be immediately due and payable without any declaration or other act on the part of the Senior Secured Notes Trustee or any holder of Senior Secured Notes.

(4) The Senior Secured Notes Indenture will provide that the holders of a majority in aggregate principal amount of the then outstanding Senior Secured Notes by written notice to the Senior Secured Notes Trustee may on behalf of the holders of all of the Senior Secured Notes waive any existing Default and its consequences under the Senior Secured Notes Indenture (except a continuing Default in the payment of interest on, premium and Additional Amounts, if any, of the principal of any Senior Secured Notes held by a non-consenting holder, which may only be waived with the consent of holders of the Senior Secured Notes holding 90% of the aggregate principal amount of the Senior Secured Notes outstanding under the Senior Secured Notes Indenture) and rescind any acceleration with respect to the Senior Secured Notes and its consequences (except if such rescission would conflict with any judgment of a court of competent jurisdiction). In the event of any Event of Default specified in clause (e) above, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Senior Secured Notes) shall be annulled, waived or rescinded, automatically and without any action by the Senior Secured Notes Trustee or the holders, if within 20 days after such Event of Default arose:

(i) the indebtedness or guarantee that is the basis for such Event of Default has been discharged;

(ii) holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(iii) the default that is the basis for such Event of Default has been cured.

(5) At any time after a declaration of acceleration under the Senior Secured Notes Indenture, but before a judgment or decree for payment of the money due has been obtained by the Senior Secured Notes Trustee, the holders of a majority in aggregate principal amount of the outstanding Senior Secured Notes, by written notice to the Senior Secured Notes Issuer and the Senior Secured Notes Trustee, may rescind such declaration and its consequences if:

(a) the Senior Secured Notes Issuer has paid or deposited with the Senior Secured Notes Trustee (or another party designated by the Senior Secured Notes Trustee for this purpose) a sum sufficient to pay:

(i) all overdue interest and Additional Amounts on all Senior Secured Notes then outstanding;

(ii) all unpaid principal of and premium, if any, on any outstanding Senior Secured Notes that has become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Senior Secured Notes;

(iii) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the Senior Secured Notes; and

(iv) all sums paid or advanced by the Senior Secured Notes Trustee under the Senior Secured Notes Indenture and the properly incurred compensation, expenses, disbursements and advances of the Senior Secured Notes Trustee, its agents and counsels;

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(c) all Events of Default, other than the non-payment of amounts of principal of, premium, if any, and any Additional Amounts and interest on the Senior Secured Notes that has become due solely by such declaration of acceleration, have been cured or waived.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(6) Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Senior Secured Notes may direct the Senior Secured Notes Trustee in its exercise of any trust or power.

(7) In case an Event of Default occurs and is continuing, the Senior Secured Notes Trustee will be under no obligation to exercise any of the rights or powers under the Senior Secured Notes Indenture at the request or direction of any holders of the Senior Secured Notes unless such holders have made written request and offered to the Senior Secured Notes Trustee indemnity or security satisfactory to the Senior Secured Notes Trustee against any loss, liability or expense. Except (subject to the provisions described under "*—Amendments and Waivers*") to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no holder of any of the Senior Secured Notes has any right to institute any proceedings with respect to the Senior Secured Notes Indenture or any remedy thereunder, unless the holders of at least 25% in aggregate principal amount of the outstanding Senior Secured Notes have made written request to, and offered indemnity and security satisfactory to, the Senior Secured Notes Trustee to institute such proceeding as trustee under the Senior Secured Notes and the Senior Secured Notes Indenture, the Senior Secured Notes Trustee has failed to institute such proceeding within 30 days after receipt of such written notice and indemnity and security and the Senior Secured Notes Trustee within such 30- day period has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding Senior Secured Notes. Such limitations do not, however, apply to a suit instituted by a holder of a Senior Secured Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Senior Secured Note on or after the respective due dates expressed in such Senior Secured Note.

(8) If a Default or an Event of Default occurs and is continuing and is known to the Senior Secured Notes Trustee, the Senior Secured Notes Trustee will deliver to each holder of the Senior Secured Notes notice of the Default or Event of Default within 30 Business Days after its actual knowledge of such occurrence. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, Additional Amounts or interest on any Senior Secured Notes, the Senior Secured Notes Trustee may withhold the notice to the holders of such Senior Secured Notes if a committee of its trust officers in good faith determines that withholding the notice is in the interests of the holders of the Senior Secured Notes.

(9) The Senior Secured Notes Issuer is required to furnish to the Senior Secured Notes Trustee annual statements regarding compliance with the Senior Secured Notes Indenture and as to the occurrence of a Default or Event of Default. The Senior Secured Notes Issuer is also required to notify the Senior Secured Notes Trustee in writing within 30 days of the occurrence of any Default (unless cured) or Event of Default stating what action, if any, it is taking with respect to such Default or Event of Default.

Legal defeasance or covenant defeasance of senior secured notes indenture

The Senior Secured Notes Issuer may at any time, at the option of its board of directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding Senior Secured Notes issued under an Senior Secured Notes Indenture and all obligations of the Senior Secured Notes Guarantors discharged with respect to their applicable Senior Secured Note Guarantees ("*Legal Defeasance*") except as to:

(a) the rights of holders of outstanding Senior Secured Notes to receive payments in respect of the principal of, premium, if any, and interest on such Senior Secured Notes (including Additional Amounts, if any) when such payments are due from the trust referred to below;

(b) the Senior Secured Notes Issuer's obligations to issue temporary Senior Secured Notes, register, transfer or exchange any Senior Secured Notes, replace mutilated, destroyed, lost or stolen Senior Secured Notes, maintain an office or agency for payments in respect of the Senior Secured Notes and segregate and hold such payments in trust;

(c) the rights, powers, trusts, duties and immunities of the Senior Secured Notes Trustee and the obligations of the Senior Secured Notes Issuer and the Senior Secured Notes Guarantors in connection therewith; and

(d) the Legal Defeasance and Covenant Defeasance provisions of the Senior Secured Notes Indenture.

In addition, the Senior Secured Notes Issuer may, at its option and at any time, elect to have the obligations of the Senior Secured Notes Issuer and the Senior Secured Notes Guarantors released with respect to certain covenants (including its obligation to make Change of Control Offers and Excess Proceeds Offers) set forth in the Senior Secured Notes Indenture ("*Covenant Defeasance*"), and thereafter any omission to comply with such covenants will not constitute a Default or an Event of Default with respect to the Senior Secured Notes. In the event Covenant Defeasance occurs, certain events described under "*—Events of Default*" will no longer constitute an Event of Default with respect to the Senior Secured Notes. These events do not include events relating to non-payment or, solely with respect to the Senior Secured Notes Issuer, bankruptcy, insolvency, receivership and reorganization. The Senior Secured Notes Issuer may exercise its Legal Defeasance option regardless of whether it previously exercised Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Senior Secured Notes Issuer must irrevocably deposit or cause to be deposited in trust with the Senior Secured Notes Trustee (or such other entity nominated by the Senior Secured Notes Trustee for this purpose), for the benefit of the holders of the Senior Secured Notes, cash in euro, non-- callable European Government Obligations or a combination thereof, in each case in such amounts as will be sufficient, in the opinion of internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay and discharge the principal of, premium, if any, and interest (including Additional Amounts, if any), on the outstanding Senior Secured Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Senior Secured Notes Issuer must (x) specify whether the Senior Secured Notes are being defeased to such Stated Maturity or to a particular redemption date; and (y) if applicable, have delivered to the Senior Secured Notes Trustee an irrevocable notice to redeem all the outstanding Senior Secured Notes of such principal, premium, if any, or interest;

(b) in the case of Legal Defeasance, the Senior Secured Notes Issuer must have delivered to the Senior Secured Notes Trustee an opinion of counsel reasonably acceptable to the Senior Secured Notes Trustee stating that (i) the Senior Secured Notes Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (ii) since the Issue Date, there has been a change in applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the beneficial owners of the outstanding Senior Secured Notes will not recognize income, gain or loss for

U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Senior Secured Notes Issuer must have delivered to the Senior Secured Notes Trustee an opinion of counsel reasonably acceptable to the Senior Secured Notes Trustee to the effect that the beneficial owners of the outstanding Senior Secured Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) the Senior Secured Notes Issuer must have delivered to the Senior Secured Notes Trustee an Officer's Certificate stating that the deposit was not made by the Senior Secured Notes Issuer with the intent of preferring the holders of the Senior Secured Notes over the other creditors of the Senior Secured Notes Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the Senior Secured Notes Issuer or others; and

(e) the Senior Secured Notes Issuer must have delivered to the Senior Secured Notes Trustee an Officer's Certificate and an opinion of counsel, reasonably acceptable to the Senior Secured Notes Trustee, subject to customary assumptions and qualifications, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

Satisfaction and discharge

The Senior Secured Notes Indenture will be discharged and will cease to be of further effect as to all Senior Secured Notes issued thereunder when:

(a) either:

(i) all the Senior Secured Notes that have been authenticated and delivered (other than destroyed, lost or stolen Senior Secured Notes that have been replaced or paid and Senior Secured Notes for whose payment money has been deposited in trust or segregated and held in trust and thereafter repaid to the Senior Secured Notes Issuer or discharged from such trust as provided for in the Senior Secured Notes Indenture) have been delivered to the Paying Agent (and notified to the Senior Secured Notes Trustee) for cancellation; or

(ii) all Senior Secured Notes that have not been delivered to the Paying Agent (and notified to the Senior Secured Notes Trustee) for cancellation (x) have become due and payable (by reason of the mailing of a notice of redemption or otherwise) or (y) will become due and payable within one year and the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor has irrevocably deposited or caused to be deposited with the Senior Secured Notes Trustee (or such other entity nominated by the Senior Secured Notes Trustee for this purpose) as trust funds in trust solely for the benefit of the holders of the Senior Secured Notes, cash in euro, non-callable European Government Obligations or a combination thereof, in each case in such amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Debt on the Senior Secured Notes not delivered to the Paying Agent (and notified to the Senior Secured Notes Trustee) for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; and

(b) the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor has paid or caused to be paid all sums payable by the Senior Secured Notes Issuer under the Senior Secured Notes Indenture and the Senior Secured Notes; and

(c) the Senior Secured Notes Issuer has delivered irrevocable instructions to the Paying Agent and copied to the Senior Secured Notes Trustee under the Senior Secured Notes Indenture to apply the deposited money toward the payment of the Senior Secured Notes at maturity or on the redemption date, as the case may be.

In addition, the Senior Secured Notes Issuer must deliver to the Senior Secured Notes Trustee an Officer's Certificate and an opinion of counsel, subject to customary assumptions and qualifications, each stating that all conditions precedent provided in the Senior Secured Notes Indenture relating to the satisfaction and discharge of the Senior Secured Notes Indenture have been satisfied; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (a), (b) and (c)).

Amendments and waivers

Except as provided otherwise in the succeeding paragraphs, the Senior Secured Notes Indenture, the Senior Secured Notes, the Senior Secured Note Guarantees, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Senior Secured Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes), and any existing Default or Event of Default or compliance with any provision of the Senior Secured Notes Indenture, the Senior Secured Notes, the Senior Secured Note Guarantees, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Senior Secured Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes).

Unless (i) consented to by the holders of at least 90% of the aggregate principal amount of then outstanding Senior Secured Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes) or (ii) consented to by each holder of Senior Secured Notes adversely affected thereby, no amendment, supplement or waiver may:

(a) change the Stated Maturity of the principal of, or any installment of or interest or Additional Amounts on, any Senior Secured Note;

(b) reduce the principal amount of any Senior Secured Note (or Additional Amounts or premium, if any) or the rate of or change the time for payment of interest, including default interest, on any Senior Secured Note;

(c) change the coin or currency in which the principal of any Senior Secured Note or any premium or any Additional Amounts or the interest thereon is payable;

(d) reduce the premium payable upon the redemption of any Senior Secured Note or change the time at which any Senior Secured Note may be redeemed, in each case as described under "*—Optional Redemption;*"

(e) impair the right of any holder of Senior Secured Notes to institute suit for the enforcement of any payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date) on or with respect to such holder's Senior Secured Notes;

(f) waive a continuing Default or Event of Default in the payment of principal of, premium, if any, interest, or Additional Amounts, if any, on, the Senior Secured Notes (except a rescission of acceleration of the Senior Secured Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Senior Secured Notes and a waiver of the Payment Default that resulted from such acceleration);

(g) release any Senior Secured Notes Guarantor from any of its obligations under its Senior Secured Note Guarantee other than in accordance with the terms of the Senior Secured Notes Indenture and the Intercreditor Agreement;

(h) any change to any provision of the Senior Secured Notes Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement affecting the ranking of the Senior Secured Notes or Senior Secured Note Guarantees, in each case, in a manner that adversely affects the rights of the holders of Senior Secured Notes;

(i) release any Collateral granted for the benefit of the holders of the Senior Secured Notes, except in accordance with the terms of the relevant Security Document, the Senior Secured Notes Indenture and the Intercreditor Agreement;

(j) make any change in the provisions of the Senior Secured Notes Indenture described under "—*Additional Amounts*" that adversely affects the rights of any holder of the Senior Secured Notes or amend the terms of the Senior Secured Notes or the Senior Secured Notes Indenture in a way that would result in the loss of an exemption from any of the Taxes described thereunder;

(k) waive a redemption payment with respect to any Senior Secured Note (other than a payment required by the covenants described above under the captions "*Purchase of Senior Secured Notes upon a Change of Control*" and "*—Certain Covenants—Limitation on Sale of Certain Assets*");

(l) modify any of the provisions relating to supplemental indentures requiring the consent of holders of the Senior Secured Notes or relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of outstanding Senior Secured Notes required for such actions or to provide that certain other provisions of the Senior Secured Notes Indenture cannot be modified or waived without the consent of the holder of each Note affected thereby; or

(m) make any change in the preceding provisions.

Any amendment, supplement or waiver consented to by holders of at least 90% of the aggregate principal amount of the then outstanding Senior Secured Notes will be binding against any non-consenting holders.

Notwithstanding the foregoing, without the consent of any holder of the Senior Secured Notes, the Senior Secured Notes Issuer, the Senior Secured Notes Guarantors, Holdco, the Luxembourg Security Providers, the Security Agent, Paying Agent and the Senior Secured Notes Trustee (as applicable) may modify, amend or supplement the Senior Secured Notes Indenture, the Senior Secured Notes, the Senior Secured Note Guarantees, any Security Document, the Intercreditor Agreement or any Additional Intercreditor Agreement to which they are party:

(a) to cure any ambiguity, defect or inconsistency;

(b) increase the amount or types of Debt covered by any such agreement that may be incurred by the Senior Secured Notes Issuer or a Senior Secured Notes Guarantor that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Debt ranking junior or *pari passu* in right of payment to the Senior Secured Notes, or an amendment or modification of provisions relating to such Debt) that does not adversely affect the holders of the Senior Secured Notes in any material respect;

(c) add Restricted Subsidiaries to the relevant agreement;

(d) implement any Permitted Collateral Liens (including junior liens, *pari passu* liens, and liens benefiting from priority rights of turnover in respect of proceeds of enforcement);

(e) to provide for the assumption of the Senior Secured Notes Issuer's or any other Senior Secured Notes Guarantor's obligations to holders of the Senior Secured Notes and Senior Secured Note Guarantees by a Surviving Entity;

(f) to make any change that would provide any additional rights or benefits to the holders of the Senior Secured Notes or that does not adversely affect the legal rights under the Senior Secured Notes Indenture of any such holder in any material respect;

(g) to conform the text of the Senior Secured Notes Indenture, the Senior Secured Note Guarantees, the Security Documents or the Senior Secured Notes to any provision of this "*Description of the Senior Secured Notes*" to the extent that such provision in this "*Description of the Senior Secured Notes*" was intended to be a verbatim recitation of a provision of the Senior Secured Notes Indenture, the Senior Secured Note Guarantees, the Security Documents or the Senior Secured Notes;

(h) to release any Senior Secured Note Guarantee in accordance with the terms of the Senior Secured Notes Indenture;

(i) to allow any Senior Secured Notes Guarantor to execute a supplemental indenture with respect to the Senior Secured Notes or a Senior Secured Note Guarantee and to allow the entry into of additional or supplemental Security Documents or to add additional parties to the Intercreditor Agreement or any Security Documents to the extent permitted hereunder or thereunder;

(j) to confirm and evidence the release, termination, discharge or retaking of any Lien (including any Collateral) or any amendment or in respect of the Security Documents with respect to or securing the Senior Secured Notes and the Senior Secured Note Guarantees when such release, termination, discharge or retaking or amendment is in accordance with the terms of the Senior Secured Notes Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(k) provide for uncertificated Senior Secured Notes in addition to or in place of certificated Senior Secured Notes (*provided* that the uncertificated Senior Secured Notes are issued in registered form for purposes of Section 163(f) of the Internal Revenue Code of 1986, as amended (the "*Code*"));

(l) to evidence and provide the acceptance of the appointment of a successor trustee under the terms of the Senior Secured Notes Indenture or to otherwise comply with any requirement of the Senior Secured Notes Indenture;

(m) to the extent necessary to grant a Security Interest in any Collateral for the benefit of any Person; *provided* that the granting of such Security Interest is not prohibited by the Senior Secured Notes Indenture or the Intercreditor Agreement and the covenant described under "*—Certain Covenants—Impairment of Security Interest*" is complied with;

(n) make any change to the extent permitted by the covenant described under "*—Additional Intercreditor Agreements*" or the second paragraph of the covenant described under "*—Certain Covenants—Impairment of Security Interest;*" or

(o) to provide for the issuance of Additional Senior Secured Notes in accordance with, and if permitted by, the terms and limitations set forth in the Senior Secured Notes Indenture.

In formulating its opinion on such matters, the Senior Secured Notes Trustee shall be entitled to request and rely absolutely on such evidence as it deems appropriate, including an opinion of counsel and an Officer's Certificate on which the Senior Secured Notes Trustee may solely rely.

The consent of the holders of the Senior Secured Notes is not necessary under the Senior Secured Notes Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Concerning the senior secured notes trustee

The Senior Secured Notes Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest, it must eliminate such conflict within 90 days or resign as Senior Secured Notes Trustee.

The holders of a majority in aggregate principal amount of the then outstanding Senior Secured Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Senior Secured Notes Trustee, subject to certain exceptions. The Senior Secured Notes Indenture will provide that in case an Event of Default occurs and is continuing, the Senior Secured Notes Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. The Senior Secured Notes Trustee will be under no obligation to exercise any of its rights or powers under the Senior Secured Notes Indenture at the request of any holder of Senior Secured Notes, unless such holder has offered to the Senior Secured Notes Trustee security and indemnity satisfactory to it against any loss, liability or expense.

The Senior Secured Notes Issuer and the Senior Secured Notes Guarantors will jointly and severally indemnify the Senior Secured Notes Trustee for certain claims, liabilities and expenses incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with its duties.

Listing

Application has been made to list the Additional Senior Secured Notes on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market of that exchange. Settlement of the Additional Senior Secured Notes is not conditioned on obtaining this listing.

Listing and general information

So long as the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of that exchange and the rules and regulations of Luxembourg Stock Exchange shall so require, copies, current and future, of all of our annual audited consolidated and unconsolidated financial statements, our unaudited consolidated interim quarterly financial statements, the offering memorandum relating to the offering of the Initial Existing Senior Secured Notes and this Listing Memorandum may be obtained, free of charge, during normal business hours at the registered office of the Senior Secured Notes Issuer.

Anyone who receives this Listing Memorandum may obtain a copy of the Senior Secured Notes Indenture, the Senior Secured Notes, the Intercreditor Agreement, the Security Documents, any Additional Intercreditor Agreement and, following the Completion Date, the Additional Senior Secured Notes, without charge by writing to the Senior Secured Notes Issuer, Cerba HealthCare S.A.S. at ZI Les Béthunes, 7, rue de l'Equerre, 95310 Saint- Ouen-l'Aumône, France.

No personal liability of directors, officers, employees and shareholders

No director, officer, employee, incorporator, member or shareholder of the Senior Secured Notes Issuer, any Senior Secured Notes Guarantor, Holdco or any Luxembourg Security Provider will have any liability for any obligations of the Senior Secured Notes Issuer, the Senior Secured Notes Guarantors, Holdco or the Luxembourg Security Providers under the Senior Secured Notes, the Senior Secured Note Guarantees, the Security Documents or the Senior Secured Notes Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each holder, by accepting a Senior Secured Note, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Secured Notes. Such waiver and release may not be effective to waive liabilities under the U.S. federal securities laws.

Prescription

Claims against the Senior Secured Notes Issuer or the Senior Secured Notes Guarantors for the payment of principal or premiums, if any, on the Senior Secured Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Senior Secured Notes Issuer or the Senior Secured Notes Guarantors for the payment of interest on the Senior Secured Notes will be prescribed five years after the applicable due date for payment of interest.

Governing Law

The Senior Secured Notes Indenture, the Senior Secured Notes and the Senior Secured Note Guarantees are governed by and construed in accordance with the laws of the State of New York and will provide for the submission of the parties to the jurisdiction of the courts in the State of New York. The Security Documents will be governed by the laws of France, Belgium and Luxembourg.

Consent to jurisdiction and service

The Senior Secured Notes Indenture provides that the Senior Secured Notes Issuer, each Senior Secured Notes Guarantor, Holdco and the Luxembourg Security Providers will appoint CT Corporation System, 111 Eighth Avenue, 13th Floor, New York, New York 10011 as their agent for service of process in any suit, action or proceeding with respect to the Senior Secured Notes Indenture or the Senior Secured Notes, as the case may be, and for actions brought under U.S. Federal or state securities laws brought in any Federal or state court located in the City of New York and will submit to such jurisdiction.

Enforceability of judgments

Since most of the assets of the Senior Secured Notes Issuer and the Senior Secured Notes Guarantors are outside the United States, any judgment obtained in the United States against the Senior Secured Notes Issuer or Senior Secured Notes Guarantors, including judgments with respect to the payment of principal, premium, if any, interest, Additional Amounts, redemption price and any purchase price with respect to the Senior Secured Notes, may not be collectible within the United States.

Certain definitions

Set forth below are certain defined terms used in the Senior Secured Notes Indenture. Reference is made to the Senior Secured Notes Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"*Acquired Debt*" means Debt of a Person:

(a) existing at the time such Person becomes a Subsidiary or is merged into or consolidated with such specified Person whether or not such Debt is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary; or

(b) assumed in connection with the acquisition of assets from any such Person.

Acquired Debt will be deemed to be incurred on the date the acquired Person becomes a Restricted Subsidiary or the date of the related acquisition of assets from any Person.

"*Affiliate*" means, with respect to any specified Person any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "*control*," when used with respect to any specified Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "*controlling*" and "*controlled*" have meanings correlative to the foregoing.

"*Applicable Redemption Premium*" means, with respect to a Senior Secured Note on any redemption date prior to February 1, 2016, the greater of:

(a) one percent of the principal amount of such Senior Secured Note; and

(b) the excess of:

(i) the present value at such redemption date of the redemption price of such Senior Secured Note at February 1, 2016, plus all required interest payments that would otherwise be due to be paid on such Senior Secured Note during the period between the redemption date and February 1, 2016, excluding accrued but unpaid interest, computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points, over

(ii) the principal amount of such Senior Secured Note on such redemption date.

For the avoidance of doubt, calculation of the Applicable Redemption Premium shall not be a duty or obligation of the Senior Secured Notes Trustee, the Registrar or any Paying Agent.

"*Asset Sale*" means any sale, issuance, conveyance, transfer, lease (other than an operating lease entered into in the ordinary course of business) or other disposition (including, without limitation, by way of merger, consolidation or sale and leaseback transaction) (collectively, a "*transfer*"), directly or indirectly, in one or a series of related transactions, of:

(a) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares or shares (or other Capital Stock) required by applicable law to be held by a Person other than the Senior Secured Notes Issuer or a Restricted Subsidiary) or the economic rights of the Senior Secured Notes Issuer or a Restricted Subsidiary in the Capital Stock of any Restricted Subsidiary pursuant to the relevant Stockholders Documents (or other proportional decrease in such rights including by amendment, restatement, renewal or other modification of the relevant Stockholders Documents);

(b) all or substantially all the properties and assets of any division or line of business of the Senior Secured Notes Issuer or any Restricted Subsidiary; or

(c) any other of the Senior Secured Notes Issuer's or any Restricted Subsidiary's properties or assets.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(i) any lease, transfer, conveyance or other disposition of assets that is governed by the provisions of the Senior Secured Notes Indenture described under "—Certain Covenants—Consolidation, Merger and Sale of Assets" and "—Purchase of Senior Secured Notes upon a Change of Control;"

(ii) any transfer or disposition of assets, Capital Stock or economic rights in the Capital Stock of a Restricted Subsidiary under the relevant Stockholders Documents by the Senior Secured Notes Issuer to any Restricted Subsidiary, or by any Restricted Subsidiary to the Senior Secured Notes

Issuer or any Restricted Subsidiary, in each case in accordance with the terms of the Senior Secured Notes Indenture;

(iii) any issuance of Capital Stock or economic rights in the Capital Stock of a Restricted Subsidiary under the relevant Stockholders Documents by a Restricted Subsidiary to the Senior Secured Notes Issuer or another Restricted Subsidiary;

(iv) any transfer or disposition of obsolete, worn-out or surplus equipment or facilities or other assets or rights of the Senior Secured Notes Issuer or any Restricted Subsidiary that are no longer used or useful in the ordinary course of the Senior Secured Notes Issuer's or any Restricted Subsidiary's business;

(v) any single transaction or series of related transactions that involves assets, Capital Stock or economic rights in the Capital Stock of a Restricted Subsidiary under the relevant Stockholders Documents having a Fair Market Value of less than €5.0 million;

(vi) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(vii) a disposition that is made in connection with the establishment of a joint venture which is a Permitted Investment or sales, transfers and other dispositions of Investments in joint ventures to the extent required by or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding agreements;

(viii) the sale, lease, assignment, sublease, license, sublicense or other disposition of equipment, inventory, property, stock-in-trade, goods, accounts receivable or other assets (including any real or personal property) in the ordinary course of business;

(ix) a Permitted Investment or a Restricted Payment (or a transaction that would constitute a Restricted Payment but for the exclusions from the definition thereof) that is not prohibited by the "—Limitation on Restricted Payments" covenant;

(x) foreclosure, condemnation or similar action with respect to property or other assets;

(xi) any disposition of Capital Stock, economic rights under the relevant Stockholders Documents, Debt or other securities of any Unrestricted Subsidiary;

(xii) any disposition of Securitization Assets and related assets in connection with any Qualified Securitization Financing and any factoring transaction in the ordinary course of business;

(xiii) sales of assets received by the Senior Secured Notes Issuer or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the Senior Secured Notes Issuer or any Restricted Subsidiary;

(xiv) the sale or other disposition of cash or Cash Equivalents;

(xv) the grant of licenses to intellectual property rights to third parties on an arms' length basis in the ordinary course of business;

(xvi) the disposition of assets to a Person that is providing services (the provision of which have been or are to be outsourced by the Senior Secured Notes Issuer or any Restricted Subsidiary to such Person) related to such assets; provided, that the board of directors of the Senior Secured Notes Issuer shall certify that in its opinion, the outsourcing transaction will be economically beneficial to the Senior Secured Notes Issuer and the Restricted Subsidiaries (considered as a whole); provided further, that the Fair Market Value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (xvi), does not exceed the €7.5 million;

(xvii) the granting of Liens not otherwise prohibited by the Senior Secured Notes Indenture;

(xviii) the surrender, or waiver of contract rights or settlement, release or surrender of contract, tort or other claims; or

(xix) the unwinding of any Hedging Obligations.

"*Associate*" means (i) any Person engaged in a Permitted Business of which the Senior Secured Notes Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Senior Secured Notes Issuer or any Restricted Subsidiary of the Senior Secured Notes Issuer.

"*Bund Rate*" means, as of any redemption date, the rate *per annum* equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(a) "*Comparable German Bund Issue*" means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to February 1, 2016, and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Senior Secured Notes and of a maturity most nearly equal to February 1, 2016; *provided*, *however*, that, if the period from such redemption date to February 1, 2016, is less than one year, a fixed maturity of one year shall be used;

(b) "*Comparable German Bund Price*" means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Senior Secured Notes Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(c) "*Reference German Bund Dealer*" means any dealer of German *Bundesanleihe* securities appointed by the Senior Secured Notes Issuer in good faith; and

(d) "*Reference German Bund Dealer Quotations*" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Senior Secured Notes Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Senior Secured Notes Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany time on the third Business Day preceding the relevant date.

"*Business Day*" means a day of the year other than a Saturday or Sunday or other day on which banks are not required or authorized by law to close in Paris, New York City or London.

"*Capital Stock*" means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person's equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets of, such Person and any rights (including any Preferred Stock, but excluding debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for or convertible into or to acquire such Capital Stock, whether now outstanding or issued after the Issue Date.

"*Capitalized Lease Obligation*" means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be classified and accounted for as a finance lease obligation under IFRS, and, for purposes of the Senior Secured Notes Indenture, the amount of such obligation at any date will be the capitalized amount thereof at such date, determined in accordance with IFRS and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Contributions*" means the aggregate amount of cash contributions made to the equity capital (other than through the issuance of Redeemable Capital Stock of the Senior Secured Notes Issuer) of the Senior Secured Notes Issuer described in the definition of "Contribution Debt" or cash payments to the Senior Secured Notes Issuer in the form of Deeply Subordinated Funding.

"*Cash Equivalents*" means any of the following:

(a) any evidence of Debt with a maturity of 12 months or less from the date of acquisition issued or directly and unconditionally guaranteed or insured by the government of a member state of the European Union as in effect on December 31, 2003, the United States of America, Switzerland or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union as in effect on December 31, 2003, the United States of America, Switzerland or Canada, as the case may be, and which are not callable or redeemable at the Senior Secured Notes Issuer's option; *provided* that such country (or agency or instrumentality) has a long-term government debt rating of at least "A–" by S&P or "Baa3" by Moody's or the equivalent rating category of another internationally recognized rating agency on the date of investment;

(b) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances, money market deposits or similar instruments with a maturity of 12 months or less from the date of acquisition issued by a bank or trust company that is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the European Union as in effect on December 31, 2003 or of the United States of America or any state thereof, Switzerland or Canada; *provided* that such bank or trust company has capital, surplus and undivided profits aggregating in excess of €250 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated at least "A" by S&P or "A2" by Moody's or the equivalent rating category of another internationally recognized rating agency on the date of investment;

(c) commercial paper rated at the time of acquisition thereof at least "P-2" or the equivalent thereof by Moody's or "A-2" or the equivalent thereof by S&P or carrying an equivalent rating by another internationally recognized rating agency and, in each case, maturing within one year after the date of acquisition;

(d) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) and (b) above entered into with any bank meeting the qualifications specified in clause (b) above; and

(e) investments in money market mutual funds at least 95% of the assets of which constitute Cash Equivalents of the kind described in clauses (a) through (d) above.

"*Commission*" means the U.S. Securities and Exchange Commission.

"*Commodity Hedging Agreements*" means, in respect of a Person, any spot, forward, swap, option or other similar agreements or arrangements designed to protect such Person against or manage exposure to fluctuations in commodity prices.

"*Consolidated Adjusted Net Income*" means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person for such period, on a consolidated basis (excluding the net income (loss) of any Unrestricted Subsidiary), as determined in accordance with IFRS and without any reduction in respect of preferred stock dividends; *provided* that:

(a) any goodwill or other intangible asset impairment charges will be excluded;

(b) the net income of any Person that is not a Subsidiary of such Person, is an Unrestricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Subsidiary of the Person which is not an Unrestricted Subsidiary;

(c) solely for the purpose of determining the amount available for Restricted Payments under clause (2)(c)(i) of the "*—Limitation on Restricted Payments*" covenant, any net income (loss) of any Restricted Subsidiary (other than any Senior Secured Notes Guarantor) will be excluded if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Senior Secured Notes Issuer by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (i) restrictions that have been waived or otherwise released, (ii) restrictions pursuant to the Senior Secured Notes, the Senior Secured Notes Indenture and the Revolving Credit Facility Agreement, (iii) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the holders of the Senior Secured Notes than such restrictions in effect on the Issue Date) and (iv) any other restriction listed under clauses (2)(a), (b) and (h) of the "*—Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*" covenant), except that the Senior Secured Notes Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Adjusted Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Senior Secured Notes Issuer or any Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(d) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of such Person or any of its Subsidiaries which are not Unrestricted Subsidiaries (including pursuant to any sale leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the board of directors or a member of senior management of the Senior Secured Notes Issuer) or in connection with the sale or disposition of securities will be excluded;

(e) (i) any extraordinary, exceptional or unusual gain, loss or charge, (ii) any asset impairments charges or the financial impacts of natural disasters (including fire, flood and storm and related events), (iii) any non-cash charges or reserves in respect of any restructuring, redundancy, integration or severance or (iv) any expenses, charges, reserves or other costs related to the Transactions, in each case, will be excluded;

(f) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity-based awards will be excluded;

(g) all deferred financing costs written off and premium paid or other expenses incurred directly in connection with any early extinguishment of Debt and any net gain (loss) from any write-off or forgiveness of Debt will be excluded;

(h) any one-time non-cash charges or any increases in amortization or depreciation resulting from purchase accounting, in each case, in relation to any acquisition of another Person or business or resulting from any reorganization or restructuring involving such Person or its Subsidiaries will be excluded;

(i) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations will be excluded;

(j) any unrealized foreign currency transaction gains or losses in respect of Debt of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies will be excluded;

(k) [Intentionally omitted];

(l) to the extent covered by insurance and actually reimbursed, or, so long as such Person has made a determination that there exists a reasonable basis that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is in fact reimbursed within 365 days of the date of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so reimbursed within such 365-day period), expenses, charges or losses with respect to liability or casualty events or business interruption will be excluded;

(m) the cumulative effect of a change in accounting principles will be excluded;

(n) any unrealized foreign currency translation or transaction gains or losses in respect of Debt or other obligations of such Person or any of its Subsidiaries which are not Unrestricted Subsidiaries owing to such Person or any Subsidiary of such Person which is not an Unrestricted Subsidiary will be excluded; and

(o) any non-cash interest accrued, capitalized or paid in respect of Deeply Subordinated Funding, Holdco Subordinated Funding, Existing Management Vendor Loans or Management Proceeds Funding will be excluded.

"*Consolidated EBITDA*" means, with respect to any specified Person for any period without duplication, the sum of Consolidated Adjusted Net Income of such Person, plus in each case to the extent deducted in computing Consolidated Adjusted Net Income for such period:

(a) tax expenses based on income, profits or capital and pursuant to the *Cotisation sur la valeur ajoutée des enterprises* of such Person and any of its Subsidiaries which are not Unrestricted Subsidiaries for such period (whether or not paid, estimated, accrued or required to be remitted to any governmental authority); *plus*

(b) the Fixed Charges of such Person and any of its Subsidiaries which are not Unrestricted Subsidiaries for such period; *plus*

(c) any expenses, charges or other costs related to any equity offering, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; *provided* that such payments are made at the time of such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), joint venture, disposition, recapitalization, Debt permitted to be incurred by the Senior Secured Notes Indenture, or the refinancing of any other Debt of such Person or any of its Subsidiaries which are not Unrestricted Subsidiaries (whether or not successful) (including such fees, expenses or charges related to the Transactions); *plus*

(d) depreciation, amortization (including amortization of intangibles and deferred financing fees), and other non-cash expenses (including write-downs and impairment of property, plant, equipment and intangibles and other long- lived assets and the impact of purchase accounting on such Person and any of its Subsidiaries which are not Unrestricted Subsidiaries for such period), but excluding any non-cash items for which a future cash payment will be required and for which an accrual or reserve is required by IFRS to be made or amortization of a prepaid cash charge or expense that was paid in a prior period for such period; *plus*

(e) the amount of any restructuring charges, accruals or reserves and integration costs, including any one-time costs incurred in connection with acquisitions after the Issue Date; *plus*

(f) any minority interest expense (whether paid or not) consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary in such period or any prior period; *plus*

(g) to the extent actually paid during such period, the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the "*—Limitation on Transactions with Affiliates*" covenant; *plus*

(h) gain (or loss) on sale of receivables, Securitization Assets and related assets in connection with a Qualified Securitization Facility; *plus*

(i) costs or expenses incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan, agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Senior Secured Notes Issuer or net cash proceeds of an issuance of Qualified Capital Stock of the Senior Secured Notes Issuer solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (2)(c) under "*—Certain Covenants—Limitation on Restricted Payments;*" *plus*

(j) any charge (or minus any income) attributable to a post- employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme; *minus*

(k) (other than any non-cash items increasing such Consolidated Adjusted Net Income pursuant to clauses (a) to (o) of the definition thereof) non-cash items increasing such Consolidated Adjusted Net Income for such period other than the reversal of a reserve (other than a reserve adjusted for pursuant to clause (e)) for cash charges in a future period in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with IFRS.

"*Consolidated Fixed Charge Coverage Ratio*" means, with respect to a specified Person for any period, the ratio of the Consolidated EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any Restricted Subsidiary which is a Subsidiary of such specified Person incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Debt (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Consolidated Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Fixed Charge Coverage Ratio is made (for the purpose of this definition, the "*Calculation Date*") (but not giving effect to any additional Debt to be incurred on the Calculation Date as part of the same transaction or series of transactions pursuant to the second paragraph under the caption "*—Certain Covenants—Limitation on Debt*"), then the Consolidated Fixed Charge Coverage Ratio will be calculated giving pro forma effect (as determined in good faith by an Officer or a responsible financial or accounting officer of the Senior Secured Notes Issuer) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Debt, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period. In addition, for purposes of calculating the Consolidated Fixed Charge Coverage Ratio:

(a) acquisitions of business entities or property and assets constituting a division or line of business, acquisitions that have been made by the specified Person or any Restricted Subsidiary which is a Subsidiary of such specified Person, including through mergers or consolidations, of any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by such specified Person or any Restricted Subsidiary which is a Subsidiary of such specified Person, and including all related financing transactions and including increases in ownership of any Restricted Subsidiary, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (as determined in good faith by a responsible financial or accounting officer of the Senior Secured Notes Issuer and may include anticipated expense, cost reduction and cost saving synergies) as if they had occurred on the first day of the four-quarter reference period;

(b) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(c) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of such specified Person or any Restricted Subsidiary which is a Subsidiary of such specified Person following the Calculation Date;

(d) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(e) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(f) if any Debt bears a floating rate of interest and such Debt is to be given pro forma effect, the interest expense on such Debt will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Debt if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Debt).

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Adjusted Net Income and Fixed Charges, calculations will be as determined in good faith by a responsible financial or accounting officer of the Senior Secured Notes Issuer.

"*Consolidated Leverage*" means, as of any date of determination, the sum without duplication of the total amount of Debt of a specified Person and any of its Subsidiaries which are not Unrestricted Subsidiaries on a consolidated basis which, for the avoidance of doubt, shall include Parent Debt, Permitted Holdco Acquisition Debt and Eligible Acquisition Holdco Debt, in each case, solely if incurred or guaranteed by such Person or by any of its Subsidiaries which are not Unrestricted Subsidiaries (but not giving effect to any additional Debt to be incurred (for the purposes of clause (b) of the "*Limitation on Holdco*" covenant, or cash or Cash Equivalents that constitute proceeds of such Debt) on the date of determination as part of the same transaction or series of transactions pursuant to the second paragraph under the caption "*—Certain Covenants—Limitation on Debt*").

"*Consolidated Leverage Ratio*" means, with respect to a specified Person, as of any date of determination, the ratio of (a) the Consolidated Leverage of such Person on such date to (b) the Consolidated EBITDA of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date. In the event that such Person or any Subsidiary of such Person which is not an Unrestricted Subsidiary incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Debt (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Leverage Ratio is made (for the purpose of this definition, the "*Calculation Date*"), then the Consolidated Leverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Debt, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period. For purposes of calculating the Consolidated EBITDA for such period:

(a) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of a business that have been made by such Person or any of its Subsidiaries which are not Unrestricted Subsidiaries, including through mergers, consolidations, amalgamations or otherwise, or by any Person or any of its Subsidiaries which are not Unrestricted Subsidiaries acquired by such Person or any of its Subsidiaries which are not Unrestricted Subsidiaries, and including any related financing transactions and including increases in ownership of Subsidiaries which are not Unrestricted Subsidiaries (including Persons who become Subsidiaries which are not Unrestricted Subsidiaries as a result of such increase), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Leverage Ratio) will be given pro forma effect (as determined in good faith by a responsible financial or accounting officer of the Senior Secured Notes Issuer and may include anticipated expense, cost reduction and cost saving synergies) as if they had occurred on the first day of the four- quarter reference period;

(b) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Leverage Ratio), will be excluded;

(c) any Person that is a Subsidiary of such Person which is not an Unrestricted Subsidiary on the Calculation Date will be deemed to have been a Subsidiary of such Person which is not an Unrestricted Subsidiary at all times during such four-quarter period; and

(d) any Person that is not a Subsidiary of such Person or is an Unrestricted Subsidiary on the Calculation Date will be deemed not to have been a Subsidiary or to have been an Unrestricted Subsidiary at any time during such four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to an Asset Sale, Investment or acquisition, the amount of income or earnings relating thereto or the amount of Consolidated EBITDA associated therewith, the pro forma calculation shall be determined in good faith by a responsible financial or accounting Officer of the Senior Secured Notes Issuer. In determining the amount of Debt outstanding on any date of determination, pro forma effect will be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge or Debt on such date.

"*Consolidated Senior Secured Leverage*" means with respect to a specified Person, as of any date of determination, the sum without duplication of (i) the aggregate outstanding Senior Secured Debt *less* (ii) cash and Cash Equivalents of such Person and any of its Subsidiaries which are Restricted Subsidiaries on a consolidated basis (but not giving effect to any additional Debt to be incurred (or cash or Cash Equivalents that constitute proceeds of such Debt) on the date of determination as part of the same transaction or series of transactions pursuant to the second paragraph under the caption "*—Certain Covenants—Limitation on Debt*").

"*Consolidated Senior Secured Leverage Ratio*" means with respect to a Specified Person, as of the date of determination, the ratio of (a) the Consolidated Senior Secured Leverage of such Person to (b) the aggregate Consolidated EBITDA of such Person for the period of the most recent four consecutive quarters for which financial statements are available, in each case, with such pro forma adjustments to Consolidated Senior Secured Leverage and Consolidated EBITDA as are appropriate and consistent with the pro forma provisions set forth in the definition of Consolidated Leverage Ratio (it being understood that the pro forma adjustments applicable to Consolidated Leverage in such definition shall be applicable to Consolidated Senior Secured Leverage for purposes of this definition).

"*Consolidated Subsidiary*" means, with respect to any specified Person, any corporation, association or other business entity which is consolidated in the financial statements of such person under the full consolidation method in accordance with IFRS.

"*continuing*" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"*Contribution Debt*" means Debt of the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor in an aggregate principal amount, together with any Debt refinancing such Debt, not greater than the aggregate amount of Cash Contributions (other than Excluded Contributions or Parent Debt Contributions) made to the equity capital of the Senior Secured Notes Issuer (other than by a Subsidiary of the Senior Secured Notes Issuer) after the Issue Date, to the extent such net cash proceeds or cash have not been applied to make Restricted Payments pursuant to clauses (3)(b), (3)(d)(ii) or (3)(l) and are excluded from clauses (2)(c)(ii) and (2)(c)(iii) of the "*—Limitation on Restricted Payments*" covenant; *provided* that such Contribution Debt:

(a) is incurred within 180 days after the making of such Cash Contributions; and

(b) is designated as Contribution Debt pursuant to an Officer's Certificate of the Senior Secured Notes Issuer no later than the date incurred.

"*Credit Facility*" or "*Credit Facilities*" means one or more debt facilities (including, without limitation, under the Revolving Credit Facility), indenture, trust deeds, debentures, fiscal agency agreements, note purchase agreements, instruments or arrangements or commercial paper facilities, in each case with banks or other financial institutions or investors providing for revolving credit loans, term loans, receivables financings (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), bonds, notes, debentures, letters of credit or other forms of guarantees and assurances, or other corporate debt instruments, including overdrafts, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise), restructured, repaid or refinanced (whether by means of sales of debt securities to institutional investors and whether in whole or in part and whether or not with the original administrative agent or lenders or another administrative agent or agents or other bank or institutions and whether provided under the Revolving Credit Facility Agreement and one or more other credit or other agreements) and, for the avoidance of doubt, includes any agreement increasing the amount loaned, issued or available to be loans or issued thereunder, altering the maturity thereof, adding Subsidiaries of the Senior Secured Notes Issuer as additional borrowers, issuers or guarantors thereunder, or otherwise restructuring or altering the terms and conditions of all or any portion of the indebtedness thereunder.

"*Currency Agreements*" means, in respect of a Person, any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements designed to protect such Person against or manage exposure to fluctuations in foreign currency exchange rates.

"*Debt*" means, with respect to any Person, without duplication:

(a) the principal and premium amounts of any indebtedness of such Person in respect of borrowed money (including overdrafts) or for the deferred purchase price of property or services due more than one year after such property is acquired or such services are completed, excluding any trade payables and other accrued current liabilities incurred in the ordinary course of business;

(b) any indebtedness of such Person evidenced by bonds, notes, debentures or other similar instruments;

(c) all obligations, contingent or otherwise, of such Person representing reimbursement obligations in respect of any letters of credit, bankers' acceptances or other similar instruments (except to the extent such obligation relates to trade payables in the ordinary course of business); *provided* that any counter-indemnity or reimbursement obligation under a letter of credit shall be considered Debt only to the extent that the underlying obligation in respect of which the letter of credit has been issued would also be Debt;

(d) any indebtedness representing Capitalized Lease Obligations of such Person;

(e) all obligations of such Person in respect of Interest Rate Agreements, Currency Agreements and Commodity Hedging Agreements (the amount of any such Debt to be equal at any time to (x)(A) zero if such Hedging Obligation is incurred pursuant to clause (2)(g) of the covenant described under "*—Certain Covenants—Limitation on Debt*" and such Hedging Obligation has not been terminated or closed out or (B) the unpaid amount payable under the relevant Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement as a result of the termination or close-out (excluding any interest accrued or such amount since the date of termination or close-out) or (y) the mark-to-market value of such Hedging Obligation if not incurred pursuant to such clause or, if the mark-to- market value is not available at such time, the close-out amount that would be payable by such specified Person (or if no amount would be payable, zero) pursuant to such Hedging Obligation as a result of early liquidation or termination);

(f) all Debt referred to in (but not excluded from) the preceding clauses (a) through (e) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such specified Person, even though such specified Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the fair market value of such property or asset and the amount of the obligation so secured);

(g) all guarantees by such specified Person of Debt referred to in this definition of any other Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business); *provided* that for the purposes of the calculation of the Consolidated Leverage Ratio of the Senior Secured Notes Issuer, if the proceeds of such Debt have been on-lent to the Senior Secured Notes Issuer as an Issuer Proceeds Loan, only the amount of the Debt guaranteed shall count and the corresponding Issuer Proceeds Loan shall be deemed reduced by the amount of such Debt;

(h) all Redeemable Capital Stock of such Person valued at the greater of its voluntary maximum fixed-repurchase price and involuntary maximum fixed repurchase price plus accrued and unpaid dividends; and

(i) Preferred Stock of any Restricted Subsidiary (but excluding any accrued dividends), if and to the extent any of the preceding items (other than obligations under clauses (c) and (e) through (i)) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS; *provided* that the term "Debt" shall not include (i) non- interest bearing installment obligations and accrued liabilities incurred in the ordinary course of business that are not more than 90 days past due, (ii) Debt in respect of the incurrence by the Senior Secured Notes Issuer or any Restricted Subsidiary of Debt in respect of standby letters of credit, performance bonds or surety bonds provided by the Senior Secured Notes Issuer or any Restricted Subsidiary in the ordinary course of business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than 30 days following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond, (iii) any pension obligations of the Senior Secured Notes Issuer or a Restricted Subsidiary, early retirement or termination obligations or similar claims, obligations or contributions or social security or wage Taxes, (iv) Debt incurred by the Senior Secured Notes Issuer or a Restricted Subsidiary in connection with a transaction where (x) such Debt is borrowed from a bank or trust company, having a combined capital and surplus and undivided profits of not less than €250 million, whose long-term debt has a rating immediately prior to the time such transaction is entered into, of at least "A" or the equivalent thereof by S&P or "A2" or the equivalent thereof by Moody's and (y) a substantially concurrent Investment is made by the Senior Secured Notes Issuer or a Restricted Subsidiary in the form of cash deposited with the lender of such Debt, or a Subsidiary or Affiliate thereof, in amount equal to such Debt, for so long as such Investment is made by the Senior Secured Notes Issuer or Restricted Subsidiary, (v) obligations under or in respect of Qualified Securitization Financings, (vi) contingent obligations incurred in the ordinary course of business and (vii) Deeply Subordinated Funding, Management Proceeds Funding, Holdco Subordinated Funding or Existing Management Vendor Loans.

For purposes hereof, the amount of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Debt will be required to be determined pursuant to the Senior Secured Notes Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value will be determined in good faith by the board of directors or a member of senior management of the issuer of such Redeemable Capital Stock; *provided*, that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person.

"*Deeply Subordinated Funding*" means any funding provided to the Senior Secured Notes Issuer by any Parent Company or any Permitted Holder or Related Party pursuant to an agreement, note, security or other instrument, other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Deeply Subordinated Funding, that pursuant to its terms, (i) is subordinated in right of payment to the prior payment in full in cash of the Senior Secured Notes, (ii)(A) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal (other than through conversion or exchange of such funding into Qualified Capital Stock of the Senior Secured Notes Issuer or any other funding meeting the requirements of this definition), (B) does not (including upon the happening of any event) require payment of any cash interest or any similar cash amounts, (C) contains no change of control or similar provisions and (D) does not (including upon the happening of any event) accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment (other than as a result of insolvency proceedings of the Senior Secured Notes Issuer), in each case, prior to the first anniversary of the Stated Maturity of the Senior Secured Notes and all other amounts due under the Senior Secured Notes Indenture, (iii) does not provide for or require any security interest or encumbrance over any asset of the Senior Secured Notes Issuer or any Restricted Subsidiary and is not guaranteed by any Subsidiary of the Senior Secured Notes Issuer, (iv) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Senior Secured Notes or compliance by the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor, as applicable, with its obligations under the Senior Secured Notes, the Senior Secured Notes Indenture, or any Senior Secured Note Guarantee, (v) does not (including upon the happening of any event) constitute Voting Stock and (vi) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Senior Secured Notes mature other than into or for Qualified Capital Stock of the Senior Secured Notes Issuer; *provided*, *however*, that upon the occurrence of any event or circumstance that results in such funds ceasing to qualify as Deeply Subordinated Funding, such funds shall constitute an incurrence of such Debt by the Senior Secured Notes Issuer, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Debt since the date of the original issuance of such

Deeply Subordinated Funding shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Deeply Subordinated Funding.

"*Default*" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Non-cash Consideration*" means the Fair Market Value of non-cash consideration received by the Senior Secured Notes Issuer or any Restricted Subsidiary in connection with an Asset Sale that is so designated as "Designated Non-cash Consideration" pursuant to an Officer's Certificate, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"*Eligible Acquisition Holdco Debt*" means Debt incurred by Holdco pursuant to clause (b)(iii) of the "*Limitation on Holdco*" covenant, in each case, in connection with or after a Permitted Reorganization or other Significant Acquisition by a Permitted Acquirer; *provided* that (i) the final maturity for such Debt is no earlier than six months after the final maturity of the Senior Secured Notes, (ii) such Debt may allow payment of any cash interest or any other similar cash amounts, (iii) such Debt may be guaranteed by the Senior Secured Notes Issuer or any Subsidiary of the Senior Secured Notes Issuer in accordance with the "*Limitation on Debt*" covenant, and (iv) such Debt may, to the extent permitted, be secured with Permitted Liens, Permitted Collateral Liens and in accordance with the "*Limitation on Liens*" covenant.

"*Eligible Acquisition Investor Debt*" means Debt incurred by a Parent Company (other than Holdco or Luxco) to renew, substitute, replace or refinance, in whole or in part, Permitted Holdco Acquisition Debt or Investor Acquisition Debt or Eligible Acquisition Investor Debt, in each case, in connection with or after a Permitted Reorganization or other Significant Acquisition by a Permitted Acquirer; *provided* that such Eligible Acquisition Investor Debt (i) may allow payment of any cash interest or any other similar cash amounts, (ii) may be guaranteed by the Senior Secured Notes Issuer or any Subsidiary of the Senior Secured Notes Issuer in accordance with the "*Limitation on Debt*" covenant, (iii) may, to the extent permitted, be secured with Permitted Liens, Permitted Collateral Liens and in accordance with the "Limitation on Liens" covenant and (iv) the final maturity for such Eligible Acquisition Investor Debt is no earlier than six months after the final maturity of the Senior Secured Notes. Eligible Acquisition Investor Debt may be incurred if:

(I) after giving effect to the incurrence of such Eligible Acquisition Investor Debt and the application of the proceeds thereof, on a pro forma basis and treating the Fixed Charges of such Eligible Acquisition Investment Debt as if incurred by Issuer in lieu of the Parent Company incurring such Debt, the Consolidated Fixed Charge Coverage Ratio of the Senior Secured Notes Issuer for the four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Eligible Acquisition Investor Debt, taken as one period, would have been at least 2.0 to 1.0;

(II) in the case of Investor Acquisition Debt, either (a) at the time such Investor Acquisition Debt was originally incurred or (b) at the time of incurrence of such Eligible Acquisition Investor Debt renewing, substituting, replacing or refinancing such Investor Acquisition Debt, if, after giving effect to the incurrence of the Investor Acquisition Debt or Eligible Acquisition Holdco Debt renewing, substituting, replacing or refinancing such Investor Acquisition Debt and the application of the proceeds thereof and the applicable Significant Acquisition, on a *pro forma* basis, the Consolidated Leverage Ratio of Holdco for the four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Investor Acquisition Debt or Eligible Acquisition Investor Debt, if applicable, taken as one period, would be no greater than 5.25 to 1.0; *provided* that for the purposes of calculating the Consolidated Leverage Ratio of Holdco, (w) such Investor Acquisition Debt is assumed to have been incurred by Holdco in lieu of the relevant Parent Company, (x) "Consolidated Leverage" shall be determined on (a) the total amount of Debt of Holdco and its Subsidiaries other than any Unrestricted Subsidiary; less (b) cash and Cash Equivalents of Holdco and its Subsidiaries other than any Unrestricted Subsidiary on a consolidated basis; (y) "Consolidated EBITDA" shall be determined based on Holdco and its Subsidiaries other than any Unrestricted Subsidiary on a consolidated basis; and (z) references to "Restricted Subsidiaries" shall be deemed to mean Subsidiaries of Holdco other than Unrestricted Subsidiaries; and

(III) such Eligible Acquisition Investor Debt is in an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value and in the case of pay-in-kind Debt, the amount of such Debt including any interest paid in the form of additional Debt) then outstanding of the Permitted Holdco Acquisition Debt (or Permitted Refinancing Debt in respect thereof) or Investor Acquisition Debt being renewed, substituted, refinanced or replaced and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such renewal, substitution, refinancing or replacement.

Eligible Acquisition Investor Debt shall also mean any renewals, substitutions, refinancings or replacements thereof that comply with clause (iv) of this definition and in the same principal amount as permitted under clause (III) of this definition if, for the purposes of clause (III), such renewed, substituted, refinanced or replaced Debt were "Investor Acquisition Debt". Eligible Acquisition Investor Debt shall also mean any renewals, substitutions, refinancings or replacements of Eligible Acquisition Holdco Debt to the extent it is in a principal amount as permitted under clause (III) of this definition if, for the purposes of clause (III), such renewed, substituted, refinanced or replaced Eligible Acquisition Holdco Debt were "Investor Acquisition Debt".

"*Eligible Acquisition Investor Payments*" means payments (directly or indirectly through one or more Parent Companies) in respect of Eligible Acquisition Investor Debt incurred in accordance with its terms.

"*Equity Offering*" means a public or private sale of Qualified Capital Stock of the Senior Secured Notes Issuer (other than a public offering on Form S-8 under the Securities Act (or any successor form) or any similar offering in other jurisdictions or to the Senior Secured Notes Issuer or any of its Subsidiaries) or the public or private sale of Capital Stock or other securities of any Parent Company, the proceeds of which are contributed as Deeply Subordinated Funding or to the equity of the Senior Secured Notes Issuer; *provided* that the proceeds of such offering are not (i) utilized for Contribution Debt or Excluded Contributions or constitute a Parent Debt Contribution or to make Restricted Payments pursuant to clause (3)(d)(ii) or (3)(1) of the covenant described under "*Certain Covenants—Limitation on Restricted Payments*" or (ii) contributed to the equity of the Senior Secured Notes Issuer through the issuance of Redeemable Capital Stock.

"*Euro Equivalent*" means, with respect to any monetary amount in a currency other than euro, at any time for the determination thereof, the amount of euro obtained by converting such foreign currency involved in such computation into euro at the spot rate for the purchase of euro with the applicable foreign currency as published by the European Central Bank on its homepage (*www.ecb.int/home/html/index.en.html*) under the section entitled "Euro foreign exchange reference rates" (or any successor to such homepage and section), which can be found under the heading "statistics" and the subheading "exchange rates," on the date that is two Business Days prior to such determination.

"*European Government Obligations*" means direct obligations of, or obligations guaranteed by, a member state of the European Union as in effect on December 31, 2003 (other than Greece, Ireland, Spain, Portugal and Italy), and the payment for which such member state of the European Union pledges its full faith and credit.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934 or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"*Excluded Contributions*" means the net cash proceeds received by the Senior Secured Notes Issuer after the Issue Date from (i) contributions to its common equity capital, and (ii) the sale (other than to a Subsidiary) of its Capital Stock (other than Redeemable Capital Stock), in each case designated as "Excluded Contributions" pursuant to an Officer's Certificate (which shall be designated no later than the date on which such Excluded Contribution has been received), the net cash proceeds of which are excluded from the calculation set forth in clauses (2)(c)(ii) and (2)(c)(iii) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*", are not utilized are not utilized for Contribution Debt and do not constitute a Parent Debt Contribution.

"*Existing Management Vendor Loans*" means

(a) the bond agreement between Jean-Michel Damien and Financière Gaillon 12 S.A.S. dated December 1, 2011; and

(b) the bond agreement between BIOPART INVESTMENTS and Financière Gaillon 12 S.A.S. dated June 10, 2011;

in each case, as may be amended, restated or modified from time to time so long as pursuant to its terms (or alternatively in the case of clause (i) below, pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement) such instrument (i) is subordinated in right of payment to the prior payment in full in cash of the Senior Secured Notes, (ii) except to the extent permitted pursuant to such instrument as of the Issue Date (A) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal (other than through conversion or exchange of such funding into Qualified Capital Stock of the Senior Secured Notes Issuer or any other funding meeting the requirements of this definition), (B) does not (including upon the happening of any event) require payment of any cash interest or any similar cash amounts, (C) contains no change of control or similar provisions and (D) does not (including upon the happening of any event) accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment (other than as a result of insolvency proceedings of the Senior Secured Notes Issuer), in each case, prior to the first anniversary of the Stated Maturity of the Senior Secured Notes and all other amounts due under the Senior Secured Notes Indenture, (iii) does not provide for or require any security interest or encumbrance over any asset of the Senior Secured Notes Issuer or any Restricted Subsidiary and is not guaranteed by any Subsidiary of the Senior Secured Notes Issuer, (iv) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Senior Secured Notes or compliance by the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor, as applicable, with its obligations under the Senior Secured Notes, the Senior Secured Notes Indenture, or any Senior Secured Note Guarantee, (v) does not (including upon the happening of any event) constitute Voting Stock and (vi) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Senior Secured Notes mature other than into or for Qualified Capital Stock of the Senior Secured Notes Issuer; *provided, however*, no amendment, restatement or modification may increase the amount of Restricted Payments permitted to be paid (including upon the happening of any event) pursuant to clause (3)(d)(ii) of the "*Limitation on Restricted Payments*" covenant (excluding the exception thereto) or cause such Restricted Payment to be payable in circumstances when it would not otherwise have been payable in accordance with such instrument as of the Issue Date; *provided further*, *however*, that upon the occurrence of any event or circumstance that results in such instrument ceasing to qualify as Existing Management Vendor Loans, (i) if such instrument shall qualify as Deeply Subordinated Funding, Management Proceeds Funding or Holdco Subordinated Funding, such instrument shall constitute Deeply Subordinated Funding, Management Proceeds Funding or Holdco Subordinated Funding, as applicable or (ii) such instrument shall otherwise constitute Debt by the Senior Secured Notes Issuer. In connection with the Roll-Over, "Existing Management Vendor Loans" shall be deemed to include instruments issued by Holdco in exchange for or that replace Existing Management Vendor Loans issued by the Senior Secured Notes Issuer; *provided* that such substitute Existing Management Vendor Loans continue to qualify as Existing Management Vendor Loans under this definition with references to "the Senior Secured Notes Issuer" replaced with references to "Holdco" and references to the original instrument as of the Issue Date being to that instrument that was exchanged or replaced by such Existing Management Vendor Loan.

"*Fair Market Value*" means, with respect to any asset or property, the sale value that would be obtained in an arm's length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the board of directors or a member of senior management of the Senior Secured Notes Issuer.

"*Fixed Charges*" means, with respect to any specified Person for any period, without duplication and in each case determined on a consolidated basis in accordance with IFRS, the sum of:

(a) the total consolidated interest expense of such Person and its Subsidiaries that are Restricted Subsidiaries for such period, including, without limitation:

(i) amortization of debt discount, but excluding amortization of debt issuance costs, commissions, fees and expenses and the expensing of any bridge or other financing fees;

(ii) the net payments (if any) of Interest Rate Agreements and Currency Agreements (excluding amortization of fees and discounts and unrealized gains and losses);

(iii) the interest portion of any deferred payment obligation (classified as Debt under the Senior Secured Notes Indenture); *and*

(iv) commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings; *plus*

(b) the interest component of Capitalized Lease Obligations accrued or scheduled to be paid or accrued during such periods, other than the interest component of Capitalized Lease Obligations between or among such Person and any of its Subsidiaries which are Restricted Subsidiaries or between or among its Subsidiaries which are Restricted Subsidiaries; *plus*

(c) such Person's and its Subsidiaries which are Restricted Subsidiaries, non-cash interest expenses (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments) and interest that was capitalized during such period; *plus*

(d) the interest expense on Debt of another Person to the extent such Debt is guaranteed by the Senior Secured Notes Issuer or any Restricted Subsidiary or secured by a Lien on the Senior Secured Notes Issuer's or any Restricted Subsidiary's assets; *plus*

(e) net payments and receipts (if any) pursuant to Interest Rate Agreements (excluding amortization of fees) with respect to Debt; *plus*

(f) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of any Restricted Subsidiary, other than dividends on Capital Stock payable to the Senior Secured Notes Issuer or a Restricted Subsidiary, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a member of senior management of the Senior Secured Notes Issuer; *plus*

(g) payments pursuant to clause (q) or (r) of the "*Limitation on Restricted Payments*" covenant to the extent such payments relate to payments by the relevant Parent Company that constitute interest expense of such Parent Company; *minus*

(h) the interest income of such Person and its Subsidiaries which are Restricted Subsidiaries during such period.

Notwithstanding any of the foregoing, Fixed Charges shall not include (i) any interest accrued, capitalized or paid in respect of Deeply Subordinated Funding, Management Proceeds Funding, Holdco Subordinated Funding or Existing Management Vendor Loans and (ii) any payments on any operating leases.

"*guarantees*" means, as applied to any obligation,

(a) a guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation; and

(b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit.

"*Holdco Subordinated Funding*" means funding provided to Holdco by any Parent Company, any Management Investors or by any Management Investment Company or any Permitted Holder or Related Party or by any other Person who directly or indirectly holds Capital Stock of the Senior Secured Notes Issuer or any Parent Company or any of their affiliates in accordance with the "*Maintenance of Double LuxCo Structure*" covenant pursuant to an agreement, note, security or other instrument, other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Holdco Subordinated Funding and that pursuant to its terms, (i) is subordinated in right of payment to the prior payment in full in cash of any Debt incurred pursuant to clauses (b)(i) to (iii) of the "*Limitation on Holdco*" covenant, (ii)(A) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal (other than through conversion or exchange of such funding into Qualified Capital Stock of Holdco or any other funding meeting the requirements of this definition), (B) does not (including upon the happening of any event) require payment of any cash interest or any similar cash amounts, (C) contains no change of control or similar provisions and (D) does not (including upon the happening of any event) accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment (other than as a result of insolvency proceedings of Holdco), in each case, prior to the first anniversary of the Stated Maturity of the Senior Secured Notes and all other amounts due under the Senior Secured Notes Indenture, (iii) does not provide for or require any security interest or encumbrance over any asset of Holdco, the Senior Secured Notes Issuer or any Subsidiary of Holdco that is not an Unrestricted Subsidiary and is not guaranteed by any Subsidiary of Holdco, (iv) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Senior Secured Notes or Debt incurred pursuant to clauses (b)(i) to (iii) of the "*Limitation on Holdco*" covenant or compliance by Holdco, the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor, as applicable, with its obligations under the Senior Secured Notes, the Senior Secured Notes Indenture or any Senior Secured Note Guarantee, (v) does not (including upon the happening of any event) constitute Voting Stock and (vi) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Senior Secured Notes mature other than into or for Qualified Capital Stock of Holdco; *provided*, *however*, that upon the occurrence of any event or circumstance that results in such funds ceasing to qualify as Holdco Subordinated Funding, such funds shall constitute an incurrence of such Debt by Holdco.

"*IFRS*" means the International Financial Reporting standards promulgated by the International Accounting Standards Board or any successor board or agency as endorsed by the European Union and in effect on the date hereof, or, with respect to the covenant described under the heading "*—Certain Covenants—Provision of Information,*" as in effect from time to time.

"*Independent Financial Advisor*" means an accounting, appraisal, investment banking firm or consultant to Persons engaged in a Similar Business of nationally recognized standing that is, in the good faith judgment of the board of directors of the Senior Secured Notes Issuer, qualified to perform the task for which it has been engaged.

"*Initial Investors*" means PAI and its Affiliates, and any funds or limited partnerships, any trust, fund, company, partnership or Person owned, managed, sponsored or advised by PAI or of which PAI is the general partner or any limited partner of any such trust, fund, company or partnership.

"*Initial Public Offering*" means the first Public Offering of Qualified Capital Stock of the Senior Secured Notes Issuer or any Parent Company (the "*IPO Entity*") following which there is a Public Market and, as a result of which, such Qualified Capital Stock of the IPO Entity in such offering are listed on an internationally recognized stock exchange or traded on an internationally recognized market.

"*Interest Rate Agreements*" means, in respect of a Person, any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) designed to protect such Person against or manage exposure to fluctuations in interest rates.

"*Intercreditor Agreement*" means the intercreditor agreement dated January 31, 2013, by and among, *inter alios*, the Senior Secured Notes Issuer, the Senior Secured Notes Guarantors, Holdco, the Luxembourg Security Providers, the agent under the Revolving Credit Facility and Security Agent and the other parties named therein, as amended, restated or otherwise modified or varied from time to time.

"*Investment*" means, with respect to any Person, any direct or indirect advance, loan or other extension of credit (including guarantees but excluding bank deposits, accounts receivable, trade credit, advances to customers, commission, travel and similar advances to officers and employees, in each case, made in the ordinary course of business) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Debt issued or owned by, any other Person and all other items, in each case, that are required by IFRS to be classified on the balance sheet (excluding the footnotes) of the relevant Person in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. If the Senior Secured Notes Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Senior Secured Notes Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time equal to the Fair Market Value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided for in clause (4) of the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments.*" In addition, the portion (proportionate to the Senior Secured Notes Issuer's equity interest in a Restricted Subsidiary) of the Fair Market Value of the net assets of any Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary will be deemed to be an "Investment" that the Senior Secured Notes Issuer made in such Unrestricted Subsidiary at such time. The portion (proportionate to the Senior Secured Notes Issuer's equity interest in such Restricted Subsidiary) of the Fair Market Value of the net assets of any Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is designated a Restricted Subsidiary will be considered a reduction in outstanding Investments. "Investments" excludes extensions of trade credit on commercially reasonable terms in accordance with normal trade practices.

"*Investment Grade Rating*" shall occur when the Senior Secured Notes are rated Baa3 or better, in the case of Moody's, and BBB− or better, in the case of S&P, as applicable (or the equivalent investment grade credit rating from any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Senior Secured Notes Issuer as a replacement agency).

"*Investor Acquisition Debt*" means Debt incurred by a Parent Company other than Holdco or Luxco in respect of a Significant Acquisition, the proceeds of which may either be (i) contributed to the capital of Holdco (through the issuance of Capital Stock, shareholder loans or otherwise) or (ii) loaned to Holdco pursuant to a Proceeds Loan in connection with a Significant Acquisition.

"*Investor Company*" means Holdco, Luxco, Top Luxco and any other holding company established by any Initial Investor for purposes of holding its Investment in the Senior Secured Notes Issuer, Holdco, Luxco and Top Luxco.

"*Issue Date*" means January 31, 2013.

"*Issuer Proceeds Loan*" means any loan agreement entered into between a Parent Company and the Senior Secured Notes Issuer pursuant to which the Parent Company lends to the Senior Secured Notes Issuer the proceeds of any Debt incurred by the Parent Company, *provided* that (i) the principal amount of, and interest rate on, such Issuer Proceeds Loan will not be greater than the principal amount of, and interest rate on, the Debt incurred by the Parent Company that funded such Issuer Proceeds Loan (except to the extent a reasonable margin is required by law), as such Debt is amended, replaced or otherwise refinanced from time to time and (ii) such Issuer Proceeds Loan shall be subordinated to the Senior Secured Notes in right of payment to the Senior Secured Notes in accordance with the Intercreditor Agreement and any Additional Intercreditor Agreement.

"*Lien*" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, call option, hypothecation, assignment for security, standard security, assignation in security claim, or preference or priority or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property which such Person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"*Luxembourg Security Providers*" means Top Luxco and Luxco.

"*Management Advances*" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees, consultants or independent contractors of any Parent Company, the Senior Secured Notes Issuer or any Restricted Subsidiary:

(a) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;

(b) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or

(c) in the ordinary course of business and (in the case of this clause (c)) not exceeding €1.5 million in the aggregate outstanding at any time.

"*Management Investment Company*" means an entity (other than the Senior Secured Notes Issuer or a Subsidiary of the Senior Secured Notes Issuer) whose sole purpose is investing in Capital Stock of the Senior Secured Notes Issuer, any Restricted Subsidiary or any Parent Company by Management Investors.

"*Management Investor*" means the officers, directors, employees and other members of the management of any Parent Company, the Senior Secured Notes Issuer or any of their respective Subsidiaries, or family members or relatives of any of the foregoing (*provided* that, solely for purposes of the definition of "*Permitted Holders*," such relatives shall include only those Persons who are or become Management Investors in connection with estate planning for or inheritance from other Management Investors, as determined in good faith by the Senior Secured Notes Issuer, which determination shall be conclusive), or trusts, partnerships, limited liability companies, *fonds commun de placement d'entreprise* or other entities for the benefit of any of the foregoing, or any of their heirs, executors, successors and legal representatives who, at any date, beneficially own or have the right to acquire, directly or indirectly, Qualified Capital Stock of the Senior Secured Notes Issuer or any Restricted Subsidiary or any Parent Company or Capital Stock of any Management Investment Company.

"*Management Proceeds Funding*" means any loan made from time to time by any Parent Company, any Management Investors, any Management Investment Company or any other Person who directly or indirectly holds Capital Stock of the Senior Secured Notes Issuer or any Parent Company or any of their affiliates in accordance with the "*Maintenance of Double LuxCo Structure*" covenant, to the Senior Secured Notes Issuer provided that such Management Proceeds Funding pursuant to an agreement, note, security or other instrument, other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Management Proceeds Funding, pursuant to its terms, (i) is subordinated in right of payment to the prior payment in full in cash of the Senior Secured Notes, (ii)(A) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal (other than through conversion or exchange of such funding into Qualified Capital Stock of the Senior Secured Notes Issuer or any other funding meeting the requirements of this definition), (B) does not (including upon the happening of any event) require payment of any cash interest or any similar cash amounts, (C) contains no change of control or similar provisions and (D) does not (including upon the happening of any event) accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment (other than as a result of insolvency proceedings of the Senior Secured Notes Issuer), in each case, prior to the first anniversary of the Stated Maturity of the Senior Secured Notes and all other amounts due under the Senior Secured Notes Indenture, (iii) does not provide for or require any security interest or encumbrance over any asset of the Senior Secured Notes Issuer or any Restricted Subsidiary and is not guaranteed by any Subsidiary of the Senior Secured Notes Issuer, (iv) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Senior Secured Notes or compliance by the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor, as applicable, with its obligations under the Senior Secured Notes, the Senior Secured Notes Indenture, or any Senior Secured Note Guarantee, (v) does not (including upon the happening of any event) constitute Voting Stock and (vi) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Senior Secured Notes mature other than into or for Qualified Capital Stock of the Senior Secured Notes Issuer; *provided*, *however*, that upon the occurrence of any event or circumstance that results in such funds ceasing to qualify as Management Proceeds Funding, such funds shall constitute an incurrence of such Debt by the Senior Secured Notes Issuer, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Debt since the date of the original issuance of such Management Proceeds Funding shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Management Proceeds Funding.

"*Management Stock*" means Qualified Capital Stock of the Senior Secured Notes Issuer or Capital Stock of any Parent Company or Management Investment Company held directly or indirectly by any of the Management Investors.

"*Manco*" means Managers Group Cerba Investment (M.G.C.I.), a *société par actions simplifiée* organized and existing under the laws of France and any successor in interest thereto.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of Capital Stock of the IPO Entity on the date of the declaration of the relevant dividend, *multiplied by* (ii) the arithmetic mean of the closing prices per share of such Capital Stock for the 30 consecutive trading days immediately preceding the date of the declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc. and its successors.

"*Net Cash Proceeds*" means, with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Senior Secured Notes Issuer or any Restricted Subsidiary), net of:

(a) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants) related to such Asset Sale;

(b) provisions for all taxes paid or payable, or required to be accrued as a liability under IFRS as a result of such Asset Sale;

(c) all distributions and other payments required to be made to any Person (other than the Senior Secured Notes Issuer or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale; and

(d) appropriate amounts required to be provided by the Senior Secured Notes Issuer or any Restricted Subsidiary, as the case may be, as a reserve in accordance with IFRS against any liabilities associated with such Asset Sale and retained by the Senior Secured Notes Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an Officer's Certificate delivered to the Senior Secured Notes Trustee.

"*Officer*" means, with respect to any Person, the Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President, Vice President, the Treasurer, the Secretary, Director or member of the board of directors of such Person or any other person that the board of directors of such Person shall designate for such purpose.

"*Officer's Certificate*" means a certificate signed by an Officer and delivered to the Senior Secured Notes Trustee.

"*PAI*" means PAI partners S.A.S.

"*Parent Company*" of the Senior Secured Notes Issuer means any other Person (other than a natural person) that (i) legally and beneficially owns more than 50% of the Voting Shares of the Senior Secured Notes Issuer, either directly or through one or more Subsidiaries, (ii) is a Subsidiary of any Person referred to in the preceding clause or (iii) is an Investor Company; *provided, however*, that in no event shall any Subsidiary of the Senior Secured Notes Issuer constitute its Parent Company.

"*Parent Debt*" means any Debt incurred by a Parent Company (other than Permitted Holdco Acquisition Debt, Eligible Acquisition Holdco Debt, Eligible Acquisition Investor Debt or Investor Acquisition Debt) that is guaranteed by the Senior Secured Notes Issuer and/or any Senior Secured Notes Guarantor on a junior basis to the Senior Secured Notes and the Senior Secured Note Guarantees in accordance with the terms of the Senior Secured Notes Indenture.

"*Parent Debt Contribution*" means the issuance by the Senior Secured Notes Issuer of any Qualified Capital Stock, Deeply Subordinated Funding or contribution to the equity of the Senior Secured Notes Issuer pursuant to which the proceeds of Parent Debt is contributed to the Senior Secured Notes Issuer.

"*Pari Passu Debt*" means (a) any Debt of the Senior Secured Notes Issuer that ranks equally in right of payment with the Senior Secured Notes or (b) any Debt of a Senior Secured Notes Guarantor that ranks equally in right of payment to its Senior Secured Note Guarantee.

"*Permitted Acquirer*" means (i) a direct Subsidiary of the Senior Secured Notes Issuer that is a Restricted Subsidiary and in respect of which all of its Capital Stock forms part of the Senior Secured Notes Collateral or (ii) the Senior Secured Notes Issuer or its Surviving Entity; *provided that* in the case of clause (ii) the Senior Secured Notes Issuer grants Liens on all of the Capital Stock acquired by the Senior Secured Notes Issuer in connection with the Significant Acquisition to secure the Senior Secured Notes and the Senior Secured Note Guarantees on a senior basis in accordance in the Intercreditor Agreement and any Additional Intercreditor Agreement.

"*Permitted Business*" means (a) any businesses, services or activities engaged in by the Senior Secured Notes Issuer or any Restricted Subsidiary on the Issue Date or which is contemplated by the Senior Secured Notes Issuer on the Issue Date and (b) any businesses, services and activities engaged in by the Senior Secured Notes

Issuer or any Restricted Subsidiary that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*Permitted Collateral Liens*" means the following types of Liens:

(a) Liens on the Senior Secured Notes Collateral securing the Senior Secured Notes or the Senior Secured Note Guarantees (including any Additional Senior Secured Notes or guarantees of Additional Senior Secured Notes) and any Permitted Refinancing Debt in respect thereof (and Permitted Refinancing Debt in respect of such Permitted Refinancing Debt) and the related Senior Secured Note Guarantees or guarantees of such Permitted Refinancing Debt; *provided* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and *provided further* that the Senior Secured Notes Collateral securing such Permitted Refinancing Debt secures the Senior Secured Notes or the Senior Secured Note Guarantees on a senior or *pari passu* basis;

(b) Liens on the Senior Secured Notes Collateral to secure Debt permitted by clause (2)(a) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt;*" *provided* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and *provided further* that the Senior Secured Notes Collateral securing such Debt secures the Senior Secured Notes or the Senior Secured Note Guarantees on a senior or *pari passu* basis but such Liens may have priority to the Senior Secured Notes and the Senior Secured Note Guarantees with respect to distributions of proceeds of any enforcement of Collateral;

(c) Liens on the Senior Secured Notes Collateral to secure Debt of the Senior Secured Notes Issuer or a Senior Secured Notes Guarantor permitted by clause (1) and Debt permitted by clauses (2)(d), (2)(e)(to the extent such guarantee is in respect of Debt otherwise permitted to be secured and is specified in this definition of "Permitted Collateral Liens") and (2)(q) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*" and Permitted Refinancing Debt in respect thereof (and Permitted Refinancing Debt in respect of such Permitted Refinancing Debt), in each case, other than guarantees of Permitted Holdco Acquisition Debt; *provided* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and *provided further* that the Senior Secured Notes Collateral securing such Debt secures the Senior Secured Notes and the Senior Secured Note Guarantees on a senior or *pari passu* basis;

(d) Liens on the Senior Secured Notes Collateral to secure Hedging Obligations permitted by clause (2)(g) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt";* *provided* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and *provided further* that the Senior Secured Notes Collateral securing such Debt secures the Senior Secured Notes or the Senior Secured Note Guarantees on a senior or *pari passu* basis but such Liens securing Interest Rate Agreements in respect of (x) Debt permitted by clause (2)(a) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*" or (y) Pari Passu Debt secured by Liens on the Senior Secured Notes Collateral on a *pari passu* basis with the Senior Secured Notes or the Senior Secured Note Guarantees may have priority to the Senior Secured Notes and the Senior Secured Note Guarantees with respect to distributions of proceeds of any enforcement of Collateral;

(e) (i) Liens on the Capital Stock of the Senior Secured Notes Issuer to secure Permitted Holdco Acquisition Debt, Eligible Acquisition Holdco Debt, Investor Acquisition Debt, Eligible Acquisition Investor Debt or Parent Debt and any Permitted Refinancing Debt in respect thereof (and Permitted Refinancing Debt in respect of such Permitted Refinancing Debt), as applicable, as well as Liens on any Proceeds Loan or shareholder loan in connection with such Debt; *provided* that the Senior Secured Notes and the Senior Secured Note Guarantees are secured by Liens on a senior basis to such Debt; and (ii) Liens on the Capital Stock of Luxco and Holdco to secure any related Investor Acquisition Debt, Eligible Acquisition Investor Debt and Parent Debt (other than Debt incurred by Holdco), as applicable, as well as Liens on any Proceeds Loan or shareholder loan in connection with such Debt; *provided* that the Senior Secured Notes and the Senior Secured Note Guarantees are secured by Liens on a senior basis to such Debt; and

(f) Liens described in clauses (d), (e), (f), (g), (h), (i), (m), (n), (o), (s), (t), (u) and (v) of the definition of "Permitted Liens".

"*Permitted Holdco Acquisition Debt*" means Debt incurred by Holdco (including in the form of a Proceeds Loan from Investor Acquisition Debt) in respect of any Significant Acquisition by Holdco; *provided* that such Debt (i) has a final maturity that is no earlier than six months after the final maturity of the Senior Secured Notes,

(ii) is not guaranteed by the Senior Secured Notes Issuer or any Subsidiary of the Senior Secured Notes Issuer and (iii) does not provide for or require any security interest or encumbrance over any asset of the Senior Secured Notes Issuer or any Restricted Subsidiary.

"*Permitted Holders*" means, collectively, (1) the Initial Investors and any Related Parties of such Initial Investors, (2) Senior Management and (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of the Senior Secured Notes Issuer or any Parent Company, acting in such capacity. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Senior Secured Notes Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investments*" means any of the following:

(a) Investments in cash or Cash Equivalents;

(b) intercompany Debt to the extent permitted under clause (c) of the definition of "Permitted Debt;"

(c) Investments in (i) the Senior Secured Notes Issuer other than a Restricted Payment of the type described in clause (1)(b) of the definition thereof, (ii) a Restricted Subsidiary or (iii) another Person if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Senior Secured Notes Issuer or a Restricted Subsidiary;

(d) Investments made by the Senior Secured Notes Issuer or any Restricted Subsidiary as a result of or retained in connection with an Asset Sale permitted under or made in compliance with the covenant described under "*—Certain Covenants—Limitation on Sale of Certain Assets*" to the extent such Investments are non-cash proceeds permitted thereunder;

(e) expenses or advances to cover payroll, travel, entertainment, moving, other relocation and similar matters that are expected at the time of such advances to be treated as expenses in accordance with IFRS;

(f) Investments in the Senior Secured Notes and any Debt of the Senior Secured Notes Issuer or any Restricted Subsidiary;

(g) Investments existing on the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; *provided* that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Senior Secured Notes Indenture;

(h) Investments in Hedging Obligations permitted under clause (2)(g) under "*—Certain Covenants—Limitation on Debt;*"

(i) any Investments received in compromise or resolution of litigation, arbitration or other disputes;

(j) Investments in receivables owing to the Senior Secured Notes Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;

(k) [Intentionally omitted];

(l) [Intentionally omitted];

(m) any guarantee of Debt permitted to be incurred by the covenants entitled "*—Certain Covenants—Limitation on Debt*" or "*Limitation on Holdco*" performance guarantees and contingent obligations incurred in the ordinary course of business and the creation of Liens on the assets of the Senior Secured Notes Issuer or any Restricted Subsidiary, in compliance with the covenant described under "*—Certain Covenants—Limitation on Liens;*"

(n) Management Advances;

(o) [Intentionally omitted];

(p) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (p) that are at the time outstanding not to exceed the greater of (i) €15.0 million and (ii) 2.0% of Total Assets; *provided*, that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to "*Certain Covenants—Limitation on Restricted Payments*," such Investment, if applicable, shall thereafter be deemed to have been made pursuant to clause (c)(i) or (c)(ii) of the definition of "Permitted Investments" and not this clause;

(q) Investments resulting from the acquisition of a Person that at the time of such acquisition held instruments constituting Investments that were not acquired in contemplation of the acquisition of such Person;

(r) any Investment in connection with a Qualified Securitization Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Securitization Financing or any related Debt;

(s) (i) stock, obligations or securities received in satisfaction of judgments, foreclosure of Liens or settlement of debts and (ii) any Investments received in compromise of obligations of trade creditors or customers that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(t) [Intentionally omitted];

(u) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under "*—Limitation on Transactions with Affiliates*" (except transactions described in clauses (b), (g), (l) or (u) of the second paragraph thereof);

(v) Investments consisting of purchases and acquisitions of inventory, supplies, material, equipment or services or the licensing of intellectual property in the ordinary course of business;

(w) advances, loans or extensions of trade credit in the ordinary course of business by the Senior Secured Notes Issuer or any Restricted Subsidiary; and

(x) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business.

"*Permitted Liens*" means the following types of Liens:

(a) Liens existing on the Issue Date;

(b) Liens in favor of the Senior Secured Notes Issuer or any Restricted Subsidiary;

(c) Liens created for the benefit of (or to secure) the Senior Secured Notes and the Senior Secured Note Guarantees;

(d) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Senior Secured Notes Issuer or any Restricted Subsidiary in the ordinary course of business;

(e) statutory Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen, employees, pension plan administrators or other like Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith or Liens arising solely by virtue of any statutory or common law provisions relating to attorney's liens or bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution;

(f) Liens for taxes, assessments, government charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS, shall have been made;

(g) Liens incurred or deposits made to secure the performance of tenders, bids or trade or government contracts, or to secure leases, statutory or regulatory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business (other than obligations for the payment of money);

(h) zoning restrictions, easements, licenses, reservations, title defects, rights of others for rights-of-way, utilities, sewers, electrical lines, telephone lines, telegraph wires, restrictions, encroachments and other similar charges, encumbrances or title defects and incurred in the ordinary course of business that do not in the aggregate materially interfere with in any material respect the ordinary conduct of the business of the Senior Secured Notes Issuer and the Restricted Subsidiaries on the properties subject thereto, taken as a whole;

(i) Liens arising by reason of any judgment, decree or order of any court not constituting an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(j) Liens on property or assets of, or on shares of Capital Stock or on Debt of, any Person existing at the time such Person becomes a Restricted Subsidiary; *provided* that such Liens (i) do not extend to or cover any property or assets of the Senior Secured Notes Issuer or any Restricted Subsidiary other than the original property or assets of, or shares of Capital Stock or on Debt of, such Person that is acquired or merged with, or into, or consolidated with, the Senior Secured Notes Issuer or any Restricted Subsidiary and (ii) were not created in connection with or in contemplation of such acquisition, merger or consolidation;

(k) Liens on property or assets existing at the time such property or assets are acquired, including any acquisition by means of a merger with or into or consolidation with, the Senior Secured Notes Issuer or any Restricted Subsidiary; *provided* that such Liens (i) do not extend to or cover any property or assets of the Senior Secured Notes Issuer or any Restricted Subsidiary other than (A) the property or assets acquired or (B) the property or assets of the Person merged with or into or consolidated with the Senior Secured Notes Issuer or Restricted Subsidiary and (ii) were not in connection with or in contemplation of such acquisition, merger or consolidation;

(l) Liens securing the Senior Secured Notes Issuer's or any Restricted Subsidiary's Hedging Obligations permitted under clause (2)(g) under "*—Certain Covenants—Limitation on Debt;*"

(m) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or other insurance (including unemployment insurance) or deposits to secure public or statutory obligations of such Person or deposits of cash or government bonds to secure performance, bid, surety or appeal bonds and completion bonds and guarantees to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business;

(n) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(o) Liens incurred in connection with a cash management program established in the ordinary course of business;

(p) Liens on assets or property of a Restricted Subsidiary that is not a Senior Secured Notes Guarantor securing Debt of any Restricted Subsidiary that is not a Senior Secured Notes Guarantor;

(q) Liens on any property or assets of the Senior Secured Notes Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations, Purchase Money Obligations, mortgage financings or other Debt, in each case, incurred in connection with the financing of all or any part of the purchase price, lease expense, rental payment or cost of design, construction, installation or improvement of assets or property (including Capital Stock of a Person); *provided*, that any such Lien may not extend to any assets or property owned by the Senior Secured Notes Issuer or any Restricted Subsidiary at the time the Lien is incurred other than the assets and property acquired, improved, constructed, leased or financed (*provided* that to the extent that any such Capitalized Lease Obligations, Purchase Money Obligations, mortgage financings or other Debt relates to multiple assets or properties, then all such assets or properties may secure any such

Capitalized Lease Obligation, Purchase Money Obligations, mortgage financings or other Debt); *provided*, *further*, that the aggregate principal amount of Debt secured by such Liens is otherwise permitted to be incurred under the Senior Secured Notes Indenture;

(r) Liens incurred to secure Permitted Refinancing Debt permitted to be incurred under the Senior Secured Notes Indenture; *provided* that the new Lien shall be limited to all or part of the same property and assets that secured the original Lien (plus improvements and accessions to such property and assets and proceeds or distributions thereof);

(s) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(t) leases, licenses, subleases and sublicenses of assets in the ordinary course of business;

(u) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(v) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(w) any interest or title of a lessor under any operating lease;

(x) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the Senior Secured Notes Issuer or a Restricted Subsidiary on condition that the cash paid into such escrow account in relation to a disposal does not represent more than 15% of the net cash proceeds of such disposal;

(y) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures that are not Restricted Subsidiaries securing obligations of such joint ventures;

(z) [Intentionally omitted];

(aa) Liens over treasury stock of the Senior Secured Notes Issuer or a Restricted Subsidiary purchased or otherwise acquired for value by the Senior Secured Notes Issuer or such Restricted Subsidiary pursuant to a stock buy-back scheme or other similar plan or arrangement;

(bb) Liens on Securitization Assets and related assets incurred in connection with any Qualified Securitization Financing;

(cc) other Liens securing obligations in an aggregate amount at any one time outstanding not to exceed the greater of (i) €15.0 million and (ii) following a Significant Acquisition by a Permitted Acquirer, €25.0 million, in each case, determined as of the date of incurrence;

(dd) Liens (including put and call arrangements) on the Capital Stock or other securities of an Unrestricted Subsidiary that secure Debt or other obligations of such Unrestricted Subsidiary;

(ee) Liens on the Capital Stock of any direct Subsidiary of Holdco acquired in connection with a Significant Acquisition by Holdco securing Permitted Holdco Acquisition Debt and Permitted Refinancing Debt in respect thereof and/or Investor Acquisition Debt and Liens on any proceeds loan or shareholder loan or other securities made by the lender of such Debt to such Subsidiary in connection therewith securing such Permitted Holdco Acquisition Debt and Permitted Refinancing Debt in respect thereof and/or Investor Acquisition Debt; *provided that* such Liens are released in connection with any Permitted Reorganization or Significant Acquisition by the Senior Secured Notes Issuer or any of its Restricted Subsidiaries;

(ff) Liens on the assets of the Luxembourg Security Providers that do not constitute Senior Secured Notes Collateral; and

(gg) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (ff); *provided* that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets.

"*Permitted Refinancing Debt*" means any renewals, extensions, substitutions, refinancings or replacements of any Debt of Holdco, the Senior Secured Notes Issuer or a Restricted Subsidiary (in the case of Debt incurred pursuant to the definition of clause (2)(d) of the definition of Permitted Debt or Permitted Refinancing Debt in respect thereof, whether upon or after termination or otherwise) or Debt incurred pursuant to this definition, including any successive renewals, extensions, substitutions, refinancings or replacements, so long as:

(a) such Debt is in an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value and in the case of pay-in-kind Debt, the value of such Debt including any interest paid in the form of additional Debt) then outstanding of the Debt being renewed, extended, substituted, refinanced or replaced and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such renewal, extension, substitution, refinancing or replacement (or in the case of Debt incurred pursuant to clause 2(d) of the definition of Permitted Debt or Permitted Refinancing Debt in respect thereof, the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value) of any Permitted Refinancing Debt, when aggregated with the principal amount (or if incurred with original issue discount, the aggregate accreted value) of all other Debt then outstanding pursuant to clause (2)(d) of the definition of Permitted Debt, is not in excess of the sum of (i) the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value) of Debt incurred pursuant to clause (2)(d) of the definition of Permitted Debt on the Issue Date and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such renewal, extension, substitution, refinancing or replacement);

(b) if the Debt being renewed, extended, substituted, refinanced or replaced is expressly or contractually subordinated in right of payment to the obligations of the Senior Secured Notes or any Senior Secured Note Guarantee, such Permitted Financing Debt is subordinated in right of payment to such obligations on terms at least as favorable to the holders of the Senior Secured Notes or relevant Senior Secured Note Guarantee, as those contained in the documentation governing the Debt being renewed, extended, substituted, refinanced or replaced;

(c) such Permitted Refinancing Debt has (x) a final maturity date that is either (i) no earlier than the final maturity date of the Debt being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (ii) after the final maturity date of the Senior Secured Notes and (y) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Debt being renewed, refunded, refinanced, replaced, defeased or discharged; and

(d) such Debt does not include (x) Debt of a Restricted Subsidiary of the Senior Secured Notes Issuer that is not a Senior Secured Notes Guarantor that refinances Debt of the Senior Secured Notes Issuer or a Senior Secured Notes Guarantor or (y) Debt of the Senior Secured Notes Issuer or a Restricted Subsidiary that refinances Debt of an Unrestricted Subsidiary or of Holdco.

"*Permitted Reorganization*" means, upon the consummation of, or concurrently with, a Significant Acquisition by a Permitted Acquirer, (x) the consolidation, merger, amalgamation or combination of the Subsidiary of Holdco that holds (including through its Subsidiaries) all or substantially all of the property or assets acquired in connection with such Significant Acquisition with or into such Permitted Acquirer or the sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all or substantially all of the properties of assets of the business acquired in such Significant Acquisition in one or more related transactions to the Senior Secured Notes Issuer and its Restricted Subsidiaries, (y) the consolidation, merger, amalgamation or combination of any special purpose company incorporated to effect a Significant Acquisition (including the issuance, offering or sale of any Debt to effect such Acquisition) with or into such Permitted Acquirer; and/or (z) the assumption of, or accession by the Senior Secured Notes Issuer or any Surviving Entity or other Permitted Acquirer to, any obligations incurred to effect a Significant Acquisition or the transactions referred to in clauses (x) and (y) hereof.

"*Person*" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"*Preferred Stock*" means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class of such Person whether now outstanding, or issued after the Issue Date, and including, without limitation, all classes and series of preferred or preference stock of such Person; *provided* that accrued non-cash dividends with respect to any Preferred Stock shall not constitute Preferred Stock for the purposes of "*—Certain Covenants—Limitation on Debt*."

"*Proceeds Loan*" means any loan agreement entered into between a Parent Company and a Subsidiary of such Parent Company pursuant to which such Parent Company lends to the relevant Subsidiary the proceeds of any Debt incurred by such Parent Company to reflect the terms of the Debt incurred by such Parent Company, as such Debt is amended, restated, replaced or otherwise refinanced from time to time; *provided* that (i) the principal amount of, and interest rate on, such Proceeds Loan will not be greater than the principal amount of, and interest rate on, the Debt incurred by such Parent Company that funded such Proceeds Loan (except to the extent a reasonable margin is required by law) and (ii) such Proceeds Loan shall, to the extent the borrower is the Senior Secured Notes Issuer or a Senior Secured Notes Guarantor, be subordinated to the Senior Secured Notes in right of payment to the Senior Secured Notes in accordance with the Intercreditor Agreement and any Additional Intercreditor Agreement.

"*Public Equity Offering*" means, in respect of a specified Person, any offering of Qualified Capital Stock of the Person that is listed on an exchange or that is publicly offered (which shall include any offering pursuant to Rule 144A or Regulation S under the Securities Act), whether by such Person or by holders of such Person's Qualified Capital Stock.

"*Public Market*" means any time after:

(a) a Public Offering of the IPO Entity has been consummated; and

(b) at least 20% of the total issued and shares of Qualified Capital Stock of the IPO Entity has been distributed to investors other than the Permitted Holders or their Related Parties or any other direct or indirect shareholders of the Senior Secured Notes Issuer as of the Issue Date.

"*Public Offering*" means (1) any offering of Qualified Capital Stock of the Senior Secured Notes Issuer that is listed on an exchange or that is publicly offered (which shall include any offering pursuant to Rule 144A or Regulation S under the Securities Act) or (2) any offering of Capital Stock of any Parent Company that is listed on an exchange or that is publicly offered (which shall include any offering pursuant to Rule 144A or Regulation S under the Securities Act), *provided* that, (i) in the case of this clause (2), the proceeds of such offering are contributed as Deeply Subordinated Funding or to the equity of the Senior Secured Notes Issuer and (ii) in the case of (1) and (2), the proceeds of such offering or contribution are not utilized for Contribution Debt or Excluded Contributions or to make Restricted Payments pursuant to clauses (3)(b) or 3(l) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*".

"*Purchase Money Obligations*" means any Debt incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Qualified Capital Stock*" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"*Qualified Securitization Financing*" means any financing pursuant to which the Senior Secured Notes Issuer or any Restricted Subsidiary may sell, convey or otherwise transfer to any other Person or grant a security interest in any accounts receivable (and related assets) in any aggregate principal amount equivalent to the Fair Market Value of such accounts receivable (and related assets) of the Senior Secured Notes Issuer or any Restricted Subsidiary; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the board of directors or a member of senior management of the Senior Secured Notes Issuer) at the time such financing is entered into and (b) such financing shall be non-recourse to the Senior Secured Notes Issuer and the Restricted Subsidiaries, except to a limited extent customary for such transactions.

"*Rating Agencies*" means Moody's and S&P or, in the event that Moody's or S&P no longer assigns a rating to the Senior Secured Notes, any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3- 1(c)(2)(vi)(F) under the Exchange Act selected by the Senior Secured Notes Issuer as a replacement agency.

"*Redeemable Capital Stock*" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable, or by contract or otherwise, matures or is, or upon the happening of an event or passage of time would, mature or be, required to be redeemed, pursuant to a sinking fund obligation or otherwise, in whole or in part, prior to the six-month anniversary of the final Stated Maturity of the Senior Secured Notes or is redeemable at the option of the holder thereof at any time prior to the six-month anniversary of such final Stated Maturity, or is convertible into or exchangeable for debt securities at any time prior to the six-month anniversary of such final Stated Maturity; *provided* that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any "asset sale" or "change of control" occurring prior to the six-month anniversary of the Stated Maturity of the Senior Secured Notes will not constitute Redeemable Capital Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in "—*Certain Covenants—Limitation on Sale of Certain Assets*" and "*—Purchase of Senior Secured Notes upon a Change of Control*" described herein and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Senior Secured Notes Issuer's repurchase of such Senior Secured Notes as are required to be repurchased pursuant to "*—Certain Covenants—Limitation on Sale of Certain Assets*" and "*—Purchase of Senior Secured Notes upon a Change of Control*."

"*Related Parties*" with respect to any Permitted Holder, means:

(a) any controlling equity holder or majority or wholly owned Subsidiary of such Person; or

(b) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(c) any trust, corporation, partnership or other Person for whom the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a 50.1% or more controlling interest therein, consist of such individuals or such other Persons referred to in the immediately preceding clauses (a) and (b); or

(d) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Senior Secured Notes Issuer that is not an Unrestricted Subsidiary; provided that solely for the purposes of the following definitions, the term Restricted Subsidiary shall be deemed to mean any Consolidated Subsidiary of the specified Person that is not an Unrestricted Subsidiary: Consolidated Adjusted Net Income, Consolidated EBITDA, Consolidated Fixed Charge Coverage Ratio, Consolidated Leverage, Consolidated Leverage Ratio, Consolidated Senior Secured Leverage, Consolidated Senior Secured Leverage Ratio, Senior Secured Debt and Fixed Charges.

"*Revolving Credit Facility*" means the revolving credit facility expected to be available pursuant to the Revolving Credit Facility Agreement.

"*Revolving Credit Facility Agreement*" means the credit agreement entered into on January 18, 2013 (as amended on January 31, 2013 and further amended on April 23, 2014) for an amount of up to €50.0 million which may be increased on one occasion to the lower of (a) 65% of Consolidated Pro Forma EBITDA (as defined therein) and (b) €200.0 million among the Senior Secured Notes Issuer, certain Subsidiaries of the Senior Secured Notes Issuer, as borrowers and guarantors, certain financial institutions, as mandated lead arrangers, Wilmington Trust (London) Limited, as security agent, and Natixis, as agent, and as amended and restated (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Debt under such agreement or agreements or any successor or replacement agreement or agreements or increasing the amount loaned thereunder (subject to compliance with the covenant described under "*—Certain Covenants—Limitation on Debt*") or altering the maturity thereof.

"*Roll-Over*" means (i) the exchange by one or more holders thereof of Capital Stock of the Senior Secured Notes Issuer (other than Holdco) for Capital Stock in Holdco; (ii) the transfer of or exchange by one or more holders thereof (at their option) of any Existing Management Vendor Loans and Management Proceeds Funding to Holdco or for Holdco Subordinated Funding or Capital Stock of Holdco, or in the case of Existing Management Vendor Loans, instruments issued by Holdco in exchange for or that replace Existing Management Vendor Loans issued by the Senior Secured Notes Issuer; and (iii) the granting of call options over the relevant Capital Stock of Holdco by the holders thereof as may be required by the "*Maintenance of Double LuxCo Structure*" covenant or on substantially the same terms as, the Call Option Agreements; *provided* that the exchanges under clause (i) that cause the completion of the Roll-Over as specified below are effected substantially concurrently and may be effected through one or more intermediate steps; provided further that the Roll-Over shall be deemed complete once Holdco or any successor Person thereof owns and holds directly at least 95% of the total voting power of the Voting Stock of the Senior Secured Notes Issuer or its successor Person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Holdco or its successor Person) and that holders of Capital Stock, Existing Management Vendor Loans or Management Proceeds Funding of the Senior Secured Notes Issuer who did not participate in the Roll-Over shall thereafter be entitled to effect from time to time transactions substantially similar to the Roll-Over; *provided further* that, subject to compliance with the "*Maintenance of Double LuxCo Structure*" covenant, holders of Capital Stock of the Senior Secured Notes Issuer (other than Holdco), Deeply Subordinated Funding (other than Holdco) and Management Proceeds Funding prior to the Roll-Over need not be holders of Capital Stock of Holdco or Holdco Subordinated Funding immediately after the Roll-Over in the same proportions or at all.

"*S&P*" means Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc., and its successors.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"*Securitization Assets*" means any accounts receivable subject to a Qualified Securitization Financing.

"*Securitization Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the Senior Secured Notes Issuer or a Restricted Subsidiary in connection with, any Qualified Securitization Financing.

"*Securitization Repurchase Obligation*" means any obligation of a seller of Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or a portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Senior Management*" means the officers, directors, employees and other members of the management of any Parent Company, the Senior Secured Notes Issuer or any of their respective Subsidiaries, or family members or relatives of any of the foregoing who are or become Senior Management in connection with estate planning for or inheritance from other members of Senior Management, (as determined in good faith by the Senior Secured Notes Issuer), or trusts, partnerships, limited liability companies, *fonds commun de placement d'entreprise* or other entities for the benefit of any of the foregoing, or any of their heirs, executors, successors and legal representatives who, at any date, beneficially own or have the right to acquire, directly or indirectly, Qualified Capital Stock of the Senior Secured Notes Issuer, Capital Stock of any Parent Company or any Management Investment Company.

"*Senior Secured Debt*" means, as of any date of determination, (i) Debt of the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor (other than Debt incurred pursuant to clauses (2)(c), (2)(f), (2)(h), (2)(j), 2(k), (2)(o) and (2)(q)(i)) that is secured by a Lien (excluding Debt to the extent secured on a junior priority basis to the Senior Secured Notes and the Senior Secured Note Guarantees) and (ii) Debt of a Restricted Subsidiary that is not a Senior Secured Notes Guarantor.

"*Significant Acquisition*" means the acquisition of one or more business entities or property and assets constituting a division or line of business that are owned by a common seller or under common management, by the Senior Secured Notes Issuer, any Restricted Subsidiary or Holdco, including through mergers or consolidations, for which EBITDA for the four full fiscal quarters immediately preceding such acquisition was not less than € 50.0 million (as determined in good faith by an Officer or a responsible financial or accounting officer of the Senior Secured Notes Issuer).

"*Significant Subsidiary*" means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries that are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 5% of the consolidated revenues of the Senior Secured Notes Issuer or (ii) as of the end of the most recent fiscal quarter, was the owner of more than 5% of the Total Assets.

"*Stated Maturity*" means, when used with respect to any note or any installment of interest thereon, the date specified in such note as the fixed date on which the principal of such note or such installment of interest, respectively, is due and payable, and, when used with respect to any other debt, means the date specified in the instrument governing such debt as the fixed date on which the principal of such debt, or any installment of interest thereon, is due and payable.

"*Stockholders Documents*" means the constitutional documents, a stockholders agreement or other agreement amongst the holders of a Restricted Subsidiary's Capital Stock that determines the allocation of economic rights in such Restricted Subsidiary.

"*Subordinated Debt*" means Debt of the Senior Secured Notes Issuer or any Senior Secured Notes Guarantor that is expressly subordinated in right of payment to the Senior Secured Notes or the Senior Secured Note Guarantees of such Senior Secured Notes Guarantors pursuant to a written agreement, as the case may be; *provided*, that no Debt will be deemed to be subordinated in right of payment to any other Debt solely by virtue of being unsecured or by virtue of being secured on a junior Lien basis.

"*Subsidiary*" means, with respect to any specified Person:

(a) any corporation, association, *société d'exercice libéral* or other business entity of which more than 50% of the total voting power of Voting Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); *provided* that any corporation, association or other business entity shall also be considered a Subsidiary if either (i)(A) such corporation, association or other business entity is organized under the laws of the Republic of France and is subject to limitations on the amount of total voting power of Voting Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity that may be held by persons other than laboratory doctors and (B) such Person owns an amount equal to at least the lesser of 45% and the maximum percentage that such Person is permitted to hold under applicable law of the total voting power of Voting Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of such corporation, association or other business entity, or (ii) such corporation, association or other business entity is consolidated in the financial statements of such Person according to the full consolidation method in accordance with IFRS; and

(b) any partnership or limited liability company (other than entities covered by clause (a) of this definition) of which (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Successor Parent*" with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially owned" has a meaning correlative to the term "beneficial owner," as such term is defined in Rule 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"*Tax*" means any tax, duty, levy, impost, assessment or other similar governmental charge (including penalties, interest and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). "*Taxes*" and "*Taxation*" shall be construed to have corresponding meanings.

"*Top Luxco Roll-Over*" means, after a Roll-Over, (i) the exchange by one or more holders thereof of Capital Stock of Holdco for Capital Stock of Top Luxco; and (ii) at the option of Holdco or Top Luxco, the transfer of or exchange of the Existing Management Vendor Loans and Holdco Subordinated Funding to or for Capital Stock, securities or obligations of Top Luxco; *provided* that the Top Luxco Roll-Over shall be deemed complete once Luxco or any successor Person thereof owns and holds directly at least 95% of the total voting power of the Voting Stock of Holdco or its successor Person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Luxco or its successor Person) and that holders of Capital Stock, Existing Management Vendor Loans or Holdco Subordinated Funding of Holdco who did not participate in the Top Luxco Roll-Over shall thereafter be entitled to effect from time to time transactions substantially similar to the Top Luxco Roll-Over; *provided further* that, subject to compliance with the "*Maintenance of Double LuxCo Structure*" covenant, holders of Capital Stock of Holdco (other than Luxco) and Holdco Subordinated Funding prior to the Top Luxco Roll-Over need not be holders of Capital Stock of Top Luxco or Debt of Top Luxco immediately after the Top Luxco Roll-Over in the same proportions or at all.

"*Total Assets*" means the consolidated total assets of the Senior Secured Notes Issuer and the Restricted Subsidiaries as shown on the most recent consolidated balance sheet of the Senior Secured Notes Issuer.

"*Transactions*" means the offering of the Initial Existing Senior Secured Notes, the entering into of the Revolving Credit Facility, the entering into of the Security Documents and the Intercreditor Agreement, the entry into any agreement by the Senior Secured Notes Issuer or any Affiliate in connection with the offering of the Initial Existing Senior Secured Notes and the application of proceeds therefrom as described under "Use of Proceeds" section of the offering memorandum relating to the offering of the Initial Existing Senior Secured Notes, including the repayment or extinguishment of any indebtedness, payment or reimbursement of any fees and expenses and any other transactions incidental to the above.

"*Unrestricted Subsidiary*" means:

(a) any Subsidiary of the Senior Secured Notes Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Senior Secured Notes Issuer's board of directors pursuant to the "*—Designation of Unrestricted and Restricted Subsidiaries*" covenant); and

(b) any Subsidiary of an Unrestricted Subsidiary.

"*U.S. GAAP*" means generally accepted accounting principles in the United States of America in effect on the Issue Date, or, with respect to the covenant described under the caption "*—Certain Covenants—Provision of Information*," as in effect from time to time.

"*Voting Stock*" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"*Weighted Average Life to Maturity*" means, when applied to any Debt at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (1) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Debt (not including, for the avoidance of doubt, any additional principal amount arising from interest payments in respect of pay-in-kind Debt), by (2) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amounts of such Debt.

"*Working Capital Intercompany Loan*" means any loan to or by the Senior Secured Notes Issuer or any of its Restricted Subsidiaries to or from the Senior Secured Notes Issuer or any of its Restricted Subsidiaries from time to time (i) for purposes of consolidated cash and tax management and working capital management and (ii) for a duration of less than one year; *provided* that, if any such working Capital Intercompany Loan exceeds €2.0 million, it shall be expressly agreed to be Subordinated Debt.

Book-entry; delivery and form

General

The Additional Notes sold to non-U.S. persons outside the United States in compliance with Regulation S under the U.S. Securities Act were initially represented by a global note in registered form without interest coupons attached which is identical to the registered global note representing the Existing Notes sold in compliance with Regulation S (each a "Regulation S Global Note"). Existing Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act were initially represented by a global note in registered form without interest coupons attached ("Rule 144A Global Note", together with the Regulation S Global Note, the "Global Notes"). The Global Notes are deposited with, or on behalf of, a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream, Luxembourg.

Ownership of interests in the Rule 144A Global Note (the "Rule 144A Book-Entry Interests") and ownership of interests in the Regulation S Global Note (the "Regulation S Book-Entry Interests" and, together with the Rule 144A Book-Entry Interests, the "Book- Entry Interests") will be limited to persons that have accounts with Euroclear and/or Clearstream, Luxembourg or persons that hold interests through such participants. Euroclear and Clearstream, Luxembourg will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of the Notes, as applicable, for any purpose.

So long as the Notes are held in global form, the common depositary for Euroclear and/or Clearstream, Luxembourg (or its nominees), as applicable, will be considered the sole holders of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and Clearstream, Luxembourg, and indirect participants must rely on the procedures of Euroclear and Clearstream, Luxembourg and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of the Notes under the Indenture.

None of the Issuer, the Paying Agent, the Transfer Agent, the Registrar or the Trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Definitive registered notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive definitive registered Notes in certificated form ("Definitive Registered Notes") only:

(1) if either Euroclear or Clearstream, Luxembourg notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the relevant Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream, Luxembourg following an event of default under the Indenture and enforcement action is being taken in respect thereof under the Indenture.

In such an event, the Issuer will instruct the Registrar to issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream, Luxembourg or us, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided the Indenture, unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, the Issuer, the Trustee, the Paying Agent, the Transfer Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

We will not impose any fees or other charges in respect of Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream, Luxembourg.

Redemption of the global notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, Luxembourg, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, Luxembourg, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of Euroclear and Clearstream, Luxembourg, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream, Luxembourg will credit their participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate (including the pool factor); *provided, however*, that no Book-Entry Interest of less than €100,000 principal amount may be redeemed in part.

Payments on global notes

The relevant Issuer will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the common depositary or its nominee for Euroclear and Clearstream, Luxembourg. The common depositary will distribute such payments to participants in accordance with their customary procedures. The Issuer will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "*Description of the Senior Secured Notes—Additional Amounts*". If any such deduction or withholding is required to be made, then, to the extent described under "*Description of the Senior Secured Notes—Additional Amounts*" we will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. The Issuer expects that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer, the Trustee, the Registrar and the Paying Agents will treat the registered holders of the Global Notes (i.e., the common depositary for Euroclear or Clearstream, Luxembourg (or its nominee)) as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream, Luxembourg or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, for any such payments made by Euroclear or Clearstream, Luxembourg or any participant or indirect participant or for maintaining, supervising or reviewing the records of Euroclear or Clearstream, Luxembourg or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;

- any other matters relating to the actions and practices of Euroclear, Clearstream, Luxembourg or any participant or indirect participant; or

- the records of the common depositary.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

Currency of payment for the global notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests to such Notes through Euroclear or Clearstream, Luxembourg in euro.

Action by owners of book-entry interests

Euroclear and Clearstream, Luxembourg have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream, Luxembourg will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, Euroclear and Clearstream, Luxembourg, at the request of the holders of the Notes, reserve the right to exchange the Global Note for Definitive Registered Notes and to distribute such Definitive Registered Notes to their participants.

Transfers

Transfers between participants in Euroclear or Clearstream, Luxembourg will be effected in accordance with Euroclear and Clearstream, Luxembourg's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream, Luxembourg and in accordance with the procedures set forth in the Indenture.

The Global Notes will bear a legend to the effect set forth under "*Transfer Restrictions*." Book Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Transfer Restrictions*."

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book- Entry Interests in a Global Notes only as described under "*Description of the Senior Secured Notes—Transfer and Exchange*" and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Transfer Restrictions*."

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first-mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Information concerning Euroclear and Clearstream, Luxembourg

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, Luxembourg, as applicable. We have provided the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. Neither we nor the Placement Agent are responsible for those operations or procedures.

We understand as follows with respect to Euroclear and Clearstream, Luxembourg: Euroclear and Clearstream, Luxembourg hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream, Luxembourg interface with domestic securities markets. Euroclear and Clearstream, Luxembourg participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream, Luxembourg is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream, Luxembourg participant, either directly or indirectly.

Because Euroclear and Clearstream, Luxembourg can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear and/or Clearstream, Luxembourg system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream, Luxembourg systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream, Luxembourg participants.

Global clearance and settlement under the book-entry system

The Notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream, Luxembourg currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, any Guarantor, the Placement Agent, the Trustee, the Transfer Agent, the Registrar or the Paying Agent will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial settlement

Initial settlement for the Notes will be made in euros. Book-Entry Interests owned through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream, Luxembourg holders on the business day following the settlement date against payment for value of the settlement date.

Secondary market trading

The Book-Entry Interests will trade through participants of Euroclear and Clearstream, Luxembourg and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Trustee's powers

In considering the interests of the holders of Notes, while title to the Notes is registered in the name of a nominee of a clearing system, the Trustee may have regard to, and rely on, any information provided to it by that clearing system as to the identity (either individually or by category) of its accountholders with entitlements to Notes and may consider such interests as if such accountholders were the holders of the Notes.

Enforcement

For the purposes of enforcement of the provisions of the Indenture against the Trustee, the persons named in a certificate of the holder of the Notes in respect of which the Global Note is issued shall be recognized as the beneficiaries of the trusts set out in the Indenture to the extent of the principal amounts of their interests in the Notes set out in the certificate of the holder, as if they were themselves the holders of Notes in such principal amounts.

Transfer restrictions

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes.

The Notes and the Note Guarantees have not been and will not be registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Additional Notes were sold only outside the United States in offshore transactions in reliance on Regulation S.

We have not registered and will not register the Notes or the Note Guarantees under the U.S. Securities Act and, therefore, the Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, we offered and sold the Additional Notes to investors only outside the United States in offshore transactions in accordance with Regulation S.

We use the terms “offshore transaction” and “United States” with the meanings given to them in Regulation S.

Legal matters

Certain legal matters in connection with the Private Placement have been passed upon for us by Latham & Watkins (London) LLP, as to matters of U.S. federal and New York law, by Loyens & Loeff CVBA as to matters of Belgian law, Latham & Watkins AARPI as to matters of French law and by King & Wood Mallesons Luxembourg as to matters of Luxembourg law.

Independent auditors

The Company's 2013 IFRS Financial Statements, 2014 IFRS Financial Statements and 2015 IFRS Financial Statements have been audited by PricewaterhouseCoopers Audit and Grant Thornton as stated in their reports, English translations of which are included in this Listing Memorandum.

Service of process and enforcement of civil liabilities

The Issuer is organized under the laws of France. Each of the Security Documents relating to the Collateral will be governed by the laws of France, Belgium and Luxembourg, as applicable. The Indenture (including the Senior Secured Note Guarantees) and the Notes are governed by New York law. The Intercreditor Agreement is governed by the law of England and Wales. All of the directors and executive officers of the Issuer and each of the Guarantors are non-residents of the United States. Since substantially all of the assets of the Issuer and each of the Guarantors, and its and their directors and executive officers, are located outside the United States, any judgment obtained in the United States against the Issuer or a Guarantor or any such other person, including judgments with respect to the payment of principal, premium (if any) and interest on the Notes or any judgment of a U.S. court predicated upon civil liabilities under U.S. Federal or state securities laws, may not be collectible in the United States. Furthermore, although the Issuer and each of the Guarantors will appoint an agent for service of process in the United States and will submit to the jurisdiction of New York courts, in each case, in connection with any action in relation to the Notes and the Indenture or under U.S. securities laws, it may not be possible for investors to effect service of process on us or on such other persons as mentioned above within the United States in any action, including actions predicated upon the civil liability provisions of U.S. federal securities laws.

If a judgment is obtained in a U.S. court against the Issuer or a Guarantor or a security provider, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for the countries in which the Issuer and the Guarantors are located, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

France

Our French counsel has advised us that the United States and France are not parties to a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, enforceable in the United States, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal de Grande Instance*) that has exclusive jurisdiction over such matter.

Enforcement in France of such U.S. judgment could be obtained following proper (i.e., *non-ex parte*) proceedings if such U.S. judgment is enforceable in the United States and if the French civil court is satisfied that the following conditions have been met (which conditions, under prevailing French case law, do not include a review by the French civil court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having jurisdiction over the matter because the dispute is clearly connected to the jurisdiction of such court and the French courts did not have exclusive jurisdiction over the matter;
- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case, including fair trial rights; and
- such U.S. judgment is not tainted with fraud under French law.

In addition to these conditions, it is well established that only final and binding foreign judicial decisions (i.e. those having a *res judicata* effect) can benefit from an exequatur under French law, and that such U.S. judgment should not conflict with a French judgment or a foreign judgment that has become effective in France. Where proceedings are pending before French Courts at the time enforcement of the U.S. judgment is sought and where these proceedings have the same or similar subject matter as such U.S. judgment, the courts may stay the exequatur proceedings.

If the French civil court is satisfied that such conditions are met, the U.S. judgment will benefit from the *res judicata* effect as of the date of the decision of the French civil court and will thus be declared enforceable in France after all remedies have been exhausted. However, the decision granting the exequatur is subject to appeal.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French law No. 68-678 of July 26, 1968, as modified by French law No. 80-538 of July 16, 1980 and French Ordinance No. 2000-916 of September 19, 2000 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations above, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons.

Similarly, French data protection rules (law No. 78 17 of January 6, 1978 on data processing, data files and individual liberties, as most recently modified by French Ordinance No. 2011 1012 of August 24, 2011) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

Furthermore, we have been advised by our French counsel that if an original action is brought in France, French courts may refuse to apply foreign law or a part of foreign law designated by the applicable French rules of conflict (including the law chosen by the parties to govern their contract) if the application of such law (in the case at hand) is deemed to contravene French international public policy (as determined on a case-by-case basis by French courts) or in case of overriding mandatory rules. Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to Article 14 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with a French person or in a foreign country with French persons. Pursuant to Article 15 of the French Civil Code, a French national can be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant (Article 15). These provisions also apply in the context of non-contractual obligations. For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, according to case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent. More specifically, according to this recent case law, a French defendant can no longer challenge the jurisdiction of a foreign tribunal on the basis of article 15 of the French civil code in circumstances where the foreign tribunal has otherwise jurisdiction. In addition, French and foreign claimants may respectively waive their rights respectively to benefit from the provisions of Articles 14 and 15 of the French Civil Code, including by way of conduct by voluntarily appearing before the foreign court.

The French Supreme Court (*Cour de cassation*) has recently held that a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any competent jurisdiction was invalid on the ground that it was discretionary (*potestative*). Accordingly, any provisions to the same effect in any relevant documents would not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action before the French courts.

Belgium

The following discussion with respect to the enforceability of certain U.S. court judgments in Belgium is based upon advice provided to us by our Belgian legal advisors. Final and enforceable judgments rendered by U.S. courts can be declared enforceable (granting "*exequatur*") in Belgium according to the procedure set out in Articles 22 *et seq.* of the Belgian Code of International Private Law (*Wetboek van Internationaal Privaatrecht*/*Code de droit international privé*) (formal "*exequatur*" proceedings before a Belgian court) and *provided* that, pursuant to Article 24 of the same Code, the following documents are produced in court by the claimant seeking enforcement:

- an official copy of the judgment (*uitgifte van de beslissing/expédition de la décision*) fulfilling all conditions required for its authentication under the applicable foreign law;
- if obtained by default, an original or legalized copy of the document demonstrating that the originating process has been served on the defendant in accordance with the applicable foreign law; and

- any document demonstrating that, under the applicable foreign law, the judgment is enforceable and has been notified to the defendant.

However, the court will refuse enforcement in the circumstances described in Article 25 of the Belgian Code of International Private Law and notably, if, among other things:

- the consequences of the recognition or enforcement of such foreign decision would be manifestly contrary to Belgian public policy;
- the rights of defense were not respected;
- the jurisdiction of the foreign judge was based solely on the presence of the defendant or assets in such state without any further connection with the litigation in such state;
- without prejudice to Article 23.4 of the Belgian Code of Private International Law of 16 July 2004, the judgment is not final or does not meet the requirements of authenticity pursuant to the laws of the State where the judgment was rendered or the applicable federal rules;
- if in relation to matters for which parties cannot freely dispose of their rights, the decision has been sought with the sole purpose of escaping from the application of the laws applicable in accordance with Belgian conflict of law rules;
- the decision is in conflict with either a decision rendered in Belgium or a decision previously rendered in another state and such decision can be recognized in Belgium;
- the claim was introduced before the courts of such state after a claim, which is still pending and relating to the same matter and between the same parties, was introduced in a Belgian court;
- the Belgian courts have exclusive jurisdiction in relation to the claim; or
- the decision is in conflict with the rules on the recognition and enforcement of court decisions in relation to insolvency proceedings or corporate standing.

Note that the foreign judgment for which enforcement is sought will not be reviewed on the merits.

Luxembourg

Foreign judgments need to obtain an *exequatur* by a Luxembourg court before they can be enforced by a bailiff (*huissier de justice*).

As there is no treaty in force on the reciprocal recognition and enforcement of judgments in civil and commercial matters between the United States and Luxembourg, courts in Luxembourg will not automatically recognize and enforce a final judgment rendered by a U.S. court. A valid, final and conclusive judgment rendered by a U.S. court against (i) the Issuer with respect to the Additional Notes or (ii) the Luxembourg Guarantors in respect of the Note Guarantees needs to obtain an *exequatur* by a Luxembourg District Court (*Tribunal d'arrondissement*) before it can be enforced by a bailiff. The Luxembourg ordinary law principles (*droit commun*), that will be applicable to grant an *exequatur* of such U.S. court order, have been determined by case law on the basis of articles 678 *et seq.* of the Luxembourg New Code of Civil Procedure (*Nouveau Code de Procédure Civile*). The following conditions must be met:

- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under its applicable laws, and such jurisdiction is recognized by Luxembourg private international and local law;
- the U.S. court order or judgment must not result from an evasion of Luxembourg law (*fraude à la loi*);
- the judgment is final and enforceable in the jurisdiction where the decision is rendered (*exécutoire*);
- the U.S. court has applied the substantive law as designated by the Luxembourg conflict of laws rules (according to recent Luxembourg case law, Luxembourg courts do not have to verify this condition anymore);
- the U.S. court has acted in accordance with its own procedural laws;

- the judgment was granted following proceedings where the defendant had the opportunity to appear, and if appeared, to present a defense; and
- the consideration of the foreign order as well as the judgment does not contravene international public policy as understood under the laws of Luxembourg, nor has it been given in proceedings of a criminal or tax nature.

Luxembourg case law is constantly evolving. Some of the above conditions of admissibility may change: additional conditions could be required to be fulfilled by Luxembourg courts while other conditions may not be verified by Luxembourg courts in the future.

We have also been advised by our Luxembourg counsel that if an original action is brought in Luxembourg, without prejudice to conflict of law rules, Luxembourg courts may refuse to apply the designated law if: (i) the choice of such law was not made *bona fide* or (ii) if the foreign law was not pleaded and proved or if pleaded and proved, the foreign law was contrary to Luxembourg mandatory provisions (*lois imperatives*) or incompatible with Luxembourg public policy rules. In an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought. While, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than euro, a Luxembourg court would have power to give a judgment expressed as an order to pay a currency other than euro, enforcement of the judgment against any party in Luxembourg would be available only in euro and for such purposes all claims or debts would be converted into euro.

Listing and general information

Listing information

Application has been made to admit the Additional Notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market of that exchange, in accordance with the rules and regulations of such exchange.

For so long as the Additional Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of that exchange, copies of the following documents may be inspected and obtained at the specified office of the Issuer in Saint-Ouen-l'Aumône, France, during normal business hours:

- the organizational documents of the Issuer;
- the bylaws of the Guarantors;
- the consolidated financial statements included in this Listing Memorandum;
- our most recent audited consolidated financial statements, and any interim quarterly financial statements published by us;
- the form of Additional Notes;
- the Indenture governing the Notes;
- the Intercreditor Agreement; and
- the Security Documents.

We have appointed Citigroup Global Markets Deutschland AG as Registrar and Citibank N.A., London Branch as principal Paying Agent and Transfer Agent to make payments on, when applicable, and transfers of, the Notes. We reserve the right to vary such appointments in accordance with the terms of the Indenture.

Litigation

Except as disclosed elsewhere in this Listing Memorandum, neither the Issuer nor any of the Guarantors is involved, or has been involved during the twelve months preceding the date of this Listing Memorandum, in any litigation, arbitration or administrative proceedings which would, individually or in the aggregate, have a material adverse effect on their results of operations, condition (financial or other) or general affairs and, so far as each is aware, having made all reasonable inquiries, there are no such litigation, arbitration or administrative proceedings pending or threatened.

No material adverse change

Except as disclosed in this Listing Memorandum, there has been no material adverse change in the Issuer's consolidated financial and trading position since December 31, 2015 (being the last day of the period in respect of which Cerba published its latest annual audited consolidated financial statements).

Clearing information

The Additional Notes sold pursuant to Regulation S have been accepted for clearance through the facilities of Clearstream, Luxembourg and Euroclear under common code 087760707. The international securities identification number for the Additional Notes sold pursuant to Regulation S is XS0877607076.

Legal information

The Issuer is a private limited liability company (*société par actions simplifiée)* organized and established under the laws of France. The Issuer was incorporated in France on June 8, 2010 for a duration of 99 years and is registered with the *Registre du Commerce et des Sociétés de Pontoise* under the registration number 522 942 192. The registered office of the Issuer is, and the members of the Executive Committee can be contacted at, ZI Les Béthunes, 7, rue de l’Equerre, 95310 Saint-Ouen-l’Aumône, France. The Issuer’s telephone number is +33(0) 1 34 40 21 26.

The Issuer’s fiscal year ends on December 31.

The table below shows the legal name of each Guarantor and its registered office.

Guarantor	**Registered Office**
Cefid SA	7-11 rue de l’Equerre, 95310 Saint-Ouen-l’Aumône, France
Cerba Selafa	7-11 rue de l’Equerre, 95310 Saint-Ouen-l’Aumône, France
Cerballiance Provence	6 Boulevard Gueydon, 13013 Marseille, France
Cerballiance Hautes de France	17 rue de la Digue, 59000 Lille, France
Cerballiance Réunion	Rue Alsace-Lorraine, 97420 Le Port, France
Cerballiance Paris	6 rue du Chemin Vert, 75011 Paris, France
Bio Analytical Research Corporation NV	Industriepark Zwijnaarde 3B, 9052 Ghent, Belgium
Cerba HealthCare Belgium	Industriepark Zwijnaarde 3B, 9052 Ghent, Belgium
L.L.A.M. S.A.	37 rue Romain Fandel, L-4149 Esch-sur-Alzette, Grand Duchy of Luxembourg
Centre de Biologie Médicale	42 rue de Verdun, 76600 Le Havre, France
Cerballiance Côte d’Azur	9 boulevard de Strasbourg, 83000 Toulon, France

The principal activity of the abovementioned Guarantors is the management of laboratories and related activities in the pharmaceutical and health industry.

Consents

The creation and issuance of the Additional Notes has been authorized by resolutions of the Chief Executive Officer (*Président du Directoire*) and of the sole shareholder of the Issuer dated on September 27, 2016 and September 22, 2016, respectively.

Statement

The Issuer accepts responsibility for the information contained in this Listing Memorandum. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Listing Memorandum is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of this Listing Memorandum, including in respect of trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company’s prospects for at least the remainder of the current financial year. Information relating to each of the Guarantors was provided by the respective Guarantor.

Index to Financial Statements

Management quarterly report for the six months period ended June 30, 2016

CERBA HEALTHCARE

S.A.S with share capital of € 810,246.05

ZI Les Béthunes

7/11 rue de l'Equerre

95310 SAINT-OUEN-L'AUMONE

1 Overview

We are a leading European clinical pathology laboratory, providing routine and specialized clinical laboratory testing services primarily in France, Belgium and Luxembourg, and supporting pharmaceutical and biotechnology companies worldwide in the clinical trial phase of their drug development processes.

Through our Routine Lab and Specialized Testing operations, we offer a range of over 2,500 routine and specialty clinical tests used by doctors and medical institutions to diagnose, monitor and treat diseases. We generally perform clinical tests using automated testing equipment, quickly delivering results to doctors, hospitals and patients and offering specialized assistance with respect to interpretation of results. Through a large network of high quality laboratories in France, Belgium and Luxembourg, our Routine Lab operations perform a wide variety of clinical tests for patients who have generally been prescribed these tests by their doctors or on behalf of public and private hospitals that do not have in-house laboratories. Our Specialized Testing operations offer private laboratories and public hospitals a broad range of specialty testing services, such as molecular biology testing, oncology testing, allergy testing, hormonology testing, infectious disease testing and diagnostic genetic testing. While French private laboratories and public hospitals represent the largest share of our Specialized Testing customer, we also offer our services to hospitals or laboratories based elsewhere in Europe, the Middle East and North Africa.

The prices of a large majority of the clinical tests that we offer are set by the respective government authorities of the countries in which we operate.

Our Central Lab testing operations, which we operate through our BARC subsidiaries, provide safety and efficacy testing services to pharmaceutical companies and contract research organizations worldwide in connection with drug development processes. We leverage our Routine Lab and Specialized Testing facilities and expertise to develop testing protocols with our clients and to provide a range of safety, efficacy, pharmacodynamic and pharmacokinetic testing.

As of June 30, 2016, we had 4,277 full-time equivalent employees of which 400 clinical pathologists.

We summarise below the key consolidated financial data for the six months period ended June 30, 2016, derived from our consolidated financial statements prepared under IFRS:

In m€	Q2 2016 3m	Q2 2015 3m	*Var.*	YTD 2016 6m	YTD 2015 6m	*Var.*
Revenue	**165,2**	**143,3**	***+15,3%***	**329,2**	**262,3**	***+25,5%***
EBITDA	**38,8**	**30,3**	***+27,7%***	**77,4**	**55,8**	***+38,8%***
EBITDA margin	*23,5%*	*21,2%*	*+2,3 pts*	*23,5%*	*21,3%*	*+2,2 pts*
Cash flow from operating activities	**27,5**	**21,7**	***+ 5,8 m€***	**51,2**	**41,4**	***+ 9,8 m€***

2 Significant events & recent developments

No M&A operations have been completed over the six months period ended June 30, 2016, nor any significant corporate restructuring and reorganisation operations.

3 Factors that affect our results of operations

Please consider the factors described in the 2015 management annual report when analysing our financial condition and results of operations. No significant evolution of these factors has been identified by CHC management during the financial year 2016.

4 Presentation of Financial Data

4.1 Basis of preparation and significant accounting policies

The consolidated financial statements of Cerba HealthCare have been prepared in accordance with the International Financial Reporting Standards (including IFRSs, IASs, SIC and IFRIC interpretations) adopted by the European Union before 31 December 2015 and published by the IASB (International Accounting Standards Board).

The accounting policies used to prepare the consolidated financial statements at 30 June 2016 are identical to those used for the consolidated statements at 31 December 2015.

4.2 Results of Operations

(1) Consolidated Income Statement

The following table summarizes our IFRS consolidated income statement for the three and six months period ended June 30, 2016 compared to previous year. It is based on the Company's IFRS Financial Statements:

In m€	Q2 2016 3m	Q2 2015 3m	Var. (%)	YTD 2016 6m	YTD 2015 6m	Var. (%)
Revenue	**165,2**	**143,3**	***+15,3%***	**329,2**	**262,3**	***+25,5%***
Cost of sales	-24,5	-22,3	*+10,0%*	-48,5	-41,6	*+16,6%*
Gross profit	**140,7**	**121,0**	***+16,3%***	**280,7**	**220,8**	***+27,2%***
Personnel expenses	-60,7	-55,7	*+8,8%*	-121,2	-100,2	*+20,9%*
Other operating expenses	-41,3	-34,9	*+18,3%*	-82,2	-64,8	*+26,8%*
EBITDA	**38,8**	**30,3**	***+27,7%***	**77,4**	**55,8**	***+38,8%***
Non recurring income (expense)	-0,9	-6,1	*-84,6%*	-1,3	-8,5	*-84,5%*
Depr. & amort.	-9,8	-8,2	*+20,2%*	-19,3	-16,5	*+17,1%*
Impairment	0,0	0,0	*na*	0,0	0,0	*na*
Operating income	**28,0**	**16,1**	***+74,3%***	**56,8**	**30,8**	***+84,3%***
Net financial income (expense)	-15,6	-16,2	*-3,4%*	-30,8	-27,2	*+13,3%*
Income tax	-11,1	0,8	*-1490,8%*	-17,0	-3,7	*+354,6%*
Profit (loss)	**1,2**	**0,7**	***+80,2%***	**8,9**	**-0,2**	***-5438,6%***
Attributable to owners of the Company	*0,7*	*0,0*	*-2346,1%*	*7,7*	*-1,6*	*-587,0%*
Attributable to non-controlling interest	*0,6*	*0,7*	*-20,1%*	*1,2*	*1,4*	*-13,7%*

Gross margin	85,2%	84,4%	*+0,7 pts*	85,3%	84,2%	*+1,1 pts*
EBITDA margin	23,5%	21,2%	*+2,3 pts*	23,5%	21,3%	*+2,2 pts*

(2) Management's discussion and analysis of results of operations

Revenue

The table below presents a breakdown of our net sales by business unit for the three and six months periods ended June 30, 2016 as compared to previous year, as well as each such business unit net sales as a percentage of total net sales:

In m€	Revenue Q2 2015 as published	%	Revenue Q2 2016 as published	%
Specialized Lab	37,5	26,1%	46,8	28,3%
Routine Lab France	84,1	58,7%	99,3	60,1%
Routine Lab Belux	17,9	12,5%	18,5	11,2%
Central Lab	8,7	6,1%	6,5	3,9%
Intercompany sales	-4,8	-3,3%	-5,9	-3,6%
Total	**143,3**	**100,0%**	**165,2**	**100,0%**

In m€	Revenue YTD 2015 as published	%	Revenue YTD 2016 as published	%
Specialized Lab	73,1	27,8%	92,5	28,1%
Routine Lab France	143,4	54,6%	199,0	60,5%
Routine Lab Belux	36,1	13,8%	36,7	11,1%
Central Lab	18,5	7,0%	12,5	3,8%
Intercompany sales	-8,6	-3,3%	-11,5	-3,5%
Total	**262,3**	**100,0%**	**329,2**	**100,0%**

Our total net sales increased by €66.9 million, or +25.5%, from €262.3 million in YTD 6m 2015 to €329.2 million in YTD 6m 2016.

This increase was primarily due to the full year effect of the net sales generated by the businesses acquired during the FY 2015 (mainly Novescia, contributing from March 1, 2015), for a total of €43.6 million.

Net sales from our Specialized Lab business increased by €19.4 million or +26.6% due to gains of market shares and new revenue stream from innovative tests or services.

Organic sales from Routine Lab France increased by €12.0 million or +6.4%.

Regarding Routine Lab Belux, sales increased by €0.6 million between YTD 6m 2016 and YTD 6m 2015 at €36.7 million, reflecting a stabilization of the situation in this business unit after a -12.2% drop in FY 2015.

The Central Lab business decreased by €6.0 million or -32.6%.

In total, excluding the impact of acquisitions, net sales on a like for like basis increased by €23.2 million or +7.6% between YTD 6m 2015 and YTD 6m 2016.

Cost of sales

Cost of sales increased by €9.6 million, or +24.3%, from €41.6 million in YTD 6m 2015 to €48.5 million in YTD 6m 2016.

This increase was mainly attributable to the full year effect of the cost of sales incurred by the businesses acquired in FY 2015.

Gross margin increased across the two periods from 84.2% in YTD 6m 2015 to 85.3% in YTD 6m 2016. This mostly reflects (i) implementation of Cerba tariffs to acquired labs and (ii) improvement in Group's purchasing conditions and testing processes.

Personnel expenses

Personnel expenses increased by €21.0 million, or +20.9%, from €100.2 million in YTD 6m 2015 to €121.2 million in YTD 6m 2016, mainly due the full-year impact of the personnel expenses incurred by the routine lab businesses acquired in FY 2015.

Personnel expenses as a percentage of sales decreased between the two periods from 38.2% in YTD 6m 2015 to 36.8% in YTD 6m 2016. This mainly reflects strict monitoring of staff costs and ability to integrate acquired companies, to realize synergies and gain greater operating leverage through our increased scale.

Other operating expenses

Other operating expenses increased by €17.4 million, or +26.8%, from €64.8 million in YTD 6m 2015 to €82.2 million in YTD 6m 2016, mainly due to the full-year impact of the other operating expenses incurred by the businesses acquired in 2015.

Other operating expenses as a percentage of sales slightly increased between the two periods from 24.7% in YTD 6m 2015 to 25.0% in YTD 6m 2016.

Non-recurring income / (expense)

Various items are considered as non-cash and/or non-recurring, and therefore are reclassified from "Other operating expenses" to "Non-recurring income (expense)" i.e. below EBITDA.

Non-recurring expenses of €1.3 million in YTD 6m 2016 are mainly made up of restructuring / redundancy costs in the context of the integration and to implement cost reduction initiatives.

Depreciation and amortization

Depreciation and amortization increased by €2.8 million, from €16.5 million in YTD 6m 2015 to €19.3 million in YTD 6m 2016, mainly due to the full year effect of the depreciation and amortization incurred by the businesses acquired in FY 2015.

Net financial income (expense)

Net financial expense in YTD 6m 2016 mostly relate to interest on the €675 million Notes, for €27.0 million (€24.7 million of interest plus €2.3 million of debt issuance costs' amortization).

Net financial expense increased by €3.6 million between YTD 6m 2015 and YTD 6m 2016, mostly due to the following two issues of Notes:

- €85 million additional Senior Secured Notes issued in February 2015; and
- €145 million Senior Notes issued in February 2015.

Income tax

Income tax expense increased by €13.3 million, from €3.7million in YTD 6m 2015 to €17.0 million in YTD 6m 2016.

This increase mostly results from significant deferred tax income in FY 2015, as described in the table below:

In m€	YTD 2016	YTD 2015
Current tax expense	-17,1	-11,1
Deferred tax	0,1	7,4
Income Tax	**-17,0**	**-3,7**

The deferred tax income of €7.4 million in YTD 6m 2015 reflects the tax optimization derived from the Novescia acquisition structure, which will be used to reduce 2016 and 2017 tax payments.

Current tax expense increase by + €6.0 million or +54%, in line with rising taxable earnings (operating income +84%).

4.3 Liquidity and Capital Resources

The table below summarizes our consolidated cash flow statement for the three and six months period ended June 30, 2016 and June 30, 2015 based on the Company's IFRS Financial Statements:

In m€	Q2 2016 3m	Q2 2015 3m	*Var. (m€)*	YTD 2016 6m	YTD 2015 6m	*Var. (m€)*
Cash flow from operating activities	27,5	21,7	*+5,8*	51,2	41,4	*+9,8*
Cash flow from investing activities	-6,5	-32,4	*+25,9*	-16,4	-270,0	*+253,6*
Total cash flow - before financing	**21,0**	**-10,7**	***+31,7***	**34,8**	**-228,6**	***+263,5***
Cash flow from financing activities	-7,2	3,5	*-10,7*	-43,2	204,6	*-247,8*
Total cash flow - after financing	**13,8**	**-7,2**	***+21,0***	**-8,3**	**-24,0**	***+15,7***
Cash at beginning of period	22,4	45,5		44,6	62,3	
Cash at end of period	36,2	38,3		36,2	38,3	

Notes: *The YTD 6m 2016presentation above slightly differs from the Consolidated Cash Flow Statement as presented page 15 (see "Financial Statement"). This is due to the reclassification of non-recurring transaction costs associated with acquisitions or financing, from operating to investing and/or financing activities:*

In m€	*As per financial statements*	*Reclass.*	*As per presentation*
Cash flow from operating activities	*51,1*	*0,1*	*51,2*
Cash flow from investing activities	*-16,3*	*-0,1*	*-16,4*
Cash flow from financing activities	*-43,1*	*-0,1*	*-43,2*
Total cash flow	***-8,3***	***0,0***	***-8,3***

Cash flow from operating activities

Cash flow from operating activities increased by +€9.8 million between YTD 6m 2015 and YTD 6m 2016 at €41.4 million and €51.2 million, respectively.

This mainly derived from an increase in EBITDA by €21.6 million, partially offset by a €19.1 million decrease from change in working capital. This was mostly due to accounts receivable increase, driven by the sharp rise in revenue over the last quarters, while payment terms remained under control:

In m€	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015
Trade receivables	78,0	74,3	67,2	78,9	78,8
Pro forma LTM revenue	629,4	616,2	606,2	592,0	581,0
Days of Sales Outstanding	**45 days**	**44 days**	**41 days**	**49 days**	**49 days**

Cash flow from investing activities

Cash flow used in investing activities decreased from €270.0 million in YTD 6m 2015 to €16.4 million in YTD 6m 2016.

This was primarily due to investment in acquisitions, from €256.7 million in YTD 6m 2015 (mainly Novescia) to €6.0 million in YTD 6m 2016.

M&A Capex in YTD 6m 2016 for €6.0 million relate to acquisitions completed in FY 2015 for which acquisition prices were not entirely paid out at year-end (see "acquisition-related deferred price consideration" provision in Net Debt in Q4 2015 management report).

Our operating capital expenditures, excluding M&A operations, amounted €9.0 million in YTD 6m 2016 or 2.7% of revenue.

Cash flow from financing activities

Cash flow from financing activities decreased by €247.8 million between YTD 6m 2015 and YTD 6m 2016, at +€204.6 million and -€43.2 million, respectively.

Financing cash flows over the six months periods ended June 30, 2016 at -€43.2 million include:

- Net interest expense of €28.5 million, of which €24.7 million relate to the €675 million Notes (semiannual coupon payment to bond holders); and
- Repayment of financial liabilities of €16.9 million.

Capital Resources

The following table summarizes our IFRS consolidated net financial debt as at June 30, 2016 and December 31, 2015 based on the Company's IFRS Financial Statements:

In m€	Jun. 30, 2016	Dec. 31, 2015
Cash & cash equivalents	-38,5	-46,1
Bank overdrafts	2,3	1,6
Net cash	-36,2	-44,6
+ Non-current financial liabilities	633,0	634,9
+ Current financial liabilities	55,0	57,9
+ Capitalized debt issuance costs	12,2	13,5
+ Debt related to acquisitions	3,5	8,9
= Net financial debt - at CHC level	**667,5**	**670,7**
+ Senior Unsecured Notes (loan from CN1 to CHC)	149,6	149,6
= Net financial debt - at CN1 level	**817,1**	**820,3**

As of June 30, 2016, we had net financial debt of €667.5 million at Cerba HealthCare level (or €817.1 million including Senior Notes issued by CN1) composed of the following items:

- Notes €530.0 million, plus accrued interest of €15.5 million;
- Finance leases and bilateral loans of €104.5 million;
- RCF drawn for €50.0 million (out of a €80.0 million total facility), plus accrued interest of €0.3 million;
- Cash (net of bank overdrafts) of €36.2 million; and
- Intercompany loan from CN1 (Senior Notes) of €145 million, plus accrued interest of €4.6 million.

We made the following two adjustments to our net financial debt as at June 30, 2016:

- Capitalized debt issuance costs: IFRS requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. We canceled this IFRS adjustment and re-increased our net financial debt by the unamortized portion of such issuance costs i.e. €12.2 million; and
- Debt related to acquisitions: we included €3.5 million of "acquisition-related deferred price consideration". This relates to acquisitions completed in 2015 but not fully paid at year-end. This adjustment is made to avoid distortion when calculating the Leverage ratio and to guarantee consistency between the numerator (debt, including deferred purchase prices on acquisitions) and the denominator (EBITDA, including pro forma adjustments for the FY 2015 acquisitions).

4.4 Contractual Obligations and Commercial Commitments

The table below sets out our contractual obligations and commitments as of June 30, 2016:

In m€	Total	< 1 yr	1-4 yrs	> = 5 yrs
Senior Secured Notes	530,0	0,0	530,0	0,0
Senior Secured Notes - accrued interest	15,5	15,5	0,0	0,0
Revolving Credit Facility	50,0	0,0	50,0	0,0
Revolving Credit Facility - accrued interest	0,3	0,3	0,0	0,0
Bilateral loans & Finance leases	104,5	30,9	54,3	19,3
Bank overdrafts	2,3	2,3	0,0	0,0
Debt related to acquisitions	3,5	3,5	0,0	0,0
Total, excluding Senior Unsecured Notes and shareholder debt	**706,1**	**52,4**	**634,3**	**19,3**
Senior Unsecured Notes	145,0	0,0	145,0	0,0
Senior Unsecured Notes - accrued interest	4,6	4,6	0,0	0,0
Total, excluding shareholders debt	**855,7**	**57,1**	**779,3**	**19,3**
Shareholders debt (*)	22,4	0,0	0,0	22,4
Total	**878,0**	**57,1**	**779,3**	**41,7**

Note (*): the €22.4 million of shareholders debt in the table above include:

- *Vendor loan €11.0 million of nominal value;*
- *Shareholder loan €3.2 million of nominal value; and*
- *Accrued / capitalized interest €8.0 million*

F Financial statements Cerba HealthCare

Consolidated Statement of Financial Position

(In thousand euros)	30 June 2016	31 December 2015
Goodwill	970 201	969 250
Intangible assets	157 946	159 397
Property, plant and equipment	88 389	85 101
Non-current tax assets	-	
Other non-current assets	6 078	4 767
Deferred tax assets	16 821	10 944
Non-current assets	**1 239 436**	**1 229 459**
Inventories	7 870	7 434
Trade receivables	78 007	67 195
Current tax assets	5 765	7 367
Other current assets	24 766	22 570
Cash and cash equivalents	38 538	46 142
Current assetsCurrent assetsCurrent assets	**154 945**	**150 707**
Total Assets	**1 394 381**	**1 380 166**
Equity attribuable to owners of the company	307 498	295 600
Non-controlling interests	6 749	7 260
Total Equity	**314 247**	**302 860**
Non-current financial liabilities (*)	805 014	805 755
Employee benefits	16 179	15 581
Non current provisions	2 808	3 516
Deferred tax liabilities	49 746	45 560
Other non current liabilities	3 047	3 764
Non-current liabilities	**876 793**	**874 176**
Current financial liabilities (**)	57 290	59 459
Current provisions	1 535	1 238
Accounts payable	71 507	75 973
Current tax liabilities	12 280	6 513
Other current liabilities	60 727	59 949
Current liabilities	**203 339**	**203 131**
TOTAL EQUITY AND LIABILITIES	**1 394 380**	**1 380 166**

Note (*): including €149.6 million of intercompany loan from CN1 (Senior Notes) of €145 million plus accrued interest of €4.6 million, and €22.4 million of shareholder / vendor loans

Note (**): including €2.3 million of bank overdrafts

Consolidated Income Statement

(In thousand euros)	30 June 2016	30 June 2015
Net sales	**329 206**	**262 339**
Consumption of materials and supplies	(48 476)	(41 561)
Other purchases and external expenses	(72 108)	(63 605)
Taxes	(10 340)	(8 494)
Personnel expenses	(121 171)	(100 187)
Net change in depreciation and amortisation	(19 295)	(16 482)
Other income	3 043	1 295
Other expenses	(4 105)	(2 520)
OPERATING INCOME	**56 754**	**30 787**
Cost of net debt	(31 676)	(27 846)
Other financial income	1 191	1 268
Other financial expenses	(346)	(629)
Financial Result	**(30 832)**	**(27 207)**
PRETAX INCOME (EXPENSE)	**25 922**	**3 580**
Income tax	(17 030)	(3 746)
Net Income	**8 892**	**(167)**
Profit (loss) for the period, attributable to owners of the Company	7 676	(1 576)
Non-controlling interests - profit (loss)	1 217	1 409

Consolidated Cash Flow Statement

(In thousand euros)	30 juin 2016	31 December 2015
Profit (loss) for the period	8 892	1 444
Amortisation, depreciation and impairment	18 584	34 489
Income tax	17 030	8 881
Financial Income (Expense)	30 832	58 524
Items classified as cash flows from investing activities	(0)	-
Change in working capital	(16 570)	9 675
Income tax paid	(7 687)	(24 862)
Net cash provided by (used in) operating activities	**51 082**	**88 152**
Acquisition of property, plant and equipment and intangible assets	(10 196)	(23 345)
Disposals of property, plant and equipment and intangible assets	1 143	353
Change in loans and other financial assets	(1 390)	(621)
Effect of change in consolidation scope	(5 989)	(286 378)
Interests received	88	10
Dividends received	-	92
Other changes related to investing activities	50	341
Net cash provided by (used in) investing activities	**(16 294)**	**(309 548)**
Dividends paid minority	(557)	(1 387)
Increase (decrease) in share capital by non-controlling interests	2	2 736
Proceeds from issuance of borrowings	2 712	281 294
Repayment of borrowings	(16 860)	(32 480)
Finance costs paid	(28 307)	(45 880)
Other Financial expenses paid	(206)	(610)
Net cash provided by (used in) financing activities	**(43 217)**	**203 673**
Effect of exchange rate changes	**97**	**(47)**
Net increase (decrease) in cash and cash equivalents	**(8 333)**	**(17 770)**
Cash and cash equivalents at beginning of period	44 558	62 328
Cash and cash equivalents at end of period	36 225	44 558
Net increase (decrease) in cash and cash equivalents	**(8 333)**	**(17 770)**

We caution readers not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date of this document, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

Various statements contained in this document constitute "forward-looking statements." All statements other than statements of historical fact included in this Offering Memorandum, including, without limitation, statements regarding our future financial position, strategy, anticipated investments, costs and results (including growth prospects in particular countries), plans, projects to enhance efficiency, impact of governmental regulations or actions, litigation outcomes and timetables, future capital expenditures, liquidity requirements, the successful integration of acquisitions and joint ventures into our group, and objectives of management for future operations, may be deemed to be forward-looking statements. When used in this Offering Memorandum, the words "believe," "anticipate," "should," "intend," "plan," "will," "expect," "estimates," "positioned," "strategy" and similar expressions identify these forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements. These factors include, among others: government regulation that may be affected by efforts to reduce government spending on healthcare; continued weakness in economic conditions; our corporate structure and manner in which we exercise control over the operations of certain of our French subsidiaries due to regulatory constraints; legal and regulatory requirements governing our activities; the dependence of our Central Lab business on the pharmaceutical industry; failure to establish and comply with appropriate quality standards in the provision of our testing services; the execution of our growth strategy through the acquisition of other businesses; our dependence on our senior management team; difficulty in recruiting specialized clinical pathologists; the competitive environment in which we operate; the internalization of testing by hospitals and regional laboratory hubs, as well as the development of new, more cost-effective tests that can be directly performed by the customers of our Specialized Testing business; failures of our information technology systems; failure to timely or accurately bill for our services; financial difficulties of our clients or third-party payers requiring us to write off bad debts; the uncertain nature of our Central Lab backlog; failure to comply with and liabilities arising under environmental, health and safety laws and regulations; disruption, failure or unsuitable delivery of sample transportation services; our dependence on our facility in Saint-Ouen-l'Aumône, France; failure to comply with privacy laws and information security policies; our exposure to risks related to litigation; our exposure to liabilities not covered by our insurance policies; labor disruptions and negotiation of collective bargaining agreements; our reliance on the operating companies of our group, some of which we do not control, for revenues to make payments on the Notes or the Note Guarantees; our significant leverage, which may make it difficult to operate our businesses; the covenants contained in the Indenture and our Revolving Credit Facility Agreement, which limit our operating and financial flexibility; and fluctuations in interest rates.

The risks included here are not exhaustive. Moreover, we operate in a highly competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Management quarterly report for the three months period ended March 31, 2016

CERBA HEALTHCARE

S.A.S with share capital of € 810,246.05

ZI Les Béthunes

7/11 rue de l'Equerre

95310 SAINT-OUEN-L'AUMONE

1 Overview

We are a leading European clinical pathology laboratory, providing routine and specialized clinical laboratory testing services primarily in France, Belgium and Luxembourg, and supporting pharmaceutical and biotechnology companies worldwide in the clinical trial phase of their drug development processes.

Through our Routine Lab and Specialized Testing operations, we offer a range of over 2,500 routine and specialty clinical tests used by doctors and medical institutions to diagnose, monitor and treat diseases. We generally perform clinical tests using automated testing equipment, quickly delivering results to doctors, hospitals and patients and offering specialized assistance with respect to interpretation of results. Through a large network of high quality laboratories in France, Belgium and Luxembourg, our Routine Lab operations perform a wide variety of clinical tests for patients who have generally been prescribed these tests by their doctors or on behalf of public and private hospitals that do not have in-house laboratories. Our Specialized Testing operations offer private laboratories and public hospitals a broad range of specialty testing services, such as molecular biology testing, oncology testing, allergy testing, hormonology testing, infectious disease testing and diagnostic genetic testing. While French private laboratories and public hospitals represent the largest share of our Specialized Testing customer, we also offer our services to hospitals or laboratories based elsewhere in Europe, the Middle East and North Africa.

The prices of a large majority of the clinical tests that we offer are set by the respective government authorities of the countries in which we operate.

Our Central Lab testing operations, which we operate through our BARC subsidiaries, provide safety and efficacy testing services to pharmaceutical companies and contract research organizations worldwide in connection with drug development processes. We leverage our Routine Lab and Specialized Testing facilities and expertise to develop testing protocols with our clients and to provide a range of safety, efficacy, pharmacodynamic and pharmacokinetic testing.

As of March 31, 2016, we had 4,276 full-time equivalent employees of which 400 clinical pathologists.

We summarise below the key consolidated financial data for the three months period ended March 31, 2016, derived from our unaudited consolidated financial statements prepared under IFRS:

In m€	Q1 2016 3m	Q1 2015 3m	*Var.*	YTD 2016 3m	YTD 2015 3m	*Var.*
Revenue	**164,0**	**119,1**	***+37,7%***	**164,0**	**119,1**	***+37,7%***
EBITDA	**38,6**	**25,4**	***+51,9%***	**38,6**	**25,4**	***+51,9%***
EBITDA margin	*23,5%*	*21,3%*	*+2,2 pts*	*23,5%*	*21,3%*	*+2,2 pts*
Cash flow from operating activities	**23,7**	**19,6**	***+ 4,1 m€***	**23,7**	**19,6**	***+ 4,1 m€***

2 Significant events & recent developments

No M&A operations have been completed in Q1 2016, nor any significant corporate restructuring and reorganisation operations.

3 Factors that affect our results of operations

Please consider the factors described in the 2015 management annual report when analysing our financial condition and results of operations. No significant evolution of these factors has been identified by CHC management during the financial year 2016.

4 Presentation of Financial Data

4.1 Basis of preparation and significant accounting policies

The consolidated financial statements of Cerba HealthCare have been prepared in accordance with the International Financial Reporting Standards (including IFRSs, IASs, SIC and IFRIC interpretations) adopted by the European Union before 31 December 2015 and published by the IASB (International Accounting Standards Board).

The accounting policies used to prepare the consolidated financial statements at 31 March 2016 are identical to those used for the consolidated statements at 31 December 2015.

4.2 Results of Operations

(1) *Consolidated Income Statement*

The following table summarizes our IFRS consolidated income statement for the three months period ended March 31, 2016 compared to previous year. It is based on the Company's IFRS Financial Statements:

In m€	Q1 2016 3m	Q1 2015 3m	*Var. (%)*	YTD 2016 3m	YTD 2015 3m	*Var. (%)*
Revenue	**164,0**	**119,1**	***+37,7%***	**164,0**	**119,1**	***+37,7%***
Cost of sales	-23,9	-19,3	*+24,3%*	-23,9	-19,3	*+24,3%*
Gross profit	**140,0**	**99,8**	***+40,3%***	**140,0**	**99,8**	***+40,3%***
Personnel expenses	-60,5	-44,4	*+36,1%*	-60,5	-44,4	*+36,1%*
Other operating expenses	-40,9	-29,9	*+36,7%*	-40,9	-29,9	*+36,7%*
EBITDA	**38,6**	**25,4**	***+51,9%***	**38,6**	**25,4**	***+51,9%***
Non recurring income (expense)	-0,4	-2,4	*-84,1%*	-0,4	-2,4	*-84,1%*
Depr. & amort.	-9,5	-8,3	*+14,0%*	-9,5	-8,3	*+14,0%*
Impairment	0,0	0,0	*na*	0,0	0,0	*na*
Operating income	**28,8**	**14,7**	***+95,3%***	**28,8**	**14,7**	***+95,3%***
Net financial income (expense)	-15,2	-11,0	*+37,9%*	-15,2	-11,0	*+37,9%*
Income tax	-5,9	-4,5	*+29,6%*	-5,9	-4,5	*+29,6%*
Profit (loss)	**7,7**	**-0,8**	***-1015,9%***	**7,7**	**-0,8**	***-1015,9%***
Attributable to owners of the Company	*7,0*	*-1,5*	*-554,1%*	*7,0*	*-1,5*	*-554,1%*
Attributable to non-controlling interest	*0,7*	*0,7*	*-7,3%*	*0,7*	*0,7*	*-7,3%*

Gross margin	85,4%	83,8%	*+1,6 pts*	85,4%	83,8%	*+1,6 pts*
EBITDA margin	23,5%	21,3%	*+2,2 pts*	23,5%	21,3%	*+2,2 pts*

(2) Management's discussion and analysis of results of operations

Revenue

The table below presents a breakdown of our net sales by business unit for the three months periods ended March 31, 2016 as compared to previous year, as well as each such business unit net sales as a percentage of total net sales:

In m€	Revenue Q1 2015 as published	%	Revenue Q1 2016 as published	%
Specialized Lab	35,6	29,9%	45,7	27,8%
Routine Lab France	59,3	49,8%	99,7	60,8%
Routine Lab Belux	18,2	15,3%	18,2	11,1%
Central Lab	9,8	8,2%	5,9	3,6%
Intercompany sales	-3,8	-3,2%	-5,5	-3,4%
Total	**119,1**	**100,0%**	**164,0**	**100,0%**

In m€	Revenue YTD 2015 as published	%	Revenue YTD 2016 as published	%
Specialized Lab	35,6	29,9%	45,7	27,8%
Routine Lab France	59,3	49,8%	99,7	60,8%
Routine Lab Belux	18,2	15,3%	18,2	11,1%
Central Lab	9,8	8,2%	5,9	3,6%
Intercompany sales	-3,8	-3,2%	-5,5	-3,4%
Total	**119,1**	**100,0%**	**164,0**	**100,0%**

Our total net sales increased by €44.9 million, or +37.7%, from €119.1 million in YTD 3m 2015 to €164.0 million in YTD 3m 2016.

This increase was primarily due to the full year effect of the net sales generated by the businesses acquired during the FY 2015 (mainly Novescia, contributing from March 1, 2015), for a total of €34.9 million.

Net sales from our Specialized Lab business increased by €10.1 million or +28.3% due to gains of market shares and new revenue stream from innovative tests or services.

Organic sales from Routine Lab France increased by +€5.6 million or +5.9%.

Regarding Routine Lab Belux, sales remained stable in YTD 3m 2016 vs. YTD 3m 2015 at 18.2m€, reflecting a stabilization of the situation in this business unit after a -12.2% drop in FY 2015.

The Central Lab business decreased by -€3.9 million or -39.5%.

In total, excluding the impact of acquisitions, net sales on a like for like basis increased by €10.1 million or +6.5% between YTD 3m 2015 and YTD 3m 2016.

Cost of sales

Cost of sales increased by €4.7 million, or 24.3%, from €19.3 million in YTD 3m 2015 to €23.9 million in YTD 3m 2016.

This increase was mainly attributable to the full year effect of the cost of sales incurred by the businesses acquired in FY 2015.

Gross margin increased across the two periods from 83.8% in YTD 3m 2015 to 85.4% in YTD 3m 2016. This mostly reflects (i) implementation of Cerba tariffs to acquired labs and (ii) improvement in Group's purchasing conditions and testing processes.

Personnel expenses

Personnel expenses increased by €16.1 million, or +36.1%, from €44.4 million in YTD 3m 2015 to €60.5 million in YTD 3m 2016, mainly due the full-year impact of the personnel expenses incurred by the routine lab businesses acquired in FY 2015.

Personnel expenses as a percentage of sales decreased between the two periods from 37.3% in YTD 3m 2015 to 36.9% in YTD 3m 2016. This mainly reflects strict monitoring of staff costs and ability to integrate acquired companies, to realize synergies and gain greater operating leverage through our increased scale.

Other operating expenses

Other operating expenses increased by €11.0 million, or +36.7%, from €29.9 million in YTD 3m 2015 to €40.9 million in YTD 3m 2016, mainly due to the full-year impact of the other operating expenses incurred by the businesses acquired in 2015.

Other operating expenses as a percentage of sales slightly decreased between the two periods from 25.1% in YTD 3m 2015 to 25.0% in YTD 3m 2016.

Non-recurring income / (expense)

Various items are considered as non-cash and/or non-recurring, and therefore are reclassified from "Other operating expenses" to "Non-recurring income (expense)" i.e. below EBITDA.

Non-recurring expenses of €0.4 million in YTD 3m 2016 are mainly made up of restructuring / redundancy costs in the context of the integration and to implement cost reduction initiatives.

Depreciation and amortization

Depreciation and amortization increased by €1.2 million, from €8.3 million in YTD 3m 2015 to €9.5 million in YTD 3m 2016, mainly due to the full year effect of the depreciation and amortization incurred by the businesses acquired in FY 2015.

Net financial income (expense)

Net financial expense in YTD 3m 2016 mostly relate to interest on the €675 million Notes, for €13.5 million (€12.4 million of interest plus €1.1 million of debt issuance costs' amortization).

Net financial expense increased by €4.2 million between YTD 3m 2015 and YTD 3m 2016, mostly due to the following two issues of Notes:

- €85 million additional Senior Secured Notes issued in February 2015; and
- €145 million Senior Notes issued in February 2015.

Income tax

Income tax expense increased by €1.4 million, from €4.5 million in YTD 3m 2015 to €5.9 million in YTD 3m 2016, mainly driven by an increase of taxable earnings.

4.3 Liquidity and Capital Resources

The table below summarizes our consolidated cash flow statement for the three months period ended March 31, 2016 and March 31, 2015 based on the Company's IFRS Financial Statements:

In m€	Q1 2016 3m	Q1 2015 3m	Var. (m€)	YTD 2016 3m	YTD 2015 3m	Var. (m€)
Cash flow from operating activities	23,7	19,6	*+4,1*	23,7	19,6	*+4,1*
Cash flow from investing activities	-9,8	-237,5	*+227,7*	-9,8	-237,5	*+227,7*
Total cash flow - before financing	**13,9**	**-217,9**	***+231,8***	**13,9**	**-217,9**	***+231,8***
Cash flow from financing activities	-36,0	201,1	*-237,1*	-36,0	201,1	*-237,1*
Total cash flow - after financing	**-22,2**	**-16,8**	***-5,3***	**-22,2**	**-16,8**	***-5,3***
Cash at beginning of period	44,6	62,3		44,6	62,3	
Cash at end of period	22,4	45,5		22,4	45,5	

Notes: *The YTD 3m 2016presentation above slightly differs from the Consolidated Cash Flow Statement as presented page 15 (see "Financial Statement"). This is due to the reclassification of non-recurring transaction costs associated with acquisitions, from operating to investing activities:*

In m€	*As per financial statements*	*Reclass.*	*As per presentation*
Cash flow from operating activities	*23,6*	*0,1*	*23,7*
Cash flow from investing activities	*-9,8*	*-0,1*	*-9,8*
Cash flow from financing activities	*-36,0*	*0,0*	*-36,0*
Total cash flow	***-22,2***	***0,0***	***-22,2***

Cash flow from operating activities

Cash flow from operating activities increased by +€4.1 million between YTD 3m 2015 and YTD 3m 2016 at €19.6 million and €23.7 million, respectively.

This mainly derived from an increase in EBITDA by €13.2 million, partially offset by a €9.9 million decrease from change in working capital. This was mostly due to accounts receivable increase, driven by the sharp rise in revenue over the last six months, while payment terms remained under control:

In m€	Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015
Trade receivables	74,3	67,2	78,9	78,8	74,1
Pro forma LTM revenue	616,2	606,2	592,0	581,0	565,0
Days of Sales Outstanding	**44 days**	**41 days**	**49 days**	**49 days**	**48 days**

Cash flow from investing activities

Cash flow used in investing activities decreased from €237.5 million in YTD 3m 2015 to €9.8 million in YTD 3m 2016.

This was primarily due to investment in acquisitions, from €230.5 million in YTD 3m 2015 (mainly Novescia) to €6.0 million in YTD 3m 2016.

M&A Capex in YTD 3m 2016 for €6.0 million relate to acquisitions completed in FY 2015 for which acquisition prices were not entirely paid out at year-end (see "acquisition-related deferred price consideration" provision in Net Debt in Q4 2015 management report).

Our operating capital expenditures, excluding M&A operations, amounted €3.9 million in YTD 3m 2016 or 2.4% of revenue.

Cash flow from financing activities

Cash flow from financing activities decreased by €237.1 million between YTD 3m 2015 and YTD 3m 2016, at +€201.1 million and -€36.0 million, respectively.

Financing cash flows over the three months periods ended March 31, 2016 at -€36.0 million include:

- Net interest expense of €26.4 million, of which €24.7 million relate to the €675 million Notes (semiannual coupon payment to bond holders); and
- Repayment of financial liabilities of €9.7 million.

Capital Resources

The following table summarizes our IFRS consolidated net financial debt as at March 31, 2016 and December 31, 2015 based on the Company's IFRS Financial Statements:

In m€	Mar. 31, 2016	Dec. 31, 2015
Cash & cash equivalents	-24,2	-46,1
Bank overdrafts	1,8	1,6
Net cash	-22,4	-44,6
+ Non-current financial liabilities	634,3	634,9
+ Current financial liabilities	42,4	57,9
+ Capitalized debt issuance costs	12,9	13,5
+ Debt related to acquisitions	3,1	8,9
= Net financial debt - at CHC level	**670,2**	**670,7**
+ Senior Unsecured Notes (loan from CN1 to CHC)	146,5	149,6
= Net financial debt - at CN1 level	**816,7**	**820,3**

As of March 31, 2016, we had net financial debt of €670.2 million at Cerba HealthCare level (or €816.7 million including Senior Notes issued by CN1) composed of the following items:

- Notes €530.0 million, plus accrued interest of €6.2 million;
- Finance leases and bilateral loans of €103.1 million;
- RCF drawn for €50.0 million (out of a €80.0 million total facility), plus accrued interest of €0.3 million;
- Cash (net of bank overdrafts) of €22.4 million; and
- Intercompany loan from CN1 (Senior Notes) of €145 million, plus accrued interest of €1.5 million.

We made the following two adjustments to our net financial debt as at March 31, 2016:

- Capitalized debt issuance costs: IFRS requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. We canceled this IFRS adjustment and re-increased our net financial debt by the unamortized portion of such issuance costs i.e. €12.9 million; and
- Debt related to acquisitions: we included €3.1 million of "acquisition-related deferred price consideration". This relates to acquisitions completed in 2015 but not fully paid at year-end. This adjustment is made to avoid distortion when calculating the Leverage ratio and to guarantee consistency between the numerator (debt, including deferred purchase prices on acquisitions) and the denominator (EBITDA, including pro forma adjustments for the FY 2015 acquisitions).

4.4 Contractual Obligations and Commercial Commitments

The table below sets out our contractual obligations and commitments as of March 31, 2016:

In m€	Total	< 1 yr	1-4 yrs	> = 5 yrs
Senior Secured Notes	530,0	0,0	530,0	0,0
Senior Secured Notes - accrued interest	6,2	6,2	0,0	0,0
Revolving Credit Facility	50,0	0,0	50,0	0,0
Revolving Credit Facility - accrued interest	0,3	0,3	0,0	0,0
Bilateral loans & Finance leases	103,1	30,5	53,6	19,1
Bank overdrafts	1,8	1,8	0,0	0,0
Debt related to acquisitions	3,1	3,1	0,0	0,0
Total, excluding Senior Unsecured Notes and shareholder debt	**694,4**	**41,8**	**633,6**	**19,1**
Senior Unsecured Notes	145,0	0,0	145,0	0,0
Senior Unsecured Notes - accrued interest	1,5	1,5	0,0	0,0
Total, excluding shareholders debt	**840,9**	**43,3**	**778,6**	**19,1**
Shareholders debt (*)	21,7	0,0	0,0	21,7
Total	**862,7**	**43,3**	**778,6**	**40,8**

Note (*): the €21.7 million of shareholders debt in the table above include:

- *Vendor loan €11.0 million of nominal value;*
- *Shareholder loan €3.2 million of nominal value; and*
- *Accrued / capitalized interest €7.5 million*

F Financial statements Cerba HealthCare

Consolidated Statement of Financial Position

(In thousands of euro)	31 March 2016	31 December 2015
Goodwill	970 146	969 250
Intangible assets	157 595	159 397
Property, plant and equipment	83 691	85 101
Non-current tax assets	-	
Other non-current assets	4 767	4 767
Deferred tax assets	14 014	10 944
Non-current assets	**1 230 213**	**1 229 459**
Inventories	7 613	7 434
Trade receivables	74 293	67 195
Current tax assets	7 521	7 367
Other current assets	26 715	22 570
Cash and cash equivalents	24 186	46 142
Current assets	**140 329**	**150 707**
TOTAL ASSETS	**1 370 542**	**1 380 166**
Equity attribuable to owners of the company	304 554	295 600
Non-controlling interests	7 695	7 260
TOTAL EQUITY	**312 248**	**302 860**
Non-current financial liabilities (*)	802 559	805 755
Employee benefits	15 967	15 581
Non current provisions	3 277	3 516
Deferred tax liabilities	45 777	45 560
Other non current liabilities	3 180	3 764
Non-current liabilities	**870 759**	**874 176**
Current financial liabilities (**)	44 164	59 459
Current provisions	1 229	1 238
Trade payables	72 093	75 973
Current tax liabilities	9 471	6 513
Other current liabilities	60 577	59 949
Current liabilities	**187 534**	**203 131**
TOTAL EQUITY AND LIABILITIES	**1 370 542**	**1 380 166**

Note (*): including €146.5 million of intercompany loan from CN1 (Senior Notes) of €145 million plus accrued interest of €1.5 million, and €21.7 million of shareholder / vendor loans

Note (**): including €1.8 million of bank overdrafts

Consolidated Income Statement

(In thousands of euro)	31 March 2016	31 March 2015
NET SALES	**163 981**	**119 062**
Consumption of materials and supplies	(23 948)	(19 264)
Other purchases and external expenses	(35 881)	(28 484)
Taxes and duties	(5 059)	(3 752)
Personnel expenses	(60 507)	(44 446)
Net change in depreciation and amortisation	(9 460)	(8 299)
Other incomes	1 737	601
Other expenses	(2 090)	(685)
OPERATING INCOME (LOSS)	**28 772**	**14 732**
Cost of net debt	(15 583)	(11 341)
Other financial income	538	591
Other financial expenses	(152)	(275)
FINANCIAL INCOME (EXPENSE)	**(15 197)**	**(11 024)**
PRETAX INCOME (EXPENSE)	**13 575**	**3 708**
Income tax	(5 894)	(4 547)
PROFIT (LOSS)	**7 681**	**(839)**
Attribuable to owners of the Company	7 024	(1 547)
Attribuable to non-controlling interests	657	708

Consolidated Cash Flow Statement

(In thousands of euro)	31 March 2016	31 March 2015
Profit (loss) for the period	7 681	(839)
Adjustments for:		
Amortisation, depreciation and impairment	9 314	8 063
Income tax	5 894	4 547
Financial Income (Expense)	15 197	11 024
Items classified as cash flows from investing activities	-	33
Change in working capital	(10 507)	(631)
Income tax paid	(3 946)	(3 664)
Net cash provided by (used in) operating activities	**23 632**	**18 533**
Acquisition of property, plant and equipment and intangible assets	(4 161)	(5 376)
Disposals of property, plant and equipment and intangible assets	246	12
Change in loans and other financial assets	(4)	(1 808)
Effect of change in consolidation scope	(5 901)	(229 376)
Interests received	4	40
Dividends received	-	38
Other changes related to investing activities	41	52
Net cash provided by (used in) investing activities	**(9 775)**	**(236 417)**
Dividends paid to non-controlling interests	-	-
Increase (decrease) in share capital by non-controlling interests	-	2 736
Proceeds from issuance of borrowings	38	224 110
Repayment of borrowings	(9 679)	(9 569)
Finance costs paid	(26 263)	(16 228)
Other Financial expenses paid	(111)	(98)
Net cash provided by (used in) financing activities	**(36 015)**	**200 951**
Effect of exchange rate fluctuations on cash held	5	94
Net increase (decrease) in cash and cash equivalents	**(22 153)**	**(16 839)**
Cash and cash equivalents at beginning of period	*44 558*	*62 328*
Cash and cash equivalents at end of period	*22 405*	*45 489*

We caution readers not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date of this document, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

Various statements contained in this document constitute "forward-looking statements." All statements other than statements of historical fact included in this Offering Memorandum, including, without limitation, statements regarding our future financial position, strategy, anticipated investments, costs and results (including growth prospects in particular countries), plans, projects to enhance efficiency, impact of governmental regulations or actions, litigation outcomes and timetables, future capital expenditures, liquidity requirements, the successful integration of acquisitions and joint ventures into our group, and objectives of management for future operations, may be deemed to be forward-looking statements. When used in this Offering Memorandum, the words "believe," "anticipate," "should," "intend," "plan," "will," "expect," "estimates," "positioned," "strategy" and similar expressions identify these forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements. These factors include, among others: government regulation that may be affected by efforts to reduce government spending on healthcare; continued weakness in economic conditions; our corporate structure and manner in which we exercise control over the operations of certain of our French subsidiaries due to regulatory constraints; legal and regulatory requirements governing our activities; the dependence of our Central Lab business on the pharmaceutical industry; failure to establish and comply with appropriate quality standards in the provision of our testing services; the execution of our growth strategy through the acquisition of other businesses; our dependence on our senior management team; difficulty in recruiting specialized clinical pathologists; the competitive environment in which we operate; the internalization of testing by hospitals and regional laboratory hubs, as well as the development of new, more cost-effective tests that can be directly performed by the customers of our Specialized Testing business; failures of our information technology systems; failure to timely or accurately bill for our services; financial difficulties of our clients or third-party payers requiring us to write off bad debts; the uncertain nature of our Central Lab backlog; failure to comply with and liabilities arising under environmental, health and safety laws and regulations; disruption, failure or unsuitable delivery of sample transportation services; our dependence on our facility in Saint-Ouen-l'Aumône, France; failure to comply with privacy laws and information security policies; our exposure to risks related to litigation; our exposure to liabilities not covered by our insurance policies; labor disruptions and negotiation of collective bargaining agreements; our reliance on the operating companies of our group, some of which we do not control, for revenues to make payments on the Notes or the Note Guarantees; our significant leverage, which may make it difficult to operate our businesses; the covenants contained in the Indenture and our Revolving Credit Facility Agreement, which limit our operating and financial flexibility; and fluctuations in interest rates.

The risks included here are not exhaustive. Moreover, we operate in a highly competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Management quarterly report for the twelve months period ended December 31, 2015

CERBA HEALTHCARE

S.A.S with share capital of € 810,246.05

ZI Les Béthunes

7/11 rue de l'Equerre

95310 SAINT-OUEN-L'AUMONE

This report contains 16 *pages*

1 Overview

We are a leading European clinical pathology laboratory, providing routine and specialized clinical laboratory testing services primarily in France, Belgium and Luxembourg, and supporting pharmaceutical and biotechnology companies worldwide in the clinical trial phase of their drug development processes.

Through our Routine Lab and Specialized Testing operations, we offer a range of over 2,500 routine and specialty clinical tests used by doctors and medical institutions to diagnose, monitor and treat diseases. We generally perform clinical tests using automated testing equipment, quickly delivering results to doctors, hospitals and patients and offering specialized assistance with respect to interpretation of results. Through a large network of high quality laboratories in France, Belgium and Luxembourg, our Routine Lab operations perform a wide variety of clinical tests for patients who have generally been prescribed these tests by their doctors or on behalf of public and private hospitals that do not have in-house laboratories. Our Specialized Testing operations offer private laboratories and public hospitals a broad range of specialty testing services, such as molecular biology testing, oncology testing, allergy testing, hormonology testing, infectious disease testing and diagnostic genetic testing. While French private laboratories and public hospitals represent the largest share of our Specialized Testing customer, we also offer our services to hospitals or laboratories based elsewhere in Europe, the Middle East and North Africa.

The prices of a large majority of the clinical tests that we offer are set by the respective government authorities of the countries in which we operate.

Our Central Lab testing operations, which we operate through our BARC subsidiaries, provide safety and efficacy testing services to pharmaceutical companies and contract research organizations worldwide in connection with drug development processes. We leverage our Routine Lab and Specialized Testing facilities and expertise to develop testing protocols with our clients and to provide a range of safety, efficacy, pharmacodynamic and pharmacokinetic testing.

As of December 31, 2015, we had 4,285 full-time equivalent employees of which 400 clinical pathologists.

We summarise below the key consolidated financial data for the three and twelve months period ended December 31, 2015, derived from our unaudited consolidated financial statements prepared under IFRS:

In m€	Q4 2015 3m	Q4 2014 3m	*Var.*	FY 2015 12m	FY 2014 12m	*Var.*
Revenue	**157,8**	**104,8**	***+50,5%***	**556,0**	**399,2**	***+39,3%***
EBITDA	**33,9**	**25,0**	***+35,9%***	**114,9**	**90,5**	***+27,0%***
EBITDA margin	*21,5%*	*23,8%*	-2,3 pts	*20,7%*	*22,7%*	-2,0 pts
Cash flow from operating activities	**37,1**	**25,4**	***+ 11,7 m€***	**92,7**	**70,4**	***+ 22,3 m€***

2 Significant events & recent developments

Acquisition of Novescia

On March 10, 2015, the Group completed the acquisition of 100% of the financial rights of *Novescia SAS* (collectively, together with their respective subsidiaries, ‘‘Novescia”). Novescia entered the Group's consolidation scope on March 1, 2015.

Novescia is a clinical laboratory group mostly active in France, and we believe its competitive position is particularly well established. It provides its services through a network of 95 collection centres and 12 technical platforms in 9 regions, employing approximately 145 biologists, doctors and pharmacists. The strategic rationale of the Acquisition is also to create a new presence in the Rhône-Alpes region encompassing Lyon, the second-largest city in France, which will allow us to gain broader geographical coverage in our core French market and to strengthen our business with private hospitals, a significant source of business for Novescia.

Cerba HealthCare paid €240 million for the equity of Novescia. To fund this transaction the Group has completed a tap bond offering of €85 million of its existing €445 million 7.00% Senior Secured Notes due 2020, together with a €145 million 8.25% Senior Notes due 2020 issued by Cerberus Nightingale 1 S.A., the indirect parent of Cerba HealthCare. The €145 million Senior Notes issued by CN1 was loaned to Cerba HealthCare as an intercompany loan. The Group also used approximately €10 million of its cash reserves to complete the funding of the acquisition and pay transaction costs.

Other acquisitions

The Group has been pursuing its external growth strategy to acquire the following companies during the course of the twelve month period starting from January 1, 2015 to December 31, 2015:

- LBM Glasgow: to reinforce our position as a key operator in Brittany, we made the acquisition of LBM Glasgow in May 2015, with approximately €12 million of annual revenue (9 collection centres and c. 90 full-time equivalent employees);
- Cerdibio: to reinforce our position as a key operator in the western part of France, we made the acquisition of Cerdibio in September 2015, a clinical laboratory group with sales approximately €15 million of annual revenue, active in the region of Charente, which provides its services through a network of 12 collection centres and employs c.120 full-time employees;
- Vigibio: a bolt-on acquisition closed in August 2015 around the existing cluster in the Provence-Alpes-Côte d’Azur region, with approximately €5 million of annual sales;
- Neobio: a bolt-on acquisition closed in September 2015 around the existing cluster in the Picardie region, with approximately €2 million of annual sales;
- Goleab: a bolt-on acquisition closed in September 2015 around the existing cluster in the Bretagne region, with approximately €1.5 million of annual sales;
- Labo17: a bolt-on acquisition closed in December 2015 around the existing cluster in the Charente region (cf. Cerdibio above), with approximately €3 million of annual sales;
- Cerba HealthCare also repurchased 7.95% of minority financial interests in Biopyrénées. As a result of this transaction, the Group now holds 99.09% of the financial rights in Biopyrénées.

To fund the €58 million paid in the context of these acquisitions, the Group has drawn €50 million of the €80 million available under its revolving credit facility ("RCF"), the remaining part was financed through cash on balance sheet.

3 Factors that affect our results of operations

Please consider the factors described in the 2014 management annual report when analysing our financial condition and results of operations. No significant evolution of these factors has been identified by CHC management during the financial year 2015.

4 Presentation of Financial Data

4.1 Basis of preparation and significant accounting policies

The consolidated financial statements of Cerba HealthCare have been prepared in accordance with the International Financial Reporting Standards (including IFRSs, IASs, SIC and IFRIC interpretations) adopted by the European Union before 31 December 2015 and published by the IASB (International Accounting Standards Board).

The accounting policies used to prepare the consolidated financial statements at 31 December 2015 are identical to those used for the consolidated statements at 31 December 2014.

4.2 Results of Operations

(1) Consolidated Income Statement

The following table summarizes our IFRS consolidated income statement for the three and twelve months period ended December 31, 2015 compared to previous year. It is based on the Company's IFRS Financial Statements:

In m€	Q4 2015 3m	Q4 2014 3m	*Var. (%)*	FY 2015 12m	FY 2014 12m	*Var. (%)*
Revenue	**157,8**	**104,8**	***+50,5%***	**556,0**	**399,2**	***+39,3%***
Cost of sales	-23,7	-17,2	*+38,4%*	-87,0	-66,3	*+31,3%*
Gross profit	**134,1**	**87,7**	***+52,9%***	**469,0**	**332,9**	***+40,9%***
Personnel expenses	-60,7	-37,1	*+63,8%*	-214,4	-140,6	*+52,5%*
Other operating expenses	-39,4	-25,6	*+53,7%*	-139,6	-101,9	*+37,1%*
EBITDA	**33,9**	**25,0**	***+35,9%***	**114,9**	**90,5**	***+27,0%***
Non recurring income (expense)	-2,8	-4,0	*-30,2%*	-13,2	-8,0	*+64,2%*
Depr. & amort.	-6,7	-4,6	*+43,8%*	-32,9	-24,0	*+37,2%*
Impairment	0,0	-22,6	*na*	0,0	-22,6	*na*
Operating income	**24,5**	**-6,3**	***-491,2%***	**68,8**	**35,9**	***+91,8%***
Net financial income (expense)	-16,3	-10,6	*+53,4%*	-58,5	-38,5	*+51,9%*
Income tax	-2,5	0,4	*-672,9%*	-8,9	-10,8	*-17,5%*
Profit (loss)	**5,8**	**-16,4**	***-135,1%***	**1,4**	**-13,4**	***-110,8%***
Attributable to owners of the Company	*5,2*	*-16,9*	*-131,0%*	*-1,0*	*-15,4*	*-93,7%*
Attributable to non-controlling interest	*0,5*	*0,5*	*+8,9%*	*2,4*	*2,0*	*+21,7%*
Gross margin	85,0%	83,6%	*+1,3 pts*	84,3%	83,4%	*+1,0 pts*
EBITDA margin	21,5%	23,8%	*-2,3 pts*	20,7%	22,7%	*-2,0 pts*

(2) Management's discussion and analysis of results of operations

Revenue

The table below presents a breakdown of our net sales by business unit for the three and twelve months periods ended December 31, 2015 as compared to previous year, as well as each such business unit net sales as a percentage of total net sales:

In m€	Revenue Q4 2014 as published	%	Revenue Q4 2015 as published	%
Specialized Lab	35,7	34,0%	44,9	28,5%
Routine Lab France	43,8	41,8%	94,6	60,0%
Routine Lab Belux	18,7	17,8%	18,0	11,4%
Central Lab	10,1	9,6%	6,0	3,8%
Intercompany sales	-3,4	-3,2%	-5,7	-3,6%
Total	**104,8**	**100,0%**	**157,8**	**100,0%**

In m€	Revenue FY 2014 as published	%	Revenue FY 2015 as published	%
Specialized Lab	139,1	34,8%	154,4	27,8%
Routine Lab France	155,6	39,0%	318,1	57,2%
Routine Lab Belux	74,1	18,6%	70,2	12,6%
Central Lab	44,5	11,1%	32,5	5,8%
Intercompany sales	-14,1	-3,5%	-19,2	-3,5%
Total	**399,2**	**100,0%**	**556,0**	**100,0%**

Our total net sales increased by €156.8 million, or +39.3%, from €399.2 million in YTD 12m 2014 to €556.0 million in YTD 12m 2015.

This increase was primarily due to the full year effect of the net sales generated by the businesses acquired during the FY 2014 (in particular JS Bio, contributing from June 1, 2014) and FY 2015 (Novescia, contributing from March 1, 2015), for a total of €167.4 million.

Organic sales from Routine Lab France increased by +€1.0 million or +0.5%, after a c.2% price cut in April 2014. Specialists and GPs' strike early this year also negatively impacted volumes, with several days of strikes throughout the country.

Regarding Routine Lab Belux, the difficulties in Flanders in 2014 are now treated but YTD 12m 2015 level of activity still suffered from a higher basis of comparison in 2014. Together with the 20% price cut in Luxembourg as from January 1st, 2015, this resulted in a decrease in sales compared to last year of -€9.8 million or -12.2% on a like-for-like basis.

Net sales from our Specialized Lab business increased by €15.3 million or +11.0% due to gains of market shares and new revenue stream from innovative tests or services.

The Central Lab business decreased by -€12.0 million or -27.0%.

In total, excluding the impact of acquisitions, net sales on a like for like basis decreased by €10.6 million or -2.5% between YTD 12m 2014 and YTD 12m 2015, due to tariff cut in Luxembourg and Central Lab activity slowdown.

Cost of sales

Cost of sales increased by €20.7 million, or 31.3%, from €66.3 million in YTD 12m 2014 to €87.0 million in YTD 12m 2015.

This increase was mainly attributable to the full year effect of the cost of sales incurred by the businesses acquired in FY 2014 and 2015.

Gross margin increased across the two periods from 83.4% in YTD 12m 2014 to 84.3% in YTD 12m 2015. This mostly reflects (i) implementation of Cerba tariffs to acquired labs and (ii) improvement in Group's purchasing conditions and testing processes.

Personnel expenses

Personnel expenses increased by €73.8 million, or +52.5%, from €140.6 million in YTD 12m 2014 to €214.4 million in YTD 12m 2015, mainly due the full-year impact of the personnel expenses incurred by the routine lab businesses acquired in FY 2014 and 2015.

Personnel expenses as a percentage of sales increased between the two periods from 35.2% in YTD 12m 2014 to 38.6% in YTD 12m 2015. This mainly reflects (i) recent acquisitions in the Routine Lab France sector, which are traditionally labour-intensive and have not yet delivered all their potential for cost savings and efficiencies, and (ii) the reinforcement of headquarters support functions (e.g. process and engineering, IT, financial control...) aimed at integrating acquired laboratories and implementing synergies.

Other operating expenses

Other operating expenses increased by €37.7 million, or +37.1%, from €101.9 million in YTD 12m 2014 to €139.6 million in YTD 12m 2015, mainly due to the full-year impact of the other operating expenses incurred by the businesses acquired in FY 2014 and 2015.

Other operating expenses as a percentage of sales slightly decreased between the two periods from 25.5% in YTD 12m 2014 to 25.1% in YTD 12m 2015.

Non-recurring income / (expense)

Various items are considered as non-cash and/or non-recurring, and therefore are reclassified from "Other operating expenses" to "Non-recurring income (expense)" i.e. below EBITDA.

Non-recurring expenses of €13.2 million in YTD 12m 2015 are made up of the following:

- Transaction costs associated with acquisitions (€4.6 million), mainly for Novescia;
- Restructuring / redundancy costs at Novescia headquarters (€3.2 million), JS Bio (€0.7 million), and in Belux (€1.5 million), in the context of the integration and to implement cost reduction initiatives;
- Various costs, fees and expenses related to indebtedness (€0.8 million);
- Litigation costs with previous lab owners (€0.4 million); and
- Non-cash provision (€1.5 million).

Depreciation and amortization

Depreciation and amortization increased by €8.9 million, from €24.0 million in YTD 12m 2014 to €32.9 million in YTD 12m 2015, mainly due to the full year effect of the depreciation and amortization incurred by the businesses acquired in FY 2014 and 2015:

In m€	FY 2015	FY 2014
Amortization of intangible assets	-11,8	-9,2
Depreciation of tangible assets and other items	-21,1	-14,7
Total Depr. & Amort.	**-32,9**	**-24,0**
of which Novescia & other acquisitions in 2015	*-6,5*	*0,0*

Net financial income (expense)

Net financial expense in YTD 12m 2015 mostly relate to interest on the €675 million Notes (of which €230 million were issued in February 2015), for €49.5 million (€47.5 million of interest plus €2.0 million of debt issuance costs' amortization).

Net financial expense increased by €20.0 million between YTD 12m 2014 and YTD 12m 2015, mostly due to several subsequent issues of Notes:

- €80 million additional Senior Secured Notes issued in April 2014;
- €85 million additional Senior Secured Notes issued in February 2015; and
- €145 million Senior Notes issued in February 2015.

Income tax

Income tax expense decreased by €1.9 million, from €10.8 million in YTD 12m 2014 to €8.9 million in YTD 12m 2015.

This results from deferred tax items, which varied from an income of €3.1 million in YTD 12m 2014 to an income of €8.5 million in YTD 12m 2015. This deferred tax income includes €6.8 million of tax optimization derived from the Novescia acquisition structure, which will be used to reduce 2016 and 2017 tax payments.

Current tax expense increased, from €13.9 million in YTD 12m 2014 to €17.4 million in YTD 12m 2015, mainly driven by an increase of taxable earnings.

Current tax expenses expressed as a percentage of EBITA remained very similar in FY 2014 and FY 2015:

In m€	FY 2015	FY 2014
EBITDA	114,9	90,5
- Depreciation of tangible assets and other items	-21,1	-14,7
= EBITA	**93,9**	**75,8**
Current tax expense	-17,4	-13,9
Tax % on EBITA	**-18,5%**	**-18,4%**

4.3 Liquidity and Capital Resources

The table below summarizes our consolidated cash flow statement for the twelve months period ended December 31, 2014 and December 31, 2015 based on the Company's IFRS Financial Statements:

In m€	Q4 2015 3m	Q4 2014 3m	*Var. (m€)*	FY 2015 12m	FY 2014 12m	*Var. (m€)*
Cash flow from operating activities	37,1	25,4	*+11,7*	92,7	70,4	*+22,3*
Cash flow from investing activities	-9,8	-13,7	*+4,0*	-314,1	-86,3	*-227,8*
Total cash flow - before financing	**27,4**	**11,7**	***+15,7***	**-221,4**	**-15,9**	***-205,5***
Cash flow from financing activities	-6,4	-5,7	*-0,7*	203,6	14,6	*+189,0*
Total cash flow - after financing	**21,0**	**5,9**	***+15,0***	**-17,8**	**-1,3**	***-16,5***
Cash at beginning of period	23,6	56,4		62,3	63,6	
Cash at end of period	44,6	62,3		44,6	62,3	

Notes: *The YTD 12m 2015presentation above slightly differs from the Consolidated Cash Flow Statement as presented page 15 (see "Financial Statement"). This is due to the reclassification of non-recurring transaction costs associated with acquisitions (mainly Novescia), from operating to investing activities:*

In m€	*As per financial statements*	*Reclass.*	*As per presentation*
Cash flow from operating activities	*88,2*	*4,6*	*92,7*
Cash flow from investing activities	*-309,5*	*-4,6*	*-314,1*
Cash flow from financing activities	*203,6*	*0,0*	*203,6*
Total cash flow	***-17,8***	***0,0***	***-17,8***

Cash flow from operating activities

Cash flow from operating activities increased by +€22.3 million between YTD 12m 2014 and YTD 12m 2015 at €70.4 million and €92.7 million, respectively.

This mainly derived from an increase in EBITDA by €24.5 million, together with a €10.3 million increase from change in working capital, with a steady improvement of cash generation performance through DSO:

In m€	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014
Trade receivables	67,2	78,9	78,8	74,1	54,0
Pro forma LTM revenue	606,2	592,0	581,0	565,0	426,8
Days of Sales Outstanding	**41 days**	**49 days**	**49 days**	**48 days**	**46 days**

Cash flow from investing activities

Cash flow used in investing activities increased from €86.3 million in YTD 12m 2014 to €314.1 million in YTD 12m 2015.

This was primarily due to investment in acquisitions, from €77.9 million in YTD 12m 2014 to €291.0 million in YTD 12m 2015.

M&A Capex in YTD 12m 2015 relate to the acquisition of Novescia and other acquisitions – please refer to "*Significant events & recent developments*" section above.

Our operating capital expenditures, excluding M&A operations, amounted €8.4 million in YTD 12m 2014 and €22.7 million in YTD 12m 2015 or 4.1% of revenue, of which €9.0 million (or 1.6% of revenue) relate to the Belval project in Luxembourg (new building and "fully automated laboratory").

Cash flow from financing activities

Cash flow from financing activities increased by €189.0 million between YTD 12m 2014 and YTD 12m 2015, at +€14.6 million and +€203.6 million, respectively.

Financing cash flows over the twelve months periods ended December 31, 2015 at +€203.6 million include mainly:

- New borrowings for €281.3 million. This reflects mainly the €230 million additional Notes issued in February for the acquisition of Novescia (gross proceeds of €234 million, net of issuance costs of €10 million), together with a €50 million drawn on the RCF to partly finance the other acquisitions (Charente and other bolt-on);
- Net interest expense of €45.9 million, of which €40.4 million relate to the €530 million Notes; and
- Repayment of financial liabilities of €32.5 million.

Capital Resources

The following table summarizes our IFRS consolidated net financial debt as at December 31, 2015 and December 31, 2014 based on the Company's IFRS Financial Statements:

In m€	Dec. 31, 2015	Dec. 31, 2014
Cash & cash equivalents	-46,1	-64,1
Bank overdrafts	1,6	1,8
Net cash	-44,6	-62,3
+ Non-current financial liabilities	634,9	478,5
+ Current financial liabilities	57,9	34,9
+ Capitalized debt issuance costs	13,5	13,5
+ Debt related to acquisitions	8,9	0,0
= Net financial debt - at CHC level	**670,7**	**464,7**
+ Senior Unsecured Notes (loan from CN1 to CHC)	149,6	0,0
= Net financial debt - at CN1 level	**820,3**	**464,7**

As of December 31, 2015, we had net financial debt of €670.7 million at Cerba HealthCare level (or €820.3 million including Senior Notes issued by CN1) composed of the following items:

- Notes €530.0 million, plus accrued interest of €15.5 million;
- Finance leases of €41.3 million and bilateral loans of €69.2 million;
- RCF drawn for €50.0 million (out of a €80.0 million total facility), plus accrued interest of €0.3 million;
- Cash (net of bank overdrafts) of €44.6 million; and
- Intercompany loan from CN1 (Senior Notes) of €145 million, plus accrued interest of €4.6 million.

We made the following two adjustments to our net financial debt as at December 31, 2015:

- Capitalized debt issuance costs: IFRS requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. We canceled this IFRS adjustment and re-increased our net financial debt by the unamortized portion of such issuance costs i.e. €13.5 million; and
- Debt related to acquisitions: we included €8.9 million of "acquisition-related deferred price consideration". This relates to acquisitions completed in 2015 but not fully paid at year-end. This adjustment is made to avoid distortion when calculating the Leverage ratio and to guarantee consistency between the numerator (debt, including deferred purchase prices on acquisitions) and the denominator (EBITDA, including pro forma adjustments for the FY 2015 acquisitions).

4.4 Contractual Obligations and Commercial Commitments

The table below sets out our contractual obligations and commitments as of December 31, 2015:

In m€	Total	< 1 yr	1-4 yrs	> = 5 yrs
Senior Secured Notes	530,0	0,0	0,0	530,0
Senior Secured Notes - accrued interest	15,5	15,5	0,0	0,0
Revolving Credit Facility	50,0	0,0	0,0	50,0
Revolving Credit Facility - accrued interest	0,3	0,3	0,0	0,0
Bilateral loans & Finance leases	110,5	32,7	57,4	20,4
Bank overdrafts	1,6	1,6	0,0	0,0
Debt related to acquisitions	8,9	8,9	0,0	0,0
Total, excluding Senior Unsecured Notes and shareholder debt	**716,8**	**59,0**	**57,4**	**600,4**
Senior Unsecured Notes	145,0	0,0	0,0	145,0
Senior Unsecured Notes - accrued interest	4,6	4,6	0,0	0,0
Total, excluding shareholders debt	**866,4**	**63,6**	**57,4**	**745,4**
Shareholders debt (*)	21,2	0,0	0,0	21,2
Total	**887,7**	**63,6**	**57,4**	**766,7**

Note (*): the €21.2 million of shareholders bonds and loans in the table above include:

- *Vendor loan €11.0 million of nominal value;*
- *Shareholder loan €3.2 million of nominal value; and*
- *Accrued / capitalized interest €7.0 million*

F Financial statements Cerba HealthCare

Consolidated Statement of Financial Position

(In thousands of euro)	**31 December 2015**	**31 December 2014**
Assets		
Goodwill	969 250	671 193
Intangible assets	159 397	108 222
Property, plant and equipment	85 101	64 479
Non-current tax assets	-	35
Other non-current assets	4 767	1 670
Deferred tax assets	10 944	2 096
Non-current assets	**1 229 459**	**847 694**
Inventories	7 434	5 570
Trade receivables	67 195	53 989
Current tax assets	7 367	3 733
Other current assets	22 570	18 041
Cash and cash equivalents	46 142	64 100
Current assets	**150 707**	**145 433**
TOTAL ASSETS	**1 380 166**	**993 127**
Equity and Liabilities		
Share capital	432 169	810
Share premium	-	416 811
Retained earnings	(134 826)	(115 378)
Profit (loss) for the period, attributable to owners of the Company	(973)	(15 386)
Foreign currency translation reserve	(769)	(594)
Equity attribuable to owners of the company	295 601	286 263
Non-controlling interests - reserves	4 843	7 698
Non-controlling interests - profit (loss)	2 417	1 985
Non-controlling interests	7 260	9 683
TOTAL EQUITY	**302 861**	**295 946**
Non-current financial liabilities (*)	805 755	512 177
Employee benefits	15 581	6 903
Non current provisions	3 516	940
Deferred tax liabilities	45 560	33 172
Other non current liabilities	3 764	4 576
Non-current liabilities	**874 176**	**557 768**
Current financial liabilities (**)	59 459	36 696
Current provisions	1 238	685
Trade payables	75 973	45 049
Current tax liabilities	6 513	14 245
Other current liabilities	59 948	42 738
Current liabilities	**203 130**	**139 413**
TOTAL EQUITY AND LIABILITIES	**1 380 166**	**993 127**

Note (*): including €149.6 million of intercompany loan from CN1 (Senior Notes) of €145 million plus accrued interest of €4.6 million, and €21.2 million of shareholder / vendor loans
Note (**): including €1.6 million of bank overdrafts

Consolidated Income Statement

(In thousands of euro)	31 December 2015	31 December 2014
NET SALES	**555 985**	**399 216**
Consumption of materials and supplies	(87 023)	(66 283)
Other purchases and external expenses	(134 282)	(93 975)
Taxes and duties	(17 375)	(11 957)
Personnel expenses	(214 432)	(140 578)
Net change in depreciation and amortisation	(32 877)	(23 959)
Other incomes	4 915	4 070
Other expenses	(6 061)	(8 037)
Goodwill impairment	-	(22 600)
OPERATING INCOME (LOSS)	**68 849**	**35 897**
Cost of net debt	(57 004)	(37 694)
Other financial income	525	278
Other financial expenses	(2 044)	(1 118)
FINANCIAL INCOME (EXPENSE)	**(58 524)**	**(38 534)**
PRETAX INCOME (EXPENSE)	**10 326**	**(2 637)**
Income tax	(8 881)	(10 763)
PROFIT (LOSS)	**1 444**	**(13 400)**
Attributable to owners of the Company	(973)	(15 386)
Attributable to non-controlling interests	2 417	1 985

Consolidated Cash Flow Statement

(In thousands of euro)	**31 December 2015**	**31 December 2014**
Profit (loss) for the period	1 444	(13 400)
Adjustments for:		
Amortisation, depreciation and impairment	34 489	47 337
Income tax	8 881	10 763
Financial Income (Expense)	58 524	38 534
Items classified as cash flows from investing activities	-	146
Change in working capital	9 675	(639)
Income tax paid	(24 862)	(15 254)
Net cash provided by (used in) operating activities	**88 152**	**67 487**
Acquisition of property, plant and equipment and intangible assets	(23 345)	(9 796)
Disposals of property, plant and equipment and intangible assets	353	303
Change in loans and other financial assets	(621)	724
Effect of change in consolidation scope	(286 378)	(75 352)
Interests received	10	12
Dividends received	92	48
Other changes related to investing activities	341	292
Net cash provided by (used in) investing activities	**(309 548)**	**(83 769)**
Dividends paid to non-controlling interests	(1 387)	(2 018)
Increase (decrease) in share capital by non-controlling interests	2 736	1 314
Proceeds from issuance of borrowings	281 294	96 324
Repayment of borrowings	(32 480)	(48 944)
Finance costs paid	(45 880)	(31 094)
Other Financial expenses paid	(610)	(727)
Net cash provided by (used in) financing activities	**203 673**	**14 855**
Effect of exchange rate fluctuations on cash held	(47)	150
Net increase (decrease) in cash and cash equivalents	**(17 770)**	**(1 277)**
Cash and cash equivalents at beginning of period	*62 328*	*63 605*
Cash and cash equivalents at end of period	*44 558*	*62 328*

We caution readers not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date of this document, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

Various statements contained in this document constitute "forward-looking statements." All statements other than statements of historical fact included in this Offering Memorandum, including, without limitation, statements regarding our future financial position, strategy, anticipated investments, costs and results (including growth prospects in particular countries), plans, projects to enhance efficiency, impact of governmental regulations or actions, litigation outcomes and timetables, future capital expenditures, liquidity requirements, the successful integration of acquisitions and joint ventures into our group, and objectives of management for future operations, may be deemed to be forward-looking statements. When used in this Offering Memorandum, the words "believe," "anticipate," "should," "intend," "plan," "will," "expect," "estimates," "positioned," "strategy" and similar expressions identify these forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements. These factors include, among others: government regulation that may be affected by efforts to reduce government spending on healthcare; continued weakness in economic conditions; our corporate structure and manner in which we exercise control over the operations of certain of our French subsidiaries due to regulatory constraints; legal and regulatory requirements governing our activities; the dependence of our Central Lab business on the pharmaceutical industry; failure to establish and comply with appropriate quality standards in the provision of our testing services; the execution of our growth strategy through the acquisition of other businesses; our dependence on our senior management team; difficulty in recruiting specialized clinical pathologists; the competitive environment in which we operate; the internalization of testing by hospitals and regional laboratory hubs, as well as the development of new, more cost-effective tests that can be directly performed by the customers of our Specialized Testing business; failures of our information technology systems; failure to timely or accurately bill for our services; financial difficulties of our clients or third-party payers requiring us to write off bad debts; the uncertain nature of our Central Lab backlog; failure to comply with and liabilities arising under environmental, health and safety laws and regulations; disruption, failure or unsuitable delivery of sample transportation services; our dependence on our facility in Saint-Ouen-l'Aumône, France; failure to comply with privacy laws and information security policies; our exposure to risks related to litigation; our exposure to liabilities not covered by our insurance policies; labor disruptions and negotiation of collective bargaining agreements; our reliance on the operating companies of our group, some of which we do not control, for revenues to make payments on the Notes or the Note Guarantees; our significant leverage, which may make it difficult to operate our businesses; the covenants contained in the Indenture and our Revolving Credit Facility Agreement, which limit our operating and financial flexibility; and fluctuations in interest rates.

The risks included here are not exhaustive. Moreover, we operate in a highly competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

CERBA HEALTHCARE

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine

Grant Thornton
100, rue de Courcelles
75017 Paris

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

CERBA HEALTHCARE
ZI Les Béthunes
7/11 rue de l'Equerre
95310 Saint-Ouen-L'Aumone

To the President,

In our capacity as Statutory Auditors of Cerba HealthCare and in compliance with your request for the purpose of reporting requirement towards shareholders and lenders, we have audited the accompanying consolidated financial statements of Cerba HealthCare for the year ended December 31, 2015 ("the consolidated financial Statements").

The President is responsible for the preparation and fair presentation of the consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures, on a test basis or by selection, to obtain audit evidence regarding the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group constituted by the entities included in the consolidation as of December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

This report has been prepared for your attention within the context described above and is not intended to be used, circulated, quoted from, or otherwise referred to for any other purpose. We decline any responsibility should this report be made available to a third party.

This report is governed by French law. French courts have exclusive jurisdiction to judge any dispute, claim or disagreement that may result from our letter of engagement or this report or any related question. Each party irrevocably renounces his or her rights to oppose legal action brought before these courts, to contend that the action was brought before a court that was not competent, or that these courts do not have jurisdiction.

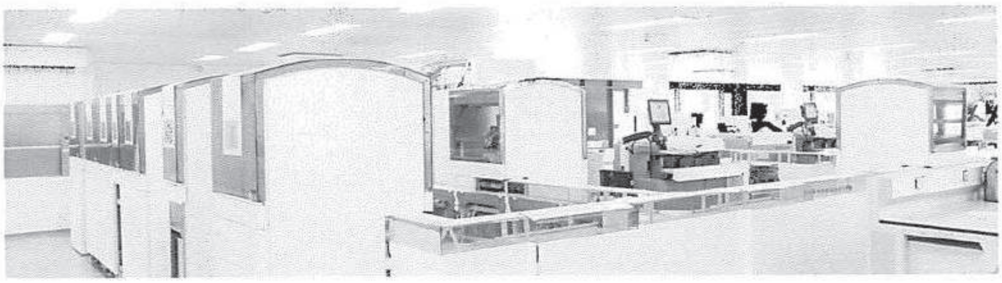
Neuilly-sur-Seine and Paris, April 11, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit		**Grant Thornton**
Jacques Lévi	Marie-Cécile Dang Tran	Vincent Papazian

Cerba HealthCare

CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2015



CERBA HEALTHCARE

S.A.S with share capital of € 432 168 724,07

ZI Les Béthunes

7/11 rue de l'Equerre

95310 SAINT-OUEN-L'AUMONE

Version on 11/04/2016 17:38

1 Consolidated Statement of Financial Position

(In thousands of euro)	Notes	31 December 2015	31 December 2014
Assets			
Goodwill	6.12	969 250	671 193
Intangible assets	6.13	159 397	108 222
Property, plant and equipment	6.14	85 101	64 479
Non-current tax assets		-	35
Other non-current assets	6.15	4 767	1 670
Deferred tax assets	6.16	10 944	2 096
Non-current assets		**1 229 459**	**847 694**
Inventories	6.17	7 434	5 570
Trade receivables	6.18	67 195	53 989
Current tax assets		7 367	3 733
Other current assets	6.19	22 570	18 041
Cash and cash equivalents	6.20	46 142	64 100
Current assets		**150 707**	**145 433**
TOTAL ASSETS		**1 380 166**	**993 127**
Equity and Liabilities			
Share capital	6.21	432 169	810
Share premium	6.21	-	416 811
Retained earnings		(134 826)	(115 378)
Profit (loss) for the period, attributable to owners of the Company		(973)	(15 386)
Foreign currency translation reserve		(769)	(594)
Equity attributable to owners of the company		295 601	286 263
Non-controlling interests - reserves		4 843	7 698
Non-controlling interests - profit (loss)		2 417	1 985
Non-controlling interests		7 260	9 683
TOTAL EQUITY	**4**	**302 861**	**295 946**
Non-current financial liabilities	6.22	805 755	512 177
Employee benefits	6.23	15 581	6 903
Non current provisions	6.24	3 516	940
Deferred tax liabilities	6.16	45 560	33 172
Other non current liabilities	6.25	3 764	4 576
Non-current liabilities		**874 176**	**557 768**
Current financial liabilities	6.22	59 459	36 696
Current provisions	6.24	1 238	685
Trade payables	6.26	75 973	45 049
Current tax liabilities		6 513	14 245
Other current liabilities	6.27	59 948	42 738
Current liabilities		**203 130**	**139 413**
TOTAL EQUITY AND LIABILITIES		**1 380 166**	**993 127**

2 Consolidated Income Statement

(In thousands of euro)	Notes	31 December 2015	31 December 2014
NET SALES	**6.7**	**555 985**	**399 216**
Consumption of materials and supplies		(87 023)	(66 283)
Other purchases and external expenses		(134 282)	(93 975)
Taxes and duties		(17 375)	(11 957)
Personnel expenses	6.8	(214 432)	(140 578)
Net change in depreciation and amortisation		(32 877)	(23 959)
Other incomes	6.9	4 915	4 070
Other expenses	6.9	(6 061)	(8 037)
Goodwill impairment		-	(22 600)
OPERATING INCOME (LOSS)		**68 849**	**35 897**
Cost of net debt		(57 004)	(37 694)
Other financial income		525	278
Other financial expenses		(2 044)	(1 118)
FINANCIAL INCOME (EXPENSE)	**6.10**	**(58 524)**	**(38 534)**
PRETAX INCOME (EXPENSE)		**10 326**	**(2 637)**
Income tax	6.11.1	(8 881)	(10 763)
PROFIT (LOSS)		**1 444**	**(13 400)**
Attribuable to owners of the Company		(973)	(15 386)
Attribuable to non-controlling interests		2 417	1 985

3 Consolidated Statement of Comprehensive Income

(In thousands of euro)	Notes	31 December 2015	31 December 2014
Profit (Loss)	2	1 444	(13 400)
Recyclable items through profit			
Foreign currency translation differences		*(435)*	*257*
Non-recyclable items through profit			
Actuarial gains and losses on defined benefit obligations		*(3 461)*	*(697)*
Tax impacts on actuarial gains and losses on defined benefit obligations		*1 200*	*224*
Gain and losses recognised directly in equity		**(2 697)**	**(217)**
Total comprehensive income for the period	4	**(1 253)**	**(13 617)**
Attributable to owners of the Company		*(3 368)*	*(15 692)*
Attributable to non-controlling interests		*2 114*	*2 075*

4 Consolidated Statement of Changes in Equity

(In thousands of euro)	Share capital	Share premium	Retained earnings	Actuarial differences	Translation differences	Total	Non-controlling interests	Total equity
Opening position at 1st January 2014	**810**	**416 811**	**(105 508)**	**98**	**(743)**	**311 468**	**11 487**	**322 955**
Total comprehensive income for the period								
Profit (loss) for the period			(15 386)			(15 386)	1 985	(13 400)
Total other comprehensive income				(455)	149	(306)	89	(217)
Total comprehensive income for the period	-	-	**(15 386)**	**(455)**	**149**	**(15 692)**	**2 075**	**(13 617)**
Transactions with owners of the Company, recognised directly in equity						-		-
Contributions by and distributions to owners of the Company						-		-
Changes in scope			(5 804)			(5 804)	(1 789)	(7 594)
Dividends			(19)			(19)	(1 999)	(2 018)
Others			(3 688)			(3 688)	2 137	(1 551)
Total contributions by and distribution to owners of the Company	-	-	**(9 511)**	-	-	**(9 511)**	**(1 652)**	**(11 163)**
Changes in ownership interests in subsidiaries						-		-
Non-controlling interests at acquisition of the subsidiary						-	(2 228)	(2 228)
Total transactions with owners of the Company	-	-	-	-	-	-	**(2 228)**	**(2 228)**
Closing position at 31 December 2014	**810**	**416 811**	**(130 405)**	**(357)**	**(594)**	**286 265**	**9 682**	**295 948**

(In thousands of euro)	Share capital	Share premium	Retained earnings	Actuarial differences	Translation differences	Total	Non-controlling interests	Total equity
Opening position at 1st January 2015	**810**	**416 811**	**(130 405)**	**(357)**	**(594)**	**286 265**	**9 682**	**295 948**
Total comprehensive income for the period								
Profit (loss) for the period			(973)			(973)	2 417	1 444
Total other comprehensive income				(2 220)	(175)	(2 395)	(302)	(2 697)
Total comprehensive income for the period	-	-	**(973)**	**(2 220)**	**(175)**	**(3 368)**	**2 114**	**(1 253)**
Transactions with owners of the Company, recognised directly in equity								
Contributions by and distributions to owners of the Company								
Changes in scope			1 732			1 732	(1 850)	(118)
Dividends			23			23	(1 387)	(1 364)
Capital increase through conversion of bonds and of the premium share	431 359	(416 811)				14 548		14 548
Others			(3 599)			(3 599)	(67)	(3 666)
Total contributions by and distribution to owners of the Company	**431 359**	**(416 811)**	**(1 844)**	-	-	**12 704**	**(3 304)**	**9 400**
Changes in ownership interests in subsidiaries						-		-
Non-controlling interests at acquisition of the subsidiary						-	(1 234)	(1 234)
Total transactions with owners of the Company	-	-	-	-	-	-	**(1 234)**	**(1 234)**
Closing position at 31 December 2015	**432 169**	-	**(133 222)**	**(2 577)**	**(769)**	**295 602**	**7 258**	**302 861**

5 Consolidated Cash Flow Statement

(In thousands of euro)	Notes	31 December 2015	31 December 2014
Profit (loss) for the period	*2*	1 444	(13 400)
Adjustments for:			
Amortisation, depreciation and impairment	*6.13 - 6.14 - 6.24*	34 489	47 337
Income tax	*6.11.1*	8 881	10 763
Financial Income (Expense)	*6.10*	58 524	38 534
Items classified as cash flows from investing activities		-	146
Change in working capital		9 675	(639)
Income tax paid	*6.11.1*	(24 862)	(15 254)
Net cash provided by (used in) operating activities		**88 152**	**67 487**
Acquisition of property, plant and equipment and intangible assets	*6.13 - 6.14*	(23 345)	(9 796)
Disposals of property, plant and equipment and intangible assets	*6.13 - 6.14*	353	303
Change in loans and other financial assets		(621)	724
Effect of change in consolidation scope	*6.12*	(286 378)	(75 352)
Interests received		10	12
Dividends received		92	48
Other changes related to investing activities		341	292
Net cash provided by (used in) investing activities		**(309 548)**	**(83 769)**
Dividends paid to non-controlling interests	*4*	(1 387)	(2 018)
Increase (decrease) in share capital by non-controlling interests	*4*	2 736	1 314
Proceeds from issuance of borrowings	*6.22*	281 294	96 324
Repayment of borrowings	*6.22*	(32 480)	(48 944)
Finance costs paid	*6.22*	(45 880)	(31 094)
Other Financial expenses paid	*6.22*	(610)	(727)
Net cash provided by (used in) financing activities		**203 673**	**14 855**
Effect of exchange rate fluctuations on cash held		(47)	150
Net increase (decrease) in cash and cash equivalents		**(17 770)**	**(1 277)**
Cash and cash equivalents at beginning of period	*6.20*	*62 328*	*63 605*
Cash and cash equivalents at end of period	*6.20*	*44 558*	*62 328*

6 Notes to the Consolidated Financial Statements

GENERAL INFORMATION

6.1 Reporting entity

Cerba HealthCare (formerly Cerba European Lab) (hereinafter referred to as "the Company") is a French simplified joint-stock company (*société par actions simplifiée*), headquartered in France at 7/11 Rue de l'Equerre 95310 Saint-Ouen-l'Aumône.

The Company was created on 8 June 2010 following the acquisition of the Cerba HealthCare Group.

The Group is a leading European player in medical biology, with a market positioning in clinical laboratory testing, specialised clinical pathology and clinical trials.

Financière Gaillon 13 SAS was created in 2013 and is the shareholder of Cerba HealthCare.

6.2 Significant events of the period

Changes in scope of consolidation

The Group continued its policy of external growth. It acquired the following interests during the year (see Note 6.12):

- Acquisition of laboratory network Novescia ("France" Area) dated Tuesday, March 10, 2015;
- Acquisition of LBM Glasgow and Sofilab29 company (« Bretagne » Area) in May 2015;
- Acquisition of Vigibio company (" PACA" Area) in August 2015;
- Acquisition of Néobio ("Nord"Area), Cerdibio ("Charentes" Area) and Goelab ("Bretagne" Area) companies in September 2015;
- Acquisition of Labo17 ("Charente" Area)

The Group is restructuring its operations as follows:

- Creation of entities :
  - Financière de l'Equerre 1, Holding created for the acquisition of the entities Novescia;
  - GEIE CEL Gestion, structure involving the costs of central functions;
  - Cerbavet whose Veterinary Medical Biology activity started on December 10th 2015

- Mergers by dissolution with tax and accounting retroactivity:
  - JS Bio to Biotop from 01st January 2015;
  - Centre de Morphologie Pathologique to LBS from 01st January 2015;
  - Chaouat Herzeau Bieder to CBCV from 01st January 2015;

- Holding's Novescia to Financière de l'Equerre 1 from 01st April 2015;
- Vigibio to SLB from 01st March 2015;
- Goelab to Biobaie from 01st January 2015;
- LBS to CRI from 01st May 2015;
- Labo17 to Cerdibio from 01st October 2015

• Mergers by dissolution without tax and accounting retroactivity:
  - JL Bio to CBCV from 30st June 2015

Capital structure

As a reminder, on November 4, 2014, the entity Financière Gaillon 0, ultimate parent of Cerba HealthCare has been created and it became the new parent entity of the Group.

Cerba HealthCare conducted in February 17, 2015 to a capital increase from convertible bonds.

Financing structure

The Group has issued bonds High Yield 3 to 28 February 2015, € 230 million to finance the acquisition of Novescia Group by the entity "Financière de l'Equerre 1".

• The loan was issued for € 85M by Cerba HealtCare (interest 7%, due 2020) and € 145 million by Cerberus Nightingale 1 (interest at 8.25% due 2020)

• The € 145M borrowed by Cerberus Nightingale 1 were re-loaned to Cerba HealtCare via Cerberus Nightingale 2 (interest at 8.50% due 2020).

The Effective deadline is fixed at January 31, 2020 equivalent to the older High-Yield bonds.

6.3 Basis of preparation

6.3.1 Statement of compliance

The consolidated financial statements of Cerba HealthCare have been prepared in accordance with the International Financial Reporting Standards (including IFRSs, IASs, SIC and IFRIC interpretations) adopted by the European Union before 31 December 2015 and published by the IASB (International Accounting Standards Board).

The Group has analysed IFRSs, IASs, SIC, IFRIC interpretations and related amendments published, approved and applicable for accounting periods beginning on or after 1 January 2015 – as well as those not yet approved – by the European Union at 31 December 2015.

These standards can be viewed on the European Commission's website at:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

The following standards, interpretations and related amendments, published in the Official Journal of the European Union at the end of the reporting period, were applied by the Group in 2015:

Revised standards, amendments and interpretations applicable for accounting periods beginning on or after 1 June 2014		*First application UE for accounting periods from:*	*Impacts*
IFRIC 21	"Levies"	17.06.2014	No significant impact
Revised standards, amendments and interpretations applicable for accounting periods beginning on or after 1 January 2015		*First application UE for accounting periods from:*	*Impacts*
Annual Improvements	IFRSs 2011–2013 Cycle (issued on 12 December 2013)	01.01.2015	Impact
New standards, amendments and interpretations published by the IASB applicable and not early-adopted by the Group:		First application UE for accounting periods from:	Impacts
Annual Improvements	IFRSs 2010–2012 Cycle (issued on 12 December 2013)	01.02.2015	Impact
Amendments IAS 19	Defined Benefit Plans: Employee Contributions (issued on 21 November 2013)	01.02.2015	Impact
Revised standards, amendments and interpretations applicable for accounting periods beginning on or after 1 January 2016		*First application UE for accounting periods from:*	*Impacts*
Amendments IAS 16 and IAS 41	Bearer Plants (issued on 30 June 2014)	01.01.2016	No Impact
Amendments IFRS 11	Accounting for Acquisitions of Interests in Joint Operations (issued on 6 May 2014)	01.01.2016	No Impact
Amendments IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (issued on 12 May 2014)	01.01.2016	impact being analyzed
Annual Improvements	IFRSs 2012–2014 Cycle (issued on 25 September 2014)	01.01.2016	impact being analyzed
Amendments IAS 1	Disclosure Initiative (issued on 18 December 2014)	01.01.2016	impact being analyzed
Amendments IAS 27	Equity Method in Separate Financial Statements (issued on 12 August 2014)	01.01.2016	impact being analyzed
New standards, amendments and interpretations published by the IASB but not yet applicable or not early-adopted by the Group:		*IASB effective date*	*Impacts*
IFRS 9	"Financial Instruments"	01.01.2018	impact being analyzed
IFRS 14	"Regulatory Deferral Accounts" (issued on 30 January 2014)	01.01.2016	To be Analysed
IFRS 15	"Revenue from Contracts with Customers (issued on 28 May 2014)"	01.01.2018	To be Analysed
Amendments IFRS 10, IFRS 12 and IAS 28	"Investment Entities: Applying the Consolidation Exception" (issued on 18 December 2014)	01.01.2016	To be Analysed
Amendments IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses (issued on 19 January 2016)	01.01.2017	To be Analysed
Amendments IAS 7	Disclosure Initiative (issued on 29 January 2016)	01.01.2017	To be Analysed
IFRS 16	Leases (Issued on 13 January 2016)	01.01.2019	To be Analysed
Amendments IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014)	Deferred Indefinitely	

The Group is currently analysing the impact on its consolidated financial statements of the standards published by the IASB at 31 December 2015 but not yet adopted by the EU but it does not expect the impact to be material.

6.3.2 Comparability of financial statements

The accounting policies used to prepare the consolidated financial statements at 31 December 2015 are identical to those used for the consolidated statements at 31 December 2014.

As part of a consolidated reporting optimization process, some items were detailed in 2015 and refining in terms of accounting position in the income statement but have no effect on the aggregates of our financial statements.

6.3.3 Basis of measurement

The consolidated financial statements have been prepared using the historical cost principle, except for derivative instruments, which are measured at fair value.

Concerning the business combinations (See Note 6.4.1.1), the Group acquires control of an entity or group of entities, the identifiable assets acquired and liabilities assumed are recognized and measured at fair value. The difference between the consideration transferred (i.e. the acquisition cost) and the fair value of the identifiable assets acquired, net of the liabilities and contingent liabilities assumed, is recognized as goodwill.

Goodwill is recorded directly in the statement of financial position of the acquired entity, in the entity's functional currency.

Its recoverable amount is subsequently monitored at the level of the cash-generating unit to which the entity belongs.

6.3.4 Functional and presentation currency

The consolidated financial statements are presented in Thousands of Euros, the Company's functional currency, and rounded to the nearest thousand, unless otherwise specified.

The functional currency of most foreign subsidiaries is their local currency, corresponding to the currency in which the majority of their transactions are denominated.

The balance sheets of these subsidiaries are translated at the year- end exchange rate and their income statements are translated on a monthly basis at the average exchange rate for each month. Gains and losses resulting from the translation of financial statements of foreign subsidiaries are recorded in equity under "Translation reserve".

6.3.5 Use of estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual amounts may differ from these estimates.

Management bases these estimates and assumptions on past experience and the Group's current business environment and they are reviewed on an ongoing basis. The impacts of changes to estimates are recognised in the period in which the estimates are revised and for all future periods affected.

Estimates and assumptions are particularly important for measuring:

- the recoverable amount of intangible assets and property, plant and equipment, especially goodwill presented in notes 6.12, 6.13 and 6.14;
- obligations under defined benefit plans ;
- deferred tax assets and liabilities.

6.4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements and by all Group entities.

6.4.1 Basis of consolidation

The Group's annual consolidated financial statements include those of the parent company and all of its subsidiaries for the period ended 31 December 2015. All of the subsidiaries close their accounts on 31 December, except for CRI (30 November).

The Group consolidates all entities over which it exercises exclusive control – either directly or indirectly – using the full consolidation method. Entities over which the Group has significant influence are accounted for using the equity method without applying any threshold in terms of its interest and/or voting rights.

All material intragroup balances, transactions, income and expenses are totally eliminated.

All profits and losses generated by subsidiaries are broken out into the portion attributable to owners of the Company and to non-controlling interests, based on their respective interests.

6.4.1.1 *Business combinations*

In accordance with Revised IFRS 3, business combinations acquired after to 1 January 2010 are accounted for using the purchase method at the acquisition date, which is the date on which control was transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; (+)
- the recognised amount of any non-controlling interests in the acquiree; (+)
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; (-)
- the net recognised amount (in general the fair value) of the identifiable assets acquired and liabilities assumed.

Contingent consideration is measured at its acquisition-date fair value and is subsequently adjusted through goodwill only when additional information is obtained after the acquisition date about facts and circumstances that existed at that date.

Such adjustments are made only during the 12-month measurement period that follows the acquisition date.

All other subsequent adjustments are recorded as a receivable or payable through profit or loss.

In the case of multi-step acquisitions, acquisition of control over the acquiree triggers remeasurement of all previously-held equity interests at fair value and any material changes are recognised in profit or loss from recurring operations.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Contingent consideration is recognised in equity if the contingent payment is settled by delivery of a fixed number of the acquirer's equity instruments; in all other cases, it is recognised in liabilities related to business combinations. Contingent consideration is recognised at fair value at the acquisition date irrespective of the probability of payment. If the contingent consideration was originally recognised as a liability, any subsequent adjustments are recognised in profit or loss unless such adjustments are made within 12 months of the acquisition date and are related to facts and circumstances existing at the acquisition date. Purchased goodwill is accounted for as a business combination.

6.4.1.2 *Acquisitions of non-controlling interests*

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners. Therefore, no goodwill is recognised. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are determined based on the proportionate interest in the net assets of the subsidiary.

Operations that do not lead to a loss of control are treated as transactions between shareholders, giving rise to a new split between equity attributable to owners of the Company and to non-controlling interests. The same allocation basis is applied to any transaction costs.

6.4.1.3 *Subsidiaries*

Subsidiaries are entities controlled by the Group. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

French legislation requires laboratories to be incorporated as private practice companies (*Société d'Exercice Libéral – SEL*) and the clinical pathologists operating the private practice companies to hold at least 50% of the voting rights at shareholders' annual general meetings. In strict compliance with these regulations, the Group has created a capital structure to meet these obligations and hold the majority of the related financial interests (see Note 6.5). Moreover, specific clauses, especially concerning the governance structure, are included in the articles of association and shareholders agreements.

Although the Group does not hold the majority of voting rights in the private practice companies, the above-mentioned mechanisms allow it to obtain the majority of the economic benefits derived from the activities of these companies and also to demonstrate the existence of *de facto* control in full compliance with French legislation, therefore enabling the French entities to be fully consolidated.
Subsidiaries are fully consolidated from the date that control commences until the date that control ceases (see Note 6.4.1.4). Divestment resulting in loss of control

6.4.1.4 *Disvestment resulting in loss of control*

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any profit or loss arising on the loss of control is recognised in "Profit or loss from recurring operations".

If the Group retains any interest in its former subsidiary, said interest is measured at fair value at the date that control is relinquished. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset, depending on the level of influence retained.

6.4.1.5 *Transactions eliminated in consolidation*

Intra-group balances and transactions and any income and expenses arising from intra-group transactions are eliminated in the consolidated financial statements.

6.4.1.6 *Foreign currency transactions*

Transactions denominated in foreign currencies are translated into the functional currencies of the respective Group entities at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the closing exchange rate.

Foreign currency translation differences are recognised in profit or loss.

6.4.1.7 Foreign operations

The assets and liabilities of foreign operations – including goodwill and fair value adjustments arising on acquisitions – whose functional currency is not the euro, are translated into euros at the closing exchange rate, and their statements of comprehensive income are translated into euros using average exchange rates for the period.

The foreign currency translation differences arising from the use of different exchange rates are recognised in "Other comprehensive income". They are carried in the foreign currency translation reserve in consolidated equity until the related investments are sold or wound up.

6.4.2 Financial instruments

The Group's financial assets and liabilities are presented in accordance with IAS 39.

They are broken out into their current and non-current portion, depending on whether they mature in under or over one year.

In accordance with IAS 39, the obligating event is recognition in the balance sheet at the transaction date: if there is a time-lag between the transaction date (i.e., the obligation) and the settlement date, securities deliverable or receivable are recognised from the transaction date.

6.5 Scope of consolidation

Integrated companies	31 December 2015			31 December 2014				
	Consolidation method	% control	% interests	Consolidation method	% control	% interests	Address	Country
Cerba Health Care	**Parent company**	**100,00%**	**100,00%**	**Parent company**	**100,00%**	**100,00%**	**Saint-Ouen-l'Aumône**	**France**
BARC Australia	FC	100,00%	100,00%	FC	100,00%	100,00%	Kogarah	Australia
BARC China	FC	100,00%	100,00%	FC	100,00%	100,00%	Shanghai	China
BARC Finance	FC	100,00%	100,00%	FC	100,00%	100,00%	Zwijnaarde	Belgium
BARC NV	FC	100,00%	100,00%	FC	100,00%	100,00%	Zwijnaarde	Belgium
BARC RSA	FC	50,10%	50,10%	FC	50,10%	50,10%	Richmond area, Johannesburg	South Africa
BARC USA	FC	100,00%	100,00%	FC	100,00%	100,00%	Lake Success, New York	United States
Biopyrenees	FC	48,99%	99,09%	FC	48,75%	91,14%	Tarbes	France
Biolille	FC	45,62%	83,03%	FC	45,62%	83,03%	Lille	France
Biosup Developpement	FC	49,99%	99,85%	FC	50,00%	99,75%	Marseille	France
Biosup SCM	FC	100,00%	99,85%	FC	100,00%	99,75%	Marseille	France
Centre de Morphologie pathologique				FC	100,00%	100,00%	Anderlecht	Belgium
Cefil	FC	100,00%	100,00%	FC	100,00%	100,00%	Saint-Ouen-l'Aumône	France
Centre Biologique du Chemin Vert (CBCV) SELAS	FC	49,00%	97,23%	FC	49,00%	97,23%	Paris	France
Cerba Specimen Services SAS	FC	100,00%	100,00%	FC	100,00%	100,00%	Saint-Ouen-l'Aumône	France
CRI	FC	100,00%	100,00%	FC	100,00%	100,00%	Zwijnaarde	Belgium
JL-BIO				FC	49,81%	97,13%	Paris	France
Laboratoire Cerba	FC	25,00%	99,85%	FC	25,00%	99,85%	Saint-Ouen-l'Aumône	France
LBS				FC	100,00%	100,00%	Bruxelles	Belgium
LLAM SA	FC	100,00%	100,00%	FC	100,00%	100,00%	Esch-sur-Alzette	Luxembourg
Biotrac	FC	49,00%	77,38%	FC	49,00%	73,70%	Plérin	France
VOS La Reunion Selas	FC	45,04%	80,56%	FC	46,98%	80,56%	Le Port, La Réunion	France
Biopole 80	FC	49,00%	69,87%	FC	49,00%	69,91%	Amiens	France
Chaussat Heurteau Bardet				FC	99,97%	97,15%	Aubervilliers	France
Centre de biologie medicale	FC	49,88%	99,60%	FC	49,98%	99,82%	Le Havre	France
BIO76				FC	99,51%	99,33%	Le Havre	France
JS-BIO				FC	49,00%	99,75%	Marseille	France
Société des laboratoires BILLIEMAZ	FC	45,30%	99,85%	FC	49,00%	99,75%	Marseille	France
GECIS-BIO	FC	100,00%	100,00%	FC	100,00%	99,75%	Marseille	France
FINANCIÈRE DE L'EQUERRE	FC	100,00%	99,85%				Saint-Ouen-l'Aumône	France
GIE-CEL GESTION	FC	100,00%	100,00%				Saint-Ouen-l'Aumône	France
NOV-AMIEL	FC	100,00%	99,85%				Figueres	Spain
NOV-BIO15	FC	49,89%	97,25%				Paris	France
NOV-BOURGOGNE	FC	49,93%	99,79%				Sennecey le Grand	France
NOV-CLAIRVAL	FC	49,97%	99,75%				Marseille	France
NOV-COUTANSON	FC	49,93%	99,63%				Istres	France
NOV-FRANCILIENS	FC	49,92%	99,85%				Aulnay Sous Bois	France
NOV-GIE	FC	100,00%	100,00%				Boulogne Billancourt	France
NOV-HAUTE VALLEE	FC	49,99%	99,84%				Quillan	France
NOV-IMPINVEST	FC	100,00%	99,85%				Lyon	France
NOV-LABTOSCANA	FC	100,00%	99,85%				Milan	Italy
NOV-LOIRE	FC	49,99%	98,87%				Saint-Etienne	France
NOV-MIDI PYRENEES	FC	49,98%	99,85%				Toulouse	France
NOV-NORD ARTOIS	FC	49,72%	99,38%				Arras	France
NOV-NORMANDIE	FC	49,97%	99,65%				Caen	France
NOV-PARIS OUEST	FC	49,98%	99,77%				Vauréal	France
NOV-PARIS SUD	FC	49,98%	99,81%				Wissous	France
NOV-RHONE ALPES	FC	49,80%	98,88%				Lyon	France
NOV-RDP	FC	49,97%	99,71%				Marseille	France
NOV-REUNION	FC	49,99%	99,84%				Saint-Clotilde	France
LBM-GLASGOW	FC	49,00%	99,84%				Brest	France
SOFILAB29	FC	100,00%	99,85%				Brest	France
NEOBIO	FC	45,30%	63,71%				Amiens	France
CERDIBIO	FC	49,80%	99,84%				Saintes	France
CERBA VET	FC	99,97%	99,97%				Wissous	France

FC : Full consolidation

Transfer of assets	31 December 2015 Consolidation method	31 December 2015 % control	31 December 2015 % interests	31 December 2014 Consolidation method	31 December 2014 % control	31 December 2014 % interests	Comments
JS-BIO				FC	49.00%	99.75%	Merged in BIOTOP in 2015
Centre de Morphologie pathologique				FC	100.00%	100.00%	Merged in LBS in 2015
JL-BIO				FC	49.81%	97.17%	Merged in CBCV in 2015
Chaouat Heurteau Bieder				FC	99.92%	97.33%	Merged in CBCV in 2015
LBS				FC	100.00%	100.00%	UTH in CRI in 2015
NOV-BIOINVEST							Merged in FINANCIERE DE L'EQUERRE in 2015
NOV-FINESCIA							Merged in FINANCIERE DE L'EQUERRE in 2015
NOV-MANESCIA							Merged in FINANCIERE DE L'EQUERRE in 2015
NOV-MANESCIA 3							Merged in FINANCIERE DE L'EQUERRE in 2015
NOV-MURILLO							Merged in FINANCIERE DE L'EQUERRE in 2015
NOV-SAS							Merged in FINANCIERE DE L'EQUERRE in 2015
VIGBIO							Merged in BILLIEMAZ in 2015
GOLAB							Merged in BIOBAIE in 2015
BIO76				FC	99.51%	99.31%	Liquidated in 2015
LABO17 (Chavigny Roy Faria)							Merged in CERDIBIO in 2015

New consolidated entities	31 December 2015 Consolidation method	31 December 2015 % control	31 December 2015 % interests	31 December 2014 Consolidation method	31 December 2014 % control	31 December 2014 % interests	Comments
NOV-AMIEL	FC	100,00%	99,85%				Acquired the 10 March 2015
NOV-BIO15	FC	49,80%	97,23%				Acquired the 10 March 2015
NOV-BIOINVEST	FC	100,00%	100,00%				Acquired the 10 March 2015
NOV-BOURGOGNE	FC	49,93%	99,79%				Acquired the 10 March 2015
NOV-CLAIRVAL	FC	49,97%	99,75%				Acquired the 10 March 2015
NOV-COUTANSON	FC	49,93%	99,63%				Acquired the 10 March 2015
NOV-FINESCIA	FC	100,00%	100,00%				Acquired the 10 March 2015
NOV-FRANCILIENS	FC	49,92%	99,85%				Acquired the 10 March 2015
NOV-GIE	FC	100,00%	100,00%				Acquired the 10 March 2015
NOV-HAUTE VALLEE	FC	49,99%	99,84%				Acquired the 10 March 2015
NOV-JMPINVEST	FC	100,00%	99,85%				Acquired the 10 March 2015
NOV-LABSTOSCANA	FC	100,00%	99,85%				Acquired the 10 March 2015
NOV-LOIRE	FC	49,99%	98,87%				Acquired the 10 March 2015
NOV-MANESCIA	FC	100,00%	100,00%				Acquired the 10 March 2015
NOV-MANESCIA 3	FC	100,00%	100,00%				Acquired the 10 March 2015
NOV-MURILLO	FC	100,00%	100,00%				Acquired the 10 March 2015
NOV-MIDI PYRENEES	FC	49,98%	99,85%				Acquired the 10 March 2015
NOV-NORD ARTOIS	FC	49,72%	99,38%				Acquired the 10 March 2015
NOV-NORMANDIE	FC	49,97%	99,65%				Acquired the 10 March 2015
NOV-PARIS OUEST	FC	49,98%	99,77%				Acquired the 10 March 2015
NOV-PARIS SUD	FC	49,98%	99,81%				Acquired the 10 March 2015
NOV-RHONE ALPES	FC	49,80%	98,88%				Acquired the 10 March 2015
NOV-RDP	FC	49,93%	99,71%				Acquired the 10 March 2015
NOV-REUNION	FC	49,99%	99,84%				Acquired the 10 March 2015
NOV-SAS	FC	49,00%	99,84%				Acquired the 10 March 2015
FINANCIERE DE L'EQUERRE	FC	100,00%	99,85%				Acquired on January 2015
GEE-CEL GESTION	FC	100,00%	100,00%				Acquired on January 2015
LBM-GLASGOW	FC	49,00%	99,84%				Acquired the 29 May 2015
SOFILAB29	FC	100,00%	99,85%				Acquired the 29 May 2015
VIGBIO	FC	49,00%	100,00%				Acquired the 6 August 2015
NECBIO	FC	45,30%	63,71%				Acquired the 8 September 2015
GOLAB	FC	100,00%	100,00%				Acquired the 30 September 2015
CERDIBIO	FC	49,80%	99,84%				Acquired the 20 September 2015
LABO17 (Chavigny Roy Faria)	FC	49,00%	100,00%				Acquired the 31 December 2015
CERBA VET	FC	99,97%	99,97%				Consolidated on December 2015

FC : Full consolidation

UTH : Universal transmission heritage

6.6 Segment information

The Group's operating segments used in reported financial information have been identified on the basis of the internal reports used by management to allocate resources to the segments and assess their performance.

The Group has three main reporting segments:

- Specialised clinical pathology
- Private clinical laboratory testing (France and Belux)
- Clinical trials

(In thousands of euro)	31 December 2015	31 December 2014
Specialised clinical pathology	138 251	130 416
France clinical laboratory testing	317 969	154 997
Belux clinical laboratory testing	67 278	69 328
Clinical Trials	32 487	44 475
Net sales	555 985	399 216

NOTES TO THE CONSOLIDATED INCOME STATEMENT

6.7 Net sales

Sales of services correspond to testing for patients, laboratories, hospitals and pharmaceutical companies in three market segments (Cf Note 6.6).

Revenue from services rendered in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and any contractual volume discounts for hospitals after the elimination of intra-group sales.

Specialised clinical pathology and private clinical testing operations are carried out in clinical laboratories. Revenue related to analyses/tests carried out is recognised when the report is validated by the clinical pathologist (on the date results are given to the client).

Clinical trials are governed by contractual agreements providing for specific invoicing arrangements at each stage. Revenue is recognised using the percentage-of-completion method. Percentage of completion is measured on the basis of work performed.

Sales of goods include the sale of sampling kits for clinical trials.

(In thousands of euro)	31 December 2015	31 December 2014
Sales of services	555 985	399 193
Sales of goods	-	23
Net sales	**555 985**	**399 216**

6.8 Personnel expenses

(In thousands of euro)	31 December 2015	31 December 2014
Wages and salaries including social charges	(204 621)	(132 891)
Post-employment benefits and other long-term benefits	(6 610)	(4 914)
Employee profit sharing	(2 729)	(2 773)
Provisions for labor and social disputes	(471)	-
Personnel expenses	**(214 432)**	**(140 578)**

Employee headcount in fully-consolidated entities was 4,285 at 31 December 2015, compared to 2,669 at 31 December 2014 (Full Time Equivalent).

Headcount in newly-acquired or newly-consolidated entities, net of entities derecognised during the year was 1482.

6.9 Other income and expenses

Other income and other expenses include both recurring and non-recurring income and expenses. Non-recurring items comprise extraordinary income and expenses, which due to their nature, amount or frequency generally correspond to major one-off or unusual events.

(In thousands of euro)	31 December 2015	31 December 2014
Product from sales of assets	1 455	745
Other incomes	3 094	1 751
Self production	108	391
Operating subsidy	258	1 183
Total other incomes	***4 915***	***4 070***
Gains and losses on receivables	(2 501)	*(3 107)*
Net book value	(1 148)	*(636)*
Other expenses	(2 412)	*(4 294)*
Total other expenses	***(6 061)***	***(8 037)***
Total	**(1 146)**	**(3 967)**

On December 2015 31th, the others expenses and incomes includes mainly the license fees of € -2 million, Expenses related to new companies integration of €-0.4 million, gains on lease-back of € 0.5 million, estate rent chargeback of € 0,5 million and other reimbursements of € 2 million.

6.10 Net financial income (expense)

Net finance costs comprise:

- Interest expense relating to financial debt;
- Gains and losses on interest rate derivatives (rate swaps) used to hedge interest rate risk on the Group's debt;
- Income from cash and cash equivalents, which comprises interest paid on cash investments and cash equivalents.

Other financial income and expense mainly comprise foreign exchange gains and losses and changes in the fair value of derivatives that do not qualify for hedge accounting.

Net financial income (expense) is directly attributable to the financing arrangements in respect of acquisitions.

(In thousands of euro)	31 December 2015	31 December 2014
Change in fair value (profit)	*668*	*-*
Net return on cash equivalents	*102*	*227*
Others	*49*	*-*
Financial income	819	227
Change in fair value (expense)	-	(10)
Losses on cash equivalents	(7)	(2)
Other financial charges on cash equivalents	(6)	(7)
Interest on bonds	*(52 368)*	*(33 939)*
Interests on bank loans	*(1 805)*	*(1 534)*
Interests on finance lease	*(2 156)*	*(2 129)*
Interests on derivatives	*(643)*	*(284)*
Other interests	*(838)*	*(16)*
Finance cost	(57 823)	(37 921)
Net cost of debt	**(57 004)**	**(37 694)**
Other financial incomes	525	278
Other financial expenses	(2 044)	(1 118)
Net financial income (loss)	**(58 524)**	**(38 534)**

It comprises rolled-up interest on convertible bonds and the high-yield bonds issued on 31 January 2013 and on 28th February 2015. The interest linked to the additional draw for High-Yield bond describe in the note 6.2.

6.11 Income tax

6.11.1 Breakdown between current and deferred tax

Income tax comprises current tax and deferred tax recognised in accordance with IAS 12. Current tax and deferred tax are recognised in profit and loss unless they relate to a business combination, or to items that are recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on taxable profit or tax loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised in respect of temporary differences between the carrying amounts and tax base of assets and liabilities. Deferred tax is not recognised for:

• temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit;

• temporary differences related to investments in subsidiaries and joint ventures insofar as it is probable that they will not reverse in the foreseeable future; and

• taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured using the tax rates (and laws) that have been enacted or substantially enacted by the year-end and are expected to apply when the asset is realised or the liability is settled.

In determining the amount of current and deferred tax, the Company takes into account the impact of any uncertain tax positions and any additional taxes and interest that may be due.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to taxes levied by the same authority, either on the same taxable entity or on different tax entities that intend to settle current tax liabilities and assets on a net basis, and realise their tax assets and settle their tax liabilities simultaneously.

A deferred tax asset is only recognised for unused tax credits, tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and reduced if it is no longer probable that taxable profit will be available against which they can be used.

(In thousands of euro)	31 December 2015	31 December 2014
Current tax expense	(17 410)	(13 911)
Deferred tax expense	8 528	3 147
Income tax	**(8 881)**	**(10 763)**

The current tax expense is equal to the amount of income taxes due to tax authorities for the year, according to the tax regulations and legal tax rates in the different countries.

The base rate of theorical incom tax in France is 34.43%, including the additional contributions.

(In thousands of euro)	31 December 2015	31 December 2014
Tax rate	**34,43%**	**34,43%**
Consolidated net income (loss) - attributable to owners of the Company	(973)	(15 386)
Consolidated net income (loss) - attributable to non-controlling interests	2 417	1 985
Consolidated profit (loss), after tax	**1 444**	**(13 400)**
Current tax	(17 410)	(13 911)
Deferred tax	8 528	3 147
Income tax	(8 881)	(10 763)
Consolidated profit (loss) before tax	**10 326**	**(2 637)**
Theoretical current tax expense (applying rate of the consolidating company)	(3 555)	908
Tax rate differences	85	(20)
Other permanent differences between accounting income and taxable income	1 191	1 432
Impairment GW Medical Lab		(7 533)
Unrecognised tax losses for the period	(4 471)	(6 167)
Non deductible interests	(5 734)	(1 784)
Taxable portion of dividends received and withholding at source	(174)	(238)
Other deferred taxes without a related basis	734	(4 329)
Tax losses activation	6 258	8 048
Tax credits	(103)	(50)
French value added business tax (CVAE)	(2 454)	(1 500)
Other items	(659)	470
Effective tax expense	**(8 881)**	**(10 763)**

6.12 Goodwill

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purposes of goodwill impairment testing, the CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. CGUs are aggregated within operating segments. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Goodwill impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are first allocated against the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then against the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill cannot be reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies arising from the business combination.

The CGUs or group of CGUs identified by the Group are as follows:

• Specialised clinical pathology CGU: this activity involves complex clinical testing and/or testing requiring specific equipment that clients (hospitals, clinics, private or community laboratories) do not have.

• France private clinical laboratory testing CGU and Belux private clinical laboratory testing CGU.

• Clinical trials CGU: conducting clinical trials (logistics, analyses, results) for pharmaceutical companies and biotechnology firms during the drug development phase.

Business goodwill acquired during the period is recognised as part of goodwill.

The Group's acquisitions for the period related to private clinical laboratories in France and they can be summarised as follows:

(In millions of euro)	**Goodwill recognised on the new acquisitions**
Net assets acquired	**273,9**
Cancellation regulated provisions	0,3
Cancellation of commercial goodwill	(101,8)
Restatement fair value financial instruments	(0,4)
Restatement Leasing	(0,2)
Cancellation of merger loss	(66,0)
Cancellation of intercompany shares	(136,1)
Intangible assets revaluation	52,0
Tax liabilities	(13,8)
Net assets acquired (liabilities assumed) restated at fair value (100%)	**7,9**
Share of the Fair value of net assets acquired	**8,8**
Acquisition price	**305,9**
Goodwill	**297,1**
Commercial Goodwill	**1,4**
Total	**298,5**

Changes in the gross value and carrying amount of goodwill can be broken down as follows:

(In millions of euro)	**31 December 2015**
Acquisition price	305,9
Cash and cash equivalents acquired	(17,9)
Debt on acquisitions	(6,7)
Net cash outflow on acquisitions	**281,3**
Debt payment on acquisitions in prior years	1,9
Refunds minority current accounts	0,3
Acquisitions of businesses	1,4
Acquisitions of additional shares	2,4
Disposals of participations	(0,8)
Disposals of subsidiaries	(0,0)
Impact of changes in consolidation	**286,4**

The €297,1 million increase in the gross value of goodwill relates to goodwill on acquisitions of securities and companies during the period (see Note 6.2). €1,4 million increase is due to acquisitions of commercial property.

(In thousands of euro)	31 December 2015	Groupe NOVESCIA	LBM-GLASGOW	VIGIBIO	NEOBIO	GOELAB	CERDIBIO	LABO17	31 December 2015 Pro forma 12 months
acquisition date		*10/03/2015*	*29/05/2015*	*01/08/2015*	*08/09/2015*	*30/09/2015*	*20/09/2015*	*31/12/2015*	
Net sales	555 985	25 013	5 302	2 973	1 270	1 112	11 460	3 266	606 381
Profit (Loss)	1 444	846	528	1	92	24	709	368	4 012

(In thousands of euro)	31 December 2015
Gross value at 1 January	742 293
Acquisitions of entities or shares	297 180
Acquisitions of businesses	1 354
Decreases of businesses	(477)
Gross value at 31 December	**1 040 350**
Impairment at 1 January	(71 100)
Impairment for the period	-
Impairment at 31 December	**(71 100)**
Net value at 1 January	671 193
Net value at 31 December	**969 250**

The tests are performed at the level of cash generating unit (CGU) to which the assets belong. CGUs are defined as the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If a CGU's recoverable amount is less than its carrying amount, an impairment loss is recognised in profit or loss and, to the extent possible, as an adjustment to the carrying amount of any goodwill allocated to the CGU.

The Goodwill broken down by CGU is as follows:

(In millions of euro)	Carrying amount at 31 December 2014	Acquisitions or securities	Acquisitions of businesses	Disposals of businesses	Net book value at 31 December 2015
Specialised clinical pathology CGU	123,8				123,8
France clinical laboratory testing CGU	294,2	297,1	1,4	(0,4)	592,2
Belux clinical laboratory testing CGU	200,9				200,9
Clinical trial CGU	52,3				52,3
Total	**671,2**	**297,1**	**1,4**	**(0,4)**	**969,3**

In accordance with IAS 36, and considering the goodwill was tested for impairment at 31 December 2015, the Group didn't'identified any impairment on the different CGU. The impairment tests were based on the value in use of each CGU calculated using the discounted cash flow method as described before.

The main assumptions used to calculate the recoverable amount of the CGUs as of 31 December 2015 were the following:

2015.12			
Cash generating units	**Cash flow projection period**	**Discount rate**	**Long-term growth rate**
Specialised clinical pathology CGU	6 years	7,10%	2,00%
France clinical laboratory testing CGU	6 years	7,10%	2,00%
Belux clinical laboratory testing CGU	6 years	8,30%	2,20%
Clinical trial CGU	6 years	13,40%	3,50%

2014.12			
Cash generating units	**Cash flow projection period**	**Discount rate**	**Long-term growth rate**
Specialised clinical pathology CGU	6 years	7,10%	2,00%
France clinical laboratory testing CGU	6 years	7,10%	2,00%
Belux clinical laboratory testing CGU	6 years	7,10%	2,20%
Clinical trial CGU	6 years	10,10%	3,50%

Cash flows were discounted based on the weighted average cost of capital (WACC), calculated on the basis of the expected return and market risk for each CGU.

Impairment testing was carried out using the same procedures as in previous periods: key modelling assumptions such as market multiples and the discount rate reflected stock market and macro-economic trends.The resulting multiples are close to those of companies engaged in businesses that are similar to those of the Cerba Group.

The terminal value is calculated by discounting cash flows to long term, based on normalised cash flows and a perpetuity growth rate, taking into account of market development potential and competitive position. The discounted cash flows are compared to the sum of the goodwill and the operating assets allocated to the CGU (intangible assets, items of property, plant and equipment and components of working capital, net of deferred tax liabilities).

Testing and the cash flow calculation were based on the most recent medium-term plan (MTP), covering the years 2016-2021 validated by management based on markets conditions at December 2015.

The growth rates used to estimate the cash flows of the CGUs or Groups of CGUs are considerably less than the Group's average historical growth rates.

At 31 December 2014, an impairment loss of €22.6 million was recognised on the specialised clinical pathology CGU following impairment testing after having lowered the performance objectives of the business plan on this activity in addition to the impairment recorded at 30 June 2012 of €48.5 million on the CGU "Specialised Clinical pathology". On the others CGU's, no evidence of impairment has been identified.

The weighted average cost of capital and market multiples are adjusted based on business data and the geographical location of the CGUs tested.

At 31 December 2015, the recoverable amounts of the CGUs or Groups of CGUs were higher than their carrying amounts except on the CGU "Clinical Trial"(cf Supra)

Sensitivity analyses have been performed on all of the CGUs and the results of testing the value in use (of the groups of assets to which most goodwill is allocated) against changes in the various assumptions used at 31 December 2015 are shown in the following table:

(In millions of euro)	Test margin	Discount rate for cash flows 0.5%	Growth rate to infinity -0.5%	Combination of two factors
Specialised clinical pathology CGU	127,2	(34,0)	(27,6)	(55,4)
France clinical laboratory testing CGU	299,7	(70,8)	(56,3)	(119,2)
Belux clinical laboratory testing CGU	55,4	(25,9)	(21,0)	(42,7)
Clinical trial CGU	-11,5	(2,7)	(2,0)	(4,1)
Total	**470,8**	**(133,4)**	**(106,9)**	**(221,4)**

A decline in value in use following the application of the sensitivities indicated below either separately or based on a combination of the two factors does not actually undermine the carrying amount of goodwill.

Only the clinical trials CGU would be exposed to a slight risk of impairment in the unlikely event of a simultaneous change in the two factors indicated

6.13 Other Intangible assets

1. Research and development

Expenditure on research activities to gain new scientific and technical knowledge and understanding is recognised in profit or loss as incurred.

Development expenditure is expensed if the criteria for recognition as an intangible asset as defined by IAS 38, are not met.

Under IAS 38 – Intangible Assets, development expenditure must be recognised as an intangible asset if the entity is able to demonstrate:

- its intention and its financial and technical ability to complete the development project;
- that it is probable that the future economic benefits attributable to the development expenditure will flow to the entity; and
- that the cost of the asset can be measured reliably.

Gross capitalised development expenditure also includes borrowing costs.

2. Intangible assets

The intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

They include customer contractual relationships and order books acquired in business combinations.

Development costs for internal use computer software for the part relating to internal or external costs directly allocated to the creation or improvement of performance, are capitalized in the balance sheet when it is probable that these expenditures will be generated.All the economic benefits of these costs are linearly amortized over the estimated useful life of the software, which ranges from 1 to 3 years. Other acquisition costs and software development are expensed as incurred.

3. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

4. Amortisation

Except for goodwill, intangible assets are amortised on a straight-line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

- Patents and trademarks 10 years
- Software 1-3 years
- Contractual customer relationships (specialised clinical pathology CGU) 19 years
- Order books (clinical trials CGU) 4 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate.

Intangible assets include contractual customer relationships and order books identified when the Group was acquired by Cerba HealthCare.

Since 2015, the intangible assets include valuation of clinical contracts.

Changes in gross values, accumulated amortisation and impairment of intangible assets break down as follows:

Gross value *(In thousands of euro)*	31 December 2014	Change in scope (in)	Acquisitions	Disposals	Reclassification	Foreign currency translation differences	31 December 2015
Development costs	-	-	-	-	-	-	-
Concessions, patents and similar rights	1 869	3 264	355	(57)	451	-	5 882
Software	14 134	3 430	2 880	(167)	5 219	(2)	25 494
Leasehold	1 181	404	155	-	37	-	1 777
Goodwill	-	-	1 353	(438)	(914)	-	1
Customer relationships	127 978	52 330	-	-	-	-	180 308
Other intangible fixed assets	187	2 777	-	-	(7)	-	3 257
Order book	5 958	-	-	-	-	-	5 958
Intangible assets in progress	4 696	692	1 960	-	(5 550)		1 798
Amount paid on intangible assets	98	-	591	(23)	(160)	-	506
Intangible assets - Gross value	**156 401**	**62 897**	**7 294**	**(685)**	**(924)**	**(2)**	**224 981**

Depreciations and amortisations *(In thousands euro)*	31 December 2014	Change in scope (in)	Additions	Reversals	Reclassification	Foreign currency translation differences	31 December 2015
Development costs	-	-	-	-	-	-	-
Concessions, patents and similar rights	(1 243)	(2 828)	(764)	45	(202)	-	(4 992)
Software	(10 860)	(2 451)	(2 893)	163	240	2	(15 799)
Leasehold	-	(110)	-	-	-	-	(110)
Good will	-	-	-	-	-	-	-
Other intangible fixed assets	(439)	(64)	(13)	-	78	-	(438)
Order book	(5 959)	-	-	-	-	-	(5 959)
Customer relationships	(29 677)	(311)	(8 233)	-	-	-	(38 221)
Intangible assets in progress	-	-	(64)	-	-	-	(64)
Intangible assets - Accumulated amortisation and imperment	**(48 178)**	**(5 764)**	**(11 967)**	**208**	**116**	**2**	**(65 583)**
Intangible assets - Net value	**108 223**	**57 133**	**(4 673)**	**(477)**	**(808)**	**(0)**	**159 397**

6.14 Property, plant and equipment

6.14.1 Tangible assets

1. Recognition and measurement

In accordance with IAS 16, the gross carrying amount of an item of property, plant and equipment corresponds to its acquisition or production cost and it is not revalued.

Capital expenditure grants are recognised as a deduction from the gross carrying amount of the asset for which they were granted.

Repair and maintenance costs are expensed as incurred

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When components of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

2. Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Repairs and maintenance are expensed as incurred.

3. Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and ready for use or, in the case of self-constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives of significant items of property, plant and equipment are as follows:

• Buildings	20 years
• Plant and equipment	5-10 years
• Fixtures and fittings	5-10 years
• Equipment and tooling	5 years
• Transport equipment	4-5 years
• Office and IT equipment	3-5 years
• Furniture	5-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate.

Changes in the gross value and accumulated depreciation of property, plant and equipment break down as follows:

Gross value *(In thousands of euro)*	31 December 2014	Change in scope (In)	Acquisitions	Disposals	Reclassifications	Foreign currency translation differences	31 December 2015
Land	861	-	-	-	-	(26)	835
Arrangements on land	163	-	-	-	-	-	163
Buildings	32 107	1 954	3 656	(60)	6 407	(168)	43 896
Leased Buildings	5 708	-	-	-	-	-	5 708
Technical plant, equipment and machinery	77 771	23 252	10 895	(4 560)	3 197	(65)	110 490
Leased technical plant, equipment and machinery	4 531	-	480	-	(2 080)	-	2 931
Other property, plant and equipment	36 759	20 261	4 290	(1 797)	1 044	-	60 557
Office equipment	5 675	1 454	278	(26)	38	9	7 428
Transport equipment	1 402	420	117	(332)	278	(15)	1 870
Leased transport equipment	1 291	-	262	(45)	(278)	-	1 230
Hardware	10 515	5 158	1 131	(255)	128	(12)	16 664
Biological assets	1 390	-	87	-	-	-	1 477
Work in progress	2 389	222	6 450	-	(8 338)	(32)	690
Amount paid on property, plant and equipment	6	101	268	-	(230)	-	145
Property, Plant and equipment - gross	**180 567**	**52 822**	**27 914**	**(7 075)**	**106**	**(311)**	**254 983**

Accumulated depreciations *(In thousands of euro)*	31 December 2014	Change in scope (in)	Additions	Reversals	Reclassifications	Foreign currency translation differences	31 December 2015
Arrangements on land	(134)	-	(4)	-	-	-	(138)
Buildings	(16 474)	(1 390)	(2 507)	60	8	8	(20 295)
Leased Buildings	(3 467)	-	(272)	-	-	-	(3 739)
Technical plant, equipment and machinery	(53 259)	(16 262)	(11 981)	4 463	(2 528)	57	(79 511)
Leased technical plant, equipment and machinery	(3 505)	-	(417)	-	1 802	-	(2 120)
Other property, plant and equipment	(23 729)	(13 347)	(4 955)	1 704	77	-	(40 250)
Office equipment	(4 266)	(1 032)	(432)	26	3	(4)	(5 706)
Transport equipment	(1 196)	(290)	(165)	301	(202)	5	(1 347)
Leased transport equipment	(535)	-	(253)	43	202	-	(543)
Hardware	(8 560)	(4 631)	(1 026)	251	(98)	14	(14 048)
Biological assets	(943)	-	(123)	-	-	-	(1 066)
Land	(20)	-	(1)	-	-	-	(21)
Work in progress	-	-	-	-	-	-	-
Property, plant and equipment - accumulated depreciation	**(116 089)**	**(36 952)**	**(22 137)**	**6 858**	**(736)**	**80**	**(168 983)**
Property, plant and equipment - net	**64 479**	**15 870**	**5 777**	**(225)**	**(570)**	**(231)**	**85 100**

6.14.2 Leases assets

Assets under finance leases or arrangements that are in substance finance leases as defined by IAS 17 – Leases and IFRIC 4, respectively, are recognised as an asset in the balance sheet.

Leases under whose substance or form the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

After the initial accounting, the asset is subsequently accounted for in accordance with the accounting policy applicable to this type of asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Other leases are operating leases and are not recognised as non-current assets.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, and as a reduction in rental expense over the term of the lease.

The Group has entered into a number of lease financing on the equipment, technical equipment and the headquarters. Some of these contracts such as the provision of equipments correspond in substance to the definition of financing agreements.

At 31 December 2015, the breakdown of fixed assets held under leases was as follows:

Gross value (In thousands of euro)	31 December 2015
Leased land	643
Leased Buildings	18 539
Leased technical plant, equipment and machinery	62 867
Leased transport equipment	1 230
Other property, plant and equipment	10 414
Lease property, plant and equipment - gross	**93 693**

Tangible fixed assets - leasing: depreciation (In thousands of euro)	31 December 2015
Leased Buildings	(9 851)
Leased technical plant, equipment and machinery	(39 487)
Leased transport equipment	(543)
Other property, plant and equipment	(6 672)
Lease property, plant and equipment - accumulated depreciation	**(56 553)**
Lease property, plant and equipment - net	**37 140**

6.15 Other non-current assets

The Group initially recognises loans and receivables on the date they originated.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus any directly attributable transaction costs and subsequently remeasured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Impairment

A financial asset not classified as at fair value is assessed at each reporting date to determine whether there is objective evidence that it may be impaired as a result of one or more events that occurred after the initial recognition of the asset giving rise to a loss event with an impact on the estimated future cash flows of the asset that can be estimated reliably.

Financial assets measured at amortised cost.

The Group considers evidence of impairment of financial assets measured at amortised cost (loans and receivables) both individually and collectively.

The high volumes and low unit values of invoices issued by the Group require specific credit management processes. Impairment policies for receivables are implemented on the basis of historical data but provisions for doubtful debts are booked on a case by case basis. In the specialised clinical pathology business, receivables from direct patients which are more than 35 days overdue are handled by a debt collection company.

In assessing collective impairment of receivables, the Group uses historical trends of the probability of default, payment patterns and the amount of losses incurred in the past, adjusted based on management's assessment of whether current economic and credit conditions are such that actual losses are likely to be greater or less than those suggested by historical trends.

An impairment loss on a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows. Impairment losses are recognised in profit or loss under "Net change in amortisation and impairment" with a matching entry in an allowance account for loans and receivables. Any subsequent decrease in the impairment loss is reversed through profit or loss.

(In thousands of euro)	31 December 2015	31 December 2014
Equity affiliates	612	246
Other receivables related to investments	205	193
Investment securities	382	6
Loans, deposits and other receivables - non-current	3 907	1 262
Receivables on disposal of assets	34	-
Other receivables	243	53
Accured interests on receivables	1	-
Impairment on participations	(5)	-
Impairment of other non-current receivables	(47)	(50)
Impairment on loans, depostifs and other receivables	(390)	-
Impairment of securities	(175)	(40)
Total	**4 767**	**1 670**

Loans, security deposits and other receivables mostly includes Security deposits and Guarantees net of depreciation.

6.16 Deferred tax assets and liabilities

(In thousands of euro)	31 december 2015	31 december 2014
Deferred tax assets	10 944	2 096
Deferred tax liabilities	(45 560)	(33 172)
Net deferred tax	**(34 616)**	**(31 076)**

(In thousands of euro)	31 december 2014	CHANGE IN SCOPE (IN)	RESULT IMPACT	RECLASSIFICATIONS	OCI	OTHERS	31 december 2015
Activation of loss carryforward	8 048	1 118	6 258	-	-		15 424
Pensions and other post employment benefits	2 249	1 493	38	-	1 149	215	5 144
Finance lease	847	55	14		-	12	928
Profit sharing	844	57	(549)	-	-	227	578
Other temporary differences	375	1 292	(1 385)	-	-	(45)	237
Fair value of plan assets	311	152	(230)		-	-	233
Other items	502	-	3 718	38	-	105	4 363
Deffered taxes assets before netting	**13 176**	**4 167**	**7 864**	**38**	**1 149**	**514**	**26 908**
Impact of netting on deffered taxes	**(11 079)**	-	-	**(4 885)**	-	-	**(15 964)**
Net deffered taxes assets	**2 097**	**4 167**	**7 864**	**(4 847)**	**1 149**	**514**	**10 944**

(In thousands of euro)	31 december 2014	CHANGE IN SCOPE (IN)	RESULT IMPACT	RECLASSIFICATIONS	OCI	OTHERS	31 december 2015
Intangibles assets	(34 395)	(17 907)	2 901	-	-	-	(49 401)
IAS 39 Financing adjust.	(7 017)	-	(2 260)	-	-	-	(9 277)
Cancellation of regulated provisions	(1 730)	(85)	97	-	-	85	(1 633)
Business Goodwill	(657)	-	(33)	-	-	-	(690)
Provisions for risks and losses	(269)	-	-	-	-	-	(269)
Other items	(183)	-	(41)	(38)	-	7	(255)
Deffered taxes liabilities before netting	**(44 251)**	**(17 992)**	**664**	**(38)**	-	**92**	**(61 525)**
Impact of netting on deffered taxes	**11 079**	-	-	**4 885**	-	-	**15 964**
Net deffered taxes liabilities	**(33 172)**	**(17 992)**	**664**	**4 847**	-	**92**	**(45 560)**

Given the uncertainty over future taxable profits, unrecognised tax loss carry-forwards amounted to €127 Million on December 31th 2015.

The tax loss carry-forwards originate from operational entities (BARC-NV, CRI, NOVESCIA-BIO15) and from the holding company which includes CHC and CEFID.

6.17 Inventories

Inventories are stated at the lower of cost and net realisable value, in accordance with IAS 2 – Inventories.

Cost is determined by the first-in-first-out (FIFO) method and are measured at the lower of cost and net realisable value.

The net realisable value of inventories intended to be sold corresponds to their selling price, as estimated based on market conditions and any relevant external information sources, less the estimated costs necessary to complete the sale.

Finished goods inventories, mainly comprising reagents and consumables, are recognised at purchase cost, plus any directly attributable costs. They are measured on a VAT-inclusive basis less the applicable pro rata VAT amounts.

The Group's inventories includes reagents and consumables.

(In thousands of euro)	31 December 2015	31 December 2014
Raw materials	7 263	5 466
Merchandises	389	419
Inventories (gross value)	**7 652**	**5 885**
Impairment of inventories	**(218)**	**(315)**
Inventories (net value)	**7 434**	**5 570**

6.18 Trade receivables

A provision for impairment is recognized on trade receivables of enterprises if the Group believes that there is a risk that the debt will not be recovered.

The probable impairment clues that lead the Group to reflect on this point include the existence of unresolved disputes, the age of receivables and significant financial difficulties of the debtor.

(In thousands of euro)	31 December 2015	31 December 2014
Trade receivables	67 789	48 822
Unbilled	6 819	8 262
Impairment of trade receivables	(7 413)	(3 095)
Carrying amount	**67 195**	**53 989**

Changes in accumulated impairment of trade receivables break down as follows:

(In thousands of euro)	31 December 2015
Impairment of trade receivables - Opening	**(3 095)**
Additions	(5 479)
Reversals	6 099
Reclassification	45
Translation differences	2
Change in consolidation scope	(4 985)
Impairment of trade receivables - Closing	**(7 413)**

6.19 Other current assets

(In thousands of euro)	31 December 2015	31 December 2014
Accrued interest on receivables and loans	4	6
Investment securities	17	2
Loans, deposits and other receivables	805	729
Impairment of loans, deposits and other receivables	(114)	(166)
Suppliers - Prepayments	1 747	498
Suppliers receivable	1 785	1 191
Receivables from employees & social organizations	757	671
Tax receivables - excluding IS	9 826	8 034
Current accounts - assets	477	2 197
Receivables on disposals of assets	16	40
Other receivables	1 466	660
Prepaid expenses	5 263	4 165
Receivables from participations	445	1
Accrued interest on receivables	10	61
Tax CIR	83	(41)
Impairment of other receivables & accrued interest	(18)	(8)
Total other current assets	**22 570**	**18 041**

The tax receivables include the VAT receivables (€ 4 Million) , CICE (€ 5 Million) and withholding tax (€ 0.6 Million).

Prepaid expenses at 31 December 2015 included commissions related to the High Yield issuance, in particular, the Revolving Credit Facilities not used which took place in January 2013 and in February 2015.

6.20 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash on hand, amounts invested in money market funds and negotiable debt instruments, readily convertible into known amounts of cash, and subject to insignificant interest rate risk exposure. They do not include bank overdraft facilities.

(In thousands of euro)	31 December 2015	31 December 2014
Money Market securities	421	231
Cash	45 721	63 869
Total	**46 142**	**64 100**
Bank overdrafts	(1 584)	(1 772)
Total net cash	**44 558**	**62 328**

The Money market securities includes cash balances invested for periods of three months or less (treasury bills and certificates of deposit) with banks or counterparties with long- and short-term ratings of at least A and A1 respectively (Rating S&P).

There are no restrictions (as defined in IAS 7) that could materially affect the availability of the cash and cash equivalent balances of subsidiaries.

FINANCIAL POSITION-LIABILITIES

6.21 Share capital

Definitions

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

Preference shares

Preference share capital is classified as equity if it is non-redeemable, or redeemable at the Company's discretion only, and the distribution of any dividends is also discretionary. Dividends thereon are deducted directly from equity once they have been approved by the Company's shareholders at their general meeting.

All of the preference shares issued by the Group meet the definition of equity instruments.

Share-based payment

On 21 July 2010, the Company issued shares with warrants to senior executives and some Group employees.

The issue was recognised in accordance with IFRS 2 as a share-based payment and the warrants were measured at fair value on the grant date.

The fair value of stock options is based on the exercise price and the expected life of the option; the price of the underlying stock at the grant date; the expected volatility in the share price; forecast dividends; and the risk-free interest rate over the life of the option.

This method results in a fair value of warrants that is equal to their issue price. The shares with warrants have therefore been classified as equity at their issue cost. Since the issue price is equal to the grant-date fair value, the corresponding expense in the income statement is nil.

On December 31th 2015, share capital comprised 43,216,872,407 shares with a par value of €0.01 for an aggregate amount of €432,168,724.07.

	Shares A		Shares B		Ordinary Actions		Fees	Total	
In thousand of euros	Share capital	Share premium	Share capital	Share premium	Share capital	Share premium and additional paid-in capital	Share premium and additional paid-in capital	Share capital	Share premium and additional paid-in capital
Incorporation of the Company	37							37	-
Increase in share capital									
21 July 2010			1	143 962	640	64 150		641	208 112
16 December 2010			-	7 808	36	3 531		36	11 339
12 May 2011			-	16 515	19	1 921		20	18 435
07 July 2011					38	3 727		38	3 727
11 August 2011					16	1 619		16	1 619
15 December 2011			-	4 675	16	1 543		16	6 218
21 and 27 December 2011					3	342		3	342
23 January 2012					2	172		2	172
Share capital increase fees							-18		-18
11 December 2012			1	166 865				1	166 865
17 February 2015				-339 825	431 359	-77 005	18	431 359	-416 811
Total	37	-	2	-	432 129	-	-	432 169	-
In shares									
Outstanding shares at 31 December 2014									
Fully-paid share	3 700 000		339 826		76 984 779			81 024 605	
Variations of the year					43 135 847 802			43 135 847 802	
Outstanding shares at 31 December 2015									
Fully-paid share	3 700 000		339 826		43 211 832 581			43 216 872 407	

6.21.1 Preference shares

The Series A and B preference shares issued by Cerba HealthCare in July 2010 have the following features:

- No voting rights (Art. 19.4 of the Articles of association).
- No rights to the Company's profits (except for the preference dividend), assets, reserves, distributions or liquidation surplus (Art. 22.1 of the Articles of association).
- Cumulative annual preference dividend equal to 10% of the subscription value of each Series A and B share calculated as of 21 July 2010 and capitalised annually (Art. 22.1 of the Articles of association).
- The Series A and B preference dividends may be adjusted in the event of a market floatation or a loss of controlling interest (Art. 22.2 of the Articles of association).
- No maturity date.

6.21.2 Ordinary shares

Each ordinary share carries one voting right at the general meetings of shareholders. Each share entitles its owner to receive a share in the Company's profits, assets, reserves, distributions or liquidation surplus.

6.21.3 Warrants

On 21 July 2010, Cerba HealthCare issued 16 million shares with warrants for an aggregate nominal value of €160,000. The share premium amounted to €15.84 million and the warrants to €0.79 million.

Each share has two warrants attached: warrant 1 valued at €0.015625 and warrant 2 at €0.03375.

Shares with warrants are reserved for senior executives and some Group company managers, designated by the Commitments Board. The shares with warrants were issued at fair value as determined by an expert.

They were measured at the grant-date fair value, which corresponds to their issue price. Consequently, no expense was recognised under IFRS 2.

6.22 Financial liabilities

The Group initially recognises debt securities and subordinated liabilities on the date they originated.
Financial liabilities consist of borrowings and debt, in accordance with IAS 39.
Loans whose contractual rate of interest is tied to the Group's business data are deemed to be at a fixed rate (at the effective interest rate calculated at the inception of the loan).
In the event of a change in the underlying data used to calculate the effective interest rate, the carrying amount of the loan is adjusted with a matching entry to finance costs.
The Group derecognises a financial liability when its contractual obligations have been discharged, cancelled or expired.
The Group classifies non-derivative financial liabilities as other financial liabilities. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. They are subsequently remeasured at amortised cost using the effective interest method.
Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the consolidated statement of cash flows.

Hybrid financial instruments issued by the Group comprise convertible bonds denominated in euros that can be converted into a fixed number of shares.
The liability component of a hybrid financial instrument is recognised initially at the fair value of a similar liability that does not have a conversion option, by discounting the contractual cash flows at a market rate. The equity component is recognised initially for the amount of the difference between the proceeds from the issue of the convertible bonds and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.
The liability component of a hybrid financial instrument is subsequently remeasured at amortised cost using the effective interest method. The equity component of a hybrid financial instrument is not remeasured subsequent to initial recognition.

Interest and any gains and losses related to the financial liability are recognised in profit or loss. Upon conversion of the bonds, the financial liability is reclassified to equity and no gain or loss is recognised.

(In thousands of euro)	**31 December 2015**	**31 December 2014**
Convertible bonds	-	6 188
H-YIELD bond	661 492	436 425
Other bonds	20 023	20 179
Bank loans	68 300	28 510
Finance lease liabilities	41 330	39 628
Other borrowings	50 762	743
Accrued interests	21 723	15 428
Bank overdrafts	1 584	1 772
Total financial liabilities	**865 214**	**548 873**
Of which non-current financial liabilities	*805 755*	*512 177*
Of which current financial liabilities	*59 459*	*36 696*

This note breaks down Group borrowings by type of instrument, notably the refinancing operation referred to in Note 6.2.

Financial liabilities comprise several different types of debt and equity instruments and bank borrowings in line with the Group's policy of diversifying its sources of financing.

Changes in financial liabilities over the period may be analysed as follows:

(In thousands of euro)	31 December 2015
Opening position	**548 873**
Proceeds from issuance of borrowings	281 294
Repayment of borrowings	(32 480)
Change in bank overdrafts	(1 110)
Amortized cost of reprocessing ERI	4 056
New finance lease contracts	10 040
Finance costs	55 281
Finance costs paid	(45 880)
Reclassifications (mainly incorporation to share capital)	(11 469)
Change in consolidation scope	56 718
Translation differences	(55)
Others	(55)
Closing position	**865 214**

6.22.1 Debt repayment schedule and terms

(In thousands of euro)	31 December 2015	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Over 5 years
Bonds and notes	681 515	2 018	2 021	2 021	2 021	673 434
Bank loans	68 300	19 659	24 543	8 683	4 208	11 207
Finance lease liabilities	41 330	13 009	10 183	6 247	3 402	8 489
Other borrowings	50 762	50 024	5	-	-	733
Accrued interests	21 723	21 723	-	-	-	-
Bank overdrafts	1 584	1 584	-	-	-	-
Total financial liabilities	**865 214**	**108 017**	**36 752**	**16 951**	**9 631**	**693 863**

(In thousands of euro)	31 December 2014	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Over 5 years
Bonds and notes	462 792	1 192	1 196	1 196	1 196	458 012
Bank loans	28 510	7 037	7 843	4 282	2 718	6 630
Finance lease liabilities	39 628	11 327	8 402	6 110	4 444	9 345
Other borrowings	743	(60)	5	-	-	798
Accrued interests	15 428	15 428	-	-	-	-
Bank overdrafts	1 772	1 772	-	-	-	-
Total financial liabilities	**548 873**	**36 696**	**17 446**	**11 588**	**8 358**	**474 785**

Group policy consists of spreading the maturities of its long-term debt (bonds, private investments and bank borrowings) over time in order to limit annual refinancing requirements.

(In thousands of euro)	31 December 2015	Face value	Share capital	Less equity instruments	Less IFRS restatments	Capitalized interests	Accrued interests
Convertible bonds	-						
H-YIELD bond	661 492	683 250		(14 653)	(7 105)	-	20 080
Other bonds	20 023	14 246				5 777	1 212
Total bonds and notes	**681 515**	**697 496**	**-**	**(14 653)**	**(7 105)**	**5 777**	**21 292**

(In thousands of euro)	31 December 2014	Face value	Share capital	Less equity instruments	Less IFRS restatments	Capitalized interests	Accrued interests
Convertible bonds	6 188	10 137	(4 309)	(493)	(175)	1 028	1 039
H-YIELD bond	436 425	451 078		(14 154)	(499)	-	12 979
Other bonds	20 179	16 029				4 149	875
Total bonds and notes	**462 792**	**477 244**	**(4 309)**	**(14 647)**	**(674)**	**5 177**	**14 893**

Financing arrangements set up when the Group was created were as follows:

- Convertible and non-convertible bonds, most of which bear interest at 10%, maturing on 21 July 2025. The Interests are capitalised annually. The majority of convertible bonds were converted into shares following the decision of the General Shareholders' Meeting of 11 December 2012 to increase the share capital of the holding company.
- Existing loans at 31 January 2012 were refinanced by the high-yield bonds issued on 31 January 2013, on 28 February 2015 and by the additional draw (see Note 6.2).
- The Group has also received financing from its shareholders in the form of non-convertible bonds.

The Group's subsidiaries have local medium-term credit facilities.

Loans and borrowings can be analysed by type of rate (fixed or floating interest rates) as follows:

	31 December 2015			31 December 2014		
(In thousands of euro)	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate
Bonds and notes	681 515	681 515	-	462 792	462 792	-
Bank loans	68 300	57 708	10 592	28 510	24 985	3 525
Finance lease liabilities	41 330	41 330	-	39 628	39 628	-
Other borrowings	50 762	50 762	-	743	743	-
Accrued interests	21 723	21 723	-	15 428	15 428	-
Bank overdrafts	1 584	1 584	-	1 772	1 772	-
Total financial liabilities	**865 214**	**854 622**	**10 592**	**548 873**	**545 348**	**3 525**

6.22.2 Debts covenants

The main financial liabilities are subject to certain conditions applied to the consolidated financial statements and notably the ratio of net debt to gross operating profit (or EBITDA).

Following the refinancing operation of January 2013, new debt covenants were negotiated with the Group's banks, replacing the pre-existing covenants (see Notes 6.2).

As part of its Revolving Credit Facility, the Group is bound by two new covenants calculated based on the consolidated accounts: Leverage ratio (Consolidated Total Net Debt / Consolidated proforma EBITDA) and Percentage Test (contribution of the loan guarantors to consolidated EBITDA and consolidated assets).

6.23 Employee benefits

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits vested by employees in return for services provided in the current and prior periods, less any unrecognised past service costs and the fair value of plan assets.

The discount rate is the yield at the reporting date on AA credit-rated bonds with similar maturities to the Group's obligations denominated in the currency in which the benefits are expected to be paid.

In accordance with Revised IAS 19 – Employee Benefits, pensions and other post employment benefits are measured by a qualified independent actuary using the projected unit credit method.

Each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The final obligation is then discounted to present value. These calculations require the use of:

- projected retirement dates;
- a discount rate;
- an inflation rate;
- assumptions regarding future salary increases and staff turnover.

At each closing, the Group determine its discount rate on the basis of the most representative yield on first class bonds with a duration equivalent to that of its commitments.

The assumptions of salary increase rates correspond to inflation assumptions and forecasts of individual salary increases. In France, the assumption is an increase of inflation plus an individual increase as the age of the employee.

The assumptions of mortality, staff turnover and retirement age at retirement are set identically on all Group entity.

Obligations are measured annually for the Group's main plans and once every three years for other plans unless changes in assumptions or significant changes in demographic data warrant more frequent measurement.

For each defined benefit plan, the Group recognises a provision equal to the benefit obligation, less the fair value of plan assets, actuarial gains and losses and any unrecognised past service cost.

Actuarial gains and losses arise on change in assumptions or differences between forecast and actual data concerning the benefit obligation or the performance of plan assets.

The Group recognises deferred cumulative actuarial gains and losses on employee benefits in equity and they are presented in "Other comprehensive income".

- Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is equal to the amount of future benefits vested by employees in return for services provided in the current and prior periods. Other employee benefits mainly comprise seniority bonuses.

Actuarial gains/losses as well as the past services costs related to the long-term employee benefits other than pensions are recognized immediately in the Profit and Loss.

- Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid in short-term cash bonuses or incentive-based profit-sharing plans if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(In thousands of euro)	**31 December 2015**	**31 December 2014**
Defined benefits plan	14 782	6 250
Long-service bonuses	799	653
Total employee benefits	**15 581**	**6 903**
Of which :		
Employee benefit obligations	*16 131*	7 315
Plan assets	*(583)*	(427)

In certain countries excluding France, Group employees are entitled to supplementary pension plans into which the Group pays annual contributions, and lump sum retirement indemnities paid out once the employees retire. These take the form of either defined contribution or defined benefit plans.

Under defined contribution plans, the Group has no legal or constructive obligation to make further contributions and the corresponding expense is recognised in profit or loss for the period. All defined benefit plans concern France.

6.23.1 Change in the present value of the net defined benefit obligation

Changes in the Group's net defined benefit obligation break down as follows, taking into account the related plan assets totalling €583 thousand as of December 2015.

(In thousands of euro)	31 December 2015	31 December 2014
Defined benefit obligation at 1 January	**6 250**	**4 495**
Current service cost and interest cost	***808***	***499***
Change in consolidation scope and others	4 520	850
Curtailments and settlements system	(215)	(224)
Actuarial (gains) and losses	3 461	697
Contributions paid	(32)	(52)
Financial income from plan assets	(12)	(16)
Defined benefit obligation at closing date	**14 782**	**6 250**

Assumptions used in calculating the provision for retirement and similar benefits has only to do with France and have significantly changed compared to December 2014.

Net income (expense) recognised in profit or loss

(In thousands of euro)	31 December 2015	31 December 2014
Current services costs	(600)	(318)
Interest cost	(208)	(182)
Current service cost and interest cost	***(808)***	***(499)***
Financial income from plan assets	12	16
Paid contributions and allowance	32	172
Curtailments and settlements system	215	224
Income (Expense) recognised in profit or loss	**(550)**	**(88)**

This impact is recognised in full in profit or loss from recurring operations under "Personnel expenses".

Revised IAS 19 has had a minimal impact on the measurement of the Group's employee benefit obligations for 2015.

The only impact relates to financial income generated on plan assets (these assets concern approximately 10% of the lump sum retirement indemnity benefit obligation) which is identical to the rate used to discount liabilities, i.e, yield equivalent to the discount rate.

6.23.2 Actuarial assumptions

All of the Group's various employee benefit obligations are regularly reviewed by actuaries in accordance with IFRS standards using the projected unit credit method based on salaries at retirement.

All actuarial gains and losses and adjustments relating to the limitation are recognised in the reporting period in which they occur in accordance with Revised IAS 19.

Actuarial assumptions (i.e., the probability that active employees will continue to work in the Group, mortality rates, retirement age, assumptions regarding future salary increases, etc.) depend on the demographic and economic conditions in the countries in which the different plans have been set up.

Discount rates used to determine the present value of benefit obligations are based either on the government bond rate or on the yield on investment grade corporate bonds that are traded in an active market with maturities that match the duration of the benefit obligation. In the eurozone, discount rates have been calculated on software developed by independent actuaries.

Assumptions used in calculating the provision for retirement and similar benefits have only to do with France and the group decided to change the assumptions compared to December 2014 following the integration of Novescia network for harmonization.

	31 December 2015		31 December 2014	
	Management	Other employees	Management	Other employees
Discount rate	2,00%		1,80%	
Expected return on plan assets at 1 January				
Salary increase rate				
- 29 years	3,00%	2,00%	4,00%	2,00%
30 - 39 years	3,00%	2,00%	3,00%	1,50%
40 - 49 years	3,00%	2,00%	2,00%	1,50%
50 - 59 years	3,00%	2,00%	1,00%	1,00%
60 and over	3,00%	2,00%	1,00%	1,00%
Employer contributions	54,00%	51,00%	58,00%	52,00%
Staff Turnover rate				
- 25 years	19,00%	6,00%	10,00%	10,00%
25-29 years	19,00%	5,00%	10,00%	10,00%
30-34 years	9,80%	3,70%	7,00%	7,00%
35-39 years	9,00%	3,40%	7,00%	7,00%
40-44 years	1,60%	3,00%	5,00%	5,00%
45-49 years	1,60%	1,10%	5,00%	5,00%
50-54 years	1,60%	1,10%	2,00%	2,00%
55-57 years	0,50%	0,30%	2,00%	2,00%
+ 58 years	0,00%	0,00%	2,00%	2,00%
60 and over	0,00%	0,00%	0,00%	0,00%
Retirement age	65 years	63 years	65 years	62 years
Mortality table	TGHF 2005		INSEE F 2008-2010	

6.24 Provisions

In accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, a provision is recognized when, at the reporting date, the Group has an obligation to a third party, and it is likely or certain that an outflow of resources to this third party without equivalent consideration of such third parties.

(In thousands of euro)	31 December 2014	Change in consolidation scope	Additions	Reversals	Reclassifications	31 December 2015
Provision for litigation	929	164	415	(193)	(566)	749
Provisions for employee disputes	-	10	398	(480)	574	502
Other provisions	11	2 612	52	(462)	52	2 265
Non-current Provisions	**940**	**2 786**	**865**	**(1 135)**	**60**	**3 516**
Provision for litigation	347	59	21	(16)	(75)	336
Provisions for employee disputes	-	231	438	(60)	23	632
Other provisions	338	9	-	(69)	(8)	270
Current provisions	**685**	**299**	**459**	**(145)**	**(60)**	**1 238**

6.25 Other non-current liabilities

(In thousands of euro)	31 December 2015	31 December 2014
Deferred income - non-current	3 607	4 074
Other liabilities	157	502
Total other non-current liabilities	**3 764**	**4 576**

Other non-current liabilities include the non-current portion of the capital gain generated in 2006 from refinancing a property finance lease. This internal capital gain was reversed and deferred over the new lease term and the non-current portion of the deferred income was recognised in non-current liabilities in accordance with IAS 1.

6.26 Trade and other payables

(In thousands of euro)	31 December 2015	31 December 2014
Trade payables	65 147	39 824
Payables to fixed asset suppliers	10 826	5 225
Total Trade payables	**75 973**	**45 049**

6.27 Other current liabilities

(In thousands of euro)	31 December 2015	31 December 2014
Social security payables	40 637	25 569
Tax payables	8 908	6 479
Advances and downpayments received	5 759	5 551
Derivative instruments	682	908
Other current liabilities	3 853	4 079
Deferred income - current	108	153
Total Other current liabilities	**59 948**	**42 738**

The other current include interest rate swaps contracted by the Group to hedge its interest rate risk exposure. They are not eligible for hedge accounting under IAS 39 and consequently, any fair value adjustments are recognised in profit or loss (see Note 6.10).

ADDITIONAL INFORMATIONS

6.28 Financial instruments

6.28.1 Financial risk management

6.28.1.1 Introduction

The Group has exposure to the following risks arising on its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information on the Group's exposure to each of the above-mentioned risks, and its objectives, policies and procedures for measuring and managing risk, and capital management.

6.28.1.2 Risk management framework

The Supervisory Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are designed to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to predetermined limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a rigorous and effective control environment in which all employees understand their roles and responsibilities.

The Audit Committee oversees implementation of Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

6.28.2 Credit risk

Credit risk is managed at Group level. It is the risk of financial loss for the Group if a client or counterparty should fail to meet its contractual payment obligations.

Credit risk concerns cash and cash equivalents, derivative financial instruments, deposits with banks and financial institutions, as well as exposure to customer credit risk on outstanding receivables.

In the specialised clinical pathology business, the collection of receivables from direct patients, which are more than 35 days overdue, is handled by a debt collection company acting solely as a collection agent on behalf of Cerba. Impairment policies for receivables are implemented on the basis of historical data.

The high volumes and low unit values of invoices issued by the Group require specific credit management processes.

The trade receivables are therefore retained in the financial statements and stand at €60 million at 31 December 2015.

The carrying amount of loans and receivables represents the maximum exposure to credit risk at the reporting date.

Ageing

(In thousands of euro)	31 December 2015	Accrued undepreciated	< 3 months	3 to 6 months	6 months to 1 year	More than 1 year	Overdue and depreciated
			Overdue and undepreciated				
Trade receivables	60 376	32 506	21 492	4 287	3 742	5 763	(7 413)

(In thousands of euro)	31 December 2014	Accrued undepreciated	< 3 months	3 to 6 months	6 months to 1 year	More than 1 year	Overdue and depreciated
			Overdue and undepreciated				
Trade receivables	45 727	26 266	15 233	2 631	2 133	2 559	(3 095)

Credit risk

(In thousands of euro)	31 December 2015	< 1 year	< 2 years	< 3 years	< 4 years	Over 5 years
Non-current tax assets	-	-	-	-	-	-
Other receivables related to investments	205	-	-	-	-	205
Loans, deposits and other receivables - non-current	3 907	-	1 386	170	610	1 741
Other assets - no current	243	-	192	-	-	51
Trade receivables (gross)	67 789	62 026	3 203	2 559	-	-
Current tax assets	7 367	7 367	-	-	-	-
Receivables from employees & social organizations	757	757	-	-	-	-
Tax receivables	9 826	9 826	-	-	-	-
Other receivables	6 301	6 301	-	-	-	-
Total receivables, gross	**96 394**	**86 276**	**4 781**	**2 729**	**610**	**1 997**

(In thousands of euro)	31 December 2014	< 1 year	< 2 years	< 3 years	< 4 years	Over 5 years
Non-current tax assets	35	-	35	-	-	-
Other receivables related to investments	193	-	-	-	-	193
Loans, deposits and other receivables - non-current	1 262	-	200	-	85	977
Other assets - no current	53	-	-	-	-	53
Trade receivables (gross)	48 822	46 263	2 559	-	-	-
Current tax assets	3 733	3 733	-	-	-	-
Receivables from employees & social organizations	671	671	-	-	-	-
Tax receivables	8 034	8 034	-	-	-	-
Other receivables	5 322	5 322	-	-	-	-
Total receivables, gross	**68 125**	**64 023**	**2 794**	**-**	**85**	**1 223**

6.28.2.1 Trade and other receivables

The Group believes that it is neither exposed to material credit risk nor to over dependence on a specific customer due to its broad customer base, with customers located mainly in Europe.

6.28.2.2 Impairment losses

Cumulative impairment of trade and other receivables increase to €7.413 million versus €3.095 million in 2014. Provisions for impairment are mainly related to Novescia Entities.

6.28.3 Liquidity risk

Liquidity risk is the risk of the Group encountering difficulties in meeting the obligations associated with its financial liabilities that are settled in cash or other financial assets. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and "challenging" conditions, without incurring unacceptable losses or damaging the Group's reputation.

(In thousands of euro)	31 December 2015	Contractual cash flows	Breakdown of contractual cash flows		
			Up to 1 year	1 to 5 years	Over 5 years
H-YIELD bond	683 250	905 151	51 446	853 705	-
Other bonds	20 023	45 986	-	-	45 986
Bank loans	68 300	71 134	20 039	44 029	7 066
Other borrowings	50 762	50 762	-	-	50 762
Accrued interests	21 723				
Bank overdrafts	1 584	1 584	1 584	-	-
Total	**845 642**	**1 074 618**	**73 069**	**897 735**	**103 814**
IFRS restatement on convertible bonds and H-YIELD bond	(21 758)				
Finance lease liabilities	41 330				
Total	**865 214**				

(In thousands of euro)	31 December 2014	Contractual cash flows	Breakdown of contractual cash flows		
			Up to 1 year	1 to 5 years	Over 5 years
Convertible bonds	6 188	33 775	12 358	-	21 416
H-YIELD bond	451 078	616 325	31 150	124 600	460 575
Other bonds	20 179	58 852	2 191	-	56 661
Bank loans	28 510	29 256	7 038	17 810	4 409
Other borrowings	743	9 251	1 766	4 854	2 631
Accrued interests	15 428				
Bank overdrafts	1 772	1 772	1 772		
Total	**523 898**	**749 230**	**56 275**	**147 264**	**545 692**
IFRS restatement on convertible bonds and H-YIELD bond	(14 653)				
IFRS restatement on other borrowings	-				
Other loans contracted by the divisions	-				
Finance lease liabilities	39 628				
Total	**548 873**				

6.28.4 Market risk

Market risk includes the risk of changes in market prices, such as foreign exchange rates, interest rates and equity instrument prices affecting the Group's profit or the value of its financial instruments. The objective of market risk management is to contain market risk exposures within acceptable thresholds, while optimising returns.

6.28.4.1 *Currency risk*

The Group's financial performance is not materially affected by exchange rate fluctuations since a significant portion of operations takes place within the eurozone and income and expenses are generally denominated in the similar currency.

The following exchange rates were used during the period for the main currencies:

		2015		2014	
		Exchange rate at 31 December	Average rate at 31 December	Exchange rate at 31 December	Average rate at 31 December
AUD	Australian Dollar	1,4897	1,4765	1,4829	1,4724
CNY	Yuan	7,0608	6,9730	8,1883	7,5358
USD	US Dollar	1,0887	1,1096	1,3288	1,2141
ZAR	Rand	16,9530	14,1528	14,4065	14,0353

6.28.4.2 *Interest Rate risk*

The Group's financing has been contracted at fixed rates and notably the high-yield bond issue of 31 January 2013, the Additionnal High-yield bond of May 2014 and Senior Secure note on 28th February 2015.

Therefore, the Group is less exposed to interest rate fluctuations on its floating interest rate bank loans than in previous years.

The Group contracts interest rate swaps to hedge against interest rate risk. Only Laboratoire Cerba is still concerned as Cerba HealthCare unwound its positions following refinancing of the Group's debt in early 2013.

At 31 December 2015, the Group had hedged a €13 million property lease with pay-fixed interest rate swaps.

The carrying amount of the derivative financial instruments used to hedge interest rate risk is presented below:

			31 December 2015	31 December 2014
(In thousands of euro)	Termination date	Notional principal	Fair value	Fair value
Pay fixed-rate swap				
3-month Euribor - 4.16%	11/01/2019	10 886	(561)	(763)
3-month Euribor - 2.195%	27/07/2023	2 077	(121)	(145)
Total pay fixed-rate swap		**12 963**	**(682)**	**(908)**
Total derivative instruments			**(682)**	**(908)**

These interest rate swaps are economic hedges of interest rate risk on loans and borrowings; they have not been designated as hedging instruments for accounting purposes.

6.28.5 Capital management

The Group's policy is to maintain a strong capital base to ensure the Group's independence and support future development of the business. Capital consists of ordinary shares, non-redeemable preference shares and retained earnings. The Supervisory Board monitors the return on equity.

6.28.6 Carrying amounts and fair values

6.28.6.1 FV vs Carrying

The table below shows the fair values of financial assets and liabilities and the carrying amounts reported in the statement of financial position:

(In thousands of euro)	31 December 2015			31 December 2014		
	Assets at fair value through profit or loss	Loans and receivables	Fair value	Assets at fair value through profit or loss	Loans and receivables	Fair value
Non-current						
Other non-current assets		4 767	4 767		1 670	1 670
Current						
Trade receivables		67 195	67 195		53 989	53 989
Other current assets		22 570	22 570		18 041	18 041
Cash and cash equivalents	423	45 719	46 142	231	63 869	64 100
Financial assets	**423**	**140 251**	**140 674**	**231**	**137 568**	**137 799**

(In thousands of euro)	31 December 2015			31 December 2014		
	Derivative instruments at fair value through profit or loss	Liabilities measured at amortised cost	Fair value	Derivative instruments at fair value through profit or loss	Liabilities measured at amortised cost	Fair value
Non-current						
Non-current financial liabilities		805 755	805 755		512 177	512 177
Other non-current liabilities		3 764	3 764		4 576	4 576
Current						
Current financial liabilities		59 459	59 459		36 696	36 696
Trade payables		75 973	75 973		45 049	45 049
Other current liabilities	682	59 266	59 948	908	41 830	42 737
Financial liabilities	**682**	**1 004 216**	**1 004 898**	**908**	**640 328**	**641 236**

The fair value of trade receivables and trade payables is the amount reported in the statement of financial position, given the short-term nature of these assets and liabilities. The same applies to other receivables and payables.
The fair value of swaps corresponds to their valuation by their issuing bank. Financial liabilities are recognised at amortised cost using the effective interest method. The Group's bank loans are contracted at variable rates based on Euribor and their fair value is deemed to correspond to their value at the closing date.

6.28.6.2 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. inferred from observable prices).
- Level 3: fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Breakdown by category			
(In thousands of euro)	**Level 1**	**Level 2**	**Level 3**	**Total**
At 31 December 2015				
Liabilities				
Cash equivalents	46 142			46 142
Derivative instruments		682		682
Total financial liabilities	**46 142**	**682**	-	**46 824**
At 31 December 2014				
Liabilities				
Cash equivalents	64 100			64 100
Derivative instruments		908		908
Total financial liabilities	**64 100**	**908**	-	**65 008**

6.28.7 Operating Leases

Future minimum lease payments under non-cancellable operating leases at 31 December 2015 are shown in the following table:

(In thousands of euro)	**31 December 2015**	**< 1 year**	**1 to 5 years**	**More than 5 years**
Lease agreements	10 182	2 996	6 581	606
Total	**10 182**	**2 996**	**6 581**	**606**

Operating leases are entered into at market rates and accounted for as operating leases.

The Group uses operating leases for industrial equipment (mainly vehicles and transport equipment) when there is no economic justification for acquiring the assets in question.

The Group has no contingent lease commitments or sub-letting agreements.

6.29 Off-balance sheet commitments

6.29.1 Commitments given

Entities	Nature	Value at 31 December 2015	Value at 31 December 2014
Cerba HealthCare (formerly Financière Gaillon 12/Cerba European Lab)	Guarantees	-	11
	Mortgages and pledges	991 531	705 844
BARC NV	Mortgages and pledges	124 580	124 594
BILLIEMAZ	Mortgages and pledges	50	
BIOLILLE	Commitments under no-cancellable lease	1 041	1 340
	Mortgages and pledges	495	1 050
BIOPOLE	Mortgages and pledges	900	
BIOPYRENEES	Mortgages and pledges	6 470	
BIOREUNION	Commitments under no-cancellable lease	1 620	2 214
	Mortgages and pledges	2 482	
BIOTOP	Guarantees	3 482	4 782
	Commitments under no-cancellable lease	3 311	4 220
	Mortgages and pledges	9 621	
CBCV	Commitments under no-cancellable lease	1 598	2 055
	Mortgages and pledges	25 220	486
CEFID	Mortgages and pledges	73 343	71 480
CENTRE DE BIOLOGIE MEDICALE	Mortgages and pledges	586	
CERBA	Mortgages and pledges	194 260	106 454
CRI	Mortgages and pledges	89 929	68 353
FINANCIERE DE L'EQUERRE	Mortgages and pledges	2 428	
LBS	Mortgages and pledges		31 297
LLAM SA	Guarantees	476	461
	Commitments under no-cancellable lease	2 613	3 639
	Mortgages and pledges	5 028	12 957
	Others	21 918	21 525
NOV-AMIEL	Mortgages and pledges	54 158	
NOV-BOURGOGNE	Mortgages and pledges	167	
NOV-FRANCILIENS	Mortgages and pledges	1 643	
NOV-HAUTE VALLEE	Mortgages and pledges	2 418	
NOV-LOIRE	Mortgages and pledges	365	
NOV-MIDI PYRENEES	Mortgages and pledges	1 524	
NOV-PARIS OUEST	Mortgages and pledges	151	
NOV-PARIS SUD	Mortgages and pledges	11 920	
NOV-RHONE ALPES	Mortgages and pledges	8 275	
NOV-LA REUNION	Mortgages and pledges	1 159	

Commitments given mainly relate to non-cancellable operating lease commitments measured at the amount of the future minimum lease payments.
Pledges are mostly pledges of securities and financial commitments given as part of the high-yield bond issue in January 2013, in May 2014, and the additional draw in 28th February 2015.

6.29.2 Commitments received

(In thousands of euro)	Nature	Value at 31 December 2015	Value at 31 December 2014
Cerba HealthCare (formerly Financière Gaillon 12/Cerba European Lab)	Others	35 000	50000
BIOPOLE	Mortgages and pledges	161	
BIOPYRENEES	Mortgages and pledges	101	458
BIOTOP	Others	4 468	
CBCV	Guarantees	270	338
CERBA	Mortgages and pledges	3 554	1928
	Total	43 554	52 724

Commitments are received in the normal course of business and essentially concern the revolving line of credit and bank guarantees received when certain investments were acquired.

6.30 Related parties

6.30.1 Parent company and Group reporting entity

Related parties identified by the Group are as follows:

- Financière Gaillon 13, parent company of Cerba HealthCare;
- Cerberus Nightingale 2, parent company of Financière Gaillon 13.
- Cerberus Nightingale 1, parent company of Cerberus Nightingale 2.
- Financière Gaillon 0, parent company of Cerberus Nightingale 1
- MGCI, management company with an interest in Financière Gaillon 0;
- Biopart, whose General Manager also manages one of the Group's subsidiaries;

A breakdown of the balances and transactions between Group companies and associates is presented below:

(In thousands of euro)	*Nature*	*Partners*	31 December 2015	31 December 2014
Consolidated statement of Financial Position				
Other current assets	Payables	*Financière Gaillon 0*	264	
Other current assets	*Cash advances*	*Cerberus Nightingale 2*	285	
Cash and cash equivalents	*Cash advances*	*Financière Gaillon 0*	22	
Current financial liabilities	*Shareholder loans*	*Financière Gaillon 13*	4 305	6 072
Non-current financial liabilities	*High Yield Bond*	*Cerberus Nightingale 2*	149 622	
Non-current financial liabilities	*Other bond issues*	*BIOPART*	15 557	14 125

(In thousands of euro)	*Nature*	*Partners*	31 December 2015	31 December 2014
Income statement				
Other products	*HY related chargeback fees*	*Cerberus Nightingale 1*	4 106	
Exploitation charges	*Management fees*	*Financière Gaillon 0*	- 938	
Cost of net debt	*Related to the shareholder loans*	*Financière Gaillon 13*	- 424	- 550
Cost of net debt	*Related to the convertible bonds*	*Financière Gaillon 13*	- 155	- 1 128
Cost of net debt	*Related to the HY Bond*	*Cerberus Nightingale 2*	- 10 853	
Cost of net debt	*Related to the other bond issues*	*BIOPART*	- 1 432	- 1 300

6.31 Auditor's fees

	31 December 2015						31 December 2014					
(In thousands of euro)	PWC	%	Grant Thornton	%	Other	%	PWC	%	Grant Thornton	%	Other	%
Audit												
Statutory audit and certification of individual statements	482	45%	361	49%	201	94%	440	58%	324	68%	92	79%
Cerba Healthcare	*35*	*3%*	*35*	*5%*	-	0%	*138*	18%	*125*	26%	-	0%
Fully-consolidated subsidiaries	*447*	*42%*	*326*	*44%*	*201*	94%	*302*	40%	*199*	41%	*92*	79%
Other audit-related work and services	589	55%	376	51%	13	6%	*322*	42%	*156*	33%	-	0%
Cerba Healthcare (including consolidated financial statements)	*143*	13%	*130*	18%	-	0%	*161*	22%	*131*	27%	-	*0%*
Fully-consolidated subsidiaries	*446*	42%	*246*	33%	*13*	6%	*161*	21%	*25*	5%	-	*0%*
Total	**1 071**	**100%**	**737**	**100%**	**214**	**100%**	**762**	**100%**	**480**	**100%**	**92**	**79%**
Other services rendered by the audit networks to fully-consolidated subsidiaries												
Legal, tax, payroll-related	-	0%	-	0%	-	0%	-		-		24	21%
Total	-	**0%**	-	**0%**	-	**0%**	-		-		**24**	**21%**
Total fees	**1 071**	**100%**	**737**	**100%**	**214**	**100%**	**762**	**100%**	**480**	**100%**	**116**	**100%**

6.32 Executive management compensation

Given the Group's structure, key management compensation has not been disclosed as it would mean revealing individual salaries.

6.33 Subsequent events

No subsequent event.

CERBA EUROPEAN LAB

Consolidated Financial Statements 31 December 2014

CERBA EUROPEAN LAB

S.A.S with share capital of € 810,246.05

ZI Les Béthunes

7/11 rue de l'Equerre

95310 SAINT-OUEN-L'AUMONE

Version on 13/04/2015 17:15

1 Consolidated Statement of Financial Position

(In thousands of euro)	Notes	31 December 2014	31 December 2013
Assets			
Goodwill	6.12	671 193	599 292
Intangible assets	6.13	108 222	112 269
Property, plant and equipment	6.14	64 479	53 368
Non-current tax assets		35	1 628
Other non-current assets	6.15	1 670	1 797
Deferred tax assets	6.16	2 096	1 467
Non-current assets		**847 694**	**769 821**
Inventories	6.17	5 570	5 862
Trade receivables	6.18	53 989	53 962
Current tax assets		3 733	1 452
Other current assets	6.19	18 041	9 749
Cash and cash equivalents	6.20	64 100	63 764
Current assets		**145 433**	**134 789**
TOTAL ASSETS		**993 127**	**904 611**
Equity and Liabilities			
Share capital	6.21	810	*810*
Share premium	6.21	416 811	*416 811*
Retained earnings		(115 378)	*(110 519)*
Profit (loss) for the period, attributable to owners of the Company		(15 386)	*5 109*
Foreign currency translation reserve		(594)	*(743)*
Equity attribuable to owners of the company		286 263	311 468
Non-controlling interests - reserves		7 698	*9 038*
Non-controlling interests - profit (loss)		1 985	*2 449*
Non-controlling interests		9 683	11 486
TOTAL EQUITY	**4**	**295 946**	**322 954**
Non-current financial liabilities	6.22	512 177	419 180
Employee benefits	6.23	6 903	5 079
Non current provisions	6.24	940	4 525
Deferred tax liabilities	6.16	33 172	36 056
Other non current liabilities	6.25	4 576	4 147
Non-current liabilities		**557 768**	**468 986**
Current financial liabilities	6.22	36 696	29 239
Current provisions	6.24	685	679
Trade payables	6.26	45 049	40 440
Current tax liabilities		14 245	8 719
Other current liabilities	6.27	42 737	33 592
Current liabilities		**139 413**	**112 670**
TOTAL EQUITY AND LIABILITIES		**993 127**	**904 611**

2 Consolidated Income Statement

(In thousands of euro)	**Notes**	**31 December 2014**	**31 December 2013**
NET SALES	**6.7**	**399 216**	**351 586**
Consumption of materials and supplies		(66 283)	(75 653)
Other purchases and external expenses		(93 975)	(72 965)
Taxes and duties		(11 957)	(8 742)
Personnel expenses	6.8	(140 578)	(116 267)
Net change in depreciation and amortisation		(23 959)	(25 077)
Other income	6.9	4 070	10 319
Other expenses	6.9	(8 037)	(10 325)
Goodwill impairment		(22 600)	-
OPERATING INCOME (LOSS)		**35 897**	**52 875**
Cost of net debt		(37 694)	(32 465)
Other financial income		278	443
Other financial expenses		(1 118)	(1 307)
FINANCIAL INCOME (EXPENSE)	**6.10**	**(38 534)**	**(33 329)**
PRETAX INCOME (EXPENSE)		**(2 637)**	**19 546**
Income tax	6.11.1	(10 763)	(11 988)
PROFIT (LOSS)		**(13 400)**	**7 557**
Attributable to owners of the Company		(15 386)	*5 109*
Attributable to non-controlling interests		1 985	*2 449*

3 Consolidated Statement of Comprehensive Income

(In thousands of euro)	Notes	31 December 2014	31 December 2013
Profit (Loss)	**2**	**(13 400)**	**7 557**
Recyclable items through profit			
Foreign currency translation differences		*257*	(691)
Non-recyclable items through profit			
Actuarial gains and losses on defined benefit obligations		*(697)*	*(105)*
Tax impacts on actuarial gains and losses on defined benefit obligations		*224*	*36*
Gain and losses recognised directly in equity		**(217)**	**(760)**
Total comprehensive income for the period	**4**	**(13 617)**	**6 798**
Attributable to owners of the Company		*(15 692)*	4 694
Attributable to non-controlling interests		*2 075*	*2 173*

4 Consolidated Statement of Changes in Equity

(In thousands of euro)	Share capital	Share premium	Retained earnings	Actuarial differences	Translation differences	Total	Non-controlling interests	Total equity
Opening position at 1st January 2013	**810**	**416 811**	**(108 529)**	**117**	**(348)**	**308 861**	**9 822**	**318 683**
Total comprehensive income for the period								
Net income (loss) for the period			5 109			5 109	2 449	7 557
Total other comprehensive income				(19)	(396)	(415)	(276)	(691)
Total comprehensive income for the period	-	-	**5 109**	**(19)**	**(396)**	**4 694**	**2 173**	**6 867**
Transactions with owners of the Company, recognised directly in equity						-		-
Contributions by and distributions to owners of the Company						-		-
Changes in scope			(1 070)			(1 070)	638	(432)
Dividends			(0)			(0)	(928)	(928)
Others			(1 018)			(1 018)	(207)	(1 225)
Total contributions by and distribution to owners of the Company	-	-	**(2 088)**	-	-	**(2 088)**	**(497)**	**(2 585)**
Changes in ownership interests in subsidiaries						-		-
Non-controlling interests at acquisition of the subsidiary						-	(11)	(11)
Total transactions with owners of the Company	-	-	-	-	-	-	**(11)**	**(11)**
Closing position at 31 December 2013	**810**	**416 811**	**(105 508)**	**98**	**(743)**	**311 468**	**11 487**	**322 955**

(In thousands of euro)	Share capital	Share premium	Retained earnings	Actuarial differences	Translation differences	Total	Non-controlling interests	Total equity
Opening position at 1st January 2014	**810**	**416 811**	**(105 508)**	**98**	**(743)**	**311 468**	**11 487**	**322 955**
Total comprehensive income for the period								
Profit (loss) for the period			(15 386)			(15 386)	1 985	(13 400)
Total other comprehensive income				(455)	149	(306)	89	(217)
Total comprehensive income for the period	-	-	**(15 386)**	**(455)**	**149**	**(15 692)**	**2 075**	**(13 617)**
Transactions with owners of the Company, recognised directly in equity						-		-
Contributions by and distributions to owners of the Company						-		-
Changes in scope			(5 804)			(5 804)	(1 789)	(7 594)
Dividends			- 19			(19)	(1 999)	(2 018)
Others			(3 688)			(3 688)	2 137	(1 551)
Total contributions by and distribution to owners of the Company	-	-	**(9 511)**	-	-	**(9 511)**	**(1 652)**	**(11 163)**
Changes in ownership interests in subsidiaries						-		-
Non-controlling interests at acquisition of the subsidiary						-	(2 228)	(2 228)
Total transactions with owners of the Company	-	-	-	-	-	-	**(2 228)**	**(2 228)**
Closing position at 31 December 2014	**810**	**416 811**	**(130 405)**	**(357)**	**(594)**	**286 265**	**9 682**	**295 948**

5 Consolidated Cash Flow Statement

(In thousands of euro)	**31 December 2014**	**31 December 2013**
Profit (loss) for the period	(13 400)	7 557
Adjustments for:		
Amortisation, depreciation and impairment	47 337	23 151
Income tax	10 763	11 988
Financial Income (Expense)	38 534	33 329
Items classified as cash flows from investing activities	146	(487)
Change in working capital	(639)	4 817
Income tax paid	(15 254)	(12 051)
Net cash provided by (used in) operating activities	**67 487**	**68 308**
Acquisition of property, plant and equipment and intangible assets	(9 796)	(9 183)
Disposals of property, plant and equipment and intangible assets	303	269
Change in loans and other financial assets	724	(157)
Effect of change in consolidation scope	(75 352)	(38 529)
Interests received	12	36
Dividends received	48	18
Other changes related to investing activities	292	420
Net cash provided by (used in) investing activities	**(83 769)**	**(47 126)**
Dividends paid to non-controlling interests	(2 018)	(928)
Increase (decrease) in share capital by non-controlling interests	1 314	700
Proceeds from issuance of borrowings	96 324	357 072
Repayment of borrowings	(48 944)	(323 615)
Finance costs paid	(31 094)	(23 153)
Other Financial expenses paid	(727)	(1 103)
Net cash provided by (used in) financing activities	**14 855**	**8 973**
Effect of exchange rate fluctuations on cash held	150	(20)
Net increase (decrease) in cash and cash equivalents	**(1 277)**	**30 134**
Cash and cash equivalents at beginning of period	*63 605*	*33 471*
Cash and cash equivalents at end of period	*62 328*	*63 605*

6 Notes to the Consolidated Financial Statements

GENERAL INFORMATIONS

6.1 Reporting entity

Cerba European Lab (hereinafter referred to as "the Company") is a French simplified joint-stock company (*société par actions simplifiée*), headquartered in France at 7/11 Rue de l'Equerre 95310 Saint-Ouen-l'Aumône.

The Company was created on 8 June 2010 following the acquisition of the Cerba European Lab Group.

The Group is a leading European player in medical biology, with a market positioning in clinical laboratory testing, specialised clinical pathology and clinical trials.

Financière Gaillon 13 SAS was created in 2013 and is the shareholder of Cerba European Lab.

6.2 Significant events of the period

Changes in scope of consolidation

The Group continued its policy of external growth. It acquired the following interests during the year (see Note 6.11):

- Acquisition of JS Bio Group on May 23, 2014 in order to strengthen its presence in the PACA region
- Acquisition of CMP (Centre de Morphologie Pathologique) company in Belgium;
- Acquisition of JL BIO company situated in Paris

The Group is restructuring its operations as follows:

- Mergers by dissolution without liquidation and transfer of all assets and liabilities (Transmission Universelle de Patrimoine) in Picardie Area of:
  - LABLORIOT to BIOPOLE 80 from 18th August 2014
- Mergers by dissolution with tax and accounting retroactivity in PACA Area of:
  - Montbrun and JS Management to BIOTOP from 01st January 2014

Capital structure

As of May 28, 2014, Financière Gaillon 13, parent company of Cerba European Lab, has reorganized its capital.

After this operation, Financière Gaillon 13 now holds 100% stake in the company Cerba European Lab.

As of November 4, 2014, the entity Financière Gaillon 0, indirect parent of Cerba European Lab has been created and it became the new parent entity of the Group.

Financing structure

On May 23, 2014, the Group made an additional draw for High-Yield bond for a nominal amount of € 80M and € 6.8M emission premium with an interest rate of 7% payable at maturity biannual (February and August).

The Effective date of this bond is May 8th, 2014 and the deadline is fixed at January 31, 2020.

6.3 Basis of preparation

6.3.1 Statement of compliance

The consolidated financial statements of Cerba European Lab have been prepared in accordance with the International Financial Reporting Standards (including IFRSs, IASs, SIC and IFRIC interpretations) adopted by the European Union before 31 December 2014 and published by the IASB (International Accounting Standards Board).

The Group has analysed IFRSs, IASs, SIC, IFRIC interpretations and related amendments published, approved and applicable for accounting periods beginning on or after 1 January 2014 – as well as those not yet approved – by the European Union at 31 December 2014.

These standards can be viewed on the European Commission's website at:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

The following standards, interpretations and related amendments, published in the Official Journal of the European Union at the end of the reporting period, were applied by the Group in 2014:

Revised standards, amendments and interpretations applicable for accounting periods beginning on or after 1 January 2014		*First application UE for accounting periods from:*	*Impacts*
IFRS 10	"Consolidated Financial Statements"	01.01.2014	No significant impact
IFRS 11	"Joint Arrangements"	01.01.2014	No Impact
IFRS 12	"Disclosure of Interests in Other Entities"	01.01.2014	No Impact
Amendments IFRS 10, IFRS 11 et IFRS 12	"Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities - Transition Guidance"	01.01.2014	No significant impact
IAS 28	"Investments in Associates and Joint Ventures"	01.01.2014	No Impact
Amendments IFRS 10, IFRS 12 et IAS 27	"Investments Entities"	01.01.2014	No Impact
Amendments IAS 32	"Financial Instruments: Presentation: Classification of Rights Issues"	01.01.2014	No significant impact
Amendments IAS 36	"Recoverable Amount Disclosures for Non-Financial Assets"	01.01.2014	No significant impact
Amendments IAS 39	"Novation of Derivatives and Continuation of Hedge Accounting"	01.01.2014	No significant impact
New standards, amendments and interpretations published by the IASB applicable and not early-adopted by the Group:			
Amendments IAS19	" Defined Benefit Plans: Employee Contributions"	01.02.2015	impact being analyzed
IFRIC 21	"Levies"	17.06.2014	impact being analyzed
New standards, amendments and interpretations published by the IASB but not yet applicable or not early-adopted by the Group:			
IFRS 9	"Financial Instruments"	01.01.2018	impact being analyzed
IFRS 14	"Regulatory Deferral Accounts" (issued on 30 January 2014)	01.01.2016	To be Analysed
IFRS 15	"Revenue from Contracts with Customers (issued on 28 May 2014)"	01.01.2017	To be Analysed
Amendments IFRS 10, IFRS 12 and IAS 28	"Investment Entities: Applying the Consolidation Exception" (issued on 18 December 2014)	01.01.2016	No Impact
Amendments IAS 1	"Disclosure Initiative" (issued on 18 December 2014)	01.01.2016	To be Analysed
Amendments IAS 27	"Equity Method in Separate Financial Statements" (issued on 12 August 2014)	01.01.2016	To be Analysed
Amendments IAS 16 and IAS 41	"Bearer Plants" (issued on 30 June 2014)	01.01.2016	No Impact
Amendments IAS 16 and IAS 38	"Clarification of Acceptable Methods of Depreciation and Amortisation" (issued on 12 May 2014)	01.01.2016	To be Analysed
Amendments IFRS 11	"Accounting for Acquisitions of Interests in Joint Operations" (issued on 6 May 2014)	01.01.2016	To be Analysed

The Group is currently analysing the impact on its consolidated financial statements of the standards published by the IASB at 31 December 2014 but not yet adopted by the EU but it does not expect the impact to be material.

6.3.2 Comparability of financial statements

The accounting policies used to prepare the consolidated financial statements at 31 December 2014 are identical to those used for the consolidated statements at 31 December 2013.

As part of a consolidated reporting optimization process, some items were reclassified in 2014 and refining in terms of accounting position in the income statement.

These changes include the lines “Consumption of materials and supplies” and “Other purchases and external expenses” but have no major effect on the aggregates of our financial statements.

6.3.3 Basis of measurement

The consolidated financial statements have been prepared using the historical cost principle, except for derivative instruments, which are measured at fair value.

Concerning the business combinations (See Note 6.4.1.1), the Group acquires control of an entity or group of entities, the identifiable assets acquired and liabilities assumed are recognized and measured at fair value. The difference between the consideration transferred (i.e. the acquisition cost) and the fair value of the identifiable assets acquired, net of the liabilities and contingent liabilities assumed, is recognized as goodwill.

Goodwill is recorded directly in the statement of financial position of the acquired entity, in the entity's functional currency.

Its recoverable amount is subsequently monitored at the level of the cash-generating unit to which the entity belongs.

6.3.4 Functional and presentation currency

The consolidated financial statements are presented in Thousands of Euros, the Company's functional currency, and rounded to the nearest thousand, unless otherwise specified.

6.3.5 Use of estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual amounts may differ from these estimates.

Management bases these estimates and assumptions on past experience and the Group's current business environment and they are reviewed on an ongoing basis. The impacts of changes to estimates are recognised in the period in which the estimates are revised and for all future periods affected.

Estimates and assumptions are particularly important for measuring:

- the recoverable amount of intangible assets and property, plant and equipment, especially goodwill presented in notes 6.11, 6.12 and 6.13;
- obligations under defined benefit plans ;
- deferred tax assets and liabilities.

6.4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements and by all Group entities.

6.4.1 Basis of consolidation

The Group's annual consolidated financial statements include those of the parent company and all of its subsidiaries for the period ended 31 December 2014. All of the subsidiaries close their accounts on 31 December, except for LBS (30 September) and CRI (30 November).

The Group consolidates all entities over which it exercises exclusive control – either directly or indirectly – using the full consolidation method. Entities over which the Group has significant influence are accounted for using the equity method without applying any threshold in terms of its interest and/or voting rights.

All material intragroup balances, transactions, income and expenses are totally eliminated.

All profits and losses generated by subsidiaries are broken out into the portion attributable to owners of the Company and to non-controlling interests, based on their respective interests.

6.4.1.1 Business combinations

In accordance with Revised IFRS 3, business combinations acquired after to 1 January 2010 are accounted for using the purchase method at the acquisition date, which is the date on which control was transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; (+)
- the recognised amount of any non-controlling interests in the acquiree; (+)
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; (-)
- the net recognised amount (in general the fair value) of the identifiable assets acquired and liabilities assumed.

Contingent consideration is measured at its acquisition-date fair value and is subsequently adjusted through goodwill only when additional information is obtained after the acquisition date about facts and circumstances that existed at that date.

Such adjustments are made only during the 12-month measurement period that follows the acquisition date.

All other subsequent adjustments are recorded as a receivable or payable through profit or loss.

In the case of multi-step acquisitions, acquisition of control over the acquiree triggers remeasurement of all previously-held equity interests at fair value and any material changes are recognised in profit or loss from recurring operations.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Contingent consideration is recognised in equity if the contingent payment is settled by delivery of a fixed number of the acquirer’s equity instruments; in all other cases, it is recognised in liabilities related to business combinations. Contingent consideration is recognised at fair value at the acquisition date irrespective of the probability of payment. If the contingent consideration was originally recognised as a liability, any subsequent adjustments are recognised in profit or loss unless such adjustments are made within 12 months of the acquisition date and are related to facts and circumstances existing at the acquisition date. Purchased goodwill is accounted for as a business combination.

6.4.1.2 Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners. Therefore, no goodwill is recognised. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are determined based on the proportionate interest in the net assets of the subsidiary.

Operations that do not lead to a loss of control are treated as transactions between shareholders, giving rise to a new split between equity attributable to owners of the Company and to non-controlling interests. The same allocation basis is applied to any transaction costs.

6.4.1.3 *Subsidiaries*

Subsidiaries are entities controlled by the Group. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

French legislation requires laboratories to be incorporated as private practice companies (*Société d'Exercice Libéral – SEL*) and the clinical pathologists operating the private practice companies to hold at least 50% of the voting rights at shareholders' annual general meetings. In strict compliance with these regulations, the Group has created a capital structure to meet these obligations and hold the majority of the related financial interests (see Note 6.5). Moreover, specific clauses, especially concerning the governance structure, are included in the articles of association and shareholders agreements.

Although the Group does not hold the majority of voting rights in the private practice companies, the above-mentioned mechanisms allow it to obtain the majority of the economic benefits derived from the activities of these companies and also to demonstrate the existence of *de facto* control in full compliance with French legislation, therefore enabling the French entities to be fully consolidated.
Subsidiaries are fully consolidated from the date that control commences until the date that control ceases (see Note 6.4.1.4). Divestment resulting in loss of control

6.4.1.4 *Disvestment resulting in loss of control*

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any profit or loss arising on the loss of control is recognised in "Profit or loss from recurring operations".

If the Group retains any interest in its former subsidiary, said interest is measured at fair value at the date that control is relinquished. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset, depending on the level of influence retained.

6.4.1.5 *Transactions eliminated in consolidation*

Intra-group balances and transactions and any income and expenses arising from intra-group transactions are eliminated in the consolidated financial statements.

6.4.1.6 *Foreign currency transactions*

Transactions denominated in foreign currencies are translated into the functional currencies of the respective Group entities at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the closing exchange rate.

Foreign currency translation differences are recognised in profit or loss.

6.4.1.7 Foreign operations

The assets and liabilities of foreign operations – including goodwill and fair value adjustments arising on acquisitions – whose functional currency is not the euro, are translated into euros at the closing exchange rate, and their statements of comprehensive income are translated into euros using average exchange rates for the period.

The foreign currency translation differences arising from the use of different exchange rates are recognised in "Other comprehensive income". They are carried in the foreign currency translation reserve in consolidated equity until the related investments are sold or wound up.

6.4.2 Financial instruments

6.4.2.1 Definitions

The Group's financial assets and liabilities are presented in accordance with IAS 39.

They are broken out into their current and non-current portion, depending on whether they mature in under or over one year.

In accordance with IAS 39, the obligating event is recognition in the balance sheet at the transaction date: if there is a time-lag between the transaction date (i.e., the obligation) and the settlement date, securities deliverable or receivable are recognised from the transaction date.

6.4.2.2 Non-derivative financial assets

The Group initially recognises loans and receivables on the date they originated.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Factoring contract

Receivables assigned to third parties under factoring agreements are derecognised when substantially all of the risks and rewards of ownership are transferred to these third parties and, more particularly, when the factoring company bears the risks of non-recoverability and late payment.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus any directly attributable transaction costs and subsequently remeasured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash on hand, amounts invested in money market funds and negotiable debt instruments, readily convertible into known amounts of cash, and subject to insignificant interest rate risk exposure. They do not include bank overdraft facilities.

6.4.2.3 Non-derivative financial liabilities

The Group initially recognises debt securities and subordinated liabilities on the date they originated.

Financial liabilities consist of borrowings and debt, in accordance with IAS 39.

Loans whose contractual rate of interest is tied to the Group's business data are deemed to be at a fixed rate (at the effective interest rate calculated at the inception of the loan).

In the event of a change in the underlying data used to calculate the effective interest rate, the carrying amount of the loan is adjusted with a matching entry to finance costs.

The Group derecognises a financial liability when its contractual obligations have been discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities as other financial liabilities. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. They are subsequently remeasured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the consolidated statement of cash flows.

6.4.2.4 Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

Preference shares

Preference share capital is classified as equity if it is non-redeemable, or redeemable at the Company's discretion only, and the distribution of any dividends is also discretionary. Dividends thereon are deducted directly from equity once they have been approved by the Company's shareholders at their general meeting.

All of the preference shares issued by the Group meet the definition of equity instruments.

Share-based payment

On 21 July 2010, the Company issued shares with warrants to senior executives and some Group employees.

The issue was recognised in accordance with IFRS 2 as a share-based payment and the warrants were measured at fair value on the grant date.

The fair value of stock options is based on the exercise price and the expected life of the option; the price of the underlying stock at the grant date; the expected volatility in the share price; forecast dividends; and the risk-free interest rate over the life of the option.

This method results in a fair value of warrants that is equal to their issue price. The shares with warrants have therefore been classified as equity at their issue cost. Since the issue price is equal to the grant-date fair value, the corresponding expense in the income statement is nil.

6.4.2.5 Hybrid financial instruments

Hybrid financial instruments issued by the Group comprise convertible bonds denominated in euros that can be converted into a fixed number of shares.

The liability component of a hybrid financial instrument is recognised initially at the fair value of a similar liability that does not have a conversion option, by discounting the contractual cash flows at a market rate. The equity component is recognised initially for the amount of the difference between the proceeds from the issue of the convertible bonds and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

The liability component of a hybrid financial instrument is subsequently remeasured at amortised cost using the effective interest method. The equity component of a hybrid financial instrument is not remeasured subsequent to initial recognition.

Interest and any gains and losses related to the financial liability are recognised in profit or loss. Upon conversion of the bonds, the financial liability is reclassified to equity and no gain or loss is recognised.

6.4.2.6 Derivative financial instruments (interest rate swaps)

The Group has contracted interest rate swaps to hedge its interest rate risk exposure. They are not eligible for hedge accounting under IAS 39 and consequently, any fair value adjustments are recognised in profit or loss.

6.4.3 Goodwill and intangible assets

6.4.3.1 Goodwill

For initial recognition of goodwill, see Note 6.4.1.1.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies arising from the business combination.

The CGUs or group of CGUs identified by the Group are as follows:

- Specialised clinical pathology CGU: this activity involves complex clinical testing and/or testing requiring specific equipment that clients (hospitals, clinics, private or community laboratories) do not have.
- France private clinical laboratory testing CGU and Belux private clinical laboratory testing CGU.
- Clinical trials CGU: conducting clinical trials (logistics, analyses, results) for pharmaceutical companies and biotechnology firms during the drug development phase.

Business goodwill acquired during the period is recognised as part of goodwill.

6.4.3.2 *Research and development*

Expenditure on research activities to gain new scientific and technical knowledge and understanding is recognised in profit or loss as incurred.

Development expenditure is expensed if the criteria for recognition as an intangible asset as defined by IAS 38, are not met.

Under *IAS 38 – Intangible Assets*, development expenditure must be recognised as an intangible asset if the entity is able to demonstrate:

- its intention and its financial and technical ability to complete the development project;
- that it is probable that the future economic benefits attributable to the development expenditure will flow to the entity; and
- that the cost of the asset can be measured reliably.

Gross capitalised development expenditure also includes borrowing costs.

6.4.3.3 *Intangible assets*

The intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

They include customer contractual relationships and order books acquired in business combinations.

6.4.3.4 *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

6.4.3.5 *Amortisation*

Except for goodwill, intangible assets are amortised on a straight-line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

• Patents and trademarks	10 years
• Software	1-3 years
• Contractual customer relationships (specialised clinical pathology CGU)	19 years
• Order books (clinical trials CGU)	4 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate.

6.4.4 Property, plant and equipment

6.4.4.1 Recognition and measurement

In accordance with IAS 16, the gross carrying amount of an item of property, plant and equipment corresponds to its acquisition or production cost and it is not revalued.

Capital expenditure grants are recognised as a deduction from the gross carrying amount of the asset for which they were granted.

Repair and maintenance costs are expensed as incurred

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When components of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Leases are dealt with in Note 6.4.5.

Depreciation of property, plant and equipment is dealt with in Note 6.4.4.3 below.

6.4.4.2 Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Repairs and maintenance are expensed as incurred.

6.4.4.3 Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and ready for use or, in the case of self-constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives of significant items of property, plant and equipment are as follows:

• Buildings	20 years
• Plant and equipment	5-10 years
• Fixtures and fittings	5-10 years
• Equipment and tooling	5 years
• Transport equipment	4-5 years
• Office and IT equipment	3-5 years
• Furniture	5-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate.

6.4.5 Leased assets

Assets under finance leases or arrangements that are in substance finance leases as defined by IAS 17 – Leases and IFRIC 4, respectively, are recognised as an asset in the balance sheet.

Leases under whose substance or form the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

After the initial accounting, the asset is subsequently accounted for in accordance with the accounting policy applicable to this type of asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Other leases are operating leases and are not recognised as non-current assets.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, and as a reduction in rental expense over the term of the lease.

6.4.6 Inventories

Finished goods inventories, mainly comprising reagents and consumables, are recognised at purchase cost, plus any directly attributable costs. They are measured on a VAT-inclusive basis less the applicable pro rata VAT amounts.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

6.4.7 Impairment

6.4.7.1 Non-derivative financial assets

A financial asset not classified as at fair value is assessed at each reporting date to determine whether there is objective evidence that it may be impaired as a result of one or more events that occurred after the initial recognition of the asset giving rise to a loss event with an impact on the estimated future cash flows of the asset that can be estimated reliably.

Financial assets measured at amortised cost

The Group considers evidence of impairment of financial assets measured at amortised cost (loans and receivables) both individually and collectively.

The high volumes and low unit values of invoices issued by the Group require specific credit management processes. Impairment policies for receivables are implemented on the basis of historical data but provisions for doubtful debts are booked on a case by case basis. In the specialised clinical pathology business, receivables from direct patients which are more than 35 days overdue are handled by a debt collection company.

In assessing collective impairment of receivables, the Group uses historical trends of the probability of default, payment patterns and the amount of losses incurred in the past, adjusted based on management's assessment of whether current economic and credit conditions are such that actual losses are likely to be greater or less than those suggested by historical trends.

An impairment loss on a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows. Impairment losses are recognised in profit or loss under “Net change in amortisation and impairment” with a matching entry in an allowance account for loans and receivables. Any subsequent decrease in the impairment loss is reversed through profit or loss.

6.4.7.2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purposes of goodwill impairment testing, the CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. CGUs are aggregated within operating segments. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Goodwill impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are first allocated against the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then against the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill cannot be reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6.4.8 Employee benefits

In accordance with the laws and practices of the countries in which it operates, the Group grants its employees post-employment benefits (pension plans) and other long-term benefits (long-service bonuses).

In addition to regulatory post-employment benefits in the countries in which the Group is present, Group employees are also entitled to supplementary pension plans and lump sum retirement indemnities (see Note 6.23).

These take the form of either defined contribution or defined benefit plans indemnities (see Note 6.23).

Under defined contribution plans, the Group has no legal or constructive obligation to make further contributions and the corresponding expense is recognised in profit or loss for the period.

6.4.8.1 Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits vested by employees in return for services provided in the current and prior periods, less any unrecognised past service costs and the fair value of plan assets. The discount rate is the yield at the reporting date on AA credit-rated bonds with similar maturities to the Group's obligations denominated in the currency in which the benefits are expected to be paid.

In accordance with Revised IAS 19 – Employee Benefits, pensions and other post employment benefits are measured by a qualified independent actuary using the projected unit credit method: each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The final obligation is then discounted to present value. These calculations require the use of:

- projected retirement dates;
- a discount rate;
- an inflation rate;
- assumptions regarding future salary increases and staff turnover.

Obligations are measured annually for the Group's main plans and once every three years for other plans unless changes in assumptions or significant changes in demographic data warrant more frequent measurement.

For each defined benefit plan, the Group recognises a provision equal to the benefit obligation, less the fair value of plan assets, actuarial gains and losses and any unrecognised past service cost.

Actuarial gains and losses arise on change in assumptions or differences between forecast and actual data concerning the benefit obligation or the performance of plan assets.

The Group recognises deferred cumulative actuarial gains and losses on employee benefits in equity and they are presented in "Other comprehensive income".

6.4.8.2 Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is equal to the amount of future benefits vested by employees in return for services provided in the current and prior periods. Other employee benefits mainly comprise seniority bonuses.

Actuarial gains/losses as well as the past services costs related to the long-term employee benefits other than pensions are recognized immediately in the Profit and Loss.

6.4.8.3 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid in short-term cash bonuses or incentive-based profit-sharing plans if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

6.4.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs.

6.4.9.1 Restructuring provisions

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or been announced publicly. Future operating losses are not provisioned.

6.4.10 Net sales

Revenue from services rendered in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and any contractual volume discounts for hospitals after the elimination of intra-group sales.

Specialised clinical pathology and private clinical testing operations are carried out in clinical laboratories. Revenue related to analyses/tests carried out is recognised when the report is validated by the clinical pathologist (on the date results are given to the client).

Clinical trials are governed by contractual agreements providing for specific invoicing arrangements at each stage. Revenue is recognised using the percentage-of-completion method. Percentage of completion is measured on the basis of work performed.

6.4.11 Other income and expenses

Other income and other expenses include both recurring and non-recurring income and expenses. Non-recurring items comprise extraordinary income and expenses, which due to their nature, amount or frequency generally correspond to major one-off or unusual events.

6.4.12 Financial income and finance costs

Net finance costs comprise:

- interest expense relating to financial debt;
- gains and losses on interest rate derivatives (rate swaps) used to hedge interest rate risk on the Group's debt;
- income from cash and cash equivalents, which comprises interest paid on cash investments and cash equivalents.

Other financial income and expense mainly comprise foreign exchange gains and losses and changes in the fair value of derivatives that do not qualify for hedge accounting.

6.4.13 Income tax

Income tax comprises current tax and deferred tax recognised in accordance with IAS 12. Current tax and deferred tax are recognised in profit and loss unless they relate to a business combination, or to items that are recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on taxable profit or tax loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised in respect of temporary differences between the carrying amounts and tax base of assets and liabilities. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit;
- temporary differences related to investments in subsidiaries and joint ventures insofar as it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured using the tax rates (and laws) that have been enacted or substantially enacted by the year-end and are expected to apply when the asset is realised or the liability is settled.

In determining the amount of current and deferred tax, the Company takes into account the impact of any uncertain tax positions and any additional taxes and interest that may be due.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to taxes levied by the same authority, either on the same taxable entity or on different tax entities that intend to settle current tax liabilities and assets on a net basis, and realise their tax assets and settle their tax liabilities simultaneously.

A deferred tax asset is only recognised for unused tax credits, tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and reduced if it is no longer probable that taxable profit will be available against which they can be used.

6.5 Scope of consolidation

	31 December 2014			31 December 2013				
Integrated companies	Consolidation method	% control	% interests	Consolidation method	% control	% interests	Address	Country
Cerba European Lab SAS	**Parent company**	**100,00%**	**100,00%**	**Parent company**	**100,00%**	**100,00%**	**Saint-Ouen-l'Aumône**	**France**
BARC Australia	FC	100,00%	100,00%	FC	100,00%	100,00%	Kogarah	Australie
BARC China	FC	100,00%	100,00%				Shangai	Chine
BARC Finance	FC	100,00%	100,00%	FC	100,00%	100,00%	Zwijnarde	Belgique
BARC NV	FC	100,00%	100,00%	FC	100,00%	100,00%	Zwijnarde	Belgique
BARC RSA	FC	50,10%	50,10%	FC	50,10%	50,10%	Richmond area, Johannesburg	Afrique du sud
BARC USA	FC	100,00%	100,00%	FC	100,00%	100,00%	Lake Success, New York	Etats Unis
Biopyrénées	FC	48,76%	91,14%	FC	48,76%	91,14%	Tarbes	France
Biolille	FC	45,62%	83,03%	FC	39,16%	71,18%	Lille	France
Biotop Developpement	FC	50,00%	99,75%	FC	22,91%	71,38%	Marseille	France
Biotop SCM	FC	100,00%	99,75%	FC	100,00%	71,38%	Marseille	France
Centre de Morphologie pathologique	FC	100,00%	100,00%				Anderlecht	Belgique
Cefid	FC	100,00%	100,00%	FC	100,00%	100,00%	Saint-Ouen-l'Aumône	France
Centre Biologique du Chemin Vert (CBCV) SELAS	FC	49,00%	97,23%	FC	49,00%	97,35%	Paris	France
Cerba Specimen Services SAS	FC	100,00%	100,00%	FC	100,00%	100,00%	Saint-Ouen-l'Aumône	France
CRI	FC	100,00%	100,00%	FC	100,00%	100,00%	Zwijnarde	Belgique
JL-BIO	FC	49,81%	97,13%				Paris	France
Laboratoire Cerba	FC	25,00%	99,85%	FC	25,00%	99,85%	Saint-Ouen-l'Aumône	France
LBS	FC	100,00%	100,00%	FC	100,00%	100,00%	Bruxelles	Belgique
LLAM SA	FC	100,00%	100,00%	FC	100,00%	100,00%	Esch-sur-Alzette	Luxembourg
Biobaie	FC	49,00%	73,70%	FC	49,00%	73,70%	Plérin	France
VGS La Réunion Selas	FC	46,98%	80,56%	FC	46,96%	79,65%	Le Port, La Réunion	France
Biopole 80	FC	49,00%	69,91%	FC	49,00%	50,94%	Amiens	France
Laboratoire L Loriot				FC	100,00%	50,94%	Amiens	France
Chaouat Heurzeau Bieder	FC	99,92%	97,15%	FC	99,98%	97,33%	Aubervilliers	France
Centre de biologie médicale	FC	49,98%	99,82%	FC	49,98%	99,82%	Le Havre	France
BIO76	FC	99,51%	99,33%	FC	99,51%	99,33%	Le Havre	France
JS-BIO	FC	49,00%	99,75%				Marseille	France
Société des laboratoires BILLIEMAZ	FC	49,00%	99,75%				Marseille	France
GIE JS-BIO	FC	100,00%	99,75%				Marseille	France

FC : Full consolidation
UTH : Universal transmission heritage

Transfer of assets	31 December 2014 Consolidation method	% control	% interests	31 December 2013 Consolidation method	% control	% interests	Comments
Laboratoire L Loriot				FC	100,00%	100,00%	UTH in Biopole in 2014
JS-Management							Merged in BIOTOP in 2014
Montbrun BIO							Merged in BIOTOP in 2014

New consolidated entities	31 December 2014 Consolidation method	% control	% interests	31 December 2013 Consolidation method	% control	% interests	Comments
JS-BIO	FC	49,00%	99,75%				Acquired the 23 May 2014
JS-Management	FC	100,00%	99,75%				Acquired the 23 May 2014
Société des laboratoires BILLIEMAZ	FC	49,00%	99,75%				Acquired the 23 May 2014
GIE JS-BIO	FC	100,00%	99,75%				Acquired the 23 May 2014
Montbrun BIO	FC	100,00%	99,75%				Acquired the 23 May 2014
JL-BIO	FC	49,81%	97,13%				Acquired the 4 December 2014
Centre de Morphologie pathologique	FC	100,00%	100,00%				Acquired the 10 December 2014
BARC China	FC	100,00%	100,00%				Consolidated on December 2014

FC : Full consolidation
UTH : Universal transmission heritage

6.6 Segment information

The Group's operating segments used in reported financial information have been identified on the basis of the internal reports used by management to allocate resources to the segments and assess their performance.

The Group has three main reporting segments:

- Specialised clinical pathology

- Private clinical laboratory testing (France and Belux)

- Clinical trials

(In thousand of euro)	**31 December 2014**	**31 December 2013**
Specialised clinical pathology	**130 416**	**123 836**
France clinical laboratory testing	**154 997**	**112 031**
Belux clinical laboratory testing	**69 328**	**73 132**
Clinical Trials	**44 475**	**42 587**
Net sales	**399 216**	**351 586**

NOTES TO THE CONSOLIDATED INCOME STATEMENT

6.7 Net sales

(In thousands of euro)	31 December 2014	31 December 2013
Sales of services	399 193	350 952
Sales of goods	23	634
Net sales	**399 216**	**351 586**

Sales of services correspond to testing for patients, laboratories, hospitals and pharmaceutical companies in three market segments (Cf Note 6.6).

Sales of goods include the sale of sampling kits for clinical trials.

6.8 Personnel expenses

(In thousands of euro)	31 December 2014	31 December 2013
Wages and salaries including social charges	(132 891)	(114 303)
Post-employment benefits and other long-term benefits	(4 914)	(163)
Employee profit sharing	(2 773)	(1 801)
Personnel expenses	**(140 578)**	**(116 267)**

Employee headcount in fully-consolidated entities was 2,669 at 31 December 2014, compared to 2,243 at 31 December 2013 (Full Time Equivalent).

Headcount in newly-acquired or newly-consolidated entities, net of entities derecognised during the year was 396.

6.9 Other income and expenses

(In thousands of euro)	31 December 2014	31 December 2013
Product from sales of assets	745	2 480
Other incomes	1 751	5 863
Self production	391	413
Operating subsidy	1 183	974
Other reversals of provisions		589
Total other incomes	*4 070*	*10 319*
Gains and losses on receivables	(3 107)	(2 780)
Net book value	(636)	*(1 584)*
Other expenses	(4 294)	(5 961)
Total other expenses	*(8 037)*	*(10 325)*
Total	**(3 967)**	**(6)**

On December 2014 31th, the others expenses and incomes includes mainly the license fees of € -1 million, earn out expenses of € -1.2 million, Expenses related to new companies integration of €-0.7 million and net gains on lease-back of € 0.5 million.

6.10 Net financial income (expense)

Net financial income (expense) is directly attributable to the financing arrangements in respect of acquisitions. It comprises rolled-up interest on convertible bonds and the €365 million in high-yield bonds issued on 31 January 2013 and the interest linked to the additional draw for High-Yield bond describe in the note 6.2.

(In thousands of euro)	**31 December 2014**	**31 December 2013**
Change in fair value (profit)	*-*	*5 585*
Net return on cash equivalents	*227*	*413*
Effect of discounting (profit)	*-*	*-*
Financial income	227	5 998
Change in fair value (expense)	(10)	-
Losses on cash equivalents	(2)	-
Other financial charges on cash equivalents	(7)	-
Interest on bonds	*(33 939)*	*(28 292)*
Interests on bank loans	*(1 534)*	*(3 373)*
Interests on finance lease	*(2 129)*	*(2 385)*
Interests on derivatives	*(284)*	*(2 017)*
Other interests	*(16)*	*(2 397)*
Finance cost	(37 921)	(38 464)
Net cost of debt	**(37 694)**	**(32 465)**
Other financial incomes	278	443
Other financial expenses	(1 118)	(1 307)
Net financial income (loss)	**(38 534)**	**(33 330)**

6.11 Income tax

6.11.1 Breakdown between current and deferred tax

(In thousands of euro)	**31 December 2014**	**31 December 2013**
Current tax expense	(13 911)	(14 550)
Deferred tax expense	3 147	2 561
Income tax	**(10 763)**	**(11 988)**

The current tax expense is equal to the amount of income taxes due to tax authorities for the year, according to the tax regulations and legal tax rates in the different countries.

The base rate of theorical incom tax in France is 34.43%, including the additional contributions.

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(In thousands of euro)	**31 December 2014**	**31 December 2013**
Tax rate	**34,43%**	**34,43%**
Consolidated net income (loss) - attributable to owners of the Company	(15 386)	5 109
Consolidated net income (loss) - attributable to non-controlling interests	1 985	2 449
Consolidated profit (loss), after tax	**(13 400)**	**7 557**
Current tax	(13 911)	(14 550)
Deferred tax	3 147	2 561
Income tax	(10 763)	(11 988)
Consolidated profit (loss) before tax	**(2 637)**	**19 546**
Theoretical current tax expense (applying rate of the consolidating company)	908	(6 730)
Tax rate differences	(20)	237
Other permanent differences between accounting income and taxable income	1 432	6 810
Impairment GW Medical Lab	(7 533)	
Unrecognised tax losses	(6 167)	(11 269)
Non deductible interests	(1 784)	(1 222)
Taxable portion of dividends received and withholding at source	(238)	(468)
Other deferred taxes without a related basis	3 719	1 743
Tax credits	(50)	(58)
French value added business tax (CVAE)	(1 500)	(1 154)
Other items	470	124
Effective tax expense	**(10 763)**	**(11 988)**

6.12 Goodwill

The Group's acquisitions for the period related to private clinical laboratories in France and they can be summarised as follows:

(In millions of euro)	Goodwill recognised on the new acquisitions
Net assets acquired	**67,7**
Cancellation of facility fees	**(0,0)**
Cancellation of investment grants	0,0
Cancellation of Provision Employee Benefits	(0,4)
Cancellation of commercial goodwill	(39,5)
Cancellation of merger loss	(25,9)
Cancellation of intercompany shares	(28,3)
Net assets acquired (liabilities assumed) restated at fair value (100%)	**(26,4)**
Share of the Fair value of net assets acquired	**(26,4)**
Acquisition price	**66,0**
Goodwill on financial instruments value	**2,1**
Goodwill	**94,5**

Changes in the gross value and carrying amount of goodwill can be broken down as follows:

(In millions of euro)	31 December 2014
Acquisition price	66,0
Cash and cash equivalents acquired	(5,6)
Debt on acquisitions	(2,4)
Net cash outflow on acquisitions	**58,0**
Debt payment on acquisitions in prior years	2,9
Refunds minority current accounts	1,6
Acquisition of hybrid bonds	2,1
Acquisitions of additional shares	11,1
Disposals of subsidiaries	(0,3)
Impact of changes in consolidation	**75,4**

The €94,5 million increase in the gross value of goodwill relates to goodwill on acquisitions of securities and companies during the period (see Note 6.2).

(In thousands of euro)	31 December 2014	JS-BIO	Société des laboratoires BILLIEMAZ	JL-BIO	Centre de Morphologie pathologique	31 December 2014 Pro forma 12 months
acquisition date		*23/05/2014*	*23/05/2014*	*04/12/2014*	*10/12/2014*	
Net sales	**412 149**	**8 093**	**12 202**	**1 986**	**5 301**	**439 732**
Profit (Loss)	**426 782**	**(2 442)**	**488**	**196**	**680**	**425 703**

(In thousands of euro)	**31 December 2014**
Gross value at 1 January	647 792
Acquisitions of entities or share	94 501
Gross value at 31 December	**742 293**
Impairment at 1 January	(48 500)
Impairment for the period	(22 600)
Impairment at 31 December	**(71 100)**
Net value at 1 January	599 292
Net value at 31 December	**671 193**

The tests are performed at the level of cash generating unit (CGU) to which the assets belong. CGUs are defined as the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If a CGU's recoverable amount is less than its carrying amount, an impairment loss is recognised in profit or loss and, to the extent possible, as an adjustment to the carrying amount of any goodwill allocated to the CGU.

The Goodwill broken down by CGU is as follows:

(In millions of euro)	Carrying amount at 31 December 2013	Acquisitions or securities	Acquisitions of businesses	Impairment	Net book value at 31 December 2014
Specialised clinical pathology CGU	123,8				123,8
France clinical laboratory testing CGU	203,6	90,6			294,2
Belux clinical laboratory testing CGU	197,0	3,9	-		200,9
Clinical trial CGU	74,9			(22,6)	52,3
Total	**599,3**	**94,5**	**-**	**(22,6)**	**671,3**

In accordance with IAS 36, and considering the goodwill was tested for impairment at 31 December 2014, the Group identified impairment on the CGU "Clinical Trial". The impairment tests were based on the value in use of each CGU calculated using the discounted cash flow method as described in Note 6.4.3.1 of the accounting policies section.

The main assumptions used to calculate the recoverable amount of the CGUs as of 31 December 2014 were the following:

2014.12			
Cash generating units	**Cash flow projection period**	**Discount rate**	**Long-term growth rate**
Specialised clinical pathology CGU	6 years	7,10%	2,00%
France clinical laboratory testing CGU	6 years	7,10%	2,00%
Belux clinical laboratory testing CGU	6 years	7,10%	2,20%
Clinical trial CGU	6 years	10,10%	3,50%

2013.12			
Cash generating units	**Cash flow projection period**	**Discount rate**	**Long-term growth rate**
Specialised clinical pathology CGU	6 years	8,20%	2,00%
France clinical laboratory testing CGU	6 years	8,20%	2,50%
Belux clinical laboratory testing CGU	6 years	8,20%	2,50%
Clinical trial CGU	6 years	8,90%	3,50%

Cash flows were discounted based on the weighted average cost of capital (WACC), calculated on the basis of the expected return and market risk for each CGU.

Impairment testing was carried out using the same procedures as in previous periods: key modelling assumptions such as market multiples and the discount rate reflected stock market and macro-economic trends.The resulting multiples are close to those of companies engaged in businesses that are similar to those of the Cerba Group.

The terminal value is calculated by discounting cash flows to long term, based on normalised cash flows and a perpetuity growth rate, taking into account of market development potential and competitive position. The discounted cash flows are compared to the sum of the goodwill and the operating assets allocated to the CGU (intangible assets, items of property, plant and equipment and components of working capital, net of deferred tax liabilities).

Testing and the cash flow calculation were based on the most recent medium-term plan (MTP), covering the years 2015-2020 validated by management based on markets conditions at December 2014.

The growth rates used to estimate the cash flows of the CGUs or Groups of CGUs are considerably less than the Group's average historical growth rates.

At 31 December 2014, an impairment loss of €22.6 million was recognised on the specialised clinical pathology CGU following impairment testing after having lowered the performance objectives of the business plan on this activity in addition to the impairment recorded at 30 June 2012 of €48.5 million on the CGU “Specialised Clinical pathology”. On the others CGU’s, no evidence of impairment has been identified.

The weighted average cost of capital and market multiples are adjusted based on business data and the geographical location of the CGUs tested.

At 31 December 2014, the recoverable amounts of the CGUs or Groups of CGUs were higher than their carrying amounts except on the CGU “Clinical Trial”(cf Supra)

Sensitivity analyses have been performed on all of the CGUs and the results of testing the value in use (of the groups of assets to which most goodwill is allocated) against changes in the various assumptions used at 31 December 2014 are shown in the following table:

(In millions of euro)	**Test margin**	**Discount rate for cash flows 0.5%**	**Growth rate to infinity -0.5%**	**Combination of two factors**
Specialised clinical pathology CGU	161,7	(33,1)	(26,7)	(55,0)
France clinical laboratory testing CGU	133,3	(38,7)	(31,2)	(64,3)
Belux clinical laboratory testing CGU	96,4	(28,3)	(23,1)	(47,1)
Clinical trial CGU	-22,6	(5,2)	(4,1)	(8,6)
Total	**368,8**	**(105,3)**	**(85,1)**	**(175,0)**

A decline in value in use following the application of the sensitivities indicated below either separately or based on a combination of the two factors does not actually undermine the carrying amount of goodwill.

Only the clinical trials CGU would be exposed to a slight risk of impairment in the unlikely event of a simultaneous change in the two factors indicated

6.13 Other Intangible assets

Intangible assets include contractual customer relationships and order books identified when the Group was acquired by Cerba European Lab.

Changes in gross values, accumulated amortisation and impairment of intangible assets break down as follows:

Gross value *(In thousands of euro)*	31 December 2013	Change in scope (in)	Acquisitions	Disposals	Reclassification	Change in method	Change in scope (out)	31 December 2014
Development costs	-	-	-	-	-	-	-	-
Concessions, patents and similar rights	1 629	35	239	(34)	-	-	-	1 869
Software	13 172	921	1 734	-	(1 694)	-	-	14 134
Leasehold	589	592	-	-	-	-	-	1 181
Goodwill	-	-	-	-	-	-	-	-
Customer relationships	127 979	-	-	(1)	-	-	-	127 978
Other intangible fixed assets	918	-	(1)	-	(430)	-	-	487
Order book	5 958	-	-	-	-	-	-	5 958
Intangible assets in progress	-	-	2 814	-	1 882	-	-	4 696
Amount paid on intangible assets	107	-	87	-	(96)	-	-	98
Intangible assets - Gross value	**150 352**	**1 548**	**4 873**	**(35)**	**(338)**	**-**	**-**	**156 401**

Depreciations and amortisations *(In thousands euro)*	31 December 2013	Change in scope (in)	Additions	Reversals	Reclassification	Change in method	Change in scope (out)	31 December 2014
Development costs	-	-	-	-	-	-	-	-
Concessions, patents and similar rights	(1 008)	(34)	(235)	34	-	-	-	(1 243)
Software	(8 513)	(810)	(1 488)	-	(49)	-	-	(10 860)
Leasehold	-	-	-	-	-	-	-	-
Good will	-	-	-	-	-	-	-	-
Other intangible fixed assets	(6 547)	-	(15)	-	6 123	-	-	(439)
Order book	(4 018)	-	(824)	-	(1 117)	-	-	(5 959)
Customer relationships	(17 998)	-	(6 674)	-	(5 006)	-	-	(29 677)
Intangible assets - Accumulated amortisation and imperment	**(38 083)**	**(844)**	**(9 236)**	**34**	**(50)**	**-**	**-**	**(48 178)**
Intangible assets - Net value	**112 270**	**704**	**(4 363)**	**(1)**	**(388)**	**-**	**-**	**108 223**

6.14 Property, plant and equipment

Changes in the gross value and accumulated depreciation of property, plant and equipment break down as follows:

Gross value *(In thousands of euro)*	31 December 2013	Change in scope (in)	Acquisitions	Disposals	Reclassifications	Change methods	Restructuring	Foreign currency translation differences	Change in scope (out)	31 December 2014
Land	834	21	-	-	-	-	-	5	-	861
Arrangements on land	163	-	-	-	-	-	-	-	-	163
Buildings	26 799	4 046	1 218	(32)	-	-	-	75	-	32 107
Leased Buildings	5 708	-	-	-	-	-	-	-	-	5 708
Technical plant, equipment and machinery	59 634	12 113	9 134	(2 383)	(864)	-	36	101	-	77 771
Leased technical plant, equipment and machinery	4 511	-	504	-	(484)	-	-	-	-	4 531
Other property, plant and equipment	31 460	3 147	2 273	(1 537)	1 416	-	-	-	-	36 759
Office equipment	4 783	548	255	(316)	353	-	-	51	-	5 675
Transport equipment	1 328	139	131	(661)	453	-	-	11	-	1 402
Leased transport equipment	1 254	-	490	-	(453)	-	-	-	-	1 291
Hardware	7 995	1 651	825	(25)	42	-	-	26	-	10 515
Biological assets	1 222	-	213	(45)	-	-	-	-	-	1 390
Work in progress	72	273	641	(4)	1 407	-	-	0	-	2 389
Amount paid on property, plant and equipment	76	-	139	-	(209)	-	-	-	-	6
Property, Plant and equipment - gross	**145 841**	**21 938**	**15 824**	**(5 002)**	**1 661**	**-**	**36**	**271**	**-**	**180 567**

Accumulated depreciations *(In thousands of euro)*	31 December 2013	Change in scope (in)	Additions	Reversals	Reclassifications	Change methods	Restructuring	Foreign currency translation differences	Change in scope (out)	31 December 2014
Arrangements on land	(129)	-	(5)	-	-	-	-	-	-	(134)
Buildings	(12 301)	(2 320)	(1 857)	33	-	-	-	(29)	-	(16 474)
Leased Buildings	(3 194)	-	(273)	-	-	-	-	-	-	(3 467)
Technical plant, equipment and machinery	(42 272)	(6 202)	(7 572)	2 199	680	-	(9)	(83)	-	(53 259)
Leased technical plant, equipment and machinery	(2 988)	-	(906)	-	389	-	-	-	-	(3 505)
Other property, plant and equipment	(19 117)	(1 711)	(3 593)	1 406	(714)	-	-	-	-	(23 729)
Office equipment	(3 529)	(406)	(334)	317	(268)	-	-	(46)	-	(4 266)
Transport equipment	(1 139)	(127)	(160)	544	(308)	-	-	(6)	-	(1 196)
Leased transport equipment	(595)	-	(248)	-	308	-	-	-	-	(535)
Hardware	(6 314)	(1 479)	(733)	24	(38)	-	-	(20)	-	(8 560)
Biological assets	(889)	-	(99)	45	-	-	-	-	-	(943)
Land	-	(16)	(4)	-	-	-	-	-	-	(20)
Work in progress	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment - accumulated depreciation	**(92 467)**	**(12 261)**	**(15 784)**	**4 568**	**49**	**-**	**(9)**	**(184)**	**-**	**(116 089)**
Property, plant and equipment - net	**53 373**	**9 677**	**40**	**(435)**	**1 710**	**-**	**27**	**86**	**-**	**64 479**

The Group has entered into a number of lease financing on the equipment, technical equipment and the headquarters. Some of these contracts such as the provision of equipments correspond in substance to the definition of financing agreements.

At 31 December 2014, the breakdown of fixed assets held under leases was as follows:

Gross value *(In thousands of euro)*	**31 December 2014**
Leased land	643
Leased Buildings	18 539
Leased technical plant, equipment and machinery	46 735
Leased transport equipment	1 291
Other property, plant and equipment	9 229
Lease property, plant and equipment - gross	**76 437**

Tangible fixed assets - leasing: depreciation *(In thousands of euro)*	**31 December 2014**
Leased Buildings	(8 844)
Leased technical plant, equipment and machinery	(25 788)
Leased transport equipment	(535)
Other property, plant and equipment	(5 618)
Lease property, plant and equipment - accumulated depreciation	**(40 785)**
Lease property, plant and equipment - net	**35 652**

6.15 Other non-current assets

(In thousands of euro)	**31 December 2014**	**31 December 2013**
Equity affiliates	246	226
Other receivables related to investments	193	188
Investment securities	6	7
Loans, deposits and other receivables - non-current	1 262	1 376
Other receivables	53	55
Impairment of other non-current receivables	(50)	(50)
Impairment of securities	(40)	(5)
Total	**1 670**	**1 797**

Loans, security deposits and other receivables mostly includes Security deposits and Guarantees.

6.16 Deferred tax assets and liabilities

(In thousands of euro)	**31 december 2014**	**31 december 2013**
Deferred tax assets	2 096	1 467
Deferred tax liabilities	(33 172)	(36 056)
Net deferred tax	**(31 076)**	**(34 589)**

(In thousands of euro)	31 december 2013	CHANGE IN SCOPE (IN)	RESULT IMPACT	RECLASSIFICATIONS	OCI	OTHERS	31 december 2014
Activation of loss carryforward	8 469	-	(141)	-	-	(280)	8 048
Pensions and other post employment benefits	1 576	283	161	-	229	-	2 249
Finance lease	494	107	245		-	-	847
Profit sharing	624	-	223	-	-	(4)	844
Other temporary differences	661	-	(133)	-	-	(153)	375
Fair value of plan assets	308	-	3		-	-	311
Other items	59	-	540	-	-	(65)	501
Deffered taxes assets before netting	**12 191**	**390**	**899**	**-**	**229**	**(534)**	**13 175**
Impact of netting on deffered taxes	**(10 725)**	**-**	**-**	**(354)**	**-**	**-**	**(11 079)**
Net deffered taxes assets	**1 467**	**390**	**899**	**(354)**	**229**	**(534)**	**2 096**

(In thousands of euro)	31 december 2013	CHANGE IN SCOPE (IN)	RESULT IMPACT	RECLASSIFICATIONS	OCI	OTHERS	31 december 2014
Intangibles assets	(37 039)	-	2 364	-	-	280	(34 395)
IAS 39 Financing adjust.	(6 960)	-	116	-	-	(173)	(7 017)
Cancellation of regulated provisions	(1 700)	-	(33)	-	-	3	(1 730)
Business Goodwill	(550)	(83)	(31)	-	-	7	(657)
Provisions for risks and losses	(269)	-	-	-	-	-	(269)
Other items	(124)	-	(166)	-	-	106	(184)
Deffered taxes liabilities before netting	**(46 642)**	**(83)**	**2 250**	**-**	**-**	**223**	**(44 252)**
Impact of netting on deffered taxes	**10 586**	**-**	**-**	**354**	**-**	**139**	**11 079**
Net deffered taxes liabilities	**(36 056)**	**(83)**	**2 250**	**354**	**-**	**362**	**(33 172)**

Given the uncertainty over future taxable profits, unrecognised tax loss carry-forwards amounted to €107 Million on December 31th 2014.

The tax loss carry-forwards originate from BARC NV and BARC USA, CRI, BIOTOP and from the holding company which includes CEL and CEFID.

6.17 Inventories

The Group's inventories includes reagents and consumables.

(In thousands of euro)	31 December 2014	31 December 2013
Raw materials	5 466	5 649
Merchandises	419	370
Inventories (gross value)	**5 885**	**6 019**
Impairment of inventories	**(315)**	**(157)**
Inventories (net value)	**5 570**	**5 862**

6.18 Trade receivables

(In thousands of euro)	31 December 2014	31 December 2013
Trade receivables	48 822	48 589
Unbilled	8 262	8 630
Impairment of trade receivables	(3 095)	(3 257)
Carrying amount	**53 989**	**53 962**

Changes in accumulated impairment of trade receivables break down as follows:

(In thousands of euro)	**31 December 2014**
Impairment of trade receivables - Opening	**(3 257)**
Additions	(1 821)
Reversals	2 620
Reclassification	(66)
Translation differences	(0)
Change in consolidation scope	(571)
Impairment of trade receivables - Closing	**(3 095)**

6.19 Other current assets

(In thousands of euro)	**31 December 2014**	**31 December 2013**
Accrued interest on receivables and loans	6	9
Investment securities	2	2
Loans, deposits and other receivables	729	385
Deposits factor	-	500
Impairment of loans, deposits and other receivables	(166)	(15)
Suppliers - Prepayments	498	554
Suppliers receivable	1 191	748
Receivables from employees & social organizations	671	441
Tax receivables - excluding IS	8 034	2 341
Current accounts - assets	2 197	458
Receivables on disposals of assets	40	189
Other receivables (1)	660	94
Impairment of current accounts	-	(76)
Prepaid expenses	4 165	4 119
Receivables from participations	1	-
Accrued interest on receivables	61	-
Tax CIR	(41)	-
Impairment of other receivables & accrued interest	(8)	-
Total other current assets	**18 041**	**9 749**

(1) The closing balance as at 31 December 2013 has been adjusted compared to consolidated financial statements previously published during year 2014.

The tax receivables include the VAT receivables (€ 4 Million) and CICE (€ 2 Million).

Prepaid expenses at 31 December 2014 included commissions related to the High Yield issuance, in particular, the Revolving Credit Facilities not used which took place in January 2013 and amortised over the term of the loan in the amount of €1.5 million (see Note 6.2).

6.20 Cash and cash equivalents

(In thousands of euro)	**31 December 2014**	**31 December 2013**
Money Market securities	231	10 088
Cash	63 869	53 676
Total	**64 100**	**63 764**
Bank overdrafts	(1 772)	(159)
Total net cash	**62 328**	**63 605**

The Money market securities includes cash balances invested for periods of three months or less (treasury bills and certificates of deposit) with banks or counterparties with long- and short-term ratings of at least A and A1 respectively (Rating S&P).

There are no restrictions (as defined in IAS 7) that could materially affect the availability of the cash and cash equivalent balances of subsidiaries.

FINANCIAL POSITION-LIABILITIES

6.21 Share capital

On December 31th 2014, share capital comprised 81,024,605 shares with a par value of €0.01 for an aggregate amount of €810,246.05.

	Shares A		Shares B		Ordinary Actions		Fees	Total	
In thousand of euros	Share capital	Share premium	Share capital	Share premium	Share capital	Share premium and additional paid-in capital	Share premium and additional paid-in capital	Share capital	Share premium and additional paid-in capital
	37							37	-
Increase in share capital:									
21 July 2010			1	143 962	640	64 150		641	208 112
16 December 2010			-	7 808	36	3 531		36	11 339
12 May 2011			-	16 515	19	1 921		20	18 435
07 July 2011					38	3 727		38	3 727
11 August 2011					16	1 619		16	1 619
15 December 2011			-	4 675	16	1 543		16	6 218
21 and 27 December 2011					3	342		3	342
23 January 2012					2	172		2	172
Share capital increase fees							-18		-18
11 December 2012			1	166 865				1	166 865
Total	37	-	2	339 824	770	77 004	-18	810	416 811
In shares									
Outstanding shares at 31 December 2013									
Fully-paid share	3 700 000		339 826		76 984 779			81 024 605	
Variations of the year								-	
Outstanding shares at 31 December 2014									
Fully-paid share	3 700 000		339 826		76 984 779			81 024 605	

6.21.1 Preference shares

The Series A and B preference shares issued by Cerba European Lab in July 2010 have the following features:

- No voting rights (Art. 19.4 of the Articles of association).
- No rights to the Company's profits (except for the preference dividend), assets, reserves, distributions or liquidation surplus (Art. 22.1 of the Articles of association).
- Cumulative annual preference dividend equal to 10% of the subscription value of each Series A and B share calculated as of 21 July 2010 and capitalised annually (Art. 22.1 of the Articles of association).
- The Series A and B preference dividends may be adjusted in the event of a market floatation or a loss of controlling interest (Art. 22.2 of the Articles of association).
- No maturity date.

6.21.2 Ordinary shares

Each ordinary share carries one voting right at the general meetings of shareholders. Each share entitles its owner to receive a share in the Company's profits, assets, reserves, distributions or liquidation surplus.

6.21.3 Warrants

On 21 July 2010, Cerba European Lab issued 16 million shares with warrants for an aggregate nominal value of €160,000. The share premium amounted to €15.84 million and the warrants to €0.79 million.

Each share has two warrants attached: warrant 1 valued at €0.015625 and warrant 2 at €0.03375.

Shares with warrants are reserved for senior executives and some Group company managers, designated by the Commitments Board. The shares with warrants were issued at fair value as determined by an expert.

They were measured at the grant-date fair value, which corresponds to their issue price. Consequently, no expense was recognised under IFRS 2

6.22 Financial liabilities

(In thousands of euro)	31 December 2014	31 December 2013
Convertible bonds	6 188	5 598
H-YIELD bond	436 425	350 846
Other bonds	20 179	18 592
Bank loans	28 510	26 547
Finance lease liabilities	39 628	33 693
Other borrowings	743	79
Accrued interests	15 428	12 905
Bank overdrafts	1 772	159
Total financial liabilities	**548 873**	**448 419**
Of which non-current financial liabilities	*512 177*	*419 180*
Of which current financial liabilities	*36 696*	*29 239*

This note breaks down Group borrowings by type of instrument, notably the refinancing operation referred to in Note 6.2.

Financial liabilities comprise several different types of debt and equity instruments and bank borrowings in line with the Group's policy of diversifying its sources of financing.

Changes in financial liabilities over the period may be analysed as follows:

(In thousands of euro)	**31 December 2014**
Opening position	**448 419**
Proceeds from issuance of borrowings	96 324
Repayment of borrowings	(48 944)
Change in bank overdrafts	1 613
Amortized cost of reprocessing ERI and convertible bonds	2 009
New finance lease contracts	9 883
Finance costs	36 267
Finance costs paid	(31 094)
Reclassifications (mainly incorporation to share capital)	(215)
Change in consolidation scope	34 703
Translation differences	(88)
Others	(4)
Closing position	**548 873**

6.22.1 Debt repayment schedule and terms

(In thousands of euro)	**31 December 2014**	**Up to 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**Over 5 years**
Bonds and notes	462 792	1 192	1 196	1 196	1 196	458 012
Bank loans	28 510	7 037	7 843	4 282	2 718	6 630
Finance lease liabilities	39 628	11 327	8 402	6 110	4 444	9 345
Other borrowings	743	(60)	5	-	-	798
Accrued interests	15 428	15 428	-	-	-	-
Bank overdrafts	1 772	1 772	-	-	-	-
Total financial liabilities	**548 873**	**36 696**	**17 446**	**11 588**	**8 358**	**474 785**

(In thousands of euro)	**31 December 2013**	**Up to 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**Over 5 years**
Bonds and notes	375 036	-	-	-	-	375 036
Bank loans	26 547	8 585	5 324	6 136	3 430	3 072
Finance lease liabilities	33 693	7 653	7 713	4 606	3 013	10 708
Other borrowings	79	5	30	11	6	27
Accrued interests	12 905	12 905	-	-	-	-
Bank overdrafts	159	159	-	-	-	-
Total financial liabilities	**448 419**	**29 307**	**13 067**	**10 753**	**6 449**	**388 843**

Group policy consists of spreading the maturities of its long-term debt (bonds, private placements and bank borrowings) over time in order to limit annual refinancing requirements.

(In thousands of euro)	**31 December 2014**	**Face value**	**Share capital**	**Less equity instruments**	**Less IFRS restatments**	**Capitalized interests**	**Accrued interests**
Convertible bonds	6 188	10 137	(4 309)	(493)	(175)	1 028	1 039
H-YIELD bond	436 425	451 078		(14 154)	(499)	-	12 979
Other bonds	20 179	16 029				4 149	875
Total bonds and notes (excl. accrued interests)	**462 792**	**477 244**	**(4 309)**	**(14 647)**	**(674)**	**5 177**	**14 893**

(In thousands of euro)	**31 December 2013**	**Face value**	**Share capital**	**Less equity instruments**	**Less IFRS restatments**	**Capitalized interests**	**Accrued interests**
Convertible bonds	5 598	8 571	(4 309)	(319)	(174)	1 829	676
H-YIELD bond	350 846	365 000			(14 154)	-	10 859
Other bonds	18 592	15 873				2 719	1 226
Total bonds and notes (excl. accrued interests)	**375 036**	**389 444**	**(4 309)**	**(319)**	**(14 328)**	**4 548**	**12 761**

Financing arrangements set up when the Group was created were as follows:

- Convertible and non-convertible bonds, most of which bear interest at 10%, maturing on 21 July 2025. The Interests are capitalised annually. The majority of convertible bonds were converted into shares following the decision of the General Shareholders' Meeting of 11 December 2012 to increase the share capital of the holding company.
- Existing loans at 31 January 2012 were refinanced by the high-yield bonds issued on 31 January 2013 and by the additional draw (see Note 6.2).
- The Group has also received financing from its shareholders in the form of non-convertible bonds.

The Group's subsidiaries have local medium-term credit facilities.

Loans and borrowings can be analysed by type of rate (fixed or floating interest rates) as follows:

(In thousands of euro)	31 December 2014			31 December 2013		
	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate
Bonds and notes	462 792	462 792	-	387 797	387 797	-
Bank loans	28 510	24 985	3 525	26 547	21 960	4 587
Finance lease liabilities	39 628	39 628	-	33 693	33 693	-
Other borrowings	743	743	-	223	205	18
Accrued interests	15 428	15 428				
Bank overdrafts	1 772	1 772	-	159	159	-
Total financial liabilities	**548 873**	**545 348**	**3 525**	**448 419**	**443 814**	**4 605**

6.22.2 Debts covenants

The main financial liabilities are subject to certain conditions applied to the consolidated financial statements and notably the ratio of net debt to gross operating profit (or EBITDA).

Following the refinancing operation of January 2013, new debt covenants were negotiated with the Group's banks, replacing the pre-existing covenants (see Notes 6.2).

As part of its Revolving Credit Facility, the Group is bound by two new covenants calculated based on the consolidated accounts: Leverage ratio (Consolidated Total Net Debt / Consolidated proforma EBITDA) and Percentage Test (contribution of the loan guarantors to consolidated EBITDA and consolidated assets).

6.23 Employee benefits

(In thousands of euro)	31 December 2014	31 December 2013
Defined benefits plan	6 250	4 495
Long-service bonuses	653	584
Total employee benefits	**6 903**	**5 079**
Of which :		
Employee benefit obligations	*7 315*	*5 618*
Plan assets	*(427)*	*(478)*

In certain countries, Group employees are entitled to supplementary pension plans into which the Group pays annual contributions, and lump sum retirement indemnities paid out once the employees retire. These take the form of either defined contribution or defined benefit plans.

Under defined contribution plans, the Group has no legal or constructive obligation to make further contributions and the corresponding expense is recognised in profit or loss for the period. All defined benefit plans concern France.

6.23.1 Change in the present value of the net defined benefit obligation

Changes in the Group's net defined benefit obligation break down as follows, taking into account the related plan assets totalling €427 thousand as of December 2014.

(In thousands of euro)	31 December 2014	31 December 2013
Defined benefit obligation at 1 January	**4 495**	**4 380**
Current service cost	*318*	*268*
Interest cost	*182*	*137*
Current service cost and interest cost	***499***	***405***
Change in consolidation scope and others	850	67
Curtailments and settlements system	(224)	(204)
Actuarial (gains) and losses	697	(102)
Contributions paid	(52)	(30)
Financial income from plan assets	(16)	(21)
Defined benefit obligation at closing date	**6 250**	**4 495**

In certain countries, Group employees are entitled to supplementary pension plans into which the Group pays annual contributions, and lump sum retirement indemnities paid out once the employees retire. These take the form of either defined contribution or defined benefit plans.

Under defined contribution plans, the Group has no legal or constructive obligation to make further contributions and the corresponding expense is recognised in profit or loss for the period. All defined benefit plans concern France.

Assumptions used in calculating the provision for retirement and similar benefits have only to do with France and are the same as December 2014.

6.23.1 Net income (expense) recognised in profit or loss

(In thousands of euro)	31 December 2014	31 December 2013
Current services costs	(318)	(268)
Interest cost	(182)	(137)
Current service cost and interest cost	***(499)***	***(405)***
Financial income from plan assets	16	21
Paid contributions and allowance	172	17
Curtailments and settlements system	224	204
Income (Expense) recognised in profit or loss	**(88)**	**(163)**

This impact is recognised in full in profit or loss from recurring operations under "Personnel expenses".

Revised IAS 19 has had a minimal impact on the measurement of the Group's employee benefit obligations for 2014.

The only impact relates to financial income generated on plan assets (these assets concern approximately 10% of the lump sum retirement indemnity benefit obligation) which is identical to the rate used to discount liabilities, i.e., yield equivalent to the discount rate.

6.23.2 Actuarial assumptions

All of the Group's various employee benefit obligations are regularly reviewed by actuaries in accordance with IFRS standards using the projected unit credit method based on salaries at retirement.

All actuarial gains and losses and adjustments relating to the limitation are recognised in the reporting period in which they occur in accordance with Revised IAS 19.

Actuarial assumptions (i.e., the probability that active employees will continue to work in the Group, mortality rates, retirement age, assumptions regarding future salary increases, etc.) depend on the demographic and economic conditions in the countries in which the different plans have been set up.

Discount rates used to determine the present value of benefit obligations are based either on the government bond rate or on the yield on investment grade corporate bonds that are traded in an active market with maturities that match the duration of the benefit obligation. In the eurozone, discount rates have been calculated on software developed by independent actuaries.

Assumptions used in calculating the provision for retirement and similar benefits have only to do with France and are the same as December 2013

	31 December 2014		31 December 2013	
	Management	Other employees	Management	Other employees
Discount rate	1,80%		3,25%	
Expected return on plan assets at 1 January				
Salary increase rate				
- 29 years	4,00%	2,00%	5,00%	3,00%
30 - 39 years	3,00%	1,50%	4,00%	2,50%
40 - 49 years	2,00%	1,50%	3,00%	2,50%
50 - 59 years	1,00%	1,00%	2,00%	2,00%
60 and over	1,00%	1,00%	2,00%	2,00%
Employer contributions	58,00%	52,00%	58,00%	52,00%
Staff Turnover rate				
- 29 years	10,00%	10,00%	10,00%	10,00%
30 - 39 years	7,00%	7,00%	7,00%	7,00%
40 - 49 years	5,00%	5,00%	5,00%	5,00%
50 - 59 years	2,00%	2,00%	2,00%	2,00%
60 and over	0,00%	0,00%	0,00%	0,00%
Retirement age	65 years	62 years	65 years	62 years
Mortality table	INSEE F 2008-2010		INSEE F 2008-2010	

6.24 Provisions

(In thousands of euro)	31 December 2013	Change in consolidation scope	Additions	Reversals	Reclassifications	31 December 2014
Provision for litigation	627	529	800	(1 027)	-	929
Other provisions	3 898	-	11	(3 898)	-	11
Non-current Provisions	**4 525**	**529**	**811**	**(4 925)**	**-**	**940**
Provision for litigation	424	59	3	(90)	(49)	347
Other provisions	255	100	1	-	(18)	338
Current provisions	**679**	**159**	**4**	**(90)**	**(67)**	**685**

6.25 Other non-current liabilities

(In thousands of euro)	31 December 2014	31 December 2013
Deferred income - non-current	4 074	4 074
Other liabilities	502	73
Total other non-current liabilities	**4 576**	**4 147**

Other non-current liabilities include the non-current portion of the capital gain generated in 2006 from refinancing a property finance lease. This internal capital gain was reversed and deferred over the new lease term and the non-current portion of the deferred income was recognised in non-current liabilities in accordance with IAS 1.

6.26 Trade and other payables

(In thousands of euro)	31 December 2014	31 December 2013
Trade payables	39 824	38 375
Payables to fixed asset suppliers	5 225	2 065
Total Trade payables	**45 049**	**40 440**

6.27 Other current liabilities

(In thousands of euro)	31 December 2014	31 December 2013
Social security payables	25 569	20 645
Tax payables	6 479	3 669
Advances and downpayments received	5 551	5 390
Derivative instruments	908	898
Other current liabilities	4 078	2 426
Deferred income - current	153	565
Total Other current liabilities	**42 737**	**33 592**

6.28 Financial instruments

6.28.1 Financial risk management

6.28.1.1 Introduction

The Group has exposure to the following risks arising on its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information on the Group's exposure to each of the above-mentioned risks, and its objectives, policies and procedures for measuring and managing risk, and capital management.

6.28.1.2 Risk management framework

The Supervisory Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are designed to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to predetermined limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a rigorous and effective control environment in which all employees understand their roles and responsibilities.

The Audit Committee oversees implementation of Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

6.28.2 Credit risk

Credit risk is managed at Group level. It is the risk of financial loss for the Group if a client or counterparty should fail to meet its contractual payment obligations.

Credit risk concerns cash and cash equivalents, derivative financial instruments, deposits with banks and financial institutions, as well as exposure to customer credit risk on outstanding receivables.

In the specialised clinical pathology business, the collection of receivables from direct patients, which are more than 35 days overdue, is handled by a debt collection company acting solely as a collection agent on behalf of Cerba. Impairment policies for receivables are implemented on the basis of historical data.

The high volumes and low unit values of invoices issued by the Group require specific credit management processes.

The Group entered into a factoring arrangement in February 2012 but this contract had not been fully used at year-end. Its contractual conditions do not make it possible to conclude that the main risks and rewards related to the assigned receivables have actually been transferred to the factor as the related credit risk is not transferred. The trade receivables are therefore retained in the financial statements and stand at €45 million at 31 December 2014.

The carrying amount of loans and receivables represents the maximum exposure to credit risk at the reporting date.

Ageing

(In thousands of euro)	31 December 2014	Accrued undepreciated	< 3 months	Overdue and undepreciated 3 to 6 months	6 months to 1 year	More than 1 year	Overdue and depreciated
Trade receivables	45 727	26 266	15 233	2 631	2 133	2 559	(3 095)

(In thousands of euro)	31 December 2013	Accrued undepreciated	< 3 months	Overdue and undepreciated 3 to 6 months	6 months to 1 year	More than 1 year	Overdue and depreciated
Trade receivables	48 589	21 837	16 469	2 689	3 062	3 357	1 174

Credit risk

(In thousands of euro)	31 December 2014	< 1 year	< 2 years	< 3 years	< 4 years	Over 5 years
Non-current tax assets	35	-	35	-	-	-
Other receivables related to investments	193	-	-	-	-	193
Loans, deposits and other receivables - non-current	1 262	-	200	-	85	977
Other assets - no current	53	-	-	-	-	53
Trade receivables (gross)	48 822	48 822	-	-	-	-
Current tax assets	3 733	3 733	-	-	-	-
Receivables from employees & social organizations	671	671	-	-	-	-
Tax receivables	8 034	8 034	-	-	-	-
Other receivables	5 322	5 322	-	-	-	-
Total receivables, gross	**68 125**	**66 582**	**235**	**-**	**85**	**1 223**

(In thousands of euro)	31 December 2013	< 1 year	< 2 years	< 3 years	< 4 years	Over 5 years
Non-current tax assets	1 628	-	30	-	-	1 598
Other receivables related to investments	188	-	-	-	-	188
Loans, deposits and other receivables - non-current	1 376	-	612	-	93	671
Other assets - no current	55	-	-	-	55	-
Trade receivables (gross)	48 589	48 362	164	63	-	-
Current tax assets	1 452	1 452	-	-	-	-
Receivables from employees & social organizations	441	441	-	-	-	-
Tax receivables	2 341	2 341	-	-	-	-
Other receivables	2 937	2 437	500	-	-	-
Total receivables, gross	**59 006**	**55 033**	**1 306**	**63**	**148**	**2 457**

6.28.2.1 Trade and other receivables

The Group believes that it is neither exposed to material credit risk nor to over dependence on a specific customer due to its broad customer base, with customers located mainly in Europe.

6.28.2.2 Impairment losses

Cumulative impairment of trade and other receivables dropped 13% year on year to €3.095 million (2013: €1.174 million). Provisions for impairment are mainly related to Cerba's operations.

6.28.3 Liquidity risk

Liquidity risk is the risk of the Group encountering difficulties in meeting the obligations associated with its financial liabilities that are settled in cash or other financial assets. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and "challenging" conditions, without incurring unacceptable losses or damaging the Group's reputation.

(In thousands of euro)	31 December 2014	Contractual cash flows	Breakdown of contractual cash flows Up to 1 year	1 to 5 years	Over 5 years
Convertible bonds	6 188	33 775	12 358	-	21 416
H-YIELD bond	451 078	616 325	31 150	124 600	460 575
Other bonds	20 179	58 852	2 191	-	56 661
Bank loans	28 510	29 256	7 038	17 810	4 409
Other borrowings	743	9 251	1 766	4 854	2 631
Accrued interests	15 428				
Bank overdrafts	1 772	1 772	1 772		
Total	**523 898**	**749 230**	**56 275**	**147 264**	**545 692**
IFRS restatement on convertible bonds and H-YIELD bond	(14 653)				
Finance lease liabilities	39 628				
Total	**548 873**				

(In thousands of euro)	31 December 2013	Contractual cash flows	Breakdown of contractual cash flows Up to 1 year	1 to 5 years	Over 5 years
Convertible bonds	6 448	30 887	-	-	30 887
H-YIELD bond	375 859	531 075	25 550	76 650	428 875
Other bonds	19 818	59 632	-	-	59 632
Bank loans	26 547	23 771	8 164	13 405	2 202
Other borrowings	223	10 853	1 998	4 350	4 505
Bank overdrafts	159	-	-	-	-
Total	**429 054**	**656 218**	**35 712**	**94 405**	**526 101**
IFRS restatement on convertible bonds and H-YIELD bond	(14 328)				
Finance lease liabilities	33 693				
Total	**448 419**				

6.28.4 Market risk

Market risk includes the risk of changes in market prices, such as foreign exchange rates, interest rates and equity instrument prices affecting the Group's profit or the value of its financial instruments. The objective of market risk management is to contain market risk exposures within acceptable thresholds, while optimising returns.

6.28.4.1 Currency risk

The Group's financial performance is not materially affected by exchange rate fluctuations since a significant portion of operations takes place within the eurozone and income and expenses are generally denominated in the similar currency.

The following exchange rates were used during the period for the main currencies:

		2014		2013	
		Exchange rate at 31 December	Average rate at 31 December	Exchange rate at 31 December	Average rate at 31 December
AUD	Australian Dollar	1,4829	1,4724	1,5423	1,3770
CNY	Yuan	7,5358	8,1883	8,3491	8,1655
USD	US Dollar	1,2141	1,3288	1,3791	1,3282
ZAR	Rand	14,0353	14,4065	14,5660	12,8308

6.28.4.2 Interest Rate risk

The Group's financing has been contracted at fixed rates and notably the high-yield bond issue of 31 January 2013 and the Senior Secure note of May 2014.

Therefore, the Group is less exposed to interest rate fluctuations on its floating interest rate bank loans than in previous years.

The Group contracts interest rate swaps to hedge against interest rate risk. Only Laboratoire Cerba is still concerned as Cerba European Lab unwound its positions following refinancing of the Group's debt in early 2013.

At 31 December 2014, the Group had hedged a €13 million property lease with pay-fixed interest rate swaps.

The carrying amount of the derivative financial instruments used to hedge interest rate risk is presented below:

			31 December 2014	31 December 2013
(In thousands of euro)	Termination date	Notional principal	Fair value	Fair value
Pay fixed-rate swap				
3-month Euribor - 4.16%	11/01/2019	10 886	(763)	(821)
3-month Euribor - 2.195%	27/07/2023	2 077	(145)	(77)
Total pay fixed-rate swap		**12 963**	**(908)**	**(898)**
Total derivative instruments			**(908)**	**(898)**

These interest rate swaps are economic hedges of interest rate risk on loans and borrowings; they have not been designated as hedging instruments for accounting purposes.

6.28.5 Capital management

The Group's policy is to maintain a strong capital base to ensure the Group's independence and support future development of the business. Capital consists of ordinary shares, non-redeemable preference shares and retained earnings. The Supervisory Board monitors the return on equity.

6.28.6 Carrying amounts and fair values

6.28.6.1 FV vs Carrying

The table below shows the fair values of financial assets and liabilities and the carrying amounts reported in the statement of financial position:

(In thousands of euro)	31 December 2014 Assets at fair value through profit or loss	31 December 2014 Loans and receivables	31 December 2014 Fair value	31 December 2013 Assets at fair value through profit or loss	31 December 2013 Loans and receivables	31 December 2013 Fair value
Non-current						
Other non-current assets		1 670	1 670		1 797	1 797
Current						
Trade receivables		53 989	53 989		53 962	53 962
Other current assets		18 041	18 041		9 749	9 749
Cash and cash equivalents	231	63 869	64 100	10 067	53 697	63 764
Financial assets	**231**	**137 568**	**137 799**	**10 067**	**119 205**	**129 272**

(In thousands of euro)	31 December 2014 Derivative instruments at fair value through profit or loss	31 December 2014 Liabilities measured at amortised cost	31 December 2014 Fair value	31 December 2013 Derivative instruments at fair value through profit or loss	31 December 2013 Liabilities measured at amortised cost	31 December 2013 Fair value
Non-current						
Non-current financial liabilities		512 177	512 177		419 180	419 180
Other non-current liabilities		4 576	4 576		4 147	4 147
Current						
Current financial liabilities		36 696	36 696		29 239	29 239
Trade payables		45 049	45 049		40 440	40 440
Other current liabilities	908	41 830	42 737	898	32 694	33 592
Financial liabilities	**908**	**640 328**	**641 236**	**898**	**525 700**	**526 598**

The fair value of trade receivables and trade payables is the amount reported in the statement of financial position, given the short-term nature of these assets and liabilities. The same applies to other receivables and payables.

The fair value of swaps corresponds to their valuation by their issuing bank. Financial liabilities are recognised at amortised cost using the effective interest method. The Group's bank loans are contracted at variable rates based on Euribor and their fair value is deemed to correspond to their value at the closing date.

6.28.6.2 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. inferred from observable prices).
- Level 3: fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Breakdown by category			
(In thousands of euro)	**Level 1**	**Level 2**	**Level 3**	**Total**
At 31 December 2014				
Liabilities				
Cash equivalents	64 100			64 100
Derivative instruments		908		908
Total financial liabilities	**64 100**	**908**	**-**	**65 008**
At 31 December 2013				
Liabilities				
Cash equivalents	63 764			63 764
Derivative instruments		898		898
Total financial liabilities	**63 764**	**898**	**-**	**64 662**

6.28.7 Operating Leases

Future minimum lease payments under non-cancellable operating leases at 31 December 2014 are shown in the following table:

(In thousands of euro)	**31 December 2014**	**< 1 year**	**1 to 5 years**	**More than 5 years**
Lease agreements	13 468	3 286	8 562	1 620
Total	**13 468**	**3 286**	**8 562**	**1 620**

Operating leases are entered into at market rates and accounted for as operating leases (see Note 6.4.5).

The Group uses operating leases for industrial equipment (mainly vehicles and transport equipment) when there is no economic justification for acquiring the assets in question.

The Group has no contingent lease commitments or sub-letting agreements.

6.29 Off-balance sheet commitments

6.29.1 Commitments given

(In thousands of euro)

Entities	Nature	Value at 31 December 2014	Value at 31 December 2013
Cerba European Lab (formerly Financière Gaillon 12)	Guarantees	11	8
	Mortgages and pledges	705 844	601 307
CEFID	Mortgages and pledges	71 480	60 146
CERBA	Mortgages and pledges	106 454	64 691
	Others		3 692
BARC NV	Mortgages and pledges	124 594	128 062
CRI	Mortgages and pledges	68 353	70 707
LBS	Mortgages and pledges	31 297	37 856
LLAM SA	Guarantees	461	163
	Commitments under no-cancellable lease	3 639	4 693
	Mortgages and pledges	12 957	2 026
	Others	21 525	1 778
BIOTOP	Guarantees	4 782	6 515
	Commitments under no-cancellable lease	4 220	5178
BIOLILLE	Commitments under no-cancellable lease	1 340	1 677
	Mortgages and pledges	1 050	1 419
BIOREUNION	Commitments under no-cancellable lease	2 214	2 832
CBCV	Commitments under no-cancellable lease	2 055	2 518
	Mortgages and pledges	486	592

Commitments given mainly relate to non-cancellable operating lease commitments measured at the amount of the future minimum lease payments.

Pledges are mostly pledges of securities and financial commitments given as part of the high-yield bond issue in January 2013 and the additional draw in May 2014.

6.29.2 Commitments received

(In thousands of euro)	Nature	Value at 31 December 2014	Value at 31 December 2013
Group CEL	Others	50 000	50 000
CERBA	Guarantees		3 097
	Mortgages and pledges	1 928	
BIOPYRENEES	Guarantees	458	1 188
BIOREUNION	Guarantees		358
BIOTOP	Guarantees		4 894
CBCV	Guarantees	338	408
LLAM SA	Guarantees		2
	Total	**52 724**	**59 947**

Commitments are received in the normal course of business and essentially concern the revolving line of credit and bank guarantees received when certain investments were acquired.

6.30 Related parties

6.30.1 Parent company and Group reporting entity

Related parties identified by the Group are as follows:

- Financière Gaillon 13, parent company of Cerba European Lab;
- Cerberus Nightingale 2, parent company of Financière Gaillon 13.
- Cerberus Nightingale 1, parent company of Cerberus Nightingale 2.
- Financière Gaillon 0, parent company of Cerberus Nightingale 1
- MGCI, management company with an interest in Financière Gaillon 0;
- Biopart, whose General Manager also manages one of the Group’s subsidiaries;

A breakdown of the balances and transactions between Group companies and associates is presented below:

(In thousands of euro)	*Nature*	*Partners*	31 December 2014	31 December 2013
Consolidated statement of Financial Position				
Other current assets	*Cash advances*	*Cerberus Nightingale 2*		5820
Current financial liabilities	*Shareholder loans*	*Cerberus Nightingale 2*		4876
Current financial liabilities	*Shareholder loans*	*Financière Gaillon 13*	6072	
Non-current financial liabilities and equity	*Convertible bonds including equity instruments*	*Cerberus Nightingale 2*		11076
Non-current financial liabilities	*Other bond issues*	*BIOPART*		10691

(In thousands of euro)	*Nature*	*Partners*	31 December 2014	31 December 2013
Income statement				
Other financial incomes	*Related to the cash advances*	*MGCI*		16
Cost of net debt	*Related to the shareholder loans*	*Cerberus Nightingale 2*		-555
Cost of net debt	*Related to the shareholder loans*	*Financière Gaillon 13*	-550	
Cost of net debt	*Related to the convertible bonds*	*Financière Gaillon 13*	-1128	
Cost of net debt	*Related to the convertible bonds*	*Cerberus Nightingale 2*		-1574
Cost of net debt	*Related to the other bond issues*	*BIOPART*		-1181

6.31 Auditor's fees

	31 December 2014					
(In thousands of euro)	PWC	%	Grant Thornton	%	Other	%
Audit						
Statutory audit, certification, audit of separate and consolidated financial statements	440	58%	324	68%	92	79%
Cerba European Lab	*138*	*18%*	*125*	*26%*	-	
Fully-consolidated subsidiaries	*302*	*40%*	*199*	*41%*	*92*	79%
Other audit-related work and services	322	42%	156	33%	-	0%
Cerba European Lab	*161*	21%	*131*	27%	-	0%
Fully-consolidated subsidiaries	*161*	21%	*25*	5%	-	0%
Total	**762**	**100%**	**480**	**100%**	**92**	**79%**
Other services rendered by the audit networks to fully-consolidated subsidiaries						
Legal, tax, payroll-related	-		-		24	21%
Other						
Total	**-**		**-**		**24**	**21%**
Total fees	**762**		**480**		**116**	

6.32 Executive management compensation

Given the Group's structure, key management compensation has not been disclosed as it would mean revealing individual salaries.

6.33 Subsequent events

Launch of the legal process of simplification within the Business Unit "Marseille" following the acquisition of the JS Bio Group in May 2014.

NOVESCIA

The Group completed the acquisition of the laboratory network Novescia dated Tuesday, March 10, 2015.

The resulting network will rely on multidisciplinary teams. It will introduce complementarities and synergies enabling it to reach new heights in terms of quality, harmonisation of practices, efficacy of care and medical expertise, while retaining a local, personalised service and improving its availability and medical support offer.

Cerba European Lab's innovation platform will provide the group with new biomarkers and new services, enabling it to meet the sector's medical and economic requirements.

Given the proximity of the group's acquisition transaction, we are not in a position to provide more information at this stage that the grouping accounting work is in progress.

Cerba European Lab

Consolidated financial statements

31 December 2013

Cerba European Lab
S.A.S. with share capital of €810,246.05
ZI Les Béthunes
7/11 rue de l'Equerre
95310 Saint-Ouen-l'Aumone

Cerba European Lab

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2013

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

This report also includes information relating to the specific verification of information given in the group's management report.

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

Cerba European Lab

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2013

To the Shareholders

In compliance with the assignment entrusted to us by your article of association and your annual general meeting, we hereby report to you, for the year ended December 31, 2013, on:

- the audit of the accompanying consolidated financial statements of **CERBA EUROPEAN LAB**
- the justification of our assessments,
- the specific verification required by law.

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

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group at December 31, 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2 Justification of our assessments

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

Accounting estimate

In preparing the consolidated financial statements, your company is required to make a number of estimates and assumptions that affect the value of certain assets and liabilities, expense and revenue items. The accounting estimates used in the preparation of the consolidated financial statements as of December 31, 2013 are described in the note 6.3.5 "Use of estimates and judgments" to the consolidated financial statements.

In particular your company performed impairment tests on goodwill as of December 31, 2013 based on the methods described in the notes 6.4.3.1 and 6.12 "Goodwill" to the consolidated financial statements. We have reviewed the methods used to carry out these impairment tests as well as the corresponding assumptions applied by your company in order to determine the values in use and we have verified that the notes to the consolidated financial statements provide appropriate disclosure.

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

3 Specific verification

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

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

Paris and Neuilly-sur-Seine, April 18, 2014

The statutory auditors
French original signed by

Grant Thornton French member of Grant Thornton International	PricewaterhouseCoopers Audit	
Michel Cohen	Jacques Lévi	Marie-Cécile Dang Tran

1 Consolidated statement of financial position

(In thousands of euro)

	Notes	31 December 2013	31 December 2012
Assets			
Goodwill	6.12	599,292	561,526
Intangible assets	6.13	112,269	118,717
Property, plant and equipment	6.14	53,368	42,914
Equity-accounted associates		—	—
Non-current tax assets		1,628	2,585
Other non-current assets	6.15	1,797	2,916
Deferred tax assets	6.16	1,467	1,282
Non-current assets		**769,821**	**729,940**
Inventories	6.17	5,862	5,554
Trade receivables	6.18	53,962	58,735
Current tax assets		1,452	700
Other current assets	6.19	9,749	8,156
Cash and cash equivalents	6.20	63,764	38,937
Current assets		**134,789**	**112,082**
Total assets		**904,611**	**842,022**
Equity and liabilities			
Share capital	*6.21*	*810*	*810*
Share premium	*6.21*	*416,811*	*416,811*
Retained earnings		*(110,519)*	*(27,919)*
Profit (loss) for the period, attributable to owners of the Company		*5,109*	*(80,493)*
Foreign currency translation reserve		*(743)*	*(348)*
Equity attributable to owners of the company		311,468	308,861
Non-controlling interests—reserves		*9,038*	*7,956*
Non-controlling interests—profit (loss)		*2,449*	*1,866*
Non-controlling interests		11,486	9,822
Total equity	**4**	**322,954**	**318,683**
Non-current financial liabilities	6.22	419,180	344,128
Employee benefits	6.23	5,079	4,932
Non current provisions	6.24	4,525	3,795
Deferred tax liabilities	6.16	36,056	38,267
Other non current liabilities	6.25	4,147	4,608
Non-current liabilities		**468,986**	**395,730**
Current financial liabilities	6.22	29,239	39,048
Current provisions	6.24	679	860
Trade payables	6.26	40,440	43,322
Current tax liabilities		8,719	7,193
Other current liabilities	6.27	33,592	37,187
Current liabilities		**112,670**	**127,609**
Total equity and liabilities		**904,611**	**842,022**

2 Consolidated income statement

(In thousands of euro)

	Notes	31 December 2013	31 December 2012
Net sales	**6.7**	**351,586**	**325,750**
Consumption of materials and supplies		(75,653)	(72,285)
Other purchases and external expenses		(72,965)	(78,441)
Taxes and duties		(8,742)	(7,632)
Personnel expenses	6.9	(116,267)	(108,074)
Net change in depreciation and amortisation		(25,077)	(23,918)
Other income	6.8	10,319	5,053
Other expenses	6.8	(10,325)	(1,135)
Goodwill impairment	6.12	—	(48,500)
Operating income (loss)		**52,875**	**(9,181)**
Cost of net debt		(32,465)	(53,809)
Other financial income		443	625
Other financial expenses		(1,307)	(518)
Financial income (expense)	**6.10**	**(33,329)**	**(53,702)**
Pretax income (expense)		**19,546**	**(62,884)**
Income tax	6.11.1	(11,988)	(15,744)
Profit (loss)		**7,557**	**(78,628)**
Attributable to owners of the Company		*5,109*	*(80,493)*
Attributable to non-controlling interests		*2,449*	*1,866*

3 Consolidated statement of comprehensive income

(In thousands of euro)

	Notes	31 December 2013	31 December 2012
Profit (Loss)	**2**	**7,557**	**(78,628)**
Recyclable items through profit			
Foreign currency translation differences	*4*	*(691)*	*(135)*
Non-recyclable items through profit			
Actuarial gains and losses on defined benefit obligations		*(105)*	*(250)*
Tax impacts on actuarial gains and losses on defined benefit obligations		*36*	*83*
Gain and losses recognised directly in equity		**(760)**	**(302)**
Total comprehensive income for the period	**4**	**6,798**	**(78,929)**
Attributable to owners of the Company		*4,694*	*(80,717)*
Attributable to non-controlling interests		*2,173*	*1,788*

4 Consolidated statement of changes in equity

(In thousands of euro)

	Share capital	Share premium	Retained earnings	Actuarial differences	Translation differences	Total	Non-controlling interests	Total equity
Opening position at 1st January 2012	**807**	**249,774**	**19,695**	**284**	**(291)**	**270,269**	**5,170**	**275,439**
Total comprehensive income for the period	—	—	—	—	—		—	
	—	—	—	—	—		—	
Net income (loss) for the period	—	—	(80,493)	—	—	(80,493)	1,866	(78,628)
Total other comprehensive income	—	—	—	(167)	(57)	(224)	(78)	(301)
Total comprehensive income for the period	**—**	**—**	**(80,493)**	**(167)**	**(57)**	**(80,717)**	**1,788**	**(78,929)**
	—	—	—	—	—		—	
Transactions with owners of the Company, recognised directly in equity	—	—	—	—	—	—	—	—
Contributions by and distributions to owners of the Company	—	—	—	—	—	—	—	—
Changes in scope	—	—	704	—	—	704	1,231	1,935
Issue of ordinary shares	2	172	—	—	—	174	2,375	2,549
Issue of convertible bonds net of differed tax	1	166,865	(48,819)	—	—	118,047	—	118,047
Own shares sold	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	(1,198)	(1,198)
Others	—	—	384	—	—	384	(37)	347
Total contributions by and distribution to owners of the Company	**3**	**167,037**	**(47,731)**	**—**	**—**	**119,309**	**2,371**	**121,680**
Changes in ownership interests in subsidiaries	—	—	—	—	—		—	
	—	—	—	—	—	—	—	—
Non-controlling interests at acquisition of the subsidiary	—	—	—	—	—	—	492	492
Total transactions with owners of the Company	**—**	**—**	**—**	**—**	**—**	**—**	**492**	**492**
	—	—	—	—	—		—	
Closing position at 31 December 2012	**810**	**416,811**	**(108,529)**	**117**	**(348)**	**308,861**	**9,822**	**318,683**

	Share capital	Share premium	Retained earnings	Actuarial differences	Translation differences	Total	Non-controlling interests	Total equity
Opening position at 1st January 2013	**810**	**416,811**	**(108,529)**	**117**	**(348)**	**308,861**	**9,822**	**318,683**
Total comprehensive income for the period								
Profit (loss) for the period			5,109			5,109	2,449	7,557
Total other comprehensive income				(19)	(396)	(415)	(276)	(691)
Total comprehensive income for the period	**—**	**—**	**5,109**	**(19)**	**(396)**	**4,694**	**2,173**	**6,867**
Transactions with owners of the Company, recognised directly in equity						**—**		**—**
Contributions by and distributions to owners of the Company						—		—
Changes in scope			(1,070)			(1,070)	638	(432)
Issue of ordinary shares	—					—		—
Issue of convertible bonds net of differed tax						—		—
Own shares sold						—		—
Dividends			(0)			(0)	(928)	(928)
Others			(1,018)			(1,018)	(207)	(1,225)
Total contributions by and distribution to owners of the Company	**—**	**—**	**(2,088)**	**—**	**—**	**(2,088)**	**(497)**	**(2,585)**
Changes in ownership interests in subsidiaries						—		—
Non-controlling interests at acquisition of the subsidiary						—	(11)	(11)
Total transactions with owners of the Company	**—**	**—**	**—**	**—**	**—**	**—**	**(11)**	**(11)**
Closing position at 31 December 2013	**810**	**416,811**	**(105,509)**	**98**	**(743)**	**311,468**	**11,486**	**322,954**

5 Consolidated cash flow statement

(In thousands of euro)

	Notes	31 December 2013	31 December 2012
Profit (loss) for the period	*2*	7,557	(78,628)
Adjustments for:			
Amortisation, depreciation and impairment	*6.13 - 6.14 - 6.24*	23,151	68,620
Income tax	*6.11.1*	11,988	15,744
Financial Income (Expense)	*6.10*	33,329	53,702
Items classified as cash flows from investing activities		(487)	(1,675)
Other items not affecting cash		0	
Change in working capital		4,817	(7,242)
Income tax paid	*6.11.1*	(12,051)	(12,928)
Net cash provided by (used in) operating activities		**68,308**	**37,592**
Acquisition of property, plant and equipment and intangible assets	*6.13 - 6.14*	(9,183)	(10,230)
Disposals of property, plant and equipment and intangible assets	*6.13 - 6.14*	269	316
Change in loans and other financial assets		(157)	2,371
Effect of change in consolidation scope	*6.12*	(38,529)	(20,414)
Interests received		36	33
Dividends received		18	—
Other changes related to investing activities		420	165
Net cash provided by (used in) investing activities		**(47,126)**	**(27,758)**
Dividends paid to non-controlling interests	*4*	(928)	(1,199)
Increase (decrease) in share capital		(0)	174
Increase (decrease) in share capital by non-controlling interests	*4*	700	2,376
Proceeds from issuance of borrowings	*6.22*	357,072	29,233
Repayment of borrowings	*6.22*	(323,615)	(12,322)
Finance costs paid	*6.22*	(23,153)	(19,401)
Other Financial expenses paid	*6.22*	(1,103)	—
Net cash provided by (used in) financing activities		**8,973**	**(1,139)**
Effect of exchange rate fluctuations on cash held		(20)	69
Net increase (decrease) in cash and cash equivalents		**30,134**	**8,765**
Cash and cash equivalents at beginning of period	*6.20*	*33,471*	*24,706*
Cash and cash equivalents at end of period	*6.20*	*63,605*	*33,471*

6 Notes to the consolidated financial statements

General informations

6.1 Reporting entity

Cerba European Lab (hereinafter referred to as "the Company") is a French simplified joint-stock company (*société par actions simplifiée*) with a Management Board and Supervisory Board, headquartered in France at 7/11 Rue de l'Equerre 95310 Saint-Ouen-l'Aumône.

The Company was created on 8 June 2010 following the acquisition of the Cerba European Lab Group.

The Group is a leading European player in medical biology, with a market positioning in clinical laboratory testing, specialised clinical pathology and clinical trials.

Financière Gaillon 13 SAS was created in 2013 and is the main shareholder of Cerba European Lab.

6.2 Significant events of the period

Changes in scope of consolidation

The Group continued its policy of external growth. It acquired the following interests during the year (see Note 6.12):

- Laboratoire Bionord (100%) on 1 June 2013;
- Laboratoire CHB (Chaouat Heurzeau Bieder) (99.98%) on 30 June 2013;
- Laboratoire CBM (Centre de Biologie Médicale) (99.97%), consolidated beginning 20 December 2013;
- SCM BIO76 (99.51%) on 20 December 2013;

The Group is restructuring its operations as follows:

- Mergers by dissolution without liquidation and transfer of all assets and liabilities (Transmission Universelle de Patrimoine) in France of:
  - Biocreat and Gendrault to CBCV from 1 January 2013
  - GD Bio to CBCV from 30 April 2013
  - Bionord, LABM La Plaine de Cafres and LABM La Petite Ile to Bioreunion on 1 August 2013, 1 September 2013 and 1 July 2013, respectively
- Place Boulot entity was sold by Biotop on 30 June 2013
- Dissolution of the Belgian entity Laboraco in the fourth Quarter of 2013

The Group also paid a total of €5.7 million for the business goodwill of three different entities:

- the intangible Business Asset of Mondorf was acquired by Luxembourg-based LLAM in the first Quarter of 2013;
- the intangible Business Asset of Bastard was acquired by CBCV in the fourth Quarter of 2013;
- the intangible Business Asset of STAL was acquired by Biopole 80 in the fourth Quarter of 2013.

Financing structure

On 31 January 2013, the Group completed a successful issue of €365 million worth of 7% high-yield bonds maturing in February 2020 with coupon payable twice yearly in February and August, beginning in August 2013. Arrangement fees and the related legal fees for the operation totalled €5.5 million and €10 million, respectively.

On 31 January 2013, the Group successfully negotiated a "super senior" revolving line of credit of €50 million which it used to refinance debt issued in July 2010 (senior bank loan and mezzanine debt) and unwind the positions it had contracted on the related interest rate swaps. The fees for arranging this facility totalled €1.9 million and they have been amortised over the term of the loan using the effective interest method in accordance with IAS 39 (see Note 6.4.2.3).

As the Group had considered it highly probably that it would repay this debt early in January 2013, it had already amortised total deferred borrowing costs using the same effective interest method in 2012.

On the same date, the Group paid down debt for a total amount of €313.6 million, comprising €247 million for a senior bank loan, €61.9 million of mezzanine debt and €4.7 million to unwind interest rate swaps.

On 31 January 2013, Cerberus Nightingale 2 SA transferred its convertible bonds and shareholders loans onto the books of its wholly-owned subsidiary, Financiere Gaillon 13 SAS.

6.3 Basis of preparation

6.3.1 Statement of compliance

The consolidated financial statements of Cerba European Lab have been prepared in accordance with the International Financial Reporting Standards (including IFRSs, IASs, SIC and IFRIC interpretations) adopted by the European Union before 31 December 2013 and published by the IASB (International Accounting Standards Board).

The Group has analysed IFRSs, IASs, SIC, IFRIC interpretations and related amendments published, approvedand applicable for accounting periods beginning on or after 1 January 2013—as well as those not yet approved—by the European Union at 31 December 2013.

These standards can be viewed on the European Commission's website at: *http://ec.europa.eu/internal_market/accounting/ias/index_en.htm*

The following standards, interpretations and related amendments, published in the Official Journal of the European Union at the end of the reporting period, were applied by the Group for the first time in 2013.

Revised standards, amendments and interpretations applicable for accounting periods beginning on or after 1 January 2013

The new accounting standards and interpretations listed below were applied by the Group for the first time in the consolidated financial statements for the year ended 31 December 2013.

- Amendments to IAS 1—Presentation of Items of Other Comprehensive Income, applicable for accounting periods beginning on or after 1 July 2012. These amendments have a material impact on the Group's consolidated financial statements at 31 December 2013 (see Note 3).

- Revised IAS 19—Employee Benefits: amendment to defined benefit plans, applied to the consolidated accounts for 2013. This revised standard does not have a material impact on the consolidated financial statements.

- IFRS 13—Fair Value Measurement: framework for initial measurement and subsequent remeasurement of fair value and all related disclosures required, applicable for accounting periods beginning on or after 1 January 2013.
- Amendment to IAS 12—Deferred Tax: Recovery of Underlying Assets, applicable for accounting periods beginning on or after 1 January 2013. These amendments did not have any impact on the Group's consolidated financial statements at 31 December 2013.
- Amendment to IFRS 7—Disclosures: Offsetting Financial Assets and Financial Liabilities, applicable to accounting periods beginning on or after 1 January 2013. These amendments did not have a material impact on the Group's consolidated financial statements at 31 December 2013.
- The IFRS annual improvements 2009-2011 cycle, applicable for accounting periods beginning on 1 January 2013.

New standards, amendments and interpretations published by the IASB but not yet applicable or not early-adopted by the Group:

* **Applicable for accounting periods beginning on or after 1 January 2014 (adopted by EU, early adoption permitted)**

- IFRS 10—Consolidated Financial Statements, applicable for accounting periods beginning on or after 1 January 2014.
- IFRS 11—Joint Arrangements.
- IFRS 12—Disclosure of Interests in Other Entities.
- Amendments to transition guidance for IFRS 10, IFRS 11 and IFRS 12.
- IAS 28—Investments in Associates and Joint Ventures.
- Amendments to IAS 32—Offsetting Financial Assets and Financial Liabilities.
- Amendments to IAS 36—Recoverable Amount Disclosures for Non-Financial Assets.
- Amendments to IAS 39—Novation of Derivatives and Continuation of Hedge Accounting.

* **Applicable for accounting periods beginning on or after 1 January 2014 (not adopted by EU, early adoption permitted)**

- IFRIC 21—Levies.
- Amendments to IAS 19—Employee Benefits: Employee Contributions.

* **Applicable for accounting periods beginning on or after 1 January 2014 (not adopted by EU, early adoption not permitted)**

- Revised IAS 27—Separate Financial Statements.

* **Not yet applicable and not adopted by EU:**

- IFRS 9—Financial Instruments—Phase I: Classification and Measurement.
- IFRS 9—Financial Instruments—Phase III: Hedge accounting.

The Group is currently analysing the impact on its consolidated financial statements of the standards published by the IASB at 31 December 2013 but not yet adopted by the EU but it does not expect the impact to be material.

The Group is currently analysing the impact on its consolidated financial statements of the standards newly-applicable to accounting periods beginning on or after 1 January 2014.

6.3.2 Comparability of financial statements

The accounting policies used to prepare the consolidated financial statements at 31 December 2013 are identical to those used for the consolidated statements at 31 December 2012 with the following exception:

- the *CICE* (*Crédit d'Impôt Compétitivité et de l'Emploi*), the French tax credit designed to boost competitiveness and employment introduced on 1 January 2013 and applicable to the Group's French entities, is recognised in Personnel expenses in accordance with the provisions of Revised IAS 19.

6.3.3 Basis of measurement

The annual consolidated financial statements have been prepared using the historical cost principle, except for derivative instruments, which are measured at fair value.

6.3.4 Functional and presentation currency

The annual consolidated financial statements are presented in thousands of euros, the Company's functional currency, and rounded to the nearest thousand, unless otherwise specified.

6.3.5 Use of estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual amounts may differ from these estimates.

Management bases these estimates and assumptions on past experience and the Group's current business environment and they are reviewed on an ongoing basis. The impacts of changes to estimates are recognised in the period in which the estimates are revised and for all future periods affected.

Estimates and assumptions are particularly important for measuring:

- the recoverable amount of intangible assets and property, plant and equipment, especially goodwill (assumptions presented in notes 6.4.3.1 and 6.12);
- obligations under defined benefit plans (assumptions presented in note 6.23);
- deferred tax assets and liabilities (see note 6.16).

6.4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements and by all Group entities.

6.4.1 Basis of consolidation

The Group's annual consolidated financial statements include those of the parent company and all of its subsidiaries for the period ended 31 December 2013. All of the subsidiaries close their accounts on 31 December, except for LBS (30 September) and CRI (30 November).

The Group consolidates all entities over which it exercises exclusive control—either directly or indirectly—using the full consolidation method. Entities over which the Group has significant influence are accounted for using the equity method without applying any threshold in terms of its interest and/or voting rights.

All material intragroup balances, transactions, income and expenses are totally eliminated.

All profits and losses generated by subsidiaries are broken out into the portion attributable to owners of the Company and to non-controlling interests, based on their respective interests.

6.4.1.1 Business combinations

In accordance with Revised IFRS 3, business combinations acquired after to 1 January 2010 are accounted for using the purchase method at the acquisition date, which is the date on which control was transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; (+)
- the recognised amount of any non-controlling interests in the acquiree; (+)
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; (−)
- the net recognised amount (in general the fair value) of the identifiable assets acquired and liabilities assumed.

Contingent consideration is measured at its acquisition-date fair value and is subsequently adjusted through goodwill only when additional information is obtained after the acquisition date about facts and circumstances that existed at that date.

Such adjustments are made only during the 12-month measurement period that follows the acquisition date.

All other subsequent adjustments are recorded as a receivable or payable through profit or loss.

In the case of multi-step acquisitions, acquisition of control over the acquiree triggers remeasurement of all previously-held equity interests at fair value and any material changes are recognised in profit or loss from recurring operations.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Contingent consideration is recognised in equity if the contingent payment is settled by delivery of a fixed number of the acquirer's equity instruments; in all other cases, it is recognised in liabilities related to business combinations. Contingent consideration is recognised at fair value at the acquisition date irrespective of the probability of payment. If the contingent consideration was originally recognised as a liability, any subsequent adjustments are recognised in profit or loss unless such adjustments are made within 12 months of the acquisition date and are related to facts and circumstances existing at the acquisition date. Purchased goodwill is accounted for as a business combination.

6.4.1.2 Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners. Therefore, no goodwill is recognised. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are determined based on the proportionate interest in the net assets of the subsidiary.

Operations that do not lead to a loss of control are treated as transactions between shareholders, giving rise to a new split between equity attributable to owners of the Company and to non-controlling interests. The same allocation basis is applied to any transaction costs.

6.4.1.3 Subsidiaries

Subsidiaries are entities controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

French legislation requires laboratories to be incorporated as private practice companies (*Société d'Exercice Libéral—SEL*) and the clinical pathologists operating the private practice companies to hold at least 50% of the voting rights at shareholders' annual general meetings. In strict compliance with these regulations, the Group has created a capital structure to meet these obligations and hold the majority of the related financial interests (see Note 6.5). Moreover, specific clauses, especially concerning the governance structure, are included in the articles of association and shareholders agreements.

Although the Group does not hold the majority of voting rights in the private practice companies, the above-mentioned mechanisms allow it to obtain the majority of the economic benefits derived from the activities of these companies and also to demonstrate the existence of *de facto* control in full compliance with French legislation, therefore enabling the French entities to be fully consolidated.

Subsidiaries are fully consolidated from the date that control commences until the date that control ceases (see Note 6.4.1.4). Divestment resulting in loss of control.

6.4.1.4 Disvestment resulting in loss of control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any profit or loss arising on the loss of control is recognised in "Profit or loss from recurring operations".

If the Group retains any interest in its former subsidiary, said interest is measured at fair value at the date that control is relinquished. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset, depending on the level of influence retained.

6.4.1.5 Transactions eliminated in consolidation

Intra-group balances and transactions and any income and expenses arising from intra-group transactions are eliminated in the consolidated financial statements.

6.4.1.6 Foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currencies of the respective Group entities at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the closing exchange rate.

Foreign currency translation differences are recognised in profit or loss.

6.4.1.7 Foreign operations

The assets and liabilities of foreign operations—including goodwill and fair value adjustments arising on acquisitions—whose functional currency is not the euro, are translated into euros at the closing exchange rate, and their statements of comprehensive income are translated into euros using average exchange rates for the period.

The foreign currency translation differences arising from the use of different exchange rates are recognised in "Other comprehensive income". They are carried in the foreign currency translation reserve in consolidated equity until the related investments are sold or wound up.

6.4.2 Financial instruments

6.4.2.1 Definitions

The Group's financial assets and liabilities are presented in accordance with IAS 39.

They are broken out into their current and non-current portion, depending on whether they mature in under or over one year.

In accordance with IAS 39, the obligating event is recognition in the balance sheet at the transaction date: if there is a time-lag between the transaction date (i.e., the obligation) and the settlement date, securities deliverable or receivable are recognised from the transaction date.

6.4.2.2 Non-derivative financial assets

The Group initially recognises loans and receivables on the date they originated.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Factoring contract

Receivables assigned to third parties under factoring agreements are derecognised when substantially all of the risks and rewards of ownership are transferred to these third parties and, more particularly, when the factoring company bears the risks of non-recoverability and late payment.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus any directly attributable transaction costs and subsequently remeasured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash on hand, amounts invested in money market funds and negotiable debt instruments, readily convertible into known amounts of cash, and subject to insignificant interest rate risk exposure. They do not include bank overdraft facilities.

6.4.2.3 Non-derivative financial liabilities

The Group initially recognises debt securities and subordinated liabilities on the date they originated.

Financial liabilities consist of borrowings and debt, in accordance with IAS 39.

Loans whose contractual rate of interest is tied to the Group's business data are deemed to be at a fixed rate (at the effective interest rate calculated at the inception of the loan).

In the event of a change in the underlying data used to calculate the effective interest rate, the carrying amount of the loan is adjusted with a matching entry to finance costs.

The Group derecognises a financial liability when its contractual obligations have been discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities as other financial liabilities. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. They are subsequently remeasured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the consolidated statement of cash flows.

6.4.2.4 Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

Preference shares

Preference share capital is classified as equity if it is non-redeemable, or redeemable at the Company's discretion only, and the distribution of any dividends is also discretionary. Dividends thereon are deducted directly from equity once they have been approved by the Company's shareholders at their general meeting.

All of the preference shares issued by the Group meet the definition of equity instruments.

Share-based payment

On 21 July 2010, the Company issued shares with warrants to senior executives and some Group employees.

The issue was recognised in accordance with IFRS 2 as a share-based payment and the warrants were measured at fair value on the grant date.

The fair value of stock options is based on the exercise price and the expected life of the option; the price of the underlying stock at the grant date; the expected volatility in the share price; forecast dividends; and the risk-free interest rate over the life of the option.

This method results in a fair value of warrants that is equal to their issue price. The shares with warrants have therefore been classified as equity at their issue cost. Since the issue price is equal to the grant-date fair value, the corresponding expense in the income statement is nil.

6.4.2.5 Hybrid financial instruments

Hybrid financial instruments issued by the Group comprise convertible bonds denominated in euros that can be converted into a fixed number of shares.

The liability component of a hybrid financial instrument is recognised initially at the fair value of a similar liability that does not have a conversion option, by discounting the contractual cash flows at a market rate. The equity component is recognised initially for the amount of the difference between the proceeds from the issue of the convertible bonds and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

The liability component of a hybrid financial instrument is subsequently remeasured at amortised cost using the effective interest method. The equity component of a hybrid financial instrument is not remeasured subsequent to initial recognition.

Interest and any gains and losses related to the financial liability are recognised in profit or loss. Upon conversion of the bonds, the financial liability is reclassified to equity and no gain or loss is recognised.

6.4.2.6 Derivative financial instruments (interest rate swaps)

The Group has contracted interest rate swaps to hedge its interest rate risk exposure. They are not eligible for hedge accounting under IAS 39 and consequently, any fair value adjustments are recognised in profit or loss.

6.4.3 Goodwill and intangible assets

6.4.3.1 Goodwill

For initial recognition of goodwill, see Note 6.4.1.1.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies arising from the business combination.

The CGUs or group of CGUs identified by the Group are as follows:

- Specialised clinical pathology CGU: this activity involves complex clinical testing and/or testing requiring specific equipment that clients (hospitals, clinics, private or community laboratories) do not have.
- France private clinical laboratory testing CGU and Belux private clinical laboratory testing CGU.
- Clinical trials CGU: conducting clinical trials (logistics, analyses, results) for pharmaceutical companies and biotechnology firms during the drug development phase.

Business goodwill acquired during the period is recognised as part of goodwill.

6.4.3.2 Research and development

Expenditure on research activities to gain new scientific and technical knowledge and understanding is recognised in profit or loss as incurred.

Development expenditure is expensed if the criteria for recognition as an intangible asset as defined by IAS 38, are not met.

Under *IAS 38—Intangible Assets*, development expenditure must be recognised as an intangible asset if the entity is able to demonstrate:

- its intention and its financial and technical ability to complete the development project;
- that it is probable that the future economic benefits attributable to the development expenditure will flow to the entity; and
- that the cost of the asset can be measured reliably.

Gross capitalised development expenditure also includes borrowing costs.

6.4.3.3 Intangible assets

The intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

They include customer contractual relationships and order books acquired in business combinations.

6.4.3.4 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

6.4.3.5 Amortisation

Except for goodwill, intangible assets are amortised on a straight-line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

• Patents and trademarks	10 years
• Software	1 - 3 years
• Contractual customer relationships (specialised clinical pathology CGU)	19 years
• Order books (clinical trials CGU)	4 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate.

6.4.4 Property, plant and equipment

6.4.4.1 Recognition and measurement

In accordance with IAS 16, the gross carrying amount of an item of property, plant and equipment corresponds to its acquisition or production cost and it is not revalued.

Capital expenditure grants are recognised as a deduction from the gross carrying amount of the asset for which they were granted.

Repair and maintenance costs are expensed as incurred.

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When components of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Leases are dealt with in Note 6.4.5.

Depreciation of property, plant and equipment is dealt with in Note 6.4.4.3 below.

6.4.4.2 Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Repairs and maintenance are expensed as incurred.

6.4.4.3 Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and ready for use or, in the case of self-constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives of significant items of property, plant and equipment are as follows:

• Buildings	20 years
• Plant and equipment	5 - 10 years
• Fixtures and fittings	5 - 10 years
• Equipment and tooling	5 years
• Transport equipment	4 - 5 years
• Office and IT equipment	3 - 5 years
• Furniture	5 - 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate.

6.4.5 Leased assets

Assets under finance leases or arrangements that are in substance finance leases as defined by IAS 17—Leases and IFRIC 4, respectively, are recognised as an asset in the balance sheet.

Leases under whose substance or form the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

After the initial accounting, the asset is subsequently accounted for in accordance with the accounting policy applicable to this type of asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Other leases are operating leases and are not recognised as non-current assets.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, and as a reduction in rental expense over the term of the lease.

6.4.6 Inventories

Finished goods inventories, mainly comprising reagents and consumables, are recognised at purchase cost, plus any directly attributable costs. They are measured on a VAT-inclusive basis less the applicable pro rata VAT amounts.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

6.4.7 Impairment

6.4.7.1 Non-derivative financial assets

A financial asset not classified as at fair value is assessed at each reporting date to determine whether there is objective evidence that it may be impairedas a result of one or more events that occurred after the initial recognition of the asset giving rise to a loss event with an impact on the estimated future cash flows of the asset that can be estimated reliably.

Financial assets measured at amortised cost

The Group considers evidence of impairment of financial assets measured at amortised cost (loans and receivables) both individually and collectively.

The high volumes and low unit values of invoices issued by the Group require specific credit management processes. Impairment policies for receivables are implemented on the basis of historical data but provisions for doubtful debts are booked on a case by case basis. In the specialised clinical pathology business, receivables from direct patients which are more than 35 days overdue are handled by a debt collection company.

In assessing collective impairment of receivables, the Group uses historical trends of the probability of default, payment patterns and the amount of losses incurred in the past, adjusted based on management's assessment of whether current economic and credit conditions are such that actual losses are likely to be greater or less than those suggested by historical trends.

An impairment loss on a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows. Impairment losses are recognised in profit or loss under "Net change in amortisation and impairment" with a matching entry in an allowance account for loans and receivables. Any subsequent decrease in the impairment loss is reversed through profit or loss.

6.4.7.2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purposes of goodwill impairment testing, the CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. CGUs are aggregated within operating segments. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Goodwill impairment losses are recognised in profit or loss.Impairment losses recognised in respect of CGUs are first allocated against the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then against the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill cannot be reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6.4.8 Employee benefits

In accordance with the laws and practices of the countries in which it operates, the Group grants its employees post-employment benefits (pension plans) and other long-term benefits (long-service bonuses).

In addition to regulatory post-employment benefits in the countries in which the Group is present, Group employees are also entitled to supplementary pension plans and lump sum retirement indemnities (see Note 6.23).

These take the form of either defined contribution or defined benefit plans.indemnities (see Note 6.23).

Under defined contribution plans, the Group has no legal or constructive obligation to make further contributions and the corresponding expense is recognised in profit or loss for the period.

6.4.8.1 Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits vested by employees in return for services provided in the current and prior periods, less any unrecognised past service costs and the fair value of plan assets. The discount rate is the yield at the reporting date on AA credit-rated bonds with similar maturities to the Group's obligations denominated in the currency in which the benefits are expected to be paid.

In accordance with Revised IAS 19—Employee Benefits, pensions and other post employment benefits are measured by a qualified independent actuary using the projected unit credit method: each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The final obligation is then discounted to present value. These calculations require the use of:

- projected retirement dates;
- a discount rate;
- an inflation rate;
- assumptions regarding future salary increases and staff turnover.

Obligations are measured annually for the Group's main plans and once every three years for other plans unless changes in assumptions or significant changes in demographic data warrant more frequent measurement.

For each defined benefit plan, the Group recognises a provision equal to the benefit obligation, less the fair value of plan assets, actuarial gains and losses and any unrecognised past service cost.

Actuarial gains and losses arise on change in assumptions or differences between forecast and actual data concerning the benefit obligation or the performance of plan assets.

The Group recognises deferred cumulative actuarial gains and losses on employee benefits in equity and they are presented in "Other comprehensive income".

6.4.8.2 Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is equal to the amount of future benefits vested by employees in return for services provided in the current and prior periods. Other employee benefits mainly comprise seniority bonuses.

Actuarial gains/losses as well as the past services costs related to the long-term employee benefits other than pensions are recognized immediately in the Profit and Loss.

6.4.8.3 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid in short-term cash bonuses or incentive-based profit-sharing plans if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

6.4.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs.

6.4.9.1 Restructuring provisions

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or been announced publicly. Future operating losses are not provisioned.

6.4.10 Net sales

Revenue from services rendered in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and any contractual volume discounts for hospitals after the elimination of intra-group sales.

Specialised clinical pathology and private clinical testing operations are carried out in clinical laboratories. Revenue related to analyses/tests carried out is recognised when the report is validated by the clinical pathologist (on the date results are given to the client).

Clinical trials are governed by contractual agreements providing for specific invoicing arrangements at each stage. Revenue is recognised using the percentage-of-completion method. Percentage of completion is measured on the basis of work performed.

6.4.11 Other income and expenses

Other income and other expenses include both recurring and non-recurring income and expenses. Non-recurring items comprise extraordinary income and expenses, which due to their nature, amount or frequency generally correspond to major one-off or unusual events.

6.4.12 Financial income and finance costs

Net finance costs comprise:

- interest expense relating to financial debt;
- gains and losses on interest rate derivatives (rate swaps) used to hedge interest rate risk on the Group's debt;
- income from cash and cash equivalents, which comprises interest paid on cash investments and cash equivalents.

Other financial income and expense mainly comprise foreign exchange gains and losses and changes in the fair value of derivatives that do not qualify for hedge accounting.

6.4.13 Income tax

Income tax comprises current tax and deferred tax recognised in accordance with IAS 12. Current tax and deferred tax are recognised in profit and loss unless they relate to a business combination, or to items that are recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on taxable profit or tax loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised in respect of temporary differences between the carrying amounts and tax base of assets and liabilities. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit;
- temporary differences related to investments in subsidiaries and joint ventures insofar as it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured using the tax rates (and laws) that have been enacted or substantially enacted by the year-end and are expected to apply when the asset is realised or the liability is settled.

In determining the amount of current and deferred tax, the Company takes into account the impact of any uncertain tax positions and any additional taxes and interest that may be due.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to taxes levied by the same authority, either on the same taxable entity or on different tax entities that intend to settle current tax liabilities and assets on a net basis, and realise their tax assets and settle their tax liabilities simultaneously.

A deferred tax asset is only recognised for unused tax credits, tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and reduced if it is no longer probable that taxable profit will be available against which they can be used.

6.5 Scope of consolidation

Integrated companies	31 December 2013 Consolidation method	% control	% interests	31 December 2012 Consolidation method	% control	% interests	Address	Country
Cerba European Lab SAS (formerly Financière Gaillon 12)	**Parent company**	**100.00%**	**100.00%**	**Parent company**	**100.00%**	**100.00%**	**Saint-Ouen-l'Aumône**	**France**
BARC Australia	FC	100.00%	100.00%	FC	100.00%	100.00%	Kogarah	Australia
BARC Finance	FC	100.00%	100.00%	FC	100.00%	100.00%	Zwijnarde	Belgium
BARC NV	FC	100.00%	100.00%	FC	100.00%	100.00%	Zwijnarde	Belgium
BARC RSA	FC	50.10%	50.10%	FC	50.10%	50.10%	Richmond area, Johannesburg	South Africa
BARC USA	FC	100.00%	100.00%	FC	100.00%	100.00%	Lake Success, New York	USA
Biopyrénées	FC	48.76%	91.14%	FC	48.76%	90.10%	Tarbes	France
Biocreat SELAS				FC	100.00%	97.72%	Paris	France
Biolille	FC	39.16%	71.18%	FC	48.90%	71.27%	Lille	France
Biotop Developpement	FC	22.91%	71.38%	FC	25.00%	74.67%	Marseille	France
Biotop Place Boulot				FC	45.65%	74.53%	Bagnols-sur-Cèze	France
Biotop SCM	FC	100.00%	71.38%	FC	100.00%	74.67%	Marseille	France
Cefid	FC	100.00%	100.00%	FC	100.00%	100.00%	Saint-Ouen-l'Aumône	France
Centre Biologique du Chemin Vert (CBCV) SELAS	FC	49.00%	97.35%	FC	49.00%	97.72%	Paris	France
Cerba Specimen Services SAS	FC	100.00%	100.00%	FC	100.00%	100.00%	Saint-Ouen-l'Aumône	France
CRI	FC	100.00%	100.00%	FC	100.00%	100.00%	Zwijnarde	Belgium
GD Bio					100.00%	97.72%	Paris	France
Gendrault Mancy Tollobre					100.00%	97.72%	Paris	France
Laboraco	FC	100.00%	100.00%	FC	100.00%	100.00%	Vorst	Belgium
Laboratoire Cerba	FC	25.00%	99.85%	FC	25.00%	99.85%	Saint-Ouen-l'Aumône	France
Laboratoire Petite Ile					90.00%	67.66%	Petite Ile La Réunion	France
LBS	FC	100.00%	100.00%	FC	100.00%	100.00%	Bruxelles	Belgium
LLAM SA	FC	100.00%	100.00%	FC	100.00%	100.00%	Esch-sur-Alzette	Luxembourg
Biobaie	FC	49.00%	73.70%	FC	49.00%	73.70%	Plérin	France
VGS La Réunion Selas	FC	46.96%	79.65%	FC	44.22%	75.18%	Le Port, La Réunion	France
Laboratoire Notre Dame					49.00%	50.92%	Amiens	France
LABM de la plaine des CAFRES					70.00%	52.62%	La plaine des Cafres	France
Biopole 80	FC	49.00%	50.94%	FC			Amiens	France
Laboratoire L Loriot	FC	100.00%	50.94%	FC	100.00%	50.92%	Amiens	France
Chaouat Heurzeau Bieder	FC	99.98%	97.33%	FC			Aubervilliers	France
Bionord	FC	100.00%	79.65%	FC			Quartier Français—Sainte Suzanne	France
Centre de biologie médicale	FC	49.98%	99.82%	FC			Le Havre	France
BIO76	FC	99.51%	99.33%	FC			Le Havre	France

Transfer of assets	31 December 2013 Consolidation method	% control	% interests	31 December 2012 Consolidation method	% control	% interests	Comments
Biocreat SELAS				FC	100.00%	100.00%	UTH in Centre Biologique du Chemin Vert in 2013
Gendrault Mancy Tollobre				FC	100.00%	100.00%	UTH in Centre Biologique du Chemin Vert in 2013
GD Bio				FC	100.00%	100.00%	UTH in Centre Biologique du Chemin Vert in 2013
Bionord				FC	100.00%	100.00%	UTH in Bioréunion in 2013
LABM de la plaine des CAFRES				FC	100.00%	100.00%	UTH in Bioréunion in 2013
Laboratoire Petite Ile				FC	100.00%	100.00%	UTH in Bioréunion in 2013

New consolidated entities	31 December 2013 Consolidation method	% control	% interests	31 December 2012 Consolidation method	% control	% interests	Comments
Chaouat Heurzeau Bieder	FC	99.98%	97.33%				Acquired on the 30 june 2013
Bionord	FC	100.00%	100.00%				Acquired on the 1 june 2013
Centre de biologie médicale	FC	49.98%	99.82%				Acquired on the 20 december 2013
BIO76	FC	99.51%	99.33%				Acquired on the 20 december 2013

FC: Full consolidation

UTH: Universal transmission heritage

6.6 Segment information

The Group's operating segments used in reported financial information have been identified on the basis of the internal reports used by management to allocate resources to the segments and assess their performance.

As explained in Note 6.4.3.1, the Group has three main reporting segments:

- Specialised clinical pathology
- Private clinical laboratory testing (France and Benelux)
- Clinical trials

(In thousands of euro)	31 December 2013	31 December 2012
Specialised clinical pathology	130,504	121,613
France clinical laboratory testing	112,141	97,638
Belux clinical laboratory testing	78,495	77,294
Clinical Trials	42,805	38,051
I/Co Sales	(12,359)	(8,846)
Net sales	**351,586**	**325,750**

Notes to the consolidated income statement

6.7 Net sales

(In thousands of euro)	31 December 2013	31 December 2012
Sales of services	350,952	324,278
Sales of goods	634	1,472
Net sales	**351,586**	**325,750**

Sales of services correspond to testing for patients, laboratories, hospitals and pharmaceutical companies.

Sales of goods include the sale of sampling kits for clinical trials.

6.8 Other income and expenses

(In thousands of euro)	31 December 2013	31 December 2012
Gains and losses on receivables	(2,780)	516
Other expenses	(2,506)	(1,829)
Other incomes	3,304	2,817
Self production	413	199
Operating subsidy	974	1,106
Other reversals of provisions	589	1,109
Total	**(5)**	**3,919**

The net amount of other income and expenses is not material at Group level.

6.9 Personnel expenses

(In thousands of euro)	31 December 2013	31 December 2012
Wages and salaries including social charges	(114,303)	(106,118)
Post-employment benefits and other long-term benefits	(163)	(275)
Employee profit sharing	(1,801)	(1,681)
Personnel expenses	**(116,267)**	**(108,074)**

Employee headcount in fully-consolidated entities was 2,243 at 31 December 2013, compared to 2,093 at 31 December 2012 (Full Time Equivalent).

Headcount in newly-acquired or newly-consolidated entities, net of entities derecognised during the year was 121.

6.10 Net financial income (expense)

Net financial income (expense) is directly attributable to the financing arrangements in respect of acquisitions. It comprises rolled-up interest on convertible bonds and the €365 million in high-yield bonds issued on 31 January 2013.

(In thousands of euro)	31 December 2013	31 December 2012
Change in fair value (product)	*5,585*	
Net return on cash equivalents	*413*	*18*
Financial income	5,998	18
Interest on bonds	*(28,292)*	*(23,545)*
Interests on bank loans	*(3,373)*	*(24,694)*
Interests on derivatives	*(4,402)*	*(4,832)*
Other interests	*(2,397)*	*(757)*
Finance cost	(38,463)	(53,827)
Net cost of debt	**(32,465)**	**(53,809)**
Other financial income	443	625
Other financial expenses	(1,307)	(518)
Net financial income (loss)	**(33,329)**	**(53,702)**

6.11 Income tax

6.11.1 Breakdown between current and deferred tax

(In thousands of euro)	31 December 2013	31 December 2012
Current tax expense	(14,550)	(13,918)
Deferred tax expense	2,561	(1,826)
Income tax	**(11,988)**	**(15,744)**

6.11.2 Reconciliation between theoretical income tax and effective income tax

(In thousands of euro)	31 December 2013	31 December 2012
Tax rate	**34.43%**	**33.33%**
Consolidated profit (loss), after tax	**7,557**	**(78,628)**
Income tax	(11,988)	(15,744)
Consolidated profit (loss) before tax	**19,546**	**(62,884)**
Theoretical current tax expense (applying rate of the consolidating company)	(6,730)	20,959
Tax rate differences	237	347
Permanent differences between accounting income and taxable income	6,810	(63)
Unrecognised tax losses	(11,269)	(10,403)
Non deductible interests	(1,222)	(2,973)
Taxable portion of dividends received and withholding at source	(468)	(338)
Other deferred taxes without a related basis	1,743	(5,741)
Carrybacks		
Differences based on equity		
Tax credits	(58)	288
Goodwill impairment	—	(16,167)
French value added business tax (CVAE)	(1,154)	(1,098)
Other items	124	(554)
Effective tax expense	**(11,988)**	**(15,744)**

Financial position—assets

6.12 Goodwill

The Group's acquisitions for the period related to private clinical laboratories in France and they can be summarised as follows:

(In millions of euro)	Goodwill recognised on new acquisitions
Net assets acquired	**11.1**
Cancellation of investment grants	0.0
Cancellation of PIDR	0.0
Cancellation of commercial goodwill	(11.9)
Provision for impairment of trade receivables	(2.6)
Net assets acquired (liabilities assumed) restated at fair value (100%)	**(3.5)**
Share in fair value of net assets acquired	**(3.5)**
Acquisition price	**34.1**
Goodwill	**37.5**

The table below reconciles "Effect of change in scope of consolidation" in the cash flow statement to "Acquisition price" in the table above showing goodwill recorded on new acquisitions.

(In millions of euro)	31 December 2013
Acquisition price	34.1
Cash and cash equivalents acquired	(0.7)
Debt on acquisitions	(0.8)
Shares contribution	—
Net cash outflow on acquisitions	**32.6**
Debt payment on acquisitions in prior years	5.8
Acquisitions of additional shares in 2013	1.3
Disposals of subsidiaries	(1.1)
Impact of changes in consolidation	**38.5**

The table below presents the net sales and related profit (loss) of newly-acquired entities between 1 January 2013 and the acquisition date. It was prepared from unaudited data available at the acquisition date.

Acquisition date (in thousands of euro)	31 December 2013	Chaouat Heurzeau Bieder 30/06/2013	Bionord 01/06/2013	Centre de biologie médicale 20/12/2013	BIO76 20/12/2013	31 December 2013 Pro forma 12 months
Net sales	**351,586**	**2,849**	**1,042**	**13,005**	**1,846**	**370,327**
Profit (Loss)	**7,557**	**118**	**16**	**1,238**	**—**	**8,930**

Changes in the gross value and carrying amount of goodwill can be broken down as follows:

(In thousands of euro)	31 December 2013
Gross value at 1 January	610,026
Acquisitions or securities	32,059
Acquisitions of businesses	5,707
Gross value at 31 December	**647,792**
Impairment at 1 January	(48,500)
Impairment for the period	—
Impairment at 31 December	**(48,500)**
Net value at 1 January	561,526
Net value at 31 December	**599,292**

The €37.8 million increase in the gross value of goodwill mainly relates to goodwill on acquisitions of securities and companies (€32.1 million) and on purchased business goodwill (€5.7 million) during the period (see Note 6.2).

Goodwill broken down by CGU is as follows:

(In millions of euro)	Carrying amount at 31 December 2012	Acquisitions or securities	Acquisitions of businesses	Impairment	Net book value at 31 December 2013
Specialised clinical pathology CGU	123.8			—	123.8
France clinical laboratory testing CGU	166.6	32.1	4.9		203.6
Belux clinical laboratory testing CGU	196.2		0.8		197.0
Clinical trial CGU	74.9				74.9
Total	**561.5**	**32.1**	**5.7**	**—**	**599.3**

In accordance with IAS 36, goodwill was tested for impairment at 31 December 2013 and no evidence of impairment was identified for any of the CGUs. The impairment tests were based on the value in use of each CGU calculated using the discounted cash flow method as described in Note 6.4.3.1 of the accounting policies section.

The main assumptions used to calculate the recoverable amount of the CGUs as of 31 December 2013 were the following:

Cash generating units	Cash flow projection period	Discount rate	Long-term growth rate
Specialised clinical pathology CGU	6 years	8.20%	2.00%
France clinical laboratory testing CGU	6 years	8.20%	2.50%
Belux clinical laboratory testing CGU	6 years	8.20%	2.50%
Clinical trial CGU	6 years	8.90%	3.50%

Cash flows were discounted based on the weighted average cost of capital (WACC), calculated on the basis of the expected return and market risk for each CGU.

Impairment testing was carried out using the same procedures as in previous periods: key modelling assumptions such as market multiples and the discount rate reflected stock market and macro-economic trends.

The resulting multiples are close to those of companies engaged in businesses that are similar to those of the Cerba Group.

The terminal value is calculated by discounting cash flows to perpetuity, based on normalised cash flows and a perpetuity growth rate, taking into account of market development potential and competitive position. The discounted cash flows are compared to the sum of the goodwill and the operating assets allocated to the CGU (intangible assets, items of property, plant and equipment and components of working capital, net of deferred tax liabilities). The cash flows are taken from the six-year business plan validated by management based on markets conditions at December 2013.

The growth rates used to estimate the cash flows of the CGUs or Groups of CGUs are considerably less than the Group's average historical growth rates.

At 30 June 2012, an impairment loss of €48.5 million was recognised on the specialised clinical pathology CGU following impairment testing. Since then, no evidence of impairment has been identified.

The weighted average cost of capital and market multiples are adjusted based on business data and the geographical location of the CGUs tested.

At 31 December 2013 and 31 December 2012, the recoverable amounts of the CGUs or Groups of CGUs were higher than their carrying amounts.

Sensitivity analyses have been performed on all of the CGUs and the results of testing the value in use (of the groups of assets to which most goodwill is allocated) against changes in the various assumptions used at 31 December 2013 are shown in the following table:

(In millions of euro)	Test margin	Discount rate for cash flows 0.5%	Growth rate to infinity −0.5%	Combination of two factors
Specialised clinical pathology CGU	38.2	(18.3)	(14.1)	(30.2)
France clinical laboratory testing CGU	64.5	(21.5)	(16.9)	(35.7)
Belux clinical laboratory testing CGU	106.1	(24.8)	(19.5)	(41.0)
Clinical trial CGU	12.8	(9.2)	(7.4)	(15.3)
Total	**221.6**	**(73.8)**	**(57.9)**	**(122.2)**

A decline in value in use following the application of the sensitivities indicated below either separately or based on a combination of the two factors does not actually undermine the carrying amount of goodwill.

Only the clinical trials CGU would be exposed to a slight risk of impairment in the unlikely event of a simultaneous change in the two factors indicated.

6.13 Other Intangible assets

Intangible assets include customer contractual relationships and order books identified when the Group was acquired by Cerba European Lab.

Changes in gross values, accumulated amortisation and impairment of intangible assets break down as follows:

Gross value (in thousands of euro)	31 December 2012	Change in scope (in)	Acquisitions	Disposals	Reclassification	Change in method	Change in scope (out)	31 December 2013
Concessions, patents and similar rights	11,169	—	271	(9)	(9,785)	—	(17)	1,629
Software	—	140	2,946	(403)	10,490	—	—	13,172
Leasehold	83	395	—	—	111	—	—	589
Good will	—	—	5,753	—	(5,723)	(30)	—	—
Customer	—	—	—	—	1,170	—	—	1,170
Other intangible fixed assets	3,132	314	—	—	(2,526)	—	—	918
Order book	5,958	—	—	—	—	—	—	5,958
Customer relationships	126,809	—	—	—	—	—	—	126,809
Intangible assets in progress	10	—	—	—	(10)	—	—	—
Amount paid on intangible assets	12	—	163	—	(68)	—	—	107
Intangible assets—Gross value	**147,173**	**849**	**9,133**	**(412)**	**(6,341)**	**(30)**	**(17)**	**150,352**

Depreciations and amortisations (in thousands euro)	31 December 2012	Change in scope (in)	Additions	Reversals	Reclassification	Change in method	Change in scope (out)	31 December 2013
Concessions, patents and similar rights	(8,373)	—	(252)	22	7,578	—	17	(1,008)
Software	—	(130)	(1,129)	403	(7,658)	—	—	(8,513)
Leasehold	—	—	—	—	—	—	—	—
Good will	—	—	—	—	—	—	—	—
Other intangible fixed assets	(109)	(312)	(6,137)	—	10	—	—	(6,547)
Order book	(3,645)	—	(373)	—	—	—	—	(4,018)
Customer relationships	(16,329)	—	(1,669)	—	—	—	—	(17,998)
Intangible assets—Accumulated amortisation and impairment	**(28,456)**	**(442)**	**(9,559)**	**425**	**(70)**	**—**	**17**	**(38,083)**
Intangible assets—Net value	**118,717**	**407**	**(426)**	**13**	**(6,411)**	**(30)**	**—**	**112,269**

6.14 Property, plant and equipment

Changes in the gross value and accumulated depreciation of property, plant and equipment break down as follows:

Gross value (in thousands of euro)	31 December 2012	Change in scope (in)	Acquisitions	Disposals	Reclassifications	Change methods	Restructuring	Foreign currency translation differences	Change in scope (out)	31 December 2013
Land	891	—	—	(13)	—	—	—	(44)	—	834
Arrangements on land	—	—	—	—	163	—	—	—	—	163
Buildings	30,099	2	671	(321)	(3,252)	—	—	(352)	(48)	26,799
Leased Buildings	—	—	—	—	5,708	—	—	—	—	5,708
Technical plant, equipment and machinery	49,009	1,812	6,428	(1,338)	4,310	(75)	—	(232)	(281)	59,634
Leased technical plant, equipment and machinery	—	—	739	(118)	3,890	(19)	—	—	—	4,492
Other property, plant and equipment	38,100	3,003	4,592	(2,300)	(11,202)	—	(91)	(70)	(572)	31,460
Office equipment	—	443	120	(39)	4,301	—	—	(41)	—	4,783
Transport equipment	—	347	118	(358)	1,228	—	8	(15)	—	1,328
Leased transport equipment	—	—	344	(28)	938	—	—	—	—	1,254
Hardware	—	520	754	(176)	6,841	—	84	(28)	—	7,995
Biological assets	—	182	233	(59)	866	—	—	—	—	1,222
Work in progress	593	41	179	—	(740)	—	—	(1)	—	72
Amount paid on property, plant and equipment	4	—	217	—	(145)	—	—	—	—	76
Property, Plant and equipment—gross	**118,697**	**6,350**	**14,395**	**(4,750)**	**12,906**	**(94)**	**1**	**(782)**	**(901)**	**145,822**

Accumulated depreciations (in thousands of euro)	31 December 2012	Change in scope (in)	Additions	Reversals	Reclassifications	Change methods	Restructuring	Foreign currency translation differences	Change in scope (out)	31 December 2013
Arrangements on land	—	—	(5)	—	(124)	—	—	—	—	(129)
Buildings	(12,819)	(2)	(1,733)	109	2,104	—	—	40	—	(12,301)
Leased Buildings	—	—	(272)	—	(2,922)	—	—	—	—	(3,194)
Technical plant, equipment and machinery	(39,496)	(1,291)	(5,271)	1,299	1,985	80	(3)	156	269	(42,272)
Leased technical plant, equipment and machinery	—	—	(874)	116	(2,230)	14	—	—	—	(2,974)
Other property, plant and equipment	(23,466)	(1,801)	(3,330)	1,983	7,049	—	91	52	305	(19,117)
Office equipment	—	(216)	(250)	39	(3,138)	—	—	37	—	(3,529)
Transport equipment	—	(253)	(106)	285	(1,064)	—	(6)	5	—	(1,139)
Leased transport equipment	—	—	(299)	32	(328)	—	—	—	—	(595)
Hardware	—	(490)	(713)	154	(5,208)	—	(83)	25	—	(6,314)
Biological assets	—	(173)	(86)	59	(689)	—	—	—	—	(889)
Work in progress	(1)	—	—	—	1	—	—	—	—	—
Property, plant and equipment—accumulated depreciation	**(75,783)**	**(4,226)**	**(12,939)**	**4,076**	**(4,564)**	**94**	**(1)**	**316**	**574**	**(92,453)**
Property, plant and equipment—net	**42,914**	**2,124**	**1,456**	**(674)**	**8,342**	**—**	**—**	**(466)**	**(327)**	**53,368**

The Group has entered into a number of lease financing on the equipment, technical equipment and the headquarters. Some of these contracts such as the provision of materials correspond in substance to the definition of financing agreements (see Note 6.4.5).

At 31 December 2013, the breakdown of fixed assets held under leases was as follows:

Gross value (in thousands of euro)	31 December 2013
Leased land	622
Leased Buildings	18,539
Leased technical plant, equipment and machinery	31,441
Leased transport equipment	1,254
Other leased property, plant and equipment	8,768
Lease property, plant and equipment—gross	**60,624**

Tangible fixed assets—leasing: depreciation (in thousands of euro)	31 December 2013
Leased Buildings	(7,835)
Leased technical plant, equipment and machinery	(16,952)
Leased transport equipment	(595)
Other leased property, plant and equipment	(4,594)
Lease property, plant and equipment—accumulated depreciation	**(29,976)**
Lease property, plant and equipment—net	**30,648**

6.15 Other non-current assets

(In thousands of euro)	31 December 2013	31 December 2012
Equity affiliates	226	194
Other receivables related to investments	188	255
Investment securities	7	25
Loans, deposits and other receivables—non-current	1,376	2,430
Other receivables	55	57
Impairment of other non-current receivables	(50)	(50)
Prepaid expenses	—	10
Impairment of securities	(5)	(5)
Total	**1,797**	**2,916**

Loans, security deposits and other receivables mostly comprise security deposits and Guarantees.

6.16 Deferred tax assets and liabilities

(In thousands of euro)	31 December 2012	Other comprehensive income	Reclassification	Result impact	31 December 2013
Recognition of unused tax loss carryforwards	3,078			5,391	8,469
Provisions for retirement benefits	1,497	(49)		128	1,576
Deferred tax on "CVAE"	(1,087)			66	(1,021)
Cancellation of regulated provisions	(1,637)			(66)	(1,703)
Measurement at fair value of financial assets and liabilities	(1,126)			(5,535)	(6,662)
Measurement at fair value of intangible assets, net of amortisation	(38,042)			2,019	(36,023)
Other items	331		(117)	560	774
Net deferred tax	**(36,985)**	**(49)**	**(117)**	**2,561**	**(34,589)**
Of which deferred tax assets	*1,282*	*35*	*(130)*	*279*	*1,467*
Of which deferred tax liabilities	*(38,267)*	*(84)*	*13*	*2,282*	*(36,056)*

Given the uncertainty over future taxable profits, unrecognised tax loss carry-forwards amounted to €80.3 million at 31 December 2013.

The tax loss carry-forwards originate from BARC NV and BARC USA, and from the holding company which includes CEL and CEFID.

6.17 Inventories

The Group's inventories comprise reagents and consumables.

(In thousands of euro)	31 December 2013	31 December 2012
Raw materials	5,649	5,482
Merchandises	370	136
Inventories (gross value)	**6,019**	**5,618**
Impairment of inventories	**(157)**	**(64)**
Inventories (net value)	**5,862**	**5,554**

6.18 Trade receivables

(In thousands of euro)	31 December 2013	31 December 2012
Trade receivables	48,589	62,477
Unbilled	8,630	—
Impairment of trade receivables	(3,257)	(3,742)
Carrying amount	**53,962**	**58,735**

Changes in accumulated impairment of trade receivables break down as follows:

(In thousands of euro)	31 December 2013
Impairment of trade receivables—Opening	**(3,742)**
Additions	(1,730)
Reversals	2,607
Reclassification	—
Translation differences	2
Change in consolidation scope	(394)
Impairment of trade receivables—Closing	**(3,257)**

6.19 Other current assets

(In thousands of euro)	31 December 2013	31 December 2012
Accrued interest on receivables and loans	9	—
Investment securities	2	2
Loans, deposits and other receivables	385	24
Deposits factor	500	—
Impairment of loans, deposits and other receivables	(15)	(10)
Suppliers—Prepayments	554	1,231
Suppliers receivable	748	—
Receivables from employees & social organizations	441	475
Tax receivables—excluding IS	2,341	2,015
Current accounts—assets	458	15
Receivables on disposals of assets	189	—
Other receivables	94	166
Impairment of current accounts	(76)	(13)
Prepaid expenses	4,119	4,254
Impairment of other receivables & accrued interest	—	(2)
Total other current assets	**9,749**	**8,156**

Prepaid expenses at 31 December 2013 included commissions related to to the High Yield issuance which took place in January 2013 and amortised over the term of the loan in the amount of €1.7 million (see Note 6.2).

6.20 Cash and cash equivalents

(In thousands of euro)	31 December 2013	31 December 2012
Marketable securities	10,088	192
Cash	53,676	38,745
Total	**63,764**	**38,937**
Factoring debt	—	(3,859)
Bank overdrafts	(159)	(1,607)
Total net cash	**63,605**	**33,471**

Short-term investments comprise cash balances invested for periods of three months or less (treasury bills and certificates of deposit) with banks or counterparties with long- and short-term ratings of at least A and A1 respectively (Rating S&P).

Financial position-liabilities

6.21 Share capital

At 31 December 2013, share capital comprised 81,024,605 shares with a par value of €0.01 for an aggregate amount of €810,246.05.

(In thousand of euros)	Shares A		Shares B		Ordinary Actions		Fees	Total	
	Share capital	Share premium	Share capital	Share premium	Share capital	Share premium and additional paid-in capital	Share premium and additional paid-in capital	Share capital	Share premium and additional paid-in capital
	37							37	—
Increase in share capital:									
21 July 2010			**1**	**143,962**	**640**	**64,150**		**641**	**208,112**
16 December 2010			**—**	**7,808**	**36**	**3,531**		**36**	**11,339**
12 May 2011			**—**	**16,515**	**19**	**1,921**		**20**	**18,435**
07 July 2011					**38**	**3,727**		**38**	**3,727**
11 August 2011					**16**	**1,619**		**16**	**1,619**
15 December 2011			**—**	**4,675**	**16**	**1,543**		**16**	**6,218**
21 and 27 December 2011					**3**	**342**		**3**	**342**
23 January 2012					**2**	**172**		**2**	**172**
Share capital increase fees							**(18)**		**(18)**
11 December 2012			**1**	**166,865**				**1**	**166,865**
Total	**37**	—	**2**	**339,824**	**770**	**77,004**	**(18)**	**810**	**416,811**
In shares									
Outstanding shares at 31 December 2011									
Fully-paid shares	**3,700,000**		**339,826**		**76,984,779**			**81,024,605**	
Variations of the year								—	
Outstanding shares at 31 December 2012									
Fully-paid shares	**3,700,000**		**339,826**		**76,984,779**			**81,024,605**	

6.21.1 Preference shares

The Series A and B preference shares issued by Cerba European Lab (formerly Financière Gaillon 12) in July 2010 have the following features:

- No voting rights (Art. 19.4 of the Articles of association).
- No rights to the Company's profits (except for the preference dividend), assets, reserves, distributions or liquidation surplus (Art. 22.1 of the Articles of association).
- Cumulative annual preference dividend equal to 10% of the subscription value of each Series A and B share calculated as of 21 July 2010 and capitalised annually (Art. 22.1 of the Articles of association).
- The Series A and B preference dividends may be adjusted in the event of a market floatation or a loss of controlling interest (Art. 22.2 of the Articles of association).
- No maturity date.

6.21.2 Ordinary shares

Each ordinary share carries one voting right at the general meetings of shareholders. Each share entitles its owner to receive a share in the Company's profits, assets, reserves, distributions or liquidation surplus.

6.21.3 Warrants

On 21 July 2010, Cerba European Lab (formerly Financière Gaillon 12) issued 16 million shares with warrants for an aggregate nominal value of €160,000. The share premium amounted to €15.84 million and the warrants to €0.79 million.

Each share has two warrants attached: warrant 1 valued at €0.015625 and warrant 2 at €0.03375.

Shares with warrants are reserved for senior executives and some Group company managers, designated by the Commitments Board. The shares with warrants were issued at fair value as determined by an expert.

They were measured at the grant-date fair value, which corresponds to their issue price. Consequently, no expense was recognised under IFRS 2.

6.22 Financial liabilities

(In thousands of euro)	31 December 2013	31 December 2012
Convertible bonds	6,274	5,428
H-YIELD bond	361,705	—
Bonds with warrants	—	60,941
Other bonds	19,818	12,731
Bank loans	26,547	266,154
Finance lease liabilities	33,693	23,836
Other borrowings	223	8,621
Factoring debt	—	3,859
Bank overdrafts	159	1,607
Total financial liabilities	**448,419**	**383,176**
Of which non-current financial liabilities	*419,180*	*344,128*
Of which current financial liabilities	*29,239*	*39,048*

This note breaks down Group borrowings by type of instrument, notably the refinancing operation referred to in Note 6.2.

For additional disclosures concerning financial instruments and exposure to interest rate and currency risk, the reader should refer to Note 6.28.

Financial liabilities comprise several different types of debt and equity instruments and bank borrowings in line with the Group's policy of diversifying its sources of financing.

Changes in financial liabilities over the period may be analysed as follows:

(In thousands of euro)	31 December 2013
Opening position	**383,176**
Proceeds from issuance of borrowings	357,072
Repayment of borrowings	(323,615)
Change in factoring debt	—
Change in bank overdrafts	(5,307)
Change in fair value of financial instruments	—
Amortized cost of reprocessing ERI and convertible bonds	1,432
New finance lease contracts	9,769
Finance costs	35,563
Finance costs paid	(23,153)
Reclassifications (mainly incorporation to share capital)	8,663
Change in consolidation scope	4,834
Translation differences	(0)
Others	(15)
Closing position	**448,419**

6.22.1 Debt repayment schedule and terms

(In thousands of euro)	31 December 2013	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Over 5 years
Bonds and notes	387,797	12,758	—	—	—	375,039
Bank loans	26,547	8,585	5,324	6,136	3,430	3,072
Finance lease liabilities	33,693	7,653	7,713	4,606	3,013	10,708
Other borrowings	223	149	30	11	6	27
Bank overdrafts	159	159	—	—	—	—
Total financial liabilities	**448,419**	**29,304**	**13,067**	**10,753**	**6,449**	**388,846**

(In thousands of euro)	31 December 2012	Up to 1 year	1 to 5 years	Over 5 years
Bonds and notes	79,099	2,816		76,283
Bank loans	266,154	25,883	192,667	47,604
Finance lease liabilities	23,836	1,607	15,490	6,739
Other borrowings	8,621	3,272	2,176	3,173
Debts factor	3,859	3,859		
Bank overdrafts	1,607	1,607		
Total financial liabilities	**383,176**	**39,044**	**210,332**	**133,799**

Group policy consists of spreading the maturities of its long-term debt (bonds, private placements and bank borrowings) over time in order to limit annual refinancing requirements.

(In thousands of euro)	31 December 2013	Face value	Share capital	Less equity instruments	Less IFRS restatements	Capitalized interests	Accrued interests
Convertible bonds	6,274	8,571	(4,309)	(319)	(174)	1,829	676
H-YIELD bond	361,705	365,000			(14,154)	—	10,859
Other bonds	19,818	15,873				2,719	1,226
Total bonds and notes	**387,797**	**389,444**	**(4,309)**	**(319)**	**(14,328)**	**4,548**	**12,761**

(In thousands of euro)	31 December 2012	Face value	Share capital	Less equity instruments	Less IFRS restatements	Capitalized interests	Accrued interests
Convertible bonds	5,428	8,571	(4,309)		(319)	871	614
Bonds with warrants	60,941	52,000				7,371	1,570
Other bonds	12,731	11,000				1,098	632
Total bonds and notes	**79,099**	**71,571**	**(4,309)**	—	**(319)**	**9,341**	**2,816**

Financing arrangements set up when the Group was created were as follows:

- Convertible and non-convertible bonds, most of which bear interest at 10%, maturing on 21 July 2025. The Interests are capitalised annually. The majority of convertible bonds were converted into shares following the decision of the General Shareholders' Meeting of 11 December 2012 to increase the share capital of the holding company.
- Existing loans at 31 January 2012 were refinanced by the high-yield bonds issued on 31 January 2013 (see Note 2.1).
- The Group has also received financing from its shareholders in the form of non-convertible bonds.

The Group's subsidiaries have local medium-term credit facilities.

Loans and borrowings can be analysed by type of rate (fixed or floating interest rates) as follows:

	31 December 2013			31 December 2012		
(In thousands of euro)	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate
Bonds and notes	387,797	387,797	—	79,099	79,099	
Bank loans	26,547	21,960	4,587	266,154	19,163	246,991
Finance lease liabilities	33,693	33,693	—	23,836	15,332	8,504
Other borrowings	223	205	18	8,621	8,621	
Factoring debt				3,859	3,859	
Bank overdrafts	159	159	—	1,607	1,607	
Total financial liabilities	**448,419**	**443,814**	**4,605**	**383,176**	**127,680**	**255,495**

This analysis does not take account of interest rate hedging instruments.

6.22.2 Debts covenants

The main financial liabilities are subject to certain conditions applied to the consolidated financial statements and notably the ratio of net debt to gross operating profit (or EBITDA).

Following the refinancing operation of January 2013, new debt covenants were negotiated with the Group's banks, replacing the pre-existing covenants (see Notes 6.2, 6.22.1 and 6.32).

As part of its Revolving Credit Facility, the Group is bound by two new covenants calculated based on the consolidated accounts: Leverage ratio (Consolidated Total Net Debt/Consolidated proforma EBITDA) and Percentage Test (contribution of the loan guarantors to consolidated EBITDA and consolidated assets).

6.23 Employee benefits

(In thousands of euro)	31 December 2013	31 December 2012
Defined benefits plan	4,495	3,845
Long-service bonuses	584	535
Total employee benefits	**5,079**	**4,380**
Of which:		
Employee benefit obligations	*5,618*	4,932
Plan assets	*(478)*	(552)

In certain countries, Group employees are entitled to supplementary pension plans into which the Group pays annual contributions, and lump sum retirement indemnities paid out once the employees retire. These take the form of either defined contribution or defined benefit plans.

Under defined contribution plans, the Group has no legal or constructive obligation to make further contributions and the corresponding expense is recognised in profit or loss for the period. All defined benefit plans concern France.

6.23.1 Change in the present value of the net defined benefit obligation

Changes in the Group's net defined benefit obligation break down as follows, taking into account the related plan assets totalling €478 thousand as of December 2013.

(In thousands of euro)	31 December 2013	31 December 2012
Defined benefit obligation at 1 January	**4,380**	**3,861**
Current service cost	*268*	*217*
Interest cost	*137*	*146*
Current service cost and interest cost	***405***	***364***
Change in consolidation scope	67	36
Curtailments and settlements system	(204)	(77)
Actuarial (gains) and losses	(102)	250
Contributions paid	(30)	(42)
Financial income from plan assets	(21)	(12)
Defined benefit obligation at closing date	**4,495**	**4,380**

6.23.2 Net income (expense) recognised in profit or loss

(In thousands of euro)	31 December 2013	31 December 2012
Current services costs	*(268)*	*(217)*
Interest cost	*(137)*	*(146)*
Current service cost and interest cost	***(405)***	***(364)***
Financial income from plan assets	21	12
Curtailments and settlements system	221	77
Income (Expense) recognised in profit or loss	**(163)**	**(275)**

This impact is recognised in full in profit or loss from recurring operations under "Personnel expenses".

Revised IAS 19 has had a minimal impact on the measurement of the Group's employee benefit obligations for 2013.

The only impact relates to financial income generated on plan assets (these assets concern approximately 10% of the lump sum retirement indemnity benefit obligation) which is identical to the rate used to discount liabilities, i.e., yield equivalent to the discount rate.

6.23.3 Actuarial assumptions

All of the Group's various employee benefit obligations are regularly reviewed by actuaries in accordance with IFRS standards using the projected unit credit method based on salaries at retirement.

All actuarial gains and losses and adjustments relating to the limitation are recognised in the reporting period in which they occur in accordance with Revised IAS 19.

Actuarial assumptions (i.e., the probability that active employees will continue to work in the Group, mortality rates, retirement age, assumptions regarding future salary increases, etc.) depend on the demographic and economic conditions in the countries in which the different plans have been set up.

Discount rates used to determine the present value of benefit obligations are based either on the government bond rate or on the yield on investment grade corporate bonds that are traded in an active market with maturities that match the duration of the benefit obligation. In the eurozone, discount rates have been calculated on software developed by independent actuaries.

	31 December 2013		31 December 2012	
	Management	Other employees	Management	Other employees
Discount rate at 31 December	3.25%		3.00%	
Expected return on plan assets at 1 January			3.50%	
Salary increase rate				
- 29 years	5.00%	3.00%	5.00%	3.00%
30 - 39 years	4.00%	2.50%	4.00%	2.50%
40 - 49 years	3.00%	2.50%	3.00%	2.50%
50 - 59 years	2.00%	2.00%	2.00%	2.00%
60 and over	2.00%	2.00%	2.00%	2.00%
Employer contributions	58.00%	52.00%	58.00%	52.00%
Staff Turnover rate				
- 29 years	10.00%	10.00%	10.00%	10.00%
30 - 39 years	7.00%	7.00%	7.00%	7.00%
40 - 49 years	5.00%	5.00%	5.00%	5.00%
50 - 59 years	2.00%	2.00%	2.00%	2.00%
60 and over	0.00%	0.00%	0.00%	0.00%
Retirement age	65 years	62 years	65 years	62 years
Mortality table	INSEE F 2008 - 2010		INSEE F 2004 - 2006	

6.24 Provisions

(In thousands of euro)	31 December 2012	Change in consolidation scope	Additions	Provisions used	Reclassification	31 December 2013
Provisions for litigation	(35)	178	765	(226)	(55)	627
Provisions for restructuring	—	—	—	—	—	—
Other provisions	3,830	69	—	—	(1)	3,898
Non-current provisions	**3,795**	**247**	**765**	**(226)**	**(56)**	**4,525**
Provisions for litigation	617	(106)	—	(87)	—	424
Provisions for restructuring	—	—	—	—	—	—
Other provisions	243	(25)	—	(18)	55	255
Current provisions	**860**	**(131)**	**—**	**(105)**	**55**	**679**

Provisions mostly comprise an estimated potential tax risk in one of the Group's subsidiaries for an amount of €3,898 thousand.

6.25 Other non-current liabilities

(In thousands of euro)	31 December 2013	31 December 2012
Deferred income—non-current	4,074	4,539
Other liabilities	73	69
Total other non-current liabilities	**4,147**	**4,608**

Other non-current liabilities include the non-current portion of the capital gain generated in 2006 from refinancing a property finance lease. This internal capital gain was reversed and deferred over the new lease term and the non-current portion of the deferred income was recognised in non-current liabilities in accordance with IAS 1.

6.26 Trade and other payables

(In thousands of euro)	31 December 2013	31 December 2012
Trade payables	38,375	36,806
Payables to fixed asset suppliers	2,065	6,516
Total trade and other payables	**40,440**	**43,322**

6.27 Other current liabilities

(In thousands of euro)	31 December 2013	31 December 2012
Social security payables	20,645	19,389
Tax payables	3,669	3,654
Advances and downpayments received	5,390	4,932
Derivative instruments	898	6,483
Other current liabilities	2,426	2,169
Deferred income—current	565	560
Total other current liabilities	**33,592**	**37,187**

Additional informations

6.28 Financial instruments

6.28.1 Financial risk management

6.28.1.1 Introduction

The Group has exposure to the following risks arising on its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information on the Group's exposure to each of the above-mentioned risks, and its objectives, policies and procedures for measuring and managing risk, and capital management.

6.28.1.2 Risk management framework

The Supervisory Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are designed to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to predetermined limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a rigorous and effective control environment in which all employees understand their roles and responsibilities.

The Audit Committee oversees implementation of Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

6.28.2 Credit risk

Credit risk is managed at Group level. It is the risk of financial loss for the Group if a client or counterparty should fail to meet its contractual payment obligations.

Credit risk concerns cash and cash equivalents, derivative financial instruments, deposits with banks and financial institutions, as well as exposure to customer credit risk on outstanding receivables.

In the specialised clinical pathology business, the collection of receivables from direct patients, which are more than 35 days overdue, is handled by a debt collection company acting solely as a collection agent on behalf of Cerba. Impairment policies for receivables are implemented on the basis of historical data.

The high volumes and low unit values of invoices issued by the Group require specific credit management processes.

The Group entered into a factoring arrangement in February 2012 but this contract had not been fully used at year-end. Its contractual conditions do not make it possible to conclude that the main risks and rewards related to the assigned receivables have actually been transferred to the factor as the related credit risk is not transferred. The trade receivables are therefore retained in the financial statements and stand at €54 million at 31 December 2013.

The carrying amount of loans and receivables represents the maximum exposure to credit risk at the reporting date.

(In thousands of euro)	31 December 2013	Accrued undepreciated	Overdue and undepreciated < 3 months	3 to 6 months	6 months to 1 year	More than 1 year	Overdue and depreciated
Trade receivables	48,589	21,837	16,469	2,689	3,062	3,357	1,174

(In thousands of euro)	31 December 2013	< 1 year	< 2 years	< 3 years	< 4 years	Over 5 years
Non-current tax assets	1,628	—	30	—	—	1,598
Other receivables related to investments	188	—	—	—	—	188
Loans, deposits and other receivables—non-current	1,376	—	612	—	93	671
Other assets—no current	55	—	—	—	55	—
Trade receivables (gross)	48,589	48,362	164	63	—	—
Current tax assets	1,452	1,452	—	—	—	—
Receivables from employees & social organizations	441	441	—	—	—	—
Investment securities	2,341	2,341	—	—	—	—
Loans, deposits and other receivables	2,937	2,437	500	—	—	—
Total receivables, gross	**59,006**	**55,032**	**1,306**	**63**	**148**	**2,457**

(In thousands of euro)	31 December 2012	< 1 year	1 to 5 years	More than 5 years
Non-current tax assets	2,585		2,585	
Other loans to affiliates	255		255	
Loans and security deposits, net	2,430		2,430	
Other assets	7		7	
Trade receivables (gross)	62,477	62,477		
Current tax assets	700	700		
Social security receivables	475	475		
Tax receivables	2,015	2,015		
Other receivables, net	182	182		
Total receivables, gross	**71,124**	**65,847**	**5,277**	**—**

6.28.2.1 Trade and other receivables

The Group believes that it is neither exposed to material credit risk nor to over dependence on a specific customer due to its broad customer base, with customers located mainly in Europe.

6.28.2.2 Impairment losses

Cumulative impairment of trade and other receivables dropped 13% year on year to €3,257 million (2012: €3,742 million). Provisions for impairment are mainly related to Cerba's operations.

6.28.3 Liquidity risk

Liquidity risk is the risk of the Group encountering difficulties in meeting the obligations associated with its financial liabilities that are settled in cash or other financial assets. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and "challenging" conditions, without incurring unacceptable losses or damaging the Group's reputation.

The following are the undiscounted contractual cash flows required to settle financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

(In thousands of euro)	31 December 2013	Contractual cash flows	Breakdown of contractual cash flows		
			Up to 1 year	1 to 5 years	Over 5 years
Convertible bonds	6,448	30,887	—	—	30,887
H-YIELD bond	375,859	531,075	25,550	76,650	428,875
Other bonds	19,818	59,632	—	—	59,632
Bank loans	26,547	23,771	8,164	13,405	2,202
Other borrowings	223	10,853	1,998	4,350	4,505
Factoring debt	—	—	—	—	—
Bank overdrafts	159	—	—	—	—
Total	**429,054**	**656,218**	**35,712**	**94,405**	**526,101**
IFRS restatement on convertible bonds and H-YIELD bond	(14,328)				
IFRS restatement on other borrowings	—				
Finance lease liabilities	33,693				
Total	**448,419**				

The Group refinanced its debt in January 2013 as stated in Note 6.2 and all bonded debt is now at fixed rates.

6.28.4 Market risk

Market risk includes the risk of changes in market prices, such as foreign exchange rates, interest rates and equity instrument prices affecting the Group's profit or the value of its financial instruments. The objective of market risk management is to contain market risk exposures within acceptable thresholds, while optimising returns.

6.28.4.1 Currency risk

The Group's financial performance is not materially affected by exchange rate fluctuations since a significant portion of operations takes place within the eurozone and income and expenses are generally denominated in the same currency.

The following exchange rates were used during the period for the main currencies:

	2013		2012	
	Exchange rate at 31 December	Average rate at 31 December	Exchange rate at 31 December	Average rate at 31 December
AUD Australian Dollar	1,5423	1,3770	1,2712	1,2413
USD US Dollar	1,3791	1,3282	1,3194	1,2856
ZAR Rand	14,5660	12,8308	11,1727	10,55455

6.28.4.2 Interest rate risk

Most of the Group's financing has been contracted at fixed rates and notably the high-yield bond issue of 31 January 2013.

Therefore, the Group is less exposed to interest rate fluctuations on its floating interest rate bank loans than in previous years.

The Group contracts interest rate swaps to hedge against interest rate risk. Only Laboratoire Cerba is still concerned as Cerba European Lab unwound its positions following refinancing of the Group's debt in early 2013.

At 31 December 2013, the Group had hedged a €13 million property lease with pay-fixed interest rate swaps.

The carrying amount of the derivative financial instruments used to hedge interest rate risk is presented below:

(In thousands of euro)	Termination date	Notional principal	31 December 2013 Fair value	31 December 2012 Fair value
Pay fixed-rate swap				
3-month Euribor—1.9790%	30/09/2013	50,000		(913)
3-month Euribor—1.60%	30/09/2013	190,000		(2,047)
3-month Euribor—1.25%	30/09/2013	40,000		(325)
3-month Euribor—4.16%	11/01/2019	10,886	(821)	(1,143)
3-month Euribor—2.195%	27/07/2023	2,076	(77)	(135)
Total pay fixed-rate swap		**292,962**	**(898)**	**(4,563)**
A-month Euribor pay Swap + Margin for 3-month Euribor				
1-month Euribor + 0.36% against E3M	30/09/2014	100,000		(1,028)
1-month Euribor + 1.2850% against E3M	30/09/2014	100,000		(892)
Total pay floating-rate swap		**200,000**		**(1,920)**
Total derivative instruments			**(898)**	**(6,483)**

These interest rate swaps are economic hedges of interest rate risk on loans and borrowings; they have not been designated as hedging instruments for accounting purposes.

Following the refinancing operation on 31 January 2013, most of the hedging contracts (for a nominal amount of €480 million) were terminated. The cash outflow linked to this operation amounted to €4.4 million, generating a profit of €0.8 million due to changes in the fair value of these swaps in January 2013.

6.28.5 Capital management

The Group's policy is to maintain a strong capital base to ensure the Group's independence and support future development of the business. Capital consists of ordinary shares, non-redeemable preference shares and retained earnings. The Supervisory Board monitors the return on equity.

6.28.6 Carrying amounts and fair values

6.28.6.1 Fair values compared with carrying amounts

The table below shows the fair values of financial assets and liabilities and the carrying amounts reported in the statement of financial position:

	31 December 2013			31 December 2012		
(In thousands of euro)	Assets at fair value through profit or loss	Loans and receivables	Fair value	Assets at fair value through profit or loss	Loans and receivables	Fair value
Non-current						
Other non-current assets		1,797	1,797		2,916	2,916
Current						
Trade receivables		53,962	53,962		58,735	58,735
Other current assets		9,749	9,749		8,156	8,156
Cash and cash equivalents	10,067	53,697	63,764		38,937	38,937
Financial assets	**10,067**	**119,205**	**129,272**		**108,744**	**108,744**

(In thousands of euro)	31 December 2013 Derivative instruments at fair value through profit or loss	Liabilities measured at amortised cost	Fair value	31 December 2012 Derivative instruments at fair value through profit or loss	Liabilities measured at amortised cost	Fair value
Non-current						
Non-current financial liabilities		419,180	419,180		344,128	344,128
Other non-current liabilities		4,147	4,147		4,608	4,608
Current						
Current financial liabilities		29,239	29,239		39,048	39,048
Trade payables		40,440	40,440		43,322	43,322
Other current liabilities	898	32,694	33,592	6,483	30,704	37,187
Financial liabilities	**898**	**525,700**	**526,598**	**6,483**	**461,810**	**468,293**

The fair value of trade receivables and trade payables is the amount reported in the statement of financial position, given the short-term nature of these assets and liabilities. The same applies to other receivables and payables.

The fair value of swaps corresponds to their valuation by their issuing bank. Financial liabilities are recognised at amortised cost using the effective interest method. The Group's bank loans are contracted at variable rates based on Euribor and their fair value is deemed to correspond to their value at the closing date.

6.28.6.2 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. inferred from observable prices).
- Level 3: fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(In thousands of euro)	Breakdown by category Level 1	Level 2	Level 3	Total
At 31 December 2013				
Liabilities				
Cash equivalents	63,764			63,764
Derivative instruments		898		898
Total financial liabilities	**63,764**	**898**	**—**	**64,662**
At 31 December 2012				
Liabilities				
Cash equivalents	38,937			38,937
Derivative instruments		6,483		6,483
Total financial liabilities	**38,937**	**6,483**	**—**	**45,420**

6.28.7 Operating Leases

Future minimum lease payments under non-cancellable operating leases at 31 December 2013 are shown in the following table:

(In thousands of euro)	31 December 2013	< 1 year	1 to 5 years	More than 5 years
Lease agreements	16,893	3,425	11,848	1,620
Total	**16,893**	**3,425**	**11,848**	**1,620**

Operating leases are entered into at market rates and accounted for as operating leases (see Note 6.4.5).

The Group uses operating leases for industrial equipment (mainly vehicles and transport equipment) when there is no economic justification for acquiring the assets in question.

The Group has no contingent lease commitments or sub-letting agreements.

6.29 Off-balance sheet commitments

6.29.1 Commitments given

Entities (in thousands of euro)	Nature	Value at 31 December 2013	Value at 31 December 2012
Cerba European Lab (formerly Financière Gaillon 12)	Pledge of CEL securities		
	Pledge of intra-group loans		81,654
	Pledge of Cefid securities		119,072
	Pledge of BARC NV securities		158,605
	Pledge of CRI securities		1
	Pledge of CSS securities		10
	Guarantees	8	
	Mortgages and pledges	601,307	
CEFID	Mortgages and pledges	60,146	
CERBA	Pledge of bank accounts		16,509
	Pledge of Biolille securities		22,283
	Pledge of Chemin Vert securities		12,965
	Pledge of Bioreunion securities (formerly V.G.S.)		14,530
	Pledge of Bioadour securities		31,651
	Pledge of Notre Dame securities		2,649
	Pledge of Sel De La Baie securities		4,242
	Pledge of intra-group loans		1,701
	Mortgages and pledges	64,691	
	Others	3,692	
BARC NV	Mortgages and pledges	128,062	50,938
CRI	Mortgages and pledges	70,707	70,706
BARC Finance	Pledge of bank accounts		5,957
	Pledge of intra-group loans		3,702
LBS	Pledge of LLAM SA securities (formerly LLAM Project)		31,221
	Mortgages and pledges	37,856	
LLAM SA	Guarantees	163	
	Commitments under no-cancellable leases	4,693	
	Mortgages and pledges	2,026	
	Others	1,778	
NOTRE DAME	Pledge parts of SELARL LABO ND		1,158
BIOTOP	Guarantees	6,515	
	Commitments under no-cancellable leases	5,178	
BIOLILLE	Commitments under no-cancellable leases	1,677	
	Mortgages and pledges	1,419	
BIOREUNION	Commitments under no-cancellable leases	2,832	
CBCV	Commitments under no-cancellable leases	2,518	
	Mortgages and pledges	592	

Commitments given mainly relate to non-cancellable operating lease commitments measured at the amount of the future minimum lease payments.

Pledges are mostly pledges of securities and financial commitments given as part of the high-yield bond issue in January 2013.

6.29.2 Commitments received

(In thousands of euro)	Nature	Value at 31 December 2013	Value at 31 December 2012
Group CEL	Acquisition credit facility		45,000
	Others	50,000	
CERBA	Revolving credit facility		10,000
	Acquisition credit facility		50,000
	Guarantees	3,097	
BIOPYRENEES	Guarantees	1,188	
BIOREUNION	Guarantees	358	
BIOTOP	Guarantees	4,894	
CBCV	Guarantees	408	
LLAM SA	Guarantees	2	

Commitments are received in the normal course of business and essentially concern the revolving line of credit and bank guarantees received when certain investments were acquired.

6.30 Related parties

The main related parties are associates and Group management.

6.30.1 Parent company and Group reporting entity

Related parties identified by the Group are as follows:

- Financière Gaillon 13, parent company of Cerba European Lab;
- MGCI, management company with an interest in Cerba European Lab (formerly Financial Gaillon 12);
- Biopart, whose General Manager also manages one of the Group's subsidiaries;
- Cerberus Nightingale 2, parent company of Cerba European Lab (formerly Financial Gaillon 12).

A breakdown of the balances and transactions between Group companies and associates is presented below:

(In thousands of euro)	Nature	Partners	31 December 2013	31 December 2012
Consolidated statement of Financial Position				
Other current assets	*Cash advances*	*Cerberus Nightingale 2*	**5,820**	0
Current financial liabilities	*Shareholder loans*	*Cerberus Nightingale 2*	**4,876**	6,876
Non-current financial liabilities and equity	*Convertible bonds including equity instruments*	*Cerberus Nightingale 2*	**11,076**	10,056
Non-current financial liabilities	*Other bond issues*	*BIOPART*	**10,691**	10,627

(In thousands of euro)	Nature	Partners	31 December 2013	31 December 2012
Income statement				
Other financial income	*Related to cash advances*	*MGCI*		16
Cost of net debt	*Related to shareholder loans*	*Cerberus Nightingale 2*	**(555)**	(1,045)
Cost of net debt	*Related to shareholder loans*	*Cerberus Nightingale 2*	**0**	(682)
Cost of net debt	*Related to convertible bonds*	*Cerberus Nightingale 2*	**(1,574)**	(14,728)
Cost of net debt	*Related to other bond issues*	*BIOPART*	**(1,181)**	(1,075)

6.31 Executive management compensation

Given the Group's structure, key management compensation has not been disclosed as it would mean revealing individual salaries.

6.32 Subsequent events

On 13 January 2014, Mr. Jean-Luc Dourson and Biopart (a company wholly-owned by Mr. Dourson) initiated extra-judicial proceedings against CEL before the Paris Commercial Court (*tribunal de commerce de Paris*). They are mainly seeking rescission of the Sale Agreement of 6 June 2011, under the terms of which LLAM SA (owner of Luxembourg-based Ketterthill laboratory) was acquired; and the contracts entered into in execution of said Agreement.

They claim that CEL did not fulfil its obligations under the Agreement and that consequently, rescission may be granted solely due to the fault of CEL, pursuant to Article 1184 of the French Civil Code.

Both the Group and its legal counsel consider these demands to be unfounded and have that there are excellent arguments that can be used to convince the Court to throw out all of the aforementioned requests.

Consequently, no provision has been set aside in the accounts for 2013.

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