

**Cerba European Lab**

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

**€85,000,000 7.00% Senior Secured Notes due 2020**

**Cerberus Nightingale 1**

(a *société anonyme* organized under the laws of Luxembourg)

**€145,000,000 8.25% Senior Notes due 2020**

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TNI Luxco 1 S.A., a public limited liability company (*société anonyme*) organized and existing under the laws of the Grand Duchy of Luxembourg (“Luxembourg”) (the “Temporary Senior Secured Notes Issuer”), issued (the “Senior Secured Offering”) €85,000,000 aggregate principal amount of its 7.00% Senior Secured Notes due 2020 (the “Temporary Senior Secured Notes”) and TNI Luxco 2 S.A., a public limited liability company (*société anonyme*) organized and existing under the laws of Luxembourg (the “Temporary Senior Notes Issuer” and together with the Temporary Senior Secured Notes Issuer, the “Temporary Notes Issuers”) issued (the “Senior Offering” and, together with the Senior Secured Offering, the “Offerings”) €145,000,000 aggregate principal amount of its 8.25% Senior Notes due 2020 (the “Temporary Senior Notes” and together with the Temporary Senior Secured Notes, the “Temporary Notes”) as part of the financing for the acquisition (the “Acquisition”) by Cerba Selafa or one of its subsidiaries, an indirect subsidiary of Cerba European Lab S.A.S., a limited liability company (*société par actions simplifiée*) organized under the laws of France (the “Senior Secured Notes Issuer” or the “Company”), of the Target Group (as defined herein).

On the day these Offerings were completed (the “Temporary Notes Issue Date”), the Temporary Senior Secured Notes Issuer issued the Temporary Senior Secured Notes and the Temporary Senior Notes Issuer issued the Temporary Senior Notes under the relevant Temporary Indentures. On March 10, 2015, the date on which the Acquisition was consummated (the “Completion Date”), the Temporary Senior Secured Notes were automatically exchanged for an equal aggregate principal amount of additional notes (the “Additional Senior Secured Notes”) issued by the Senior Secured Notes Issuer under the indenture (the “Existing Senior Secured Notes Indenture”) governing its existing €445,000,000 7.00% Senior Secured Notes due 2020 (the “Existing Senior Secured Notes”). The Additional Senior Secured Notes have the same terms as the Existing Senior Secured Notes and constitute a single class of debt securities with the Existing Senior Secured Notes under the Existing Senior Secured Notes Indenture. Interest on the Temporary Senior Secured Notes and the Additional Senior Secured Notes, as applicable, will be paid semi-annually in arrears on February 1 and August 1 of each year, commencing on August 1, 2015. The Additional Senior Secured Notes will mature on February 1, 2020. The Existing Senior Secured Notes and the Additional Senior Secured Notes are collectively referred to herein as the “Senior Secured Notes.” On the Completion Date, the Temporary Senior Notes were automatically exchanged for an equal aggregate principal amount of senior notes (the “Senior Notes” and together with the Additional Senior Secured Notes, the “Notes”) issued by Cerberus Nightingale 1 S.A., a public limited company (*société anonyme*) organized and existing under the laws of Luxembourg (the “Senior Notes Issuer”) under a senior notes indenture (the “Senior Notes Indenture” and together with the Existing Senior Secured Notes Indenture, the “Indentures”). Interest on the Temporary Senior Notes and the Senior Notes, as applicable, will be paid semi-annually in arrears on February 15 and August 15 of each year, commencing on August 15, 2015. The Senior Notes will mature on February 1, 2020.

Concurrently with the closing of the Offerings, and pending consummation of the Acquisition and the satisfaction of certain other conditions, the relevant Initial Purchasers deposited the gross proceeds of the Offerings into separate escrow accounts held in the name of the Temporary Senior Secured Notes Issuer and the Temporary Senior Notes Issuer, respectively. The Temporary Senior Secured Notes escrow account was controlled by, and secured on a first-ranking basis in favor of, the trustee on behalf of the holders of the Temporary Senior Secured Notes, and the Temporary Senior Notes escrow account was controlled by, and secured on a first-ranking basis in favor of, the trustee on behalf of the holders of the Temporary Senior Notes. The release of escrow proceeds was subject to the satisfaction of certain conditions, including the closing of the Acquisition.

Prior to February 1, 2016, the Senior Secured Notes Issuer may redeem some or all of the Senior Secured Notes at a price equal to 100% of the principal amount plus a “make-whole” premium. The Senior Secured Notes Issuer may redeem some or all of the Senior Secured Notes at any time on or after February 1, 2016 at the redemption prices set forth in this Offering Memorandum. The Senior Secured Notes Issuer may also redeem up to 35% of the Senior Secured Notes using the proceeds of certain equity offerings completed before February 1, 2016. In addition, the Senior Secured Notes Issuer may redeem all, but not part, of the Senior Secured 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 Senior Secured Notes Issuer must offer to purchase the Senior Secured Notes.

Prior to February 1, 2016, the Senior Notes Issuer may redeem some or all of the Senior Notes at a price equal to 100% of the principal amount plus a “make-whole” premium. The Senior Notes Issuer may redeem some or all of the Senior Notes at any time on or after February 1, 2016 at the redemption prices set forth in this Offering Memorandum. The Senior Notes Issuer may also redeem up to 35% of the Senior Notes using the proceeds of certain equity offerings completed before February 1, 2016. In addition, the Senior Notes Issuer may redeem all, but not part, of the Senior 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 Senior Notes Issuer must offer to purchase the Senior Notes.

The Notes are senior secured obligations of the Senior Secured Notes Issuer and the Senior Notes are senior obligations of the Senior Notes Issuer. Upon the issuance of the Notes, the Temporary Notes were cancelled. The Existing Senior Secured Notes and the Additional Senior Secured Notes are guaranteed (such guarantees, the “Senior Secured Note Guarantees”) on a senior secured basis by certain direct and indirect subsidiaries of the Senior Secured Notes Issuer, as further described in this Offering Memorandum (the “Guarantors”). The Senior Notes are guaranteed (such guarantees, the “Senior Note Guarantees” and, together with the Senior Secured Note Guarantee (the “Note Guarantees”)) on a senior subordinated basis by certain indirect subsidiaries of the Senior Notes Issuer (including the Senior Secured Notes Issuer) as of the Completion Date. The Additional Senior Secured Notes are secured by first-priority security interests over certain assets of the direct parent company of the Company (“Holdco”), the direct parent company of Holdco and the Senior Notes Issuer. Under the terms of the Intercreditor Agreement (as defined herein), the lenders under the revolving credit facility (the “Revolving Credit Facility”) and counterparties to certain hedging obligations are entitled to receive proceeds from the enforcement of security in priority to the holders of the Senior Secured Notes. The Senior Notes are secured by second-ranking security interests over the capital stock of the 100% direct subsidiary of the Senior Notes Issuer and by second-ranking security interests over the Luxco Proceeds Loan (as defined herein) as further described in this Offering Memorandum, in each case after the holders of the Senior Secured Notes, the lenders under the Revolving Credit Facility and counterparty to certain hedging obligations. The laws of certain jurisdictions limit the enforceability of certain of the Note Guarantees and rights to the assets securing the Notes and the Note Guarantees. In particular, the Senior Notes Guarantees from French guarantors to which proceeds are not on-lent will effectively have no monetary value. The Senior Secured Notes Guarantees will also be subject to significant limitations.

This Offering Memorandum includes information on the terms of the Temporary Notes, the Notes and the Note Guarantees.

**See “Risk Factors” beginning on page 41 for a discussion of certain risks that you should consider in connection with an investment in the Notes.**

**None of the Temporary Notes, the Notes or the Note 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. In the United States, the Offerings are being made only to “qualified institutional buyers” (“QIBs”) (as defined in Rule 144A under the U.S. Securities Act) in compliance with Rule 144A under the U.S. Securities Act (“Rule 144A”). You are hereby notified that the Initial Purchasers of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. Outside the United States, the Offerings are being made in reliance on Regulation S under the U.S. Securities Act (“Regulation S”). See “Notice to U.S. Investors” and “Transfer Restrictions” for additional information about eligible offerees and transfer restrictions.**

The Notes were issued in registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes were represented on issue by one or more global notes and the Initial Purchasers delivered the Temporary Notes in book-entry form through Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”) February 13, 2015.

Application has been made to list the 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 Offering Memorandum constitutes a Prospectus for the

purpose of Luxembourg law dated July 10, 2005 on Prospectuses for Securities, as amended. This Offering Memorandum may only be used for the purpose for which it is published.

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**Temporary Senior Secured Notes Price: 104.75% plus accrued interest from February 1, 2015.**

**Temporary Senior Notes Price: 100.00% plus accrued interest from the issue date.**

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*Offering of Temporary Senior Secured Notes*

*Joint Global Coordinators and Joint Bookrunners*

**J.P. Morgan**  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**Goldman Sachs International**  
Peterborough Court  
133 Fleet Street  
London EC3A 2BB  
United Kingdom

*Joint Bookrunners*

**Crédit Agricole CIB**  
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5 Appold Street  
London EC2A 2DA  
United Kingdom

**Natixis**  
30 avenue Pierre Mendès-France  
Paris 75013  
France

*Offering of Temporary Senior Notes*

*Joint Global Coordinators and Joint Bookrunners*

**J.P. Morgan**

**Goldman Sachs International**

*Joint Bookrunner*

**Crédit Agricole CIB**

The date of this Offering Memorandum is April 27, 2015.

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## Notice to investors

This Offering Memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the 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 Notes may not be offered or sold, directly or indirectly, and this Offering 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 Notes or possess this Offering Memorandum. You must also obtain any consents or approvals that you need in order to purchase any Notes. Neither we nor J.P. Morgan Securities plc, Goldman Sachs International, Crédit Agricole Corporate and Investment Bank the “Senior Notes Initial Purchasers” nor J.P. Morgan Securities plc, Goldman Sachs International, Crédit Agricole Corporate and Investment Bank and Natixis (the “Senior Secured Notes Initial Purchasers” and, together with the Senior Notes Initial Purchasers, the “Initial Purchasers”) are responsible for your compliance with these legal requirements. See also “*Plan of Distribution*.”

You should base your decision to invest in the Notes solely on information contained in this Offering Memorandum. Neither we nor the Initial Purchasers have authorized anyone to provide you with different information. In addition, neither we nor the Initial Purchasers nor any of our or their respective representatives are providing you with any legal, business, tax or other advice in this Offering Memorandum. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes.

By accepting delivery of this Offering Memorandum, you agree to the foregoing restrictions and agree not to use any information herein for any purpose other than considering an investment in the Notes. This Offering Memorandum may only be used for the purpose for which it was published. The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including the section entitled “*Book-Entry; Delivery and Form*,” is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg.

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 Offering 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 Initial Purchasers, the Trustee and any other agents acting with respect to the 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 Offering Memorandum and nothing contained in this Offering Memorandum is, or should be relied upon as, a promise or representation by the Initial Purchasers, the Trustee, or any other agents acting with respect to the Notes as to the past or the future.

By purchasing the Notes, you will be deemed to have acknowledged that you have reviewed this Offering Memorandum and have had an opportunity to request, and have received all additional information that you need from us. No person is authorized in connection with any offering made by this Offering Memorandum to give any information or to make any representation not contained in this Offering Memorandum or any pricing term sheet or supplement and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the Initial Purchasers.

The information contained in this Offering Memorandum is as of the date hereof. Neither the delivery of this Offering Memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set out in this Offering Memorandum or in our business since the date of this Offering Memorandum.

This Offering Memorandum is a confidential document that we are providing only to prospective purchasers of the Notes. You should read this Offering Memorandum before making a decision whether to purchase any Notes. You must not use this Offering Memorandum for any other purpose, make copies of any part of this Offering Memorandum or give a copy of it to any other person; or disclose any information in this Offering Memorandum to any other person.

The Notes are subject to restrictions on transferability and resale, which are described under the captions “*Plan of Distribution*” and “*Transfer Restrictions*.” By possessing this Offering Memorandum or purchasing any Note, investors were deemed to have represented and agreed to all of the provisions contained in that section of this Offering Memorandum. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

We reserve the right to withdraw these Offerings at any time. We and the relevant Initial Purchasers may reject any offer to purchase the Notes in whole or in part and to allot to any prospective purchaser less than the amount of the Notes sought by it. The Initial Purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

### **Stabilization**

IN CONNECTION WITH THE ISSUE OF THE NOTES, J.P. MORGAN SECURITIES PLC (THE “STABILIZING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER ALLOT THE NOTES. OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

### **Notice to New Hampshire residents**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

**NONE OF THE NOTES MAY BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS OFFERING MEMORANDUM, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY ANY TEMPORARY NOTES OR NOTES TO THE PUBLIC.**

### **Important information about selling and jurisdictional restrictions**

**United States.** Neither the Temporary Notes, the Notes nor the Note Guarantees were or will be registered under the U.S. Securities Act or the securities laws of any state of the United States, 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.

In the United States, the offering of the Temporary Notes and the Notes was made and is being made only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act). Prospective purchasers that are qualified institutional buyers are hereby notified that the Initial Purchasers of the Notes may be relying on an exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. Outside the United States, the Offerings are being made in offshore transactions (as defined in Regulation S).

Neither the U.S. Securities and Exchange Commission (the “SEC”), any state securities commission nor any non-U.S. securities authority has approved or disapproved of these securities or determined that this Offering Memorandum is accurate or complete. Any representation to the contrary is a criminal offense.

**European Economic Area.** In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (Directive 2010/73/EU) (each, a “Relevant Member State”), each Initial Purchaser 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 Notes which are the subject of the offering contemplated by the Offering 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) to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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 Issuers 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 Notes shall require the Issuers or any Initial Purchaser to publish an offering memorandum pursuant to Article 3 of the Prospectus Directive or supplement an offering memorandum pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an offer of Notes to the public in relation to any 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the 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 Notes in the Offerings 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. The Issuers, the Initial Purchasers and their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Initial Purchasers of such fact in writing may, with the consent of the Initial Purchasers, be permitted to subscribe for or purchase the Notes in the Offerings.

**Belgium.** This Offering Memorandum relates to a private placement of the Notes and does not constitute an offer or solicitation to the public in Belgium to subscribe for or acquire the Temporary Notes or the Notes. The Offerings have not been and will not be notified to, and this Offering Memorandum has not been, and will not be, approved by the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers*) pursuant to the Belgian laws and regulations applicable to the public offering of notes. Accordingly, the Offerings, as well as any other materials relating to the Offerings may not be advertised, the Notes may not be offered or sold, and this Offering Memorandum or any other information circular, brochure or similar document may not be distributed, directly or indirectly, (i) to any other person located and/or resident in Belgium other than in circumstances which do not constitute an offer to

the public in Belgium pursuant to the Belgian Act of June 16, 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market (the “Prospectus Act”) or (ii) to any person qualifying as a consumer within the meaning of the Belgian Act of April 6, 2010 on market practices and consumer protection, unless such sale is made in compliance with this Act and its implementing regulation. This Offering Memorandum has been issued to the intended recipient for personal use only and exclusively for the purpose of the offer. Therefore it may not be used for any other purpose, nor passed on to any other person in Belgium. Any resale of the Notes in Belgium may only be made in accordance with the Prospectus Act and other applicable laws.

**France.** This Offering 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 Temporary Notes or the 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 Offering Memorandum nor any offering or marketing materials relating to the Temporary Notes or the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

The Temporary Notes and the 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 Offering 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 Temporary Notes and the Notes should be acting for their own account; and
- (iii) the direct and indirect distribution or sale to the public of the Temporary Notes or the 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*.

**Germany.** The Offerings are not a public offering in the Federal Republic of Germany. The Temporary Notes and the Notes were and may only be offered, sold and acquired in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany (the “Securities Prospectus Act,” *Wertpapierprospektgesetz*, WpPG), as amended, and any other applicable German law. No application has been made under German law to publicly market the Temporary Notes or the Notes in or out of the Federal Republic of Germany. Neither the Temporary Notes nor the Notes are registered or authorized for distribution under the Securities Prospectus Act and accordingly may not be, and were not and are not, offered or advertised publicly or by public promotion. Therefore, this Offering Memorandum is strictly for private use and the offer is only being made to recipients to whom the document is personally addressed and does not constitute an offer or advertisement to the public. The Temporary Notes and the Notes were and are only available to and this Offering Memorandum and any other offering material in relation to the Temporary Notes and the Notes is directed only at persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2, No. 6 of the Securities Prospectus Act or who are subject of another exemption in accordance with Section 3 para. 2 of the Securities Prospectus Act. Any resale of the Notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable laws.

**Italy.** The Offerings have not been registered pursuant to Italian securities legislation and, accordingly, neither the Temporary Notes nor the Notes were or may be offered, sold or delivered, nor may copies of this Offering Memorandum or of any other document relating to the Temporary Notes or the Notes be distributed in the Republic of Italy (“Italy”), except: (i) to qualified investors (*investitori qualificati*), pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended (the “Financial Services Act”) and as defined in Article 34-ter, first paragraph, letter b) of *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) Regulation No. 11971 of May 14, 1999, as amended from time to time (“Regulation No. 11971”) or (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial



Services Act and Article 34-ter of Regulation No. 11971. Any offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or any other document relating to the Notes in Italy under (i) or (ii) above must be: (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Legislative Decree No. 385 (the “Banking Act”), the Financial Services Act of September 1, 1933, as amended, CONSOB Regulation No. 16190 of October 29, 2007 (as amended from time to time) and any other applicable law and regulations; (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy; and (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy or any other Italian authority.

**Republic of Ireland.** The Temporary Notes or the Notes were and may only be offered or sold to the public in the Republic of Ireland or underwritten or placed in conformity with the provisions of: (i) the Prospectus (Directive 2003/71/EC) Regulations 2005 and the Investment Funds, Companies and Miscellaneous Provisions Act 2005 (as amended); (ii) the European Communities (Markets in Financial Instruments) Regulations 2007 as amended, including, without limitation, Regulations 7 and 152 thereof and any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998 and (iii) the Central Bank Acts 1942 to 2010 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 and (iv) the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

**Luxembourg.** This Offering Memorandum constitutes a prospectus to be approved by the Luxembourg Stock Exchange for the purpose of part IV of the Luxembourg law dated July 10, 2005 on prospectuses for securities, as amended (the “Luxembourg Prospectus Law”), and for the purpose of the rules and regulations of the Luxembourg Stock Exchange. The terms and conditions of this Offering Memorandum have however not been approved by and will not be submitted for approval to the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier*) for purposes of public offering or sale in the Grand-Duchy of Luxembourg (“Luxembourg”). Accordingly, neither the Temporary Notes nor the Notes were and are offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in or from, or published in the Grand Duchy of Luxembourg, except in circumstances which, pursuant to the Luxembourg Prospectus Law, constitutes a public offer of securities which benefits from an exemption to or constitutes a transaction not subject to, the requirement to publish a prospectus in accordance with the Luxembourg Prospectus Law.

**The Netherlands.** Neither the Temporary Notes nor the Notes were or will be offered to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive, unless such offer is made exclusively to “persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).”

**Switzerland.** Neither this Offering Memorandum nor any other offering or marketing material relating to the Offerings, the Temporary Notes Issuers, the Issuers or the Temporary Notes or the Notes have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offering Memorandum will not be filed with, and the offer of Notes will not be supervised by, the Swiss Financial Market Supervisory Authority (“FINMA”), and the Offerings have not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the “CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Notes.

**United Kingdom.** This document is being distributed only to and is directed only at: (a) persons who have professional experience in matters relating to investments and are investment professionals as defined within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”), (b) high net worth bodies corporate and any other person falling within Article 49(2)(a)-(d) of the Order and (c) persons outside the United Kingdom and (d) any other persons to whom it may otherwise lawfully be communicated or cause to be communicated (all such persons together being referred to as “relevant persons”).

Each Initial Purchaser has represented and agreed that: (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Temporary Notes Issuers or the Issuers; and (b) it has

complied and will comply with all applicable provisions of the FSMA in respect of anything done by it in relation to any Temporary Notes or Notes in, from or otherwise involving the United Kingdom.

This Offering Memorandum must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Recipients of this offering memorandum are not permitted to transmit it to any other person. The Notes are not being offered to the public in the United Kingdom. Any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents.

### Available information

Each purchaser of Temporary Notes from the relevant Initial Purchasers was, and each such purchaser of Notes will be, furnished with a copy of this Offering Memorandum and, to the extent provided to the Initial Purchasers by us, any related amendment or supplement to this Offering Memorandum. For so long as any of the Temporary Notes or the 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 Temporary Indentures and the Indentures, the forms of the Temporary Notes and the Notes, the Intercreditor Agreement and the Security Documents will be made available upon request to the Paying Agent or 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 Indentures and so long as the Notes are outstanding, we will furnish periodic information to holders of the Notes. See “*Description of the Senior Secured Notes—Certain Covenants—Provision of Information*” and “*Description of the Senior Notes—Certain Covenants—Provision of Information*”.

If the 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 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 specified office of our listing agent in Luxembourg at the address listed on the inside of the back cover of this Offering Memorandum.

### Forward-looking statements

Various statements contained in this Offering Memorandum 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 those set forth in the section of this Offering Memorandum captioned “*Risk Factors*” beginning on page 41, 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 (including, without limitation, Novescia following the Acquisition);
- 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 Note Guarantees;
- our significant leverage, which may make it difficult to operate our businesses;
- the covenants contained in the Indentures 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 Offering Memorandum to reflect actual results, changes in assumptions or changes in factors affecting these statements.

This Offering Memorandum contains certain synergy estimates, among others, relating to cost reductions and other benefits expected to arise from the Acquisition as well as related costs to implement the Acquisition. The estimates present the expected future impact of this transaction and the integration of Novescia into our existing business. Such estimates are based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. The assumptions used in estimating the synergies arising from the Acquisition 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.

## Presentation of financial and other information

### Presentation of financial information

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

The Senior Notes Issuer was incorporated on August 8, 2008 in Luxembourg as a *société à responsabilité limitée* and changed its corporate form to a *société anonyme* on January 26, 2015. The Senior Notes Issuer is a holding company which indirectly holds all of the shares of the Company. The Senior Notes Issuer and the intermediate holding companies of the Company (Luxco and Holdco) do not engage in any activities other than those relating to holding the shares of their subsidiaries. The only assets of the Senior Notes Issuer, Luxco and Holdco are the shares in their subsidiaries, Luxco, Holdco and the Company, respectively, and debt instruments issued by such subsidiaries, and de minimis cash. The most recent available financial statements of the Senior Notes Issuer are for December 31, 2013. Future financial reports will be prepared at the level of the Senior Secured Notes Issuer. Other than the Senior Notes to be issued in connection with the Acquisition, the only liabilities of the Senior Notes Issuer are the Frenchco CPECs and de minimis trade payables, taxes payable and provisions for taxes. See “Description of Other Indebtedness—Frenchco CPECs” and “Capitalization”. The only liabilities of Luxco and Holdco are debt owed to their direct parent entities and de minimis trade payables, taxes payable and provisions for taxes. The Senior Notes Issuer has historically experienced losses (e.g., €14.5 million for the year ended December 31, 2013 under Luxembourg GAAP) on an unconsolidated basis relating to the non-cash payment of interest due on the Frenchco CPECs. As € 397.1 million of the Frenchco CPECs were converted into equity of the Senior Notes Issuer, we expect that these losses will not continue in the same magnitude for future periods. In addition, on an unconsolidated basis, Luxco and Holdco have also historically experienced losses (e.g., for the year ended December 31, 2013, Luxco experienced a net loss of € 0.2 million under Luxembourg GAAP and Holdco experienced a net loss of €1.0 million under French GAAP).

The Temporary Senior Secured Notes Issuer was incorporated on April 18, 2014 and the Temporary Senior Notes Issuer was incorporated on December 3, 2014. There is no financial information regarding the Temporary Notes Issuers presented in this Offering Memorandum, as the Temporary Notes Issuers do not conduct any operations or hold any assets other than their respective interests in the Escrow Accounts and, pursuant to the Temporary Indentures, will undertake not to undertake in any activities unrelated to the transactions described in this Offering Memorandum.

This Offering Memorandum includes the following financial information:

- the English translation of the audited consolidated financial statements of the Company and its subsidiaries as of, and for the period from July 15, 2010 through December 31, 2011, prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”), originally issued in French (the “Company’s 2011 IFRS Financial Statements”);
- the unaudited consolidated income statement and cash flow statement of the Company for the twelve month period ended December 31, 2011 extracted from the Company’s 2011 IFRS Financial Statements as adjusted for (i) the reclassification of CVAE under income tax rather than as an operating expense and (ii) some changes in presentation and reclassifications relating to financial instruments (the “Company’s 2011 Unaudited Financial Information”). This restatement, completed in accordance with IAS 8, can be found in the Company’s 2012 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, 2012, prepared in accordance with IFRS, originally issued in French (the “Company’s 2012 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, 2013, prepared in accordance with IFRS, originally issued in French (the “Company’s 2013 IFRS Financial Statements”);
- the English translation of the unaudited interim consolidated financial statements of the Company and its subsidiaries as of, and for the nine months ended, September 30, 2014, prepared in accordance with IAS34 under IFRS (the “Company’s Q3 2014 IFRS Financial Statements”);

- the English translation of the audited consolidated financial statements of Novescia and its subsidiaries as of, and for the year ended, December 31, 2013, prepared in accordance with IFRS, originally issued in French (the “Novescia’s 2013 IFRS Financial Statements”);
- the English translation of the unaudited interim consolidated financial statements of Novescia and its subsidiaries as of, and for the nine months ended, September 30, 2014 prepared in accordance with the measurement and recognition principles described in the notes thereto, originally issued in French (“Novescia’s Q3 2014 Financial Statements”); and
- the financial statements of the Senior Notes Issuer as of, and for the year ended, December 31, 2013, prepared in accordance with Luxembourg GAAP, incorporated herein by reference.

Novescia’s Q3 2014 Financial Statements have not been prepared in accordance with IAS34 under IFRS and do not include comparative information for the nine months ended September 30, 2013 and certain footnotes required by IAS 34. In addition, we have not provided a discussion of the results of operations of Novescia for any period in this Offering Memorandum.

### ***Pro forma financial information***

We present in this Offering Memorandum certain unaudited combined pro forma financial information for the year ended December 31, 2013, for the nine months ended September 30, 2014 and the twelve months ended September 30, 2014, in each case adjusted to give effect to (i) the acquisitions completed during the period from January 1, 2013 through September 30, 2014 as if they had occurred on January 1, 2013, (ii) the Novescia Acquisition as if it had occurred on January 1, 2013 and (iii) certain non-recurring items during the period (collectively, the “*Pro Forma Financial Information*”). The unaudited *pro forma* financial information has been prepared for illustrative purposes only and does not represent what our actual results would have been had (i) and (ii), above, occurred on January 1, 2013 nor does it purport to project our results of operation at any future date. The Company’s *Pro Forma Financial Information* included in this Offering Memorandum has not been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities and Exchange Act of 1934 or U.S. GAAP. Neither the adjustments nor the resulting *pro forma* financial information have been audited in accordance with French GAAS, ISA or U.S. GAAS. In evaluating the *pro forma* financial information, you should carefully consider our audited historical consolidated financial statements included elsewhere in this Offering Memorandum.

The *Pro Forma Financial Information* is based upon available information and assumptions that we believe are reasonable but are not necessarily indicative of the results that would have actually been achieved if the acquisitions had been completed on the dates indicated, or indicative of the results that may be achieved in the future. The *Pro Forma Financial Information* is provided for information purposes only. See “*Unaudited Pro Forma Consolidated Financial Information*.”

The *Pro Forma Financial Information* for the twelve months ended September 30, 2014 is based in part on the unaudited financial information of Novescia for the nine months ended September 30, 2013, which is not included in this Offering Memorandum, was not prepared in accordance with IAS34 under IFRS and represent Novescia’s internal management accounts.

Although the *Pro Forma Financial Information* includes certain adjustments to reflect the full-period impact of acquisitions and disposals by the Company and its subsidiaries since January 1, 2013 and to eliminate the transaction costs associated with such transactions, similar adjustments for acquisitions and disposals and the related transaction costs by Novescia are not included herein. In particular, Novescia disposed of Novescia Aquitaine and Novescia Côte d’Azur in February 2013 and on January 30, 2014, respectively. Novescia Aquitaine’s net sales contributions to Novescia for the years ended December 31, 2012 and December 31, 2013 were €4.0 million and €0.4 million, respectively, and its profit from recurring operations before amortization and depreciation contributions to Novescia for the same periods were €0.6 million and €0.1 million, respectively. Novescia Côte d’Azur’s net sales contributions to Novescia for the years ended December 31, 2012 and December 31, 2013 and the nine months ended September 30, 2014 were €12.3 million, €11.8 million and €1.0 million, respectively, and its profit from recurring operations before amortization and depreciation contributions to Novescia for the same periods were € 0.8 million, €0.4 million and €0.3 million, respectively. In addition, the *Pro Forma Financial Information* does not make adjustments for intercompany sales between the Company and its subsidiaries and Novescia. This, however, has no impact on profit from recurring operations before amortization and depreciation as the excess sales are eliminated in consumption of materials and supplies.

## Non-IFRS financial measures

This Offering Memorandum contains non-IFRS measures and ratios, including EBITDA, Adjusted EBITDA, *Pro Forma* EBITDA, Adjusted *Pro Forma* EBITDA, Adjusted *Pro Forma* EBITDA (including Novescia synergies) 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 Offering 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 Offering Memorandum, the following terms have the following meanings:

EBITDA for the fiscal years ended December 31, 2011, 2012 and 2013 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.

*Pro Forma* EBITDA represents EBITDA adjusted with the full period effect of the EBITDA of (i) companies acquired during the period from January 1, 2013 through September 30, 2014 as if they had occurred on January 1, 2013, (ii) the Novescia Acquisition as if it had occurred on January 1, 2013 and (iii) certain non-recurring items during the period. See “*Summary Historical Consolidated Financial Information, Pro Forma and Other Data—Other Financial, Pro Forma and Operating Data*” and “*Unaudited Pro Forma Consolidated Financial Information.*”

Adjusted *Pro Forma* EBITDA represents *Pro Forma* 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.

Adjusted *Pro Forma* EBITDA (including Novescia synergies) represents Adjusted *Pro Forma* EBITDA adjusted to include the full year impact of cost synergies expected to be achieved as a result of the Acquisition.

This Offering Memorandum contains certain synergy estimates, among others, relating to cost reductions and other benefits expected to arise from the Acquisition as well as related costs to implement the Acquisition. The estimates present the expected future impact of this transaction and the integration of Novescia into our existing business. Such estimates are based on a number of assumptions made in reliance on the information available to us and management’s judgments based on such information. The assumptions used in estimating the synergies arising from the Acquisition 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 present Adjusted EBITDA, *Pro Forma* EBITDA, Adjusted *Pro Forma* EBITDA and Adjusted *Pro Forma* EBITDA (including Novescia synergies) for informational purposes only. This information does not represent the results we would have achieved had each of the acquisitions or other transactions for which an adjustment is made occurred at the dates indicated. 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, *Pro Forma* EBITDA, Adjusted *Pro Forma* EBITDA and Adjusted *Pro Forma* EBITDA (including Novescia synergies) are based on various assumptions (including the successful implementation of certain initiatives), management estimates and the unaudited management accounts of the acquired businesses. 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 Offering Memorandum and should not be relied upon when making an investment decision.

We present EBITDA, Adjusted EBITDA, *Pro Forma* EBITDA, Adjusted *Pro Forma* EBITDA and Adjusted *Pro Forma* EBITDA (including Novescia synergies) 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 Offering 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*” and “*Description of the Senior Notes*” of this Offering Memorandum and in the Indentures or the Temporary Indentures. For a reconciliation of EBITDA, Adjusted EBITDA, *Pro Forma* EBITDA, Adjusted *Pro Forma* EBITDA and Adjusted *Pro Forma* EBITDA (including Novescia synergies) to net operating income (loss), see “*Summary Historical Consolidated Financial Information, Pro Forma and Other Data—Other Financial, Pro Forma and Operating Data*” and “*Unaudited Pro Forma Consolidated Financial Information*.”

The non-IFRS measures presented in this Offering 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, Adjusted EBITDA, *Pro Forma* EBITDA, Adjusted *Pro Forma* EBITDA and Adjusted *Pro Forma* EBITDA (including Novescia synergies) do not reflect cash requirements for such replacements; and
- other companies, including other companies in our industry, may calculate EBITDA, Adjusted EBITDA, *Pro Forma* EBITDA, and Adjusted *Pro Forma* EBITDA differently than as presented in this Offering Memorandum, limiting their usefulness as comparative measures.

Because of these limitations EBITDA, Adjusted EBITDA, *Pro Forma* EBITDA, Adjusted *Pro Forma* EBITDA, Adjusted *Pro Forma* EBITDA (including Novescia synergies) and the related ratios presented throughout this Offering 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 Offering 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 Offering 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 Offering 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 Offering 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, neither we nor the Initial Purchasers have verified that data independently. We and the Initial Purchasers 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 and the Initial Purchasers 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 offering memorandum

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

- “**Acquisition**” or “**Novescia Acquisition**” refers to the acquisition by Cerba Selafa or one of its subsidiaries of all of the issued and outstanding share capital of Novescia SAS by way of acquisition of shares in Manescia SAS, Manescia 3 SAS, Bio-Invest Novescia SAS, Finescia SAS and Financière Murillo SAS and shares of Novescia SAS not owned by these entities pursuant to the terms of the Securities Purchase Agreement;
- “**Acquisition Longstop Date**” refers to April 6, 2015, as extended until a date that may not exceed April 30, 2015, pursuant to the Securities Purchase Agreement;
- “**Additional Senior Secured Notes**” refers to the € 85 million aggregate principal amount issued by the Senior Secured Notes Issuer under the Senior Secured Notes Indenture on the Completion Date;
- “**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);
- “**BASTARD**” refers to a business goodwill located in Le Kremlin Bicetre (94270)—87 avenue de Fontainebleau—France;
- “**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 Biolille Société d’Exercice Libéral de Directeurs et Directeurs Adjoins 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 sociétés de Tarbes* under registration number 777 164 856;
- “**Bioréunion**” refers to 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 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 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 Selafo**” refers to Cerba Selafo, 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 Médicale Chaouat-Heurzeau-Bieder, a French *société d’exercice libéral 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 Senior Secured Notes Collateral and to the Senior Notes Collateral;
- “**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;
- “**Company 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 Luxco, as lender, and the Company, as borrower, pursuant to which the proceeds of the Senior Notes issuance will be advanced to the Company. The payment terms of the Company Proceeds Loan will be substantially the same as the payment terms of the Luxco Proceeds Loan except that the Company Proceeds Loan will bear an interest rate that we currently expect to be 25 basis points higher than the Luxco Proceeds Loan.
- “**Completion Date**” refers to March 10, 2015, the date on which the Acquisition was consummated;
- “**CRI**” refers to 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 Senior Secured Notes Issuer to Jean- Michel Damien on December 1, 2011 in connection with the acquisition of Laboratoire Damien by Biolille;
- “**Escrow Accounts**” collectively refers to the Senior Secured Notes Escrow Account and the Senior Notes Escrow Account;
- “**Escrow Agent**” refers to Wilmington Trust (London) Limited;
- “**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 Novescia Facilities**” means the existing facilities borrowed by Novescia as further described in “Description of Other Indebtedness—Existing Novescia Facilities;”
- “**Existing Senior Secured Notes**” refers to the €445,000,000 aggregate principal amount of the Senior Secured Notes Issuer’s 7.00% Senior Secured Notes due 2020. €365,000,000 aggregate principal amount were issued on January 31, 2013 and €80,000,000 aggregate principal amount were issued on May 23, 2014;
- “**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 the Senior Notes Issuer 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 Senior Secured Notes 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 Senior Secured Notes 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*;
- “**Indentures**” refers collectively to the Senior Secured Notes Indenture and to the Senior Notes Indenture.
- “**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 and to which the Senior Notes Trustee will accede on the Issue Date;
- “**Issue Date**” refers to the date of the issuance of the Notes offered hereby;
- “**Issuers**” refers to the Senior Secured Notes Issuer and the Senior Notes Issuer and not to any of their respective subsidiaries;

- “**JS Bio**” refers to the company formerly known as JS Bio, a *société d’exercice 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* organized under the laws of Belgium to manage clinical biology laboratories and registered with Crossroads Bank for Enterprises under number 0442.193.801 (Commercial Court of Brussels) and with its registered address at Chaussée d’Alseberg 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 the Senior Notes Issuer, 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 Additional Senior Secured Notes and the Senior 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;
- “**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 Senior Secured Notes Issuer’s acquisition activity;



- **“Post Closing Date Senior Notes Guarantors”** refers to Biotop, Biolille, Bioréunion and CBCV who will not be required to guarantee the Senior Notes until 30 days after the Completion Date;
- **“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 Senior Secured Notes 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 Senior Secured Notes Security Documents and the Senior Notes Security Documents;
- **“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”*;
- **“Senior Notes Collateral”** refers to the rights, properties and assets that secure or otherwise benefit the Senior Notes and the guarantees of the Senior Notes on a junior ranking basis as further described in the section entitled *“Description of the Senior Notes—Security”*. The Senior Notes Collateral also secures the Senior Secured Notes and the guarantees thereof, the Revolving Credit Facility and the guarantees thereof and certain hedging obligations on a senior ranking basis;
- **“Senior Notes Escrow Account”** refers to the escrow account of the Temporary Senior Notes Issuer into which the Senior Notes Initial Purchasers will deposit the gross proceeds of the Temporary Senior Notes on the Temporary Notes Issue Date, to be controlled by the Escrow Agent and charged in favor of the Temporary Senior Notes Trustee on behalf of the holders of the Temporary Senior Notes;
- **“Senior Notes Indenture”** refers to the indenture governing the Senior Notes as described in *“Description of the Senior Notes”*;
- **“Senior Notes Issuer”** 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;
- **“Senior Notes Security Documents”** refers to the security and other documents and agreements that provide for Security Interests over the Senior Notes Collateral for the benefit of the holders of the Senior Notes, as described in more detail under *“Description of the Senior Notes—Security—General”*;
- **“Senior Notes Trustee”** refers to the trustee of the Senior Notes;



- **“Senior Secured Notes Collateral”** refers to the rights, properties and assets that secure or otherwise benefit the Senior Secured Notes and the guarantees of the Senior Secured Notes as further described in the sections entitled *“Description of the Senior Secured Notes—Security”*. The Senior Secured Notes Collateral also secures the Revolving Credit Facility and the guarantees thereof and certain hedging obligations;
- **“Senior Secured Notes Escrow Account”** refers to the escrow account of the Temporary Senior Secured Notes Issuer into which the Senior Secured Notes Initial Purchasers will deposit the gross proceeds of the Temporary Senior Secured Notes on the Temporary Notes Issue Date, to be controlled by the Escrow Agent and charged in favor of the Senior Secured Notes Trustee on behalf of the holders of the Temporary Senior Secured Notes;
- **“Senior Secured Notes Indenture”** refers to the indenture governing the Senior Secured Notes as described in *“Description of the Senior Secured Notes”*;
- **“Senior Secured Notes Issuer”** or **“Company”** refers to 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;
- **“Senior Secured Notes Security Documents”** refers to the security and other documents and agreements that provide for Security Interests over the Senior Secured Notes Collateral for the benefit of the holders of the Senior Secured Notes, as described in more detail under *“Description of the Senior Secured Notes—Security—General”*;
- **“Senior Secured Notes Trustee”** refers to the trustee of the Senior Secured Notes;
- **“SLB”** refers to a French *société d’exercice libéral 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 Senior Secured Notes Issuer’s or Senior Notes Issuer’s (as the case may be) subsidiaries in which (i) the Senior Secured Notes Issuer or Senior Notes Issuer’s (as the case may be) directly or indirectly holds a majority of the voting rights or (ii) the Senior Secured Notes Issuer or Senior Notes Issuer’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 Senior Secured Notes Issuer’s or Senior Notes Issuer’s (as the case may be) consolidated financial statements;
- **“Target Group”** refers to Manescia SAS, Manescia 3 SAS, Bio-Invest Novescia SAS, Finescia SAS, Financière Murillo SAS and Novescia SAS;
- **“technical platforms”** refer to our sites at which we conduct tests on patient samples and which generally provide testing for multiple collection centers;
- **“Temporary Indentures”** refers collectively to the Temporary Senior Secured Notes Indenture and the Temporary Senior Notes Indenture;
- **“Temporary Notes Issue Date”** refers to the date on which the Temporary Notes were issued and delivered in book-entry form through Euroclear and Clearstream, on February 13, 2015;
- **“Temporary Senior Notes Indenture”** refers to the indenture entered into on the Temporary Notes Issue Date by, *inter alios*, the Senior Notes Issuer, the Temporary Notes Issuer and the Senior Notes Trustee;
- **“Temporary Senior Notes Issuer”** refers to TNI Luxco 2 S.A., a public limited liability company (*société anonyme*) organized and existing under the laws of Luxembourg, having its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under registration number B 193.881;

- **“Temporary Senior Notes Trustee”** refers to the trustee of the Temporary Senior Notes;
- **“Temporary Senior Secured Notes Indenture”** refers to the indenture entered into on the Temporary Notes Issue Date by, *inter alios*, the Senior Secured Notes Issuer, the Temporary Notes Issuer and the Senior Secured Notes Trustee;
- **“Temporary Senior Secured Notes Issuer”** refers to TNI Luxco 1 S.A., a public limited liability company (*société anonyme*) organized and existing under the laws of Luxembourg, having its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under registration number 165558;
- **“Temporary Senior Secured Notes Trustee”** refers to the trustee of the Temporary Senior Secured 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;
- **“U.S. dollars,” “dollars,” “U.S.\$”** or **“\$”** refers to the lawful currency of the United States; and
- **“Vendors”** refers to holders of Manescia SAS, Manescia 3 SAS, Bio-Invest Novescia SAS, Finescia SAS Financière Murillo SAS and Novescia SAS (other than holders of the aforementioned entities) who have entered into the Securities Purchase Agreement.

### 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 January 26, 2015 was \$1.1280 per €1.00.

Year	High	Low	Average(1)	Period end U.S. dollars per €1.00
2009 .....	1.5094	1.2543	1.3944	1.4331
2010 .....	1.4510	1.1952	1.3266	1.3366
2011 .....	1.4874	1.2925	1.3924	1.2960
2012 .....	1.3458	1.2061	1.2909	1.3192
2013 .....	1.3804	1.2772	1.3804	1.3789
2014 .....	1.3925	1.2100	1.3285	1.2100
2015 (through January 26, 2015) .....	1.2099	1.1255	1.1681	1.1314

Month	High	Low	Average(2)	Period end
July 2014 .....	1.3691	1.3379	1.3535	1.3385
August 2014 .....	1.3431	1.3145	1.3315	1.3145
September 2014 .....	1.3141	1.2629	1.2899	1.2629
October 2014 .....	1.2825	1.2513	1.2677	1.2531
November 2014 .....	1.2550	1.2388	1.2471	1.2435
December 2014 .....	1.2509	1.2100	1.2312	1.2100
January 2015 (through January 26, 2015) .....	1.2099	1.1255	1.1681	1.1314

(1) The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year.

(2) The average rate for each month presented is based on the average Bloomberg Composite Rate for each business day of such month.

The above rates differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this Offering 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 Offering 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 Offering 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 Offering Memorandum, the Company’s 2011 Unaudited Financial Information 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 (including blood chemistry analyses, urinalyses, blood cell counts and microbiology cultures and procedures) for patients who have generally been prescribed these tests by their doctors. 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 base (90.9% of our Specialized Testing net sales for the nine months ended September 30, 2014), 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.

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 September 30, 2014, we had approximately 2,617 full-time equivalent employees and we employed approximately 221 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.

On December 19, 2014, we signed the Securities Purchase Agreement under which we will acquire directly and/or indirectly all of the Target Group securities subject to the satisfaction of certain conditions precedent. See “The Acquisition.”

For the twelve months ended September 30, 2014, we generated *pro forma* net sales of €575.2 million (our Specialized Testing business accounted for €138.3 million, our Routine Lab business accounted for €405.9 million, our Central Lab business accounted for €46.7 million and intercompany sales accounted for negative €15.7 million) and Adjusted *pro forma* EBITDA (including Novescia synergies) of €136.8 million. See “Summary Historical Consolidated Financial Information, Pro Forma and Other Data—Other Financial, Pro Forma and Operating 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 2014, 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 2014, 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 2014. 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 September 30, 2014, we employed approximately 221 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 in 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 Biollille 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 221 clinical pathologists as of September 30, 2014. In the years ended December 31, 2011, 2012 and 2013 and the nine months ended September 30, 2014, we completed 21, 8, 6 and 1 acquisition(s), respectively, of which respectively 18, 7, 4 and 0 were bolt-on acquisitions.

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 17.4% between the year ended December 31, 2009 reported at the Original Company level and the twelve months ended September 30, 2014 at the Company level, adjusted for the *pro forma* effect of acquisitions realized during the course of the twelve months ended September 30, 2014. 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.

The Adjusted EBITDA margin of the Company for the year ended December 31, 2011 and for the twelve months ended September 30, 2014 increased from 21.5% to 22.9%, demonstrating our ability to rapidly integrate acquired companies, realize synergies and gain greater operating leverage through our increased scale. 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.

Finally, our business requires relatively low capital expenditure (excluding acquisitions) and working capital requirements. For the years ended December 31, 2011, 2012 and 2013 and the nine months ended September 30, 2014, our net capital expenditures (excluding asset acquisitions), were €8.7 million, €9.9 million, €8.9 million and €5.2 million, respectively. As a percentage of our net sales, capital expenditure (excluding asset acquisitions) amounted to 3.1%, 3.0%, 2.5% and 1.7% for the years ended December 31, 2011, 2012 and 2013 and the nine months ended September 30, 2014, respectively. Due to this favorable business model, we were able to generate strong cash flow as reflected by our cash conversion rate of 85% for 2011, 86% for 2012, 89% for 2013 and 93% for the nine months ended September 30, 2014 (cash conversion rate, expressed as a percentage, is defined as Adjusted EBITDA minus capital expenditure (excluding asset acquisitions), divided by Adjusted EBITDA).

***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 nine years of experience in the industry with an average of 22 years' industry experience and an average of 16 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 strategic rationale of the larger acquisition of Novescia is 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. We estimate that, as a result of the Acquisition, our consolidated business operations will achieve cost synergies of approximately € 10 million on an annual run rate basis by mid-2016, primarily relating to the shifting of a portion of the testing activities carried out by Novescia onto the Company's platforms, the planned reduction of administrative costs associated with Novescia's headquarters and the realization of procurement synergies by integrating and leveraging our combined scale. However, this synergy estimate is based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. 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.

#### **Sources and uses**

The aggregate principal amount of the Temporary Senior Secured Notes and the Temporary Senior Notes was €85.0 million and €145.0 million, respectively, and the gross proceeds from the Offerings are expected to be €234.0 million, excluding payment by the purchasers of the Temporary Senior Secured Notes of an amount equal to the accrued interest on the Temporary Senior Secured Notes from February 1, 2015 to, but not including, the Temporary Notes Issue Date. Upon release from escrow of the proceeds from the sale of the Temporary Notes, we used the gross proceeds from the Offerings and existing cash reserves of €3.3 million to fund the purchase price of the Acquisition and pay certain transaction costs, including underwriting commissions as well as fees for legal, accounting, printing, ratings advisory and other professional services.

The following table sets forth our expected estimated sources and uses of funds in connection with the Offerings. Amounts included in the table below are based on data for the nine months ended September 30, 2014. Actual amounts will vary from estimated amounts depending on several factors, including the Temporary Notes Issue Date, the Completion Date as well as the differences between estimated and actual fees and expenses.

Sources of funds	Amount	Uses of funds	Amount
	(million €)		
Proceeds from the Temporary Senior Secured Notes(1) .....	89.0	Enterprise value of Target Group(4).....	277.8
Proceeds from the Temporary Senior Notes .....	145.0	Total transaction costs(5).....	10.0
Rolled Novescia debt(2) .....	50.5		
Use of existing cash reserves(3) .....	3.3		
<b>Total Sources.....</b>	<b>287.8</b>	<b>Total Uses .....</b>	<b>287.8</b>

(1) The gross proceeds of the Offering of the Temporary Senior Secured Notes exclude payment by the purchasers of the Temporary Senior Secured Notes of an amount equal to the accrued interest on the Temporary Senior Secured Notes from February 1, 2015 to, but not including, the Temporary Notes Issue Date and reflect the issuance premium with respect to the Temporary Senior Secured Notes.

(2) Rolled Novescia debt includes €4.9 million of finance leases, €44.4 million of bilateral loans and €1.3 million of bank overdrafts.

(3) Use of existing cash reserves is net of €12.7 million of the Novescia's acquired cash.

(4) Represents the expected total enterprise value, including equity purchase price of €240 million, rolled Novescia debt of € 50.5 million and Novescia cash of €12.7 million.

(5) Represents estimated fees and expenses associated with the Offerings, including the relevant Initial Purchasers' commissions, legal and accounting expenses and other transaction costs. The relevant Temporary Notes Issuer paid the relevant Initial Purchasers commissions upon release of the proceeds of the Offerings from escrow. The Company will pay all other transaction costs of the Offerings.

## Our principal shareholders

The equity of the Senior Secured Notes Issuer, our group's parent company, is fully-owned by Holdco. Holdco is a wholly owned subsidiary of Luxco and Luxco is a wholly owned subsidiary of the Senior Notes Issuer, 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 Offering Memorandum, PAI Partners indirectly controlled 95.52% of the Company's and the Senior Notes Issuer's equity. The remainder of the Senior Secured Notes Issuer's and the Senior Notes Issuer's equity is owned, directly or indirectly, by members of management and clinical pathologists.

## Recent developments

### *Novescia Acquisition*

On December 19, 2014, the Company and the direct and indirect holders of all of the securities (including the shares) issued by Novescia SAS entered into the Securities Purchase Agreement under which the Company has acquired directly and/or indirectly all of the Target Group securities subject to the satisfaction of certain conditions precedent, including antitrust clearance. See "*The Acquisition*."

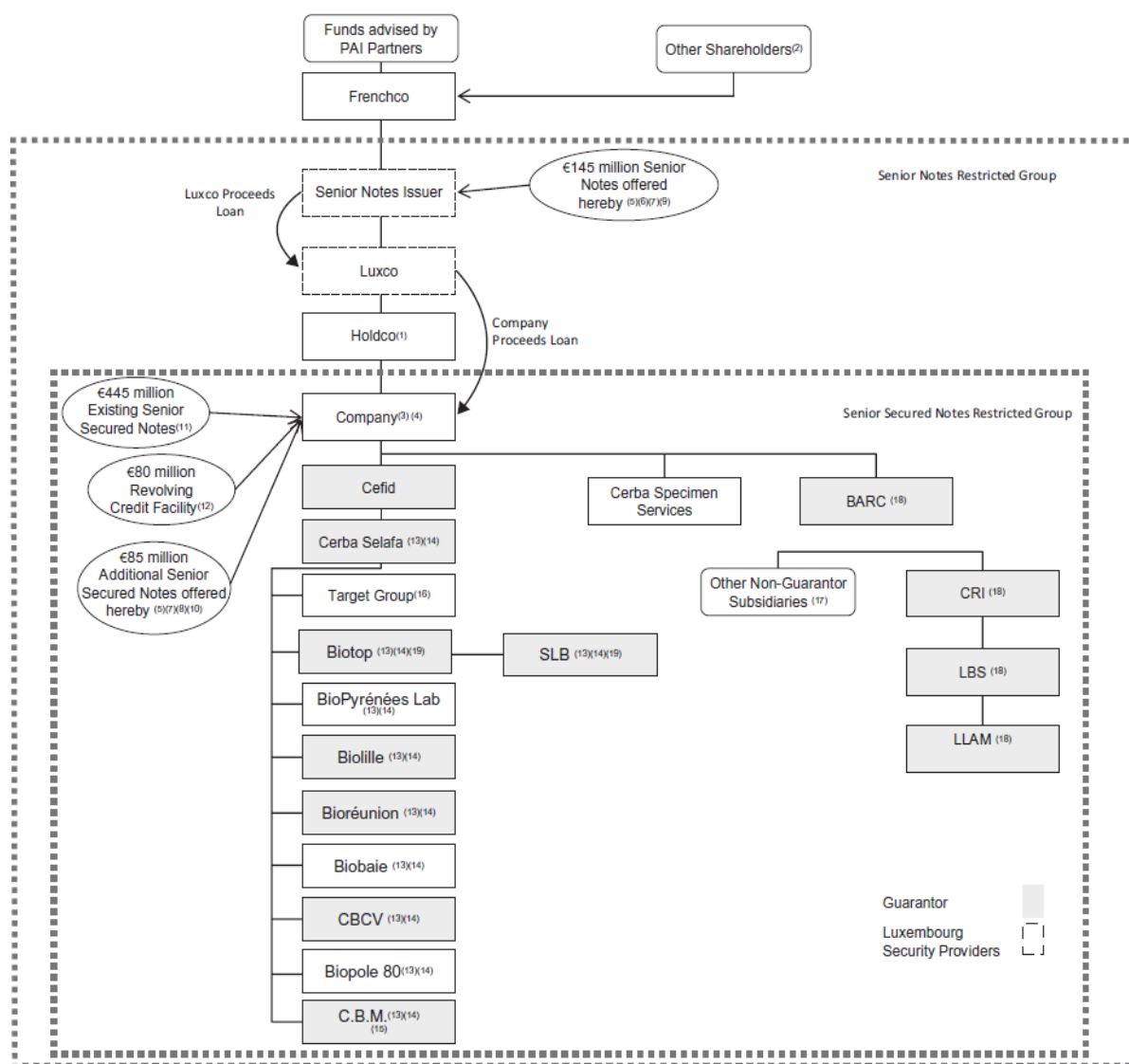
### *Current trading*

Although we do not yet have financial information available for the fourth quarter of 2014, we anticipate that our revenue remained stable compared to the fourth quarter of 2013.

The foregoing information is based solely on preliminary internal information used by management and management estimates and remains subject to our normal end-of-quarter review process. As a result, this information may change. In particular, during the course of our review process we could identify items that would require us to make adjustments, which may be material.

## Summary corporate and financing structure

The following diagram summarizes our corporate structure and principal outstanding financing arrangements after giving effect to the Offerings (including the expected use of the proceeds thereof) and the Acquisition. See “Use of Proceeds” and “Capitalization.” For a summary of the debt obligations referred to in this chart, see “Description of the Senior Secured Notes,” “Description of the Senior Notes,” and “Description of Other Indebtedness” for more information.



- (1) Holdco is a *société par actions simplifiée* incorporated under the laws of France. Holdco is a wholly-owned subsidiary of Luxco, which is a wholly-owned subsidiary of the Senior Notes Issuer. Holdco is the direct holding company of the Company and its sole shareholder.
- (2) See “Principal shareholders and related party transactions.”
- (3) The Company was originally named Financière Gaillon 12 S.A.S. and was incorporated on June 8, 2010 in order to acquire the Original Company (which was named Cerba European Lab S.A.S.) in connection with the acquisition of our group by PAI. On June 27, 2012, the Original Company was merged into the Company. Subsequent to the merger, the Company was renamed Cerba European Lab S.A.S.
- (4) The Company has from time to time entered into financing arrangements with certain of its indirect shareholders that will remain outstanding upon completion of the Offerings. These include €11 million aggregate principal amount of bonds issued to Biopart Investments S.A. pursuant to the Biopart Bonds and to Jean-Michel Damien pursuant to the Damien Bonds (excluding accrued and capitalized interest) as of September 30, 2014. See “Capitalization” and “Description of other indebtedness.” The Company issued the Senior Secured Notes and guarantees the Senior Notes.

- (5) Upon release from escrow of the proceeds from the sale of the Temporary Notes, we used the gross proceeds from the Offerings together with cash and cash equivalents to (i) fund the equity purchase price of the Acquisition and (ii) pay certain transaction costs, including underwriting commissions as well as fees for legal, accounting, printing, ratings advisory and other professional services. See “*Use of Proceeds*.”
- (6) As of the Completion Date (or in the case of the Post Closing Date Senior Notes Guarantors, no later than 30 days thereafter), the Senior Notes are guaranteed on a senior subordinated basis by the Guarantors. The Senior Notes and Note Guarantees are secured by a second-ranking pledge over the capital stock of Luxco and a second ranking pledge over the Luxco Proceeds Loan. See “*Description of the Senior Notes—Security*.”
- (7) Pursuant to the Intercreditor Agreement, after an acceleration event in respect of the Notes, the Revolving Credit Facility or other debt subject to the Intercreditor Agreement, neither the Company 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).
- (8) As of the Completion Date, the Additional Senior Secured Notes are guaranteed on a senior basis by the Guarantors. The Additional Senior Secured Notes and Note Guarantees are secured by first-priority security interests over certain assets of Top Luxco, Luxco, Holdco, the Company and certain subsidiaries of the Company, first-priority security interests over certain collateral located in France, first-priority security interests over the Luxco Proceeds Loan and first-priority security interests over the Company Proceeds Loan as described in this Offering Memorandum. See “*Description of the Senior Secured Notes—Security*.”
- (9) On the Issue Date, the Senior Notes Issuer lent, pursuant to the Luxco Proceeds Loan, the proceeds of the Senior Notes sold in these Offerings to Luxco and Luxco lent, pursuant to the Company Proceeds Loan, the proceeds of the Senior Notes sold in these Offerings to the Company.
- (10) The Company and certain of its subsidiaries entered into intragroup financing transactions in order to downstream the proceeds of the Offerings to finance the Acquisition.
- (11) On January 31, 2013, the Company closed the offering of €365 million aggregate principal amount of its Existing Senior Secured Notes and on May 23, 2014 the Company issued an additional €80 million aggregate principal amount of its Existing Senior Secured Notes under the Existing Senior Secured Notes Indenture.
- (12) The Revolving Credit Facility Agreement permits the incurrence of up to €50 million of revolving credit borrowings on a committed basis. In addition and in connection with the Acquisition, the Revolving Credit Facility Agreement permitted on the Completion Date a one-time increase to the total commitments in an amount not exceeding €30.0 million, subject to certain conditions, and at all times the commitments may be further 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. The Revolving Credit Facility will mature on January 31, 2019. The Company, Biolille, Bioréunion, Biotop, CBCV, Cefid, Cerba Selafa and LLAM are borrowers under the Revolving Credit Facility. The obligations of the borrowers under the Revolving Credit Facility Agreement are guaranteed on a senior basis by the Company and the same Guarantors that guarantee the Senior Secured Notes and are secured by the same Senior Secured Notes Collateral as the Senior Secured Notes. Pursuant to the terms of the Intercreditor Agreement, any liabilities in respect of obligations under the Revolving Credit Facility and certain hedging obligations that are permitted to be secured by the Senior Secured Notes Collateral will have priority with respect to any proceeds received upon any enforcement action over any Senior Secured Notes Collateral. Any proceeds received upon any enforcement action over any Senior Secured Notes Collateral, after all obligations under the Revolving Credit Facility have been repaid and such hedging obligations have been discharged from such recoveries, will be applied *pro rata* in repayment of all obligations under the Senior Secured Notes Indenture and the Senior Secured Notes and certain other Indebtedness of the Company and the Guarantors permitted to be incurred and secured by the Senior Secured Notes Collateral on a *pari passu* basis pursuant to the Senior Secured Notes, the Senior Secured Notes Indenture and the Intercreditor Agreement, including certain other hedging obligations.
- (13) Restrictions imposed on the ownership of such laboratory companies by French law limit (i) persons who are not clinical pathologists and entities that are not laboratory companies from holding more than 25% of a laboratory company’s share capital and (ii) external clinical pathologists and entities that are laboratory companies from holding more than 49% of the voting rights in a laboratory company. We hold our French laboratory companies indirectly through Cefid. Cefid holds the statutory maximum of 25% of the share capital of Cerba Selafa. However, the by-laws of Cerba Selafa grant Cefid 99.96% of the financial rights (i.e., the rights to receive dividends). Cerba Selafa, as a laboratory company, holds approximately the statutory maximum of 49% of the voting rights in Biotop, BioPyrénées Lab, Bioréunion, Biobaie, CBCV, CBM and Biopole 80, and 45.62% of the voting rights in Biolille. Cerba Selafa holds between approximately 70% and 99.99% of the financial rights in each of Biotop, Biolille, BioPyrénées Lab, Bioréunion, Biobaie, CBM, CBCV and Biopole 80. The clinical pathologists at each of our French laboratory subsidiary companies hold the remainder of the voting rights and financial rights. For more information on our corporate structure and the limitations imposed by French law on ownership of laboratory companies, see “*Business—Our specific corporate structure*” and “*Regulation—France*.”
- (14) These entities are engaged in our Routine Lab business in France and correspond to each of our regional clusters. Each of these entities may have subsidiaries from time to time that are not shown in this chart due to bolt-on acquisition activity. Any such subsidiaries are generally merged into these entities following completion of such acquisitions.
- (15) For companies set up after May 31, 2013, in France including CBM, law n° 2013-442 dated May 30, 2013 requires that the ownership of more than 50% of their share capital and voting rights must be held, directly or indirectly, by clinical pathologists and entities that are laboratory companies. Laboratories set up prior to May 31, 2013 do not have to comply with this new requirement.
- (16) Upon the consummation of the Acquisition, we expect that Cerba Selafa will own, directly or indirectly, approximately 99% of the financial rights of the operating subsidiaries of Novescia SAS. We do not expect entities of Novescia to guarantee the Notes, or to pledge collateral to secure, the Senior Secured Notes or the Revolving Credit Facility upon the consummation of the Acquisition although, pursuant to the provisions of the Indentures and the Revolving Credit Facility, they may be required to do so in the future.

- (17) BARC's non-Guarantor subsidiaries include BARC Finance (the share capital of which will be part of the Collateral and is owned primarily by BARC, with the remaining 0.01% being held by the Company), BARC Australia, BARC China, BARC NV, BARC RSA South Africa and BARC USA, which are all primarily engaged in our Central Lab line of business.
- (18) Each of our Belgian and Luxembourg subsidiaries is wholly owned directly or indirectly by the Company.
- (19) The business of JS Bio is now conducted through Biotop and its subsidiary SLB.

## The Offerings

*The summary below describes the principal terms of the Additional Senior Secured Notes, the Senior Notes, the Note Guarantees, the Intercreditor Agreement and the Security Documents. It is not intended to be complete and certain of the terms and conditions described below are subject to important exceptions. You should carefully review the “Description of the Senior Secured Notes,” “Description of the Senior Notes” and “Description of Other Indebtedness—Intercreditor Agreement” sections of this Offering Memorandum for more detailed descriptions of the terms and conditions of the Additional Senior Secured Notes, the Senior Notes and the Intercreditor Agreement, respectively.*

### Issuers

#### Additional Senior Secured

**Notes**..... Cerba European Lab S.A.S. (the “Senior Secured Notes Issuer”)

**Senior Notes** ..... Cerberus Nightingale 1, S.A. (the “Senior Notes Issuer”)

#### Temporary Senior Secured

**Notes**..... TNI Luxco 1 S.A. (the “Temporary Senior Secured Notes Issuer”)

**Temporary Senior Notes** ..... TNI Luxco 2 S.A. (the “Temporary Senior Notes Issuer”)

### Notes Offered

**Temporary Senior Secured Notes**..... €85,000,000 aggregate principal amount of 7.00% Senior Secured Notes due 2020 (the “Temporary Senior Secured Notes”) issued by the Temporary Senior Secured Notes Issuer under the Senior Secured Notes Temporary Indenture.

On the Completion Date, the Temporary Senior Secured Notes were automatically exchanged for an equal aggregate principal amount of Additional Senior Secured Notes issued by the Senior Secured Notes Issuer under the Existing Senior Secured Notes Indenture.

**Temporary Senior Notes** ..... €145,000,000 aggregate principal amount of 8.25% Senior Notes due 2020 (the “Temporary Senior Notes”) issued by the Temporary Senior Notes Issuer under the Temporary Senior Notes Indenture.

On the Completion Date, the Temporary Senior Notes were automatically exchanged for an equal aggregate principal amount of Senior Notes issued by the Senior Notes Issuer under the Senior Notes Indenture.

### Issue Price

**Temporary Senior Secured Notes**..... 104.75% plus an amount equal to the accrued interest on the Temporary Senior Secured Notes from February 1, 2015 to, but not including, the Temporary Notes Issue Date.

**Temporary Senior Notes** ..... 100.00% plus an amount equal to the accrued interest on the Temporary Senior Notes from the Temporary Notes Issue Date.

### Maturity Date

**Senior Secured Notes**..... February 1, 2020.

**Senior Notes** ..... February 1, 2020.

### Interest Rate and Payment Dates

**Temporary Senior Secured Notes and Senior Secured** The interest rate on the Temporary Senior Secured Notes and the Additional Senior Secured Notes will be 7.00% per annum, payable semi-annually in arrears on February 1 and August 1 of each year, commencing on August 1,

**Notes.....** 2015.

Interest on the Temporary Senior Secured Notes will accrue from February 1, 2015.

**Temporary Senior Notes and Senior Notes.....** The interest rate on the Temporary Senior Notes and the Senior Notes will be 8.25% per annum, payable semi-annually in arrears on February 15 and August 15 of each year, commencing on August 15, 2015.

Interest on the Temporary Senior Notes will accrue from the Temporary Notes Issue Date.

**Denominations .....** Each Senior Secured Note and Senior Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof.

#### **Note Guarantees**

**Temporary Notes .....** The Temporary Notes were not guaranteed.

**Senior Secured Notes.....** As of the Completion Date, the Additional Senior Secured Notes are guaranteed on a senior basis by (a) the following direct and indirect subsidiaries of the Senior Secured Notes Issuer incorporated in France: Cefid, Cerba Selafa, Biotop, Biolille, Bioréunion, CBCV, CBM and SLB; (b) the following direct and indirect subsidiaries of the Senior Secured Notes Issuer incorporated in Belgium: BARC, CRI and LBS; and (c) LLAM, an indirect subsidiary of the Senior Secured Notes Issuer incorporated in Luxembourg. The Senior Secured Notes are not guaranteed by entities comprising the Target Group or its subsidiaries.

The Senior Secured Notes Issuer and the Guarantors, on a consolidated basis, before giving effect to the Acquisition represent 88.4% of our Adjusted EBITDA for the nine months ended September 30, 2014 and 91.9% of our total assets as of September 30, 2014.

Under the Senior Secured Notes Indenture, the Senior Secured Notes Issuer will ensure annually that either (i) the aggregate Consolidated EBITDA (as defined under the Senior Secured Notes Indenture) of each of the Senior Secured Notes Issuer and the Guarantors and the aggregate combined assets of the Senior Secured Notes Issuer and the Guarantors shall equal or exceed 80% of Consolidated EBITDA (as defined under the Indenture) and 85% of total assets of the Senior Secured Notes Issuer and its restricted subsidiaries, respectively, by causing additional restricted subsidiaries to guarantee the Senior Secured Notes if such thresholds are not met, or (ii) it complies with the corresponding guarantor coverage test under the Revolving Credit Facility Agreement in effect on January 31, 2013, subject to certain exceptions. See “*Description of the Senior Secured Notes—Certain Covenants—Additional Guarantees*” and “*Description of Other Indebtedness—Revolving Credit Facility Agreement—Covenants*”. If we cannot make payments on the Senior Secured Notes when they are due, the Guarantors must make them instead.

**Senior Notes .....** As of the Completion Date (or in the case if the Post Closing Date Senior Notes Guarantors, 30 days thereafter), the Senior Notes are guaranteed on a senior subordinated basis by (a) the following indirect subsidiaries of the Senior Notes Issuer incorporated in France: Cefid, Cerba Selafa, Biotop, Biolille, Bioréunion, CBCV, CBM, SLB and the Senior Secured Notes Issuer; (b) the following indirect subsidiaries of the Senior Notes Issuer incorporated in Belgium: BARC, CRI and LBS; and (c) LLAM, an indirect subsidiary of the Senior Notes Issuer incorporated in Luxembourg. The Senior Notes are not guaranteed by entities comprising the Target Group or its subsidiaries.



The Senior Secured Notes Issuer and the Guarantors, on a consolidated basis, before giving effect to the Acquisition represent 88.4% of our Adjusted EBITDA for the nine months ended September 30, 2014 and 91.9% of our total assets as of September 30, 2014.

## Ranking of the Notes

### Temporary Senior Secured

Notes..... The Temporary Senior Secured Notes:

- were general, senior obligations of the Temporary Senior Secured Notes Issuer;
- ranked *pari passu* in right of payment with all of the Temporary Senior Secured Notes Issuer's existing and future debt that is not subordinated in right of payment to the Temporary Senior Secured Notes; and
- ranked senior in right of payment to all of the Temporary Senior Secured Notes Issuer's future debt that is subordinated in right of payment to the Temporary Senior Secured Notes.

Temporary Senior Notes ..... The Temporary Senior Notes:

- were general, senior obligations of the Temporary Senior Notes Issuer;
- ranked *pari passu* in right of payment with all of the Temporary Senior Notes Issuer's existing and future debt that is not subordinated in right of payment to the Temporary Senior Notes; and
- ranked senior in right of payment to all of the Temporary Senior Notes Issuer's future debt that is subordinated in right of payment to the Temporary Senior Notes.

### Additional Senior Secured

Notes..... The Additional Senior Secured Notes:

- are general, senior secured obligations of the Senior Secured Notes Issuer;
- rank *pari passu* in right of payment with all of the Senior Secured Notes Issuer's existing and future debt that is not subordinated in right of payment to the Additional Senior Secured Notes (including the Revolving Credit Facility);
- rank senior in right of payment to all of the Senior Secured Notes Issuer's future debt that is subordinated in right of payment to the Additional Senior Secured Notes;
- are guaranteed on a senior secured basis by the Guarantors;
- are secured by the Senior Secured Notes Collateral, as described below under “—Collateral”; *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 Additional Senior Secured Notes;
- are effectively subordinated to any existing and future debt of the Senior Secured Notes Issuer that is secured by property or assets that do not constitute Senior Secured Notes Collateral, to the extent of the value of the property and assets securing such debt (including the Existing Novescia Facilities, which are secured by certain share pledges and intercompany loan assignments granted by Novescia to the lenders

thereunder); and

- are structurally subordinated to all existing and future debt of the Senior Secured Notes Issuer's subsidiaries that do not guarantee the Additional Senior Secured Notes (including the Existing Novescia Facilities).

**Senior Notes .....** The Senior Notes:

- are general, senior obligations of the Senior Notes Issuer;
- rank *pari passu* in right of payment with all of the Senior Notes Issuer's existing and future debt that is not subordinated in right of payment to the Senior Notes;
- rank senior in right of payment to all of the Senior Notes Issuer's future debt that is subordinated in right of payment to the Senior Notes;
- are guaranteed on a senior subordinated basis by the Guarantors;
- are secured by the Senior Notes Collateral, as described below under "*—Collateral*";
- are effectively subordinated to any existing and future debt of the Senior Notes Issuer that is secured by property or assets that do not constitute Senior Notes Collateral or that is secured on a first-priority basis by property or assets that secure the Senior Notes on a second-priority basis, to the extent of the value of the property and assets securing such debt; and
- are structurally subordinated to all existing and future debt of the Senior Notes Issuer's subsidiaries that do not guarantee the Senior Notes.

**Ranking of the Note  
Guarantees**

**Senior Secured Notes.....** The Senior Secured Note Guarantee of each Guarantor:

- is a general, senior obligation of that Guarantor;
- ranks *pari passu* in right of payment with all of such Guarantor's existing and future debt that is not subordinated in right of payment to its Note Guarantee (including the Revolving Credit Facility);
- ranks senior in right of payment to all of such Guarantor's future debt that is subordinated in right of payment to its Senior Secured Note Guarantee;
- is secured by the Senior Secured Notes Collateral as described below under "*—Collateral*"; *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 such Senior Secured Note Guarantee;
- is effectively subordinated to any existing and future debt of that Guarantor that is secured by property or assets that do not constitute Senior Secured Notes Collateral, to the extent of the value of the property and assets securing its Senior Secured Note Guarantee; and
- is structurally subordinated to all existing and future debt of such Guarantor's subsidiaries that do not guarantee the Senior Secured Notes.

The obligations of the Guarantors are contractually limited under the applicable Senior Secured Note Guarantees to reflect limitations under applicable law, including but not limited to, with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors and their directors. In certain cases, these limitations may apply to the Senior Secured Note Guarantees, but not the Guarantors' obligations under other debt, including the Revolving Credit Facility. See *"Description of the Senior Secured Notes—The Senior Secured Note Guarantees," "Risk Factors—Risks Related to Our Indebtedness—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" and "Limitation on Validity and Enforceability of the Security Interests and Note Guarantees and Certain Insolvency Law Considerations."*

As of September 30, 2014, after giving effect to the Offerings and the Acquisition, the non-guarantor subsidiaries of the Senior Secured Notes Issuer 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 Senior Secured Note Guarantees. See *"Risk Factors—Risks Related to Our Indebtedness—The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries."*

**Senior Notes .....** The Senior Note Guarantee of each Guarantor:

- is a general, senior subordinated obligation of that Guarantor;
- is subordinated in right of payment to any existing and future senior debt of that Guarantor, including the Senior Secured Notes and that Guarantor's guarantee of the Senior Secured Notes and debt incurred under the Revolving Credit Facility;
- ranks *pari passu* in right of payment with all of such Guarantor's existing and future senior subordinated debt that is not subordinated in right of payment to its Senior Note Guarantee;
- ranks senior in right of payment to all of such Guarantor's future debt that is subordinated in right of payment to its Senior Note Guarantee;
- is secured by the Senior Notes Collateral on a junior priority basis as described below under *"—Collateral"*;
- is effectively subordinated to any existing and future debt of that Guarantor that is secured by property or assets that do not constitute Senior Notes Collateral, to the extent of the value of the property and assets securing its Senior Note Guarantee; and
- is structurally subordinated to all existing and future debt of such Guarantor's subsidiaries that do not guarantee the Senior Notes.

The obligations of the Guarantors are contractually limited under the applicable Senior Note Guarantees to reflect limitations under applicable law, including but not limited to, with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors and their directors. In certain cases, these limitations may apply to the Senior Note Guarantees, but not the Guarantors' obligations under other debt, including the Revolving Credit Facility. See *"Description of the Senior Notes—The Senior Note Guarantees," "Risk Factors—Risks Related to Our Indebtedness—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” and “Limitation on Validity and Enforceability of the Security Interests and Note Guarantees and Certain Insolvency Law Considerations.”*

As of September 30, 2014, after giving effect to the Offerings and the Acquisition, the non-guarantor subsidiaries of the Senior Notes Issuer 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 Senior Secured Note Guarantees. See “*Risk Factors—Risks Related to Our Indebtedness—The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries.*”

## **Collateral**

**Temporary Senior Secured Notes.....** The Temporary Senior Secured Notes were only secured by a first- priority pledge over the Senior Secured Notes Escrow Account in favor of the Temporary Senior Secured Notes Trustee on behalf of the Senior Secured Temporary Noteholders.

**Temporary Senior Notes .....** The Temporary Senior Notes were only secured by a first-priority pledge over the Senior Notes Escrow Account in favor of the Temporary Senior Notes Trustee on behalf of the Senior Temporary Noteholders.

**Additional Senior Secured Notes.....** As of the Completion Date, the Additional Senior Secured Notes and the Senior Secured Note Guarantees are secured by the following:

- first ranking pledges over (i) the share capital and certain other debt and equity instruments issued by Luxco and owned by Top Luxco, (ii) the share capital and certain other debt and equity instruments issued by Holdco and owned by Luxco, (iii) the share capital and certain other debt and equity instruments issued by the Senior Secured Notes Issuer and owned by Holdco and (iv) the share capital and certain other debt and equity instruments issued by each of the Guarantors and the share capital of certain of their non-Guarantor subsidiaries owned by the Senior Secured Notes Issuer and the Guarantors respectively, including CSS in France and BARC Finance in Belgium;
- first ranking pledges over certain intercompany receivables of the Luxembourg Security Providers, Holdco, the Senior Secured Notes Issuer and each of the Guarantors;
- first ranking pledges over certain bank accounts of the Luxembourg Security Providers, Holdco, the Senior Secured Notes Issuer and each of the Guarantors;
- first ranking pledges of the ongoing business (including intellectual property rights) (*nantissement de fonds de commerce*) of Cerba Selafa;
- first ranking security interests over the Luxco Proceeds Loan; and
- first ranking security interests over the Company Proceeds Loan.

In addition, the Senior Secured Notes Indenture requires that the share capital and other equity instruments of the Senior Secured Notes Issuer and Holdco that may be held by certain minority holders in the future be secured through a pledge or a call option in favor of the Senior Secured Notes and the Senior Secured Note Guarantees on a senior basis.

The lenders under the Revolving Credit Facility and certain hedge counterparties benefit from shared first ranking security over the same assets noted above, and also have the benefit of the call options described above.

Pursuant to the Intercreditor Agreement, the lenders under the Revolving Credit Facility and certain hedge counterparties will be repaid with the proceeds from any enforcement of the Senior Secured Notes Collateral in priority to the Senior Secured Notes. See “—*Intercreditor Agreement*. ”

The Security Interests are subject to certain limitations under applicable law and may be released under certain circumstances. See “*Risk Factors—Risks Related to Our Indebtedness*. ” In particular, upon a Change of Control (as defined in the Senior Secured Notes Indenture), Security Interests granted by the Luxembourg Security Providers will be released.

**Senior Notes .....** As of the Completion Date, the Senior Notes and the Senior Note Guarantees are secured by the following:

- second-ranking security interests granted over the capital stock of the 100% direct subsidiary of the Senior Notes Issuer;
- second-ranking security interests granted over the Luxco Proceeds Loan.

Pursuant to the Intercreditor Agreement, the lenders under the Revolving Credit Facility, certain hedge counterparties and the holders of the Senior Secured Notes will be repaid with the proceeds from any enforcement of the Senior Notes Collateral in priority to the Senior Notes. See “—*Intercreditor Agreement*. ”

The Security Interests in the Senior Notes Collateral will be subject to certain limitations under applicable law and may be released under certain circumstances. See “*Risk Factors—Risks Related to Our Indebtedness*. ”

**Intercreditor Agreement .....** Pursuant to the Intercreditor Agreement, the liens securing the Senior Secured Notes will be senior liens over the Senior Secured Notes Collateral that 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 Existing Senior Secured Notes 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes. The Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Trustee for the Senior Secured Notes (as instructed by the requisite majority under the Senior Secured 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.*”

The Senior Notes Collateral also secures the Senior Secured Notes and the Revolving Credit Facility on a first-priority basis, is subject to standstill provisions and may be released under certain circumstances. See “*Risk factors—Risks related to our structure—The Senior Notes will be secured only to the extent of the value of the Senior Notes Collateral that has been granted as security for the Senior Notes and future secured debt may be secured by certain assets that do not secure the Senior Notes,*” and “*Description of other indebtedness—Intercreditor Agreement.*”

In addition, the Intercreditor Agreement provides that the holders of the Senior Notes will not be entitled to instruct the Security Agent to take any enforcement action under the relevant Security Documents (or against any guarantor of the Senior Notes) after the occurrence of a Senior Notes event of default or any other event that would cause the Senior Notes to become due and payable unless:

- (a) the Secured Debt Discharge Date (under and as defined in the Intercreditor Agreement) has occurred;
- (b) a Senior Notes Standstill Period (under and as defined in the Intercreditor Agreement) has expired and the Security Agent is not enforcing the liens on the relevant Collateral at the instruction of the creditors in respect of the Senior Secured Notes, the Revolving Credit Facility or certain hedging obligations; or
- (c) the terms of the Intercreditor Agreement otherwise entitle the holders of the Senior Notes to take enforcement action under the relevant Security Documents.

Please see “*Description of other indebtedness—Intercreditor Agreement—Restrictions on enforcement by senior notes finance parties.*”

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 Senior Secured Notes 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).

## **Optional Redemption**

### **Temporary Senior Secured Notes/Senior Secured Notes ....**

At any time prior to February 1, 2016, the Senior Secured Notes Issuer may on one or more occasions redeem, at its option, some or all of the Senior Secured Notes, as appropriate, at a redemption price equal to 100% of the principal amount of the Senior Secured Notes plus the Applicable Redemption Premium set forth in “*Description of the Senior Secured Notes*” plus accrued and unpaid interest and additional amounts, if any, to (but excluding) the redemption date.

At any time on or after February 1, 2016, the Senior Secured Notes Issuer may on one or more occasions redeem, at its option, some or all of the Senior Secured Notes at the redemption prices set forth in “*Description of the Senior Secured Notes—Optional Redemption*” plus accrued and unpaid interest and additional amounts, if any, to (but excluding) the redemption date.

At any time prior to February 1, 2016, the Senior Secured Notes Issuer may redeem up to 35% of the aggregate principal amount of the Senior Secured

Notes issued under the Senior Secured Notes Indenture (including additional notes) using the proceeds of certain equity offerings, at the redemption price of 107.000% of the principal amount of the Additional Senior Secured Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to (but excluding) the redemption date; *provided* that at least 65% of the Senior Secured Notes issued under the Senior Secured Notes Indenture (including additional notes) remain outstanding after the redemption. See “*Description of the Notes—Optional redemption.*”

**Temporary Senior**

**Notes/Senior Notes .....**

At any time prior to February 1, 2016, the Senior Notes Issuer may on one or more occasions redeem, at its option, some or all of the Senior Notes at a redemption price equal to 100% of the principal amount of the Senior Notes plus the Applicable Redemption Premium set forth in “*Description of the Senior Notes*” plus accrued and unpaid interest and additional amounts, if any, to (but excluding) the redemption date.

At any time on or after February 1, 2016, the Senior Notes Issuer may on one or more occasions redeem, at its option, some or all of the Senior Notes at the redemption prices set forth in “*Description of the Senior Notes—Optional Redemption*” plus accrued and unpaid interest and additional amounts, if any, to (but excluding) the redemption date.

At any time prior to February 1, 2016, the Senior Notes Issuer may redeem up to 35% of the aggregate principal amount of the Senior Notes issued under the Senior Notes Indenture (including additional notes) using the proceeds of certain equity offerings, at the redemption price of 100% of the principal amount of the Senior Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to (but excluding) the redemption date; *provided* that at least 65% the Senior Notes issued under the Senior Notes Indenture (including additional notes) remain outstanding after the redemption. See “*Description of the Senior Notes—Optional Redemption.*”

**Change of Control .....**

If a change of control occurs, the Senior Secured Notes Issuer must offer to purchase each holder’s Senior Secured Notes and the Senior Notes Issuer must offer to purchase each holder’s Senior Notes at a purchase price of 101% of the principal amount of the relevant Notes and Senior 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*” and “*Description of the Senior 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 Senior Secured Notes or the Senior Notes, the relevant Issuer may redeem all but not some of the Senior Secured Notes or the Senior Notes, as applicable 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*” and “*Description of the Senior Notes—Optional Redemption—Tax Redemption.*”

**Additional Amounts .....**

All payments made by any of the relevant Issuer or any Guarantor makes with respect to the Senior Secured Notes or the Senior Notes or its Note Guarantee, as applicable, will be made without withholding or deduction for, or on account of, any present or future taxes in any taxing jurisdiction unless required by applicable law. If withholding or deduction for such taxes is required to be made in a relevant taxing jurisdiction with respect to a payment on the Senior Secured Notes or the Senior Notes or the Note Guarantees, subject to certain exceptions, the relevant Issuer or the relevant Guarantor, as the case may be, will pay the additional amounts necessary so that the net amount received after the withholding or deduction is not less



than the amount that would have been received in the absence of the withholding or deduction. See “*Description of the Senior Secured Notes—Additional Amounts*” and “*Description of the Senior Notes—Additional Amounts*.”

**Certain Covenants** ..... The Existing Senior Secured Notes Indenture and the Senior Notes Indenture contain covenants that, among other things, limit the ability of the relevant Issuer and its restricted subsidiaries (and, in the case of the Existing Senior Secured Notes Indenture with respect to certain covenants, the Luxembourg Security Providers and Holdco) to:

- incur or guarantee additional debt and issue certain preferred stock;
- make restricted payments, including dividends or other distributions;
- engage in certain transactions with affiliates;
- create or permit to exist certain liens;
- sell certain assets;
- guarantee additional debt without also guaranteeing the Senior Secured Notes or the Senior Notes, as applicable;
- create restrictions on the ability of restricted subsidiaries to pay dividends or make other payments to the relevant Issuer;
- engage in business other than certain specified lines of business;
- create unrestricted subsidiaries;
- merge or consolidate with other entities or transfer all or substantially all of the relevant Issuer’s or a Guarantor’s assets;
- impair the Security Interests for the benefit of the holders of the Senior Secured Notes or the Senior Notes, as applicable; and
- in the case of the Existing Senior Secured Notes Indenture, change the center of main interests of Top Luxco and Luxco prior to a change of control.

These covenants are subject to a number of important limitations and exceptions as described under “*Description of the Senior Secured Notes—Certain Covenants*” and “*Description of the Senior Notes—Certain Covenants*.”

**Certain U.S. Federal Income Tax Considerations** ..... For a discussion of certain U.S. federal income tax considerations of an investment in the Notes, see “*Tax Considerations—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 Note 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 €234.0 million in gross proceeds from the Offerings, to fund the purchase price of the Acquisition and pay certain transaction costs, including underwriting commissions as well as fees for legal, accounting,



printing, ratings advisory and other professional services.

**No Established Market**..... The Senior Notes will be new securities for which there is currently no established trading market. Although the Initial Purchasers have informed us that they intend to make a market in the Senior Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Senior 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 Documents** ..... The Security Documents creating the Collateral will be governed by the laws of Belgium, France and Luxembourg.

**Governing Law of the Intercreditor Agreement** ..... England and Wales.

#### **Trustee**

**Senior Secured Notes**..... Wilmington Trust, National Association.

**Senior Notes** ..... Wilmington Trust, National Association.

**Temporary Senior Secured Notes**..... Wilmington Trust, National Association.

**Temporary Senior Notes** ..... Wilmington Trust, National Association.

#### **Security Agent**

**Senior Secured Notes**..... Wilmington Trust (London) Limited.

**Senior Notes** ..... Wilmington Trust (London) Limited.

#### **Escrow Agent**

**Senior Secured Notes**..... Wilmington Trust (London) Limited.

**Senior Notes** ..... Wilmington Trust (London) Limited.

#### **Paying Agent and Transfer Agent**

**Senior Secured Notes**..... Citibank N.A., London Branch.

**Senior Notes** ..... Citibank N.A., London Branch.

#### **Registrar**

**Senior Secured Notes**..... Citigroup Global Markets Deutschland AG.

**Senior Notes** ..... Citigroup Global Markets Deutschland AG.

#### **Listing Agent**

**Senior Secured Notes**..... Wilmington Trust SP Services (Luxembourg) S.A.

**Senior Notes .....** Wilmington Trust SP Services (Luxembourg) S.A.

### **Summary Historical Consolidated Financial Information, Pro Forma and Other Data**

The summary historical consolidated financial information, *pro forma* financial information and other data of the Company as of and for the fiscal years ended December 31, 2011, 2012 and 2013 and as of and for the nine months ended September 30, 2013 and 2014 have been extracted from the following:

- the Company's 2011 Unaudited Financial Information;
- the Company's 2012 IFRS Financial Statements;
- the Company's 2013 IFRS Financial Statements;
- the Company's Q3 2014 IFRS Financial Statements;
- Novescia's 2013 IFRS Financial Statements;
- Novescia's Q3 2014 Financial Statements; and
- the *Pro Forma* Financial Information.

We also present adjusted financial data to exclude certain items 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, net of costs incurred to implement them;
- other non-cash items such as movement in pension and other provisions; and
- certain accounting adjustments.

We also present below certain *pro forma* financial data for the Company which is based on consolidated financial information of the Company as adjusted to give effect to (i) the acquisitions and disposals completed during the period January 1, 2013 through September 30, 2014 as if they had been completed on January 1, 2013 and (ii) the Novescia Acquisition as if it had been completed on January 1, 2013. Although the *Pro Forma* Financial Information includes certain adjustments to reflect the full-period impact of acquisitions and disposals by the Company and its subsidiaries since January 1, 2013 and to eliminate the transaction costs associated with such transactions, similar adjustments for acquisitions and disposals and the related transaction costs by Novescia are not included herein. In particular, Novescia disposed of Novescia Aquitaine and Novescia Côte d'Azur in February 2013 and on January 30, 2014, respectively. Novescia Aquitaine's net sales contributions to Novescia for the years ended December 31, 2012 and December 31, 2013 were €4.0 million and €0.4 million, respectively, and its profit from recurring operations before amortization and depreciation contributions to Novescia for the same periods were €0.6 million and €0.1 million, respectively. Novescia Côte d'Azur's net sales contributions to Novescia for the years ended December 31, 2012 and December 31, 2013 and the nine months ended September 30, 2014 were €12.3 million, €11.8 million and €1.0 million, respectively, and its profit from recurring operations before amortization and depreciation contributions to Novescia for the same periods were €0.8 million, €0.4 million and €0.3 million, respectively. In addition, the *Pro Forma* Financial Information does not make adjustments for intercompany sales between the Company and its subsidiaries and Novescia. This, however, has no impact on profit from recurring operations before amortization and depreciation as the excess sales are eliminated in consumption of materials and supplies. We present certain further adjusted data for the Company to give effect to the Offerings (including the application of the proceeds thereof) and the Acquisition as of September 30, 2014. Our historical results may not be indicative of our future results following consummation of the Offerings and the Acquisition. The as adjusted and *pro forma* financial data have not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the EU Prospectus Directive or any generally accepted accounting standards. Neither the assumptions underlying the adjustments nor the resulting as adjusted financial data have been audited or reviewed in accordance with any generally accepted auditing standards.

This Offering Memorandum contains certain synergy estimates, among others, relating to cost reductions and other benefits expected to arise from the Acquisition as well as related costs to implement the Acquisition. The estimates present the expected future impact of this transaction and the integration of Novescia into our existing business. Such estimates are based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. The assumptions used in estimating the synergies arising from the Acquisition 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.

The following tables should be read in conjunction with "Presentation of financial information", "Use of proceeds", "Capitalization", "Selected historical consolidated financial information", "Selected historical Novescia 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 Offering Memorandum. Historical results are not necessarily indicative of future expected results.

### Summary Consolidated Income Statement Data

	Twelve months ended December 31, 2011	2012 Year ended December 31,	2013 Year ended December 31,	2013 Nine months ended Sept. 30	2014 Nine months ended Sept. 30	Twelve months ended Sept. 30, 2014
	(unaudited)	(audited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
			(€ in millions)			
Net sales.....	278.7	325.8	351.6	259.5	294.4	386.5
Cost of sales/Consumption of materials and supplies.....	(66.8)	(72.3)	(75.7)	(56.4)	(48.5)	(67.8)
Other purchases and external expenses.....	(62.8)	(78.4)	(73.0)	(59.0)	(70.3)	(84.3)
Taxes and duties .....	(5.5)	(7.6)	(8.7)	(6.6)	(8.7)	(10.9)
Personnel expenses .....	(89.4)	(108.1)	(116.3)	(81.6)	(103.5)	(138.2)
Net change in depreciation and amortization .....	(21.3)	(23.9)	(25.1)	(20.9)	(19.7)	(23.9)
Other expenses.....	(3.1)	(1.1)	(10.3)	(2.6)	(4.3)	(12.0)
Other income .....	6.1	5.1	10.3	8.4	3.0	4.9
<b>Profit from operations.....</b>	<b>36.1</b>	<b>39.3</b>	<b>52.9</b>	<b>41.0</b>	<b>42.4</b>	<b>54.3</b>
Goodwill impairment.....	—	(48.5)	—	—	—	—
<b>Net operating income.....</b>	<b>36.1</b>	<b>(9.2)</b>	<b>52.9</b>	<b>41.0</b>	<b>42.4</b>	<b>54.3</b>
Cost of net debt.....	(38.7)	(53.8)	(32.5)	(23.6)	(29.2)	(38.1)
Other financial income (expense).....	(0.2)	0.1	(0.9)	0.2	1.0	(0.1)
<b>Pretax income (expense).....</b>	<b>(2.9)</b>	<b>(62.9)</b>	<b>19.5</b>	<b>17.5</b>	<b>14.1</b>	<b>16.1</b>
Income tax .....	(7.3)	(15.7)	(12.0)	(9.3)	(11.1)	(13.8)
<b>Net income (loss) .....</b>	<b>(10.2)</b>	<b>(78.6)</b>	<b>7.6</b>	<b>8.2</b>	<b>2.9</b>	<b>2.3</b>
Net income (loss) attributable to non-controlling interests .....	2.2	1.9	2.4	1.9	1.5	2.1
<b>Net income (loss) attributable to owners of the Company.....</b>	<b>(12.4)</b>	<b>(80.5)</b>	<b>5.1</b>	<b>6.3</b>	<b>1.4</b>	<b>0.2</b>

### Summary Consolidated Balance Sheet Data

	2011	2012	2013	As at Sept. 30, 2014
	As at December 31,	As at December 31,	As at December 31,	As at December 31,
	(unaudited)	(audited)	(unaudited)	(unaudited)
	(€ in millions)			
Goodwill.....	579.1	561.5	599.3	686.0
Intangible assets.....	127.3	118.7	112.3	107.8
Property, plant and Equipment .....	38.1	42.9	53.4	61.9

	2011	2012	2013	As at Sept. 30, 2014
	As at December 31,			
	(unaudited) (€ in millions)	(audited)	(unaudited)	
Non-current tax assets .....	1.4	2.6	1.6	—
Other non-current assets .....	1.7	2.9	1.8	1.9
Deferred tax assets .....	0.9	1.3	1.5	2.1
<b>Total non-current assets.....</b>	<b>748.4</b>	<b>729.9</b>	<b>769.8</b>	<b>859.8</b>
Inventories .....	4.9	5.6	5.9	5.9
Trade receivables .....	53.1	58.7	54.0	59.1
Current tax assets .....	0.7	0.7	1.5	3.2
Other current assets .....	11.3	8.2	9.7	20.1
Cash and cash equivalents .....	26.5	38.9	63.8	59.7
<b>Current assets .....</b>	<b>96.5</b>	<b>112.1</b>	<b>134.8</b>	<b>147.9</b>
<b>Total assets .....</b>	<b>844.9</b>	<b>842.0</b>	<b>904.6</b>	<b>1,007.7</b>
Equity attributable to owners of the Company ..	270.3	308.9	311.5	304.0
Non-controlling interests .....	5.2	9.8	11.5	9.2
<b>Total equity .....</b>	<b>275.4</b>	<b>318.7</b>	<b>323.0</b>	<b>313.2</b>
Non-current financial liabilities .....	400.6	344.1	419.2	514.7
Employee benefits .....	3.9	4.9	5.1	6.5
Non-current provisions .....	4.0	3.8	4.5	4.9
Deferred tax liabilities .....	58.2	38.3	36.1	34.0
Other non-current liabilities .....	5.1	4.6	4.1	5.0
<b>Non-current liabilities .....</b>	<b>471.7</b>	<b>395.7</b>	<b>469.0</b>	<b>565.2</b>
Current financial liabilities .....	21.9	39.0	29.2	28.5
Current provisions .....	0.7	0.9	0.7	0.8
Trade payables .....	36.3	43.3	40.4	43.4
Current tax liabilities .....	2.5	7.2	8.7	12.8
Other current liabilities .....	36.4	37.2	33.6	43.9
<b>Current liabilities.....</b>	<b>97.8</b>	<b>127.6</b>	<b>112.7</b>	<b>129.3</b>
<b>Total liabilities .....</b>	<b>569.5</b>	<b>523.3</b>	<b>581.7</b>	<b>694.5</b>
<b>Total equity and liabilities.....</b>	<b>844.9</b>	<b>842.0</b>	<b>904.6</b>	<b>1,007.7</b>

#### Summary Consolidated Cash Flow Statement Data

	Twelve months ended December 31, 2011	2012	2013	2013	2014
		Year ended December 31,		Nine months ended Sept. 30,	
	(unaudited)	(audited)	(unaudited)	(unaudited)	(unaudited)
		(€ in millions)			
Net cash provided by (used in) operating activities .....	43.9	37.6	68.3	41.5	43.1
Net cash provided by (used in) investing activities .....	(147.8)	(27.8)	(47.1)	(22.7)	(70.3)
Net cash provided by (used in) financing activities .....	101.9	(1.1)	9.0	16.7	19.9
Effect of exchange rate fluctuations on cash held.....	(0.2)	0.1	(0.0)	(0.0)	0.1
<b>Net increase (decrease) in cash and cash equivalents ....</b>	<b>(2.3)</b>	<b>8.8</b>	<b>30.1</b>	<b>35.6</b>	<b>(7.2)</b>
Cash and cash equivalents at the beginning of the period ..	27.0	24.7	33.5	33.5	63.6
Cash and cash equivalents at the end of the period(1).....	24.7	33.5	63.6	69.0	56.4

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

## Other financial, pro forma and operating data

	Twelve months ended December 31, 2011	2012	2013 Year ended December 31, (€ in millions)	Twelve months ended Sept. 30, 2014
<b>Net sales</b>				
Specialized net sales .....	123.2	121.6	130.5	138.3
Routine France net sales .....	68.1	97.7	112.1	141.5
Routine Belux net sales .....	52.9	77.3	78.5	74.7
Central Lab net sales .....	41.0	38.0	42.8	46.7
Intercompany sales .....	(6.6)	(8.8)	(12.4)	(14.7)
<b>Total net sales.....</b>	<b>278.7</b>	<b>325.8</b>	<b>351.6</b>	<b>386.5</b>
<b>Pro forma net sales</b>				
Specialized <i>pro forma</i> net sales .....			130.5	138.3
Routine France <i>pro forma</i> net sales .....			339.6	331.2
Routine Belux <i>pro forma</i> net sales .....			78.5	74.7
Central Lab <i>pro forma</i> net sales .....			42.8	46.7
Intercompany sales .....			(12.4)	(15.7)
<b>Total pro forma net sales(1).....</b>			<b>579.1</b>	<b>575.2</b>
Gross margin(2) .....	76.0%	77.8%	78.5%	82.5%
<i>Pro forma</i> gross margin(2) .....			81.3%	83.5%
EBITDA(3)(4) .....	57.3(5)	63.2(6)	78.0(7)	78.2(8)
Adjusted EBITDA(4) .....	59.8(5)	69.2(6)	79.7(7)	88.6(8)
<b>Adjusted pro forma EBITDA(1)(4).....</b>			<b>120.9(7)</b>	<b>126.8(8)</b>
Novescia synergies relating to the Acquisition(9) .....			10.0	10.0
<b>Adjusted pro forma EBITDA (including Novescia synergies)(1)(4)(9) .....</b>			<b>130.9(7)</b>	<b>136.8(8)</b>
Adjusted <i>pro forma</i> EBITDA (including Novescia synergies) margin(10) .....			22.6%	23.8%
Net financial debt(11) .....				459.4
Adjusted net financial debt—excluding the Senior Notes(11) .....				598.2
Adjusted net financial debt—including the Senior Notes(11) .....				743.2
Net senior secured leverage: ratio of adjusted net financial debt excluding the Senior Notes to adjusted <i>pro forma</i> EBITDA (including Novescia synergies)(1)(4)(11) .....				4.4x
Net total leverage: ratio of adjusted net financial debt including the Senior Notes to adjusted <i>pro forma</i> EBITDA (including Novescia synergies)(1)(4)(11) .....				5.4x
Ratio of adjusted <i>pro forma</i> EBITDA to adjusted interest expense(1)(4)(12) .....				2.4x
<b>Key operating indicators</b>				
Routine France testing volume ( <i>in thousands of files</i> ).....	1,785	2,212	2,533	3,294
Routine France testing volume (on a <i>pro forma</i> basis) ( <i>in thousands of files</i> ) .....			8,154	8,001
Routine Belux testing volume ( <i>in thousands of files</i> ) .....	1,049	1,099	1,050	980
Specialized testing volume ( <i>in thousands of files</i> ) .....	3,700	3,569	3,712	3,885
Central Lab back-log(12) ( <i>in million €</i> ) .....	79.5	113.7	90.5	67.4

(1) The *pro forma* net sales information is based on the Company's 2013 IFRS Financial Statements and the Company's Q3 2014 IFRS Financial Statements and gives effect to (i) the acquisitions and disposals completed during the period January 1, 2013 through September 30, 2014 as if they had been completed on January 1, 2013, (ii) the Novescia Acquisition as if it had been completed on January 1, 2013 and (iii) certain non-recurring items during the period. See "Presentation of Financial Information".

- (2) Gross margin, expressed as a percentage, is calculated as (i) total net sales less cost of sales/consumption of materials and supplies, divided by (ii) total net sales. *Pro forma* gross margin, expressed as a percentage, is calculated as (i) total *pro forma* net sales less *pro forma* cost of sales/consumption of materials and supplies, divided by (ii) total *pro forma* net sales.
- (3) EBITDA for the years ended December 31, 2011, 2012 and 2013 and for the twelve months ended September 30, 2014 represents operating income plus the income statement line items for net change in depreciation, amortization and impairment. The income statement line items net change in depreciation, amortization and impairment and net change in depreciation and amortization include provisions for operational risks, disputes, pensions, bad debt and overdue receivables. Accordingly, EBITDA excludes these expenses in addition to interest, taxation, depreciation, amortization and impairment.
- (4) EBITDA, Adjusted EBITDA and Adjusted *pro forma* EBITDA 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, Adjusted EBITDA and Adjusted *pro forma* EBITDA as presented in this Offering Memorandum may differ from and may not be comparable to similarly titled measures used by other companies and differ from “Consolidated EBITDA” contained in the sections “Description of the Senior Secured Notes” and “Description of the Senior Notes” of this Offering Memorandum and in the Indentures. We present EBITDA, Adjusted EBITDA and Adjusted *pro forma* EBITDA for informational purposes only. This information does not represent the results we would have achieved had each of the acquisitions or other transactions for which an adjustment is made occurred at the dates indicated. 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 and Adjusted *pro forma* EBITDA are based on various assumptions (including the successful implementation of certain initiatives), management estimates and the unaudited management accounts of the acquired businesses. 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 Offering Memorandum and should not be relied upon when making an investment decision. We present EBITDA, Adjusted EBITDA and Adjusted *pro forma* EBITDA because we believe they are helpful to investors as measures of our operating performance and ability to service our debt. EBITDA, Adjusted EBITDA and Adjusted *pro forma* EBITDA 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. See “Presentation of Financial and Other Information.”
- (5) Reconciliation of EBITDA and Adjusted EBITDA to operating income of the Company for the year ended December 31, 2011.

	Twelve months ended December 31, 2011 (€ in millions) (unaudited)
Operating income .....	36.1
Net change in depreciation and amortization .....	21.3
Impairment of goodwill .....	—
<b>EBITDA.....</b>	<b>57.3</b>
Adjustments:	
Non-cash impact of capitalization and amortization of debt incurrence costs(A) .....	(1.5)
Commissions and fees related to raising new capex credit line(B).....	1.3
Costs related to incurrence of debt and issuance of share capital(C).....	1.2
Acquisition costs(D) .....	1.8
Movement in pension provision(E) .....	0.3
Cerba Specimen Services SAS—Set up costs(F) .....	0.2
Reversal of provisions(G).....	(3.0)
Impact of normalized compensation of pathologists in acquired businesses(H) .....	1.6
Impact of normalized compensation at Cerba SELAFA(I).....	0.6
<b>Adjusted EBITDA(J).....</b>	<b>59.8</b>

- (A) Under IFRS, debt incurrence costs are capitalized and amortized over the life of the debt until maturity. This adjustment represents the non-cash impact on the income statement of the Company for the year ended December 31, 2011 of the IFRS treatment of debt incurrence costs.
- (B) Represents the fees and commissions related to raising new capex credit lines over the period, that management considers to be finance costs.
- (C) Represents the costs incurred in connection with incurrence of new debt and issuance of share capital, which management considers to be finance costs.
- (D) Represents the transactional costs associated with acquisitions made during the year ended December 31, 2011, such as advisory fees.
- (E) Represents the movement in provision related to our liability for future payments under the pension and retirement plans applicable to the employees of the Group. Actual payments under applicable pension and retirement plans are charged against the provision. This movement in provision is an IFRS requirement and is calculated on the basis of actuarial estimates of future liabilities. As this

provision is a non-cash charge in the income statement of the Company, we adjust the EBITDA for that charge. Actual payments under applicable pension and retirement plans related to the year ended December 31, 2011 are included in EBITDA for the period.

- (F) Costs incurred in the period in connection with the launch of a new line of business within our Specialty Testing business unit, that management considers to be non-recurring.
- (G) Represents non-cash income related to the reversal of provisions previously recorded.
- (H) Typically, when we acquire laboratories in France, salaries for pathologists working within the laboratory are set at the group level as of the acquisition date. This adjustment represents the effect of the salary decreases for the pathologists working within the acquired businesses over the period as if such salary decreases had been implemented as of the beginning of the period, i.e. January 1, 2011.
- (I) Represents personnel cost savings resulting from a redundancy plan implemented over the period within our Specialty Testing business unit. The adjustment gives effect to the redundancy plan as if it had been fully implemented as of the first date of the period, i.e. January 1, 2011.
- (J) Adjusted EBITDA is EBITDA adjusted for the adjustments listed under footnote (A) to (I) above.
- (6) Reconciliation of EBITDA and Adjusted EBITDA to operating income of the Company for the year ended December 31, 2012.

	<b>Year ended December 31, 2012</b>
	<b>(€ in millions) (unaudited)</b>
Operating income .....	(9.2)
Net change in depreciation and amortization.....	23.9
Impairment of goodwill .....	48.5
<b>EBITDA.....</b>	<b>63.2</b>
Adjustments:	
Non-cash impact of capitalization and amortization of debt incurrence costs(A) ..	0.2
Commissions and fees related to raising new capex credit line(B).....	5.5
Acquisition costs(C) .....	1.6
Movement in pension provision(D).....	0.3
Cerba Specimen Services SAS—Set up costs(E) .....	0.1
Reversal of provisions(F) .....	(3.9)
Non-recurring litigation costs(G).....	0.5
Non-recurring restructuring costs(H).....	0.4
Redundancy and restructuring plan at CRI(I) .....	0.6
Impact of normalized compensation at Cerba SELAFA(J) .....	0.2
Impact of normalized compensation of pathologists at LABMLA(K) .....	0.4
Other non-recurring costs .....	0.1
<b>Adjusted EBITDA(L) .....</b>	<b>69.2</b>

- (A) Under IFRS, debt incurrence costs are capitalized and amortized over the life of the debt until maturity. This adjustment represents the non-cash impact on the income statement of the Company for the year ended December 31, 2012 of the IFRS treatment of debt incurrence costs.
- (B) Represents the fees and commissions related to raising new capex credit lines over the period, that management considers to be finance costs.
- (C) Represents the transactional costs associated with acquisitions made during the year ended December 31, 2012, such as advisory fees.
- (D) Represents the movement in provision related to our liability for future payments under the pension and retirement plans applicable to the employees of the Group. Actual payments under applicable pension and retirement plans are charged against the provision. This movement in provision is an IFRS requirement and is calculated on the basis of actuarial estimates of future liabilities. As this provision is a non-cash charge in the income statement of the Company, we adjust the EBITDA for that charge. Actual payments under applicable pension and retirement plans related to the year ended December 31, 2012 are included in EBITDA for the period.
- (E) Costs incurred in the period in connection with the launch of a new line of business within our Specialty Testing business unit, that management considers to be non-recurring.
- (F) Represents non-cash income related to the reversal of provisions previously recorded.
- (G) Represents a settlement indemnity paid to a French social security entity following an adjustment of price list for Biolille for the period from 2008 to 2010.
- (H) Represents costs incurred during the period in connection with implementing restructuring plans (mostly redundancies) in various entities.



- (I) Represents personnel cost and other costs savings for the entire period (including personnel costs of employees to be made redundant, maintenance costs less costs associated with the reorganization and other administrative costs, which will be eliminated on a going forward basis) in connection with the reorganization of the Ghent region in Belgium around one technical platform. This reorganization plan was fully implemented by the end of the second quarter of 2013.
- (J) Represents personnel cost savings for the entire period resulting from a redundancy plan implemented over the period within our Specialty Testing business unit. The adjustment gives effect to the redundancy plan as if it had been fully implemented as of the first date of the period, i.e. January 1, 2012.
- (K) Typically, when we acquire laboratories in France, salaries for pathologists working within the laboratory are set at group level as of the acquisition date. LABMLA laboratory was acquired in April 2012. Exceptionally, it was agreed that salaries for certain pathologists working within the LABMLA laboratory would not be decreased until LABMLA is merged with BioPyrénées Lab (former Bioadour). Such decrease was implemented in November 2012 upon consummation of the merger. Represents the effect of the salary decrease for the pathologists working within this laboratory as if such salary decrease had been implemented as of the beginning of the period, i.e. January 1, 2012.
- (L) Adjusted EBITDA is EBITDA adjusted for the adjustments listed under footnote (A) to (K) above.
- (7) Reconciliation of EBITDA, Adjusted EBITDA and Adjusted *pro forma* EBITDA to operating income of the Company for the year ended December 31, 2013.

	Year ended December 31, 2013 (€ in millions) (unaudited)
Operating income .....	52.9
Net change in depreciation and amortization.....	25.1
Impairment of goodwill .....	—
<b>EBITDA.....</b>	<b>78.0</b>
Adjustments:	
Commissions, fees and other Debt incurrence costs(A) .....	0.4
Acquisition costs(B) .....	2.0
Movement in pension provision(C) .....	0.1
Net change in provision(D) .....	(2.6)
Abnormal bad debt expenses at Cerba(K) .....	1.5
Litigation costs(E) .....	0.1
Restructuring costs(F).....	1.0
Sale of Place Boulot(G).....	(0.9)
<b>Adjusted EBITDA(H).....</b>	<b>79.7</b>
<i>Pro forma</i> operating income(I) .....	68.1
<i>Pro forma</i> non-recurring income and expenses(I) .....	3.5
<i>Pro forma</i> net change in depreciation and amortization(I) .....	35.5
<i>Pro forma</i> impairment of goodwill(I) .....	3.0
<i>Pro forma</i> net change in provision(I) .....	0.8
<b><i>Pro forma</i> EBITDA(I).....</b>	<b>111.0</b>
Adjustments:	
Movement in pension provision(J) .....	0.8
Abnormal bad debt expenses at Cerba(K) .....	1.5
Commissions, fees and other debt incurrence costs(L).....	0.4
Litigation costs(M) .....	0.1
Restructuring costs(N) .....	1.0
Net change in provision(O) .....	(0.8)
Synergies—JS Bio(P)(T).....	5.3
Full year impact of management actions—Novescia(Q)(T) .....	1.5
<b>Adjusted <i>Pro Forma</i> EBITDA(R).....</b>	<b>120.9</b>
Synergies—Novescia(S)(T).....	10.0
<b>Adjusted <i>Pro Forma</i> EBITDA (including Novescia synergies).....</b>	<b>130.9</b>

- (A) Represents the costs incurred in connection with incurrence of new debt that management considers to be finance costs.
- (B) Represents the transactional costs associated with acquisitions made during the year ended December 31, 2013, such as advisory fees.
- (C) Represents the movement in provision related to our liability for future payments under the pension and retirement plans applicable to the employees of Cerba. Actual payments under applicable pension and retirement plans are charged against the provision. This

movement in provision is an IFRS requirement and is calculated on the basis of actuarial estimates of future liabilities. As this provision is a non-cash charge in the income statement of the Issuer, we adjust the EBITDA for that charge. Actual payments under applicable pension and retirement plans related to the year ended December 31, 2013 are included in EBITDA for the period.

- (D) Represents provision movements for bad debt and litigation.
- (E) Represents costs incurred during the period in connection with one litigation with a service supplier.
- (F) Represents costs incurred during the period in connection with implementing restructuring plans (mostly redundancies) in various entities.
- (G) Cerba divested PLACE BOULOT on 30 June 2013, which generated a capital gain that management considers to be non-recurring.
- (H) Adjusted EBITDA is EBITDA adjusted for the adjustments listed under footnote (A) to (G) above.
- (I) See the Company's *Pro Forma* Financial Information included herein under "*Unaudited Pro Forma Consolidated Financial Information*."
- (J) Represents the *pro forma* movement in provision related to our liability for future payments under the pension and retirement plans applicable to the employees. Actual payments under applicable pension and retirement plans are charged against the provision. This movement in provision is an IFRS requirement and is calculated on the basis of actuarial estimates of future liabilities. As this provision is a non-cash charge in the income statement of the Issuer, we adjust the EBITDA for that charge. Actual payments under applicable pension and retirement plans related to the year ended December 31, 2013 are included in EBITDA for the period.
- (K) Represents one-off and non recurring bad debt write-offs at Cerba Selafo. In 2012, changes in the billing rules of our Specialized lab business disturbed the trade receivables collection cycle and led to abnormal bad debt expenses in the last quarter of 2013. The adjustment eliminates the bad debt expenses caused by this change in the billing process and restores the normal cost of accounts receivables.
- (L) Represents the costs incurred in connection with incurrence of new debt that we consider to be finance costs.
- (M) Represents costs incurred during the period in connection with one litigation with a service supplier.
- (N) Represents costs incurred during the period in connection with implementing restructuring plans (mostly redundancies) in various entities.
- (O) Represents provision movements for bad debt and litigation.
- (P) We estimate that, as a result of the acquisition of JS Bio in May 2014, our consolidated business operations will achieve cost-synergies of approximately €5.3 million on an annual run rate basis by December 2015. As of December 31, 2014 we believe we had implemented approximately 90% of our synergies plan, including the following synergies (i) €0.3 million in general and administrative expenses; (ii) €2.1 million in optimization of purchasing costs; (iii) € 0.1 million in logistics costs; (iv) €2.2 million in reorganization and rationalization of technical platforms, staff and labs and (v) €0.1 million of specialized subcontracting.
- (Q) Represents the full year effect of several plans to improve efficiencies initiated by the management of Novescia in 2013 and 2014. These plans aim at improving logistics, medical purchases and lab operations.
- (R) Adjusted *Pro Forma* EBITDA is *Pro Forma* EBITDA adjusted for the adjustments listed under footnote (J) to (Q) above.
- (S) We estimate that, as a result of the Acquisition, our consolidated business operations will achieve cost synergies of approximately €10 million on an annual run rate basis by mid-2016. Those synergies will consist of (i) consolidation of administrative and support functions at headquarters for approximately €4.0 million, (ii) reallocation of subcontracting from Biomnis to Cerba of approximately €1.1 million, (iii) production synergies including the consolidation of technical platforms, closing of town labs and reorganization of staff where Cerba and Novescia have common geographical presence of approximately €1.9 million, (iv) optimized purchasing costs by leveraging Cerba's terms and additional combined purchase power of approximately €2.4 million and (v) general and administrative savings of approximately €0.7 million.
- (T) We may not be able to achieve all such synergies for a number of reasons. This synergy estimate is based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. 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.
- (8) Reconciliation of EBITDA, Adjusted EBITDA and Adjusted *Pro Forma* EBITDA to operating income of the Company for the twelve months ended September 30, 2014.

	Twelve months ended September 30, 2014 (€ in millions) (unaudited)
Operating income .....	54.3
Net change in depreciation and amortization.....	23.9

	Twelve months ended September 30, 2014 (€ in millions) (unaudited)
Impairment of goodwill .....	—
<b>EBITDA.....</b>	<b>78.2</b>
Adjustments:	
Commissions, fees and other Debt incurrence costs(A) .....	0.5
Acquisition costs(B) .....	2.7
Movement in pension provision(C) .....	0.1
Net change in provision(D) .....	1.3
Abnormal bad debt expenses at Cerba(M).....	1.5
Cut-off issue on provisions at CRI(E) .....	0.9
Earn-out expense(F) .....	1.2
Litigation costs(G).....	1.5
Restructuring costs(H) .....	0.8
<b>Adjusted EBITDA(I) .....</b>	<b>88.6</b>
<i>Pro forma</i> operating income(J).....	64.3
<i>Pro forma</i> non-recurring income and expenses(J).....	10.2
<i>Pro forma</i> net change in depreciation and amortization(J).....	36.2
<i>Pro forma</i> impairment of goodwill(J).....	3.0
<i>Pro forma</i> net change in provision(J) .....	0.7
<b><i>Pro forma</i> EBITDA(J) .....</b>	<b>114.4</b>
Adjustments:	
Movement in pension provision(K).....	0.5
Cut-off issue on provisions at CRI(L) .....	0.9
Abnormal bad debt expenses at Cerba(M).....	1.5
Commissions, fees and other debt incurrence costs(N) .....	0.5
Litigation costs(O).....	1.5
Restructuring costs(P).....	1.5
Net change in provision(Q) .....	(0.7)
Synergies—JS Bio(R)(V) .....	5.3
Full year impact of management actions—Novescia(S)(V) .....	1.5
<b>Adjusted Pro Forma EBITDA(T).....</b>	<b>126.8</b>
Synergies—Novescia(U)(V).....	10.0
<b>Adjusted Pro Forma EBITDA (including Novescia synergies) .....</b>	<b>136.8</b>

(A) Represents costs incurred in connection with incurrence of new debt that management considers to be finance costs.

(B) Represents transactional costs associated with acquisitions made during the twelve months period ended September 30, 2014, such as advisory fees.

(C) Represents movement in provision related to our liability for future payments under the pension and retirement plans applicable to the employees of Cerba. Actual payments under applicable pension and retirement plans are charged against the provision. This movement in provision is an IFRS requirement and is calculated on the basis of actuarial estimates of future liabilities. As this provision is a non-cash charge in the income statement of the Issuer, we adjust the EBITDA for that charge. Actual payments under applicable pension and retirement plans related to the twelve months ended September 30, 2014 are included in EBITDA for the period.

(D) Represents provision movements which are related to bad debt and litigation.

(E) Represents a non-cash provision movement. CRI had a provision of €0.9 million incurred in 1996 for a claim. As at September 30, 2013, we reversed the provision based on legal advice explaining that the date for claiming the money had passed. In December 2013, legal counsel advised that the final claim date remains 2018 and we incurred another non-cash provision in the twelve months period ended September 30, 2014, artificially penalizing our income statement.

(F) Represents an earn out expense related to a laboratory acquired in 2011, that management considers part of merger and acquisition costs.

(G) Represents costs incurred in connection with two litigation proceedings with former management.

(H) Represents costs incurred during the period in connection with implementing restructuring plans (mostly redundancies) in various entities.

- (I) Adjusted EBITDA is EBITDA adjusted for the adjustments listed under footnote (A) to (H) above.
- (J) See the *Pro Forma* Financial Information included herein under “*Unaudited Pro Forma Consolidated Financial Information*.”
- (K) Represents the *pro forma* movement in provision related to our liability for future payments under the pension and retirement plans applicable to the employees. Actual payments under applicable pension and retirement plans are charged against the provision. This movement in provision is an IFRS requirement and is calculated on the basis of actuarial estimates of future liabilities. As this provision is a non-cash charge in the income statement of the Issuer, we adjust the EBITDA for that charge. Actual payments under applicable pension and retirement plans related to the twelve months ended September 30, 2014 are included in EBITDA for the period.
- (L) Represents a non-cash provision movement. CRI had a provision of €0.9 million incurred in 1996 for a claim. As at September 30, 2013, we reversed the provision based on legal advice explaining that the date for claiming the money had passed. In December 2013, legal counsel advised that the final claim date remains 2018 and we incurred another non-cash provision in the twelve months period ended September 30, 2014, artificially penalizing our income statement.
- (M) Represents one-off and non-recurring bad debt write-offs at Cerba Selafo. In 2012, changes in the billing rules of our Specialized lab business disturbed the trade receivables collection cycle and led to abnormal bad debt expenses in the last quarter of 2013. The adjustment eliminates the bad debt expenses caused by this change in the billing process and restores the normal cost of accounts receivables.
- (N) Represents the costs incurred in connection with incurrence of new debt that we consider to be finance costs.
- (O) Represents costs incurred in connection with two litigation proceedings with former management.
- (P) Represents costs incurred during the period in connection with implementing restructuring plans (mostly redundancies) in various entities.
- (Q) Represents provision movements which are related to bad debt and litigation.
- (R) We estimate that, as a result of the acquisition of JS Bio in May 2014, our consolidated business operations will achieve cost-synergies of approximately €5.3 million on an annual run rate basis by December 2015. As of December 31, 2014 we believe we had implemented approximately 90% of our synergies plan, including the following synergies (i) €0.3 million in general and administrative expenses; (ii) €2.1 million in optimization of purchasing costs; (iii) € 0.1 million in logistics costs; (iv) €2.2 million in reorganization and rationalization of technical platforms, staff and labs and (v) €0.1 million of specialized subcontracting.
- (S) Represents the full year effect of several plans to improve efficiencies initiated by the management of Novescia in 2013 and 2014. These plans aim at improving logistics, medical purchases and lab operations.
- (T) Adjusted *Pro Forma* EBITDA is *Pro Forma* EBITDA adjusted for the adjustments listed under footnote (K) to (R) above.
- (U) We estimate that, as a result of the Acquisition, our consolidated business operations will achieve cost synergies of approximately €10 million on an annual run rate basis by mid-2016. Those synergies will consist of (i) consolidation of administrative and support functions at headquarters for approximately €4.0 million, (ii) reallocation of subcontracting from Biomnis to Cerba of approximately € 1.1 million, (iii) production synergies including the consolidation of technical platforms, closing of town labs and reorganization of staff where Cerba and Novescia have common geographical presence of approximately € 1.9 million, (iv) optimized purchasing costs by leveraging Cerba’s terms and additional combined purchase power of approximately €2.4 million and (v) general and administrative savings of approximately € 0.7 million.
- (V) We may not be able to achieve all such synergies for a number of reasons. This synergy estimate is based on a number of assumptions made in reliance on the information available to us and management’s judgments based on such information. 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.
- (9) In addition to the Adjusted *Pro Forma* EBITDA, we estimate that, as a result of the Acquisition, our consolidated business operations will achieve cost synergies of approximately €10 million on an annual run rate basis by mid-2016. Those synergies will consist of (i) consolidation of administrative and support functions at headquarters for approximately €4.0 million, (ii) reallocation of subcontracting from Biomnis to Cerba of approximately €1.1 million, (iii) production synergies including the consolidation of technical platforms, closing of town labs and reorganization of staff where Cerba and Novescia have common geographical presence of approximately €1.9 million, (iv) optimized purchasing costs by leveraging Cerba’s terms and additional combined purchase power of approximately €2.4 million and (v) general and administrative savings of approximately €0.7 million.
- (10) Adjusted *Pro Forma* EBITDA margin (including Novescia synergies), expressed as a percentage, represents Adjusted *Pro Forma* EBITDA divided by *pro forma* net sales.
- (11) Net Financial Debt as of September 30, 2014 represents total debt, net of cash and cash equivalents, excluding shareholder debt (see “Capitalization”) and accrued and unpaid interest on the Existing Senior Secured Notes. Adjusted Net Financial Debt is Net Financial Debt adjusted to give effect to the Offerings and the Acquisition, including the use of proceeds as contemplated under “Use of Proceeds,” as if they had occurred as of September 30, 2014.
- (12) Adjusted Interest Expense for the twelve months ended September 30, 2014 is calculated as interest expense adjusted to give effect to the Offerings and the use of proceeds as contemplated under “Use of Proceeds,” as if they occurred on October 1, 2014.
- (13) As most of our Central Lab contracts can be cancelled or terminated at any time by our clients without indemnity, back-log may not be indicative of future revenue streams. See “*Risk Factors—Risks Related to Our Business—Our Central Lab backlog may not be indicative of future results.*”

## 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 Offering 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 Offering 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 Offering 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 31.8% and 37.8% of our net sales for the nine months ended September 30, 2013 and the nine months ended September 30, 2014, respectively, and France accounted for 92.2% and 90.9% of our Specialized Testing net sales for the year ended December 31, 2013 and the nine months ended September 30, 2014. 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 8.6% of our net sales for the nine months ended September 30, 2014), 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 Decree 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 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, in the years ended December 31, 2011, 2012 and 2013, and for the nine months ended September 30, 2014 we have respectively completed 21, 8, 6 and 1 acquisitions, out of which 18, 7, 4, and 0, respectively, were bolt-on acquisitions. 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 acquirer 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.

***Anticipated synergies from the Acquisition and JS Bio may not materialize.***

Upon completion of the Acquisition, we expect to achieve certain synergies discussed elsewhere in this Offering Memorandum relating to the operations of Novescia and its subsidiaries as Novescia will become part of the group and become consolidated subsidiaries of the Company. We also include synergies relating to our May 2014 acquisition of JS Bio. We may not realize any or all of the anticipated synergies of the Acquisition or the remaining JS Bio synergies or the synergies from the efficiencies implemented by Novescia in 2013 and 2014 that we currently anticipate, including if we are unable to consummate the Acquisition. Among the synergies that we currently expect are synergies relating to the rationalization of technical platforms, reallocation of esoteric subcontracting from Biomnis to Cerba, optimization of purchasing costs, rationalization of administrative/support functions and other synergies. Our estimated synergies from the Acquisition, JS Bio and the efficiencies implemented by Novescia in 2013 and 2014 are subject to a number of assumptions about the timing, execution and costs associated with realizing the synergies. Such assumptions are inherently uncertain and are subject to a wide variety of significant business, economic and competition risks and uncertainties. There can be no assurance that such assumptions turn out to be correct and, as a result, the amount of synergies that we will actually realize and/or the timing of any such realization may differ significantly (and may be significantly lower) from the ones that we currently estimate and we may incur significant costs in realizing the Acquisition and in reaching the estimated synergies. We may not be successful in integrating Novescia as currently anticipated, which may have a material adverse effect on our business and operations.

***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 €686.0 million as of September 30, 2014, or 68.1% 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 (which accounted for 92.2% and 90.9% of our Specialized Testing net sales for the year ended December 31, 2013 and the nine months ended September 30, 2014, respectively), 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 be 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.

***This Offering Memorandum includes only limited information regarding Novescia.***

The financial information that we have provided regarding Novescia includes financial statements for the most recent period, i.e., the nine months ended September 30, 2014, that have not been prepared in accordance with IAS34 under IFRS and do not include comparative information for the nine months ended September 30, 2013 and certain footnotes required by IAS 34. Furthermore, the *pro forma* financial information for the twelve-months ended September 30, 2014 is based in part on the unaudited financial information of Novescia for the nine months ended September 30, 2013, which is not included in this Offering Memorandum, was not prepared in accordance with IAS34 under IFRS and represent Novescia’s internal management accounts and thus may not be consistent with the other financial information presented herein. In addition, we have not provided a discussion of the results of operations of Novescia for any period in this Offering Memorandum. As such, the Novescia financial information presented herein may be of limited use in assessing the performance trends of Novescia and its *pro forma* contribution to the Company.

***The Pro Forma Financial Information presented in this Offering Memorandum may not reflect what our actual results of operations and financial condition would have been had we been a combined company for the periods presented and thus these results may not be indicative of our future operating performance. The Pro Forma Financial Information included herein is subject to certain signification assumptions and limitations.***

We have included in this Offering Memorandum the *Pro Forma* Financial Information which gives effect to (i) the acquisitions completed during the period from January 1, 2013 through September 30, 2014 as if they had occurred on January 1, 2013, (ii) the Novescia Acquisition as if it had occurred on January 1, 2013 and (iii) certain non-recurring items during the period.

The *Pro Forma* Financial Information has not been audited in accordance with any generally accepted auditing standards and it has not been reviewed in accordance with any generally accepted review engagement standards. The *Pro Forma* Financial Information has been prepared for illustrative purposes only, and because of its nature, the *Pro Forma* Financial Information addresses a hypothetical situation and, therefore, does not represent the Company’s actual financial position or results. The *Pro Forma* Financial Information is based on certain assumptions that we believe are reasonable. Our assumptions may prove to be inaccurate over time. Accordingly, the *Pro Forma* Financial Information may not reflect what our results of operations and financial condition would have been had we been a combined company during the periods presented, or what our results of operations and financial condition will be in the future.

Although the *Pro Forma* Financial Information includes certain adjustments to reflect the full-period impact of acquisitions and disposals by the Company and its subsidiaries since January 1, 2013 and to eliminate the transaction costs associated with such transactions, similar adjustments for acquisitions and disposals and the related transaction costs by Novescia are not included herein. In particular, Novescia disposed of Novescia Aquitaine and Novescia Côte d’Azur in February 2013 and on January 30, 2014, respectively. Novescia Aquitaine’s net sales contributions to Novescia for the years ended December 31, 2012 and December 31, 2013 were €4.0 million and €0.4 million, respectively, and its profit from recurring operations before amortization and depreciation contributions to Novescia for the same periods were €0.6 million and €0.1 million, respectively. Novescia Côte d’Azur’s net sales contributions to Novescia for the years ended December 31, 2012 and December 31, 2013 and the nine months ended September 30, 2014 were €12.3 million, €11.8 million and €1.0 million, respectively, and its profit from recurring operations before amortization and depreciation contributions to Novescia for the same periods were € 0.8 million, €0.4 million and €0.3 million, respectively. In addition, the *Pro Forma* Financial Information does not make adjustments for intercompany sales between the

Company and its subsidiaries and Novescia. This, however, has no impact on profit from recurring operations before amortization and depreciation as the excess sales are eliminated in consumption of materials and supplies.

The *Pro Forma* Financial Information for the twelve-months ended September 30, 2014 is based in part on the unaudited management accounts for Novescia for that period, which have not been audited and were not prepared in accordance with IAS34 under IFRS and thus may not be consistent with the other financial information presented herein.

See “*Presentation of financial and other information*”.

### **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.***

The Senior Secured Notes Issuer, the Senior Notes 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 Senior Secured Notes Issuer, the Senior Notes 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 Senior Secured Notes Issuer or the Senior Notes Issuer do not fulfill their obligations under any intercompany loans to make scheduled payments on the Notes, the Senior Secured Notes Issuer or the Senior Notes 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 Senior Secured Notes Issuer, the Senior Notes 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 Senior Secured Notes Issuer, the Senior Notes 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 Senior Secured Notes Issuer, the Senior Notes 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 Senior Secured Notes Issuer’s or the Senior Notes 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 Senior Secured Notes Issuer and the Senior Notes 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. As of September 30, 2014, our pro forma net financial debt excluding shareholder debt and the French CPECs, as adjusted to give effect to the issuance of the Notes, the application of proceeds from the Offerings and the other Transactions, would have been €743.2 million, which reflects external interest-bearing loans and borrowings less cash and cash equivalents. See “*Capitalization*.” In addition, 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 Indentures, 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 Indentures) 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 Senior Secured Notes 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 Indentures 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 Indentures. 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 Offering 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 Senior Secured Notes 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 Senior Secured Notes Issuer of interest paid in remuneration of the Senior Secured Notes may be limited. In addition, similar thin capitalization rules could apply at the level of the Senior Secured Notes Issuer for any amount of the Company Proceeds Loan as well as at the level of the Senior Secured Notes Issuer's French subsidiaries for any amount of the proceeds of the Senior Secured Notes or the Company Proceeds Loan made available to the latter by means of intragroup loans.

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 Senior Secured Notes 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;
- change the center of main interests of the Senior Notes Issuer and Luxco;
- 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 Indentures, 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 Indentures. 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 Indentures as Guarantors, they are under no obligation to comply with the covenants in the Indentures. 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 Indentures 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 owns 100% of the Senior Notes Issuer's equity and indirectly owns 100% of the Senior Secured Notes 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 Indentures 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 Senior Secured Notes 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 Senior Secured Notes Issuer or contributions to the Senior Secured Notes 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 Indentures), 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 Indentures.

Under the definition contained in the Indentures governing the Notes, a change of control may include a disposition of all or substantially all of the assets of the Issuers 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 Issuers 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 Issuers 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 Indentures. 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 Issuers 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 Issuers and the Guarantors are non-residents of the United States. Although the Issuers 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 Issuers and the Guarantors. In addition, because a majority of the assets of the Issuers 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 Issuers 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 Senior Notes 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 relevant 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 Indentures 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. See “*Limitations on Validity and Enforceability of Guarantees and the Security Interests and Note Guarantees and Certain Insolvency Law Considerations.*”

***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 Senior Secured Notes Issuer, an enforcement over the shares of the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Issuer, as well as any subsidiary of the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Issuer or Holdco, as the Senior Secured Notes Indenture in certain circumstances allows up to 10% of the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Issuer that are the subject of the Senior Secured Notes Collateral, enforcing over the pledges of the shares of Luxco, Holdco or the Senior Secured Notes 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 Senior Secured Notes Issuer will require multiple points of enforcement, as the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Issuer is organized under the laws of France, the Senior Notes Issuer is organized under the laws of Luxembourg 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 Senior Secured Notes Issuer incorporated in France and shares of certain of the Senior Secured Notes 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 Senior Secured Notes Issuer incorporated under the laws of Luxembourg and France, the Senior Secured Notes Issuer and certain of the Senior Secured Notes 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 the Senior Notes Issuer.

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 Senior Secured Notes Issuer, the Guarantors, or any other of the Senior Secured Notes 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. See “*Limitations on Validity and Enforceability of Guarantees and the Security Interests and Note Guarantees and Certain Insolvency Law Considerations.*”

In addition, the bankruptcy, insolvency, administrative and other laws of a Guarantor's, the Senior Secured Notes Issuer's or the Senior Notes 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 relevant 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. See “*Limitations on Validity and Enforceability of Guarantees and the Security Interests and Note Guarantees and Certain Insolvency Law Considerations.*”

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 the Senior Notes Issuer or any grantor of security incorporated in Luxembourg, including any direct or indirect parent company of the Senior Secured Notes 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 Senior Secured Notes Issuer, the Senior Notes against the Senior Notes 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, see “*Limitations on Validity and Enforceability of Guarantees and the Security Interests and Note Guarantees and Certain Insolvency Law Considerations.*”

***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 comissoire*) 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 comissoire*). In a proceeding regarding a judicial foreclosure (*attribution judiciaire*) or a contractual foreclosure (*pacte comissoire*), 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 Issuers 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 relevant 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 Issuers and the Guarantors (as principal obligors) towards the holders of the Notes under or in connection with the Indentures (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. See “*Limitations on validity and enforceability of Guarantees and the security interests and Note Guarantees and Certain Insolvency Law Considerations—France*”.

***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 relevant Notes under which the relevant Collateral securing such Notes and the Note Guarantees will be released automatically without your consent or the relevant 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 relevant Indenture, in connection with an enforcement sale permitted under the Intercreditor Agreement and, with respect to the Security Interests granted by the Senior Notes Issuer 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 relevant 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 relevant Indenture, all the liens on the Collateral owned by such subsidiary and any guarantees of the relevant Notes by such subsidiary will be released under the relevant Indenture, subject to certain conditions. Designation of an unrestricted subsidiary will reduce the aggregate value of the relevant Collateral securing the relevant 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 Issuers 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 Indentures.



Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon the Issuers' 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 Senior Secured Notes will constitute a single class of securities with the Existing Senior Secured Notes and will have the same international securities identification numbers and common codes as the Existing Senior Secured 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. The relevant Initial Purchasers have advised that they intend to make a market in the Notes after completing the Offerings. However, they have no obligation to do so and may discontinue market-making activities at any time without notice. In addition, such 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 Issuers 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 Issuers 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 relevant 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 Indentures, 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 Indentures 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Indentures 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 Senior Secured Notes 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 Senior Secured Notes Issuer or its subsidiaries during such period, the Senior Secured Notes 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 Offering 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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.

#### **Additional risks related to the Senior Notes**

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

Certain of our subsidiaries do not guarantee the Senior Notes. Our subsidiaries do not have any obligations to pay amounts due under the Senior Notes or to make funds available for that purpose unless they guarantee the Senior 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 Senior Notes Issuer or any Senior 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 Senior Notes Issuer (including the holders of the Senior Notes) and the Senior 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 Senior Notes Issuer or any Senior Notes Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Senior Notes and each Senior 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 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 Notes would have had total debt, excluding shareholder debt, of €54.3 million, all of which would have ranked structurally senior to the Senior Notes and the related Note Guarantees. Any of the debt that our non-guarantor subsidiaries incur in the future in accordance with the Senior Notes Indenture will rank structurally senior to the Senior Notes and the related Note Guarantees.



***Your right to receive payment under the Senior Notes Guarantees is contractually subordinated to senior debt.***

The obligations of the Senior Notes Guarantors under their respective Senior Note Guarantees are contractually subordinated in right of payment to the prior payment in full in cash of all existing and future obligations in respect of senior debt of such Senior Notes Guarantor. This senior debt includes the guarantees of the Senior Secured Notes or in the case of the Senior Secured Notes Issuer, its obligations under the Senior Secured Notes, and the obligations under the Revolving Credit Facility. Although the Senior Notes Indenture will contain restrictions on the ability of the Senior Notes Guarantors to incur additional debt, any additional debt incurred may be substantial and senior to the guarantees.

Upon any payment or distribution to creditors of a Senior Notes Guarantor in respect of an insolvency event, the holders of senior debt of such Senior Notes Guarantor will be entitled to be paid in full from the assets of such Senior Notes Guarantor before any payment may be made pursuant to such guarantee. Until the senior debt of such Senior Notes Guarantor is paid in full, any distribution to which holders of the Senior Notes would be entitled but for the subordination provisions to be included in the Intercreditor Agreement shall instead be made to holders of senior debt of such Senior Notes Guarantor as their interests may appear. As a result, in the event of insolvency of a Senior Notes Guarantor, holders of senior debt of such Senior Notes Guarantor may recover more, ratably, than the holders of Senior Notes, in respect of the Senior Notes Guarantor's guarantee in respect thereof.

In addition, the subordination provisions in the Intercreditor Agreement relating to the Senior Note Guarantees provide:

- customary turnover provisions by the Senior Notes Trustee and the holders of the Senior Notes for the benefit of the holders of senior debt of such Senior Notes Guarantor;
- that if a payment default on any senior debt of a Senior Notes Guarantor has occurred and is continuing, such Senior Notes Guarantor may not make any payment in respect of its guarantee until such default is cured or waived;
- that if any other default occurs and is continuing on any designated senior indebtedness that permits the holders thereof to accelerate its maturity and the Senior Notes Trustee receives a notice of such default, such Senior Notes Guarantor may not make any payment in respect of the Senior Notes, or pursuant to its Note Guarantee, until (amongst others) the earlier of the waiver or cure of such default and 179 days after the date on which the applicable payment blockage notice is received; and
- that the holders of the Senior Notes and the Senior Notes Trustee are prohibited, without the prior consent of the majority senior secured creditors or the majority super senior creditors, from taking any enforcement action in relation to such guarantee, except in certain circumstances.

The Senior Notes Indenture also provides that, except under very limited circumstances, only the Senior Notes Trustee will have standing to bring an enforcement action in respect of the Senior Notes and the Senior Note Guarantees. Moreover, the Intercreditor Agreement and the Senior Notes Indenture restrict the rights of holders of the Senior Notes to initiate insolvency proceedings or take legal actions against each of the Senior Notes Guarantor and by accepting any Senior Note each such holder will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Senior Notes have limited remedies and recourse under the guarantees in the event of a default by the Senior Notes Issuer or a Senior Notes Guarantor.

***The obligations owed to Frenchco under the Frenchco CPECs are not subordinated to the Senior Notes.***

The Senior Notes Issuer has outstanding as of September 30, 2014, € 3.7 million of Frenchco CPECs. See "Description of Other Indebtedness—Frenchco CPECs." As Frenchco is not a party to the Intercreditor Agreement, although the Frenchco CPECs are currently by their terms subordinated to other debt of the Senior Notes Issuer (including the Senior Notes), the subordination terms could change at any time without the consent of the holders of the Senior Notes. Moreover, under the terms of the Senior Notes Indenture, the Senior Notes Issuer and Luxco could incur up to €10 million of total indebtedness owed to Frenchco and its affiliates in the future without such indebtedness being subordinated or subject to the Intercreditor Agreement. Any such indebtedness incurred by the Senior Notes Issuer would rank pari passu with the Senior Notes and any such indebtedness incurred by Luxco would be structurally senior to the Senior Notes. As such, in the event of an

enforcement action against the Senior Notes Issuer, claims by the holders of the Senior Notes could be required to be shared with (or could come behind) the claims of our shareholders and their affiliates.

***Your security over the Senior Notes Collateral ranks behind the security benefiting the holders of the Senior Secured Notes and the lenders under the Revolving Credit Facility and your rights to enforce your security over the Senior Notes Collateral are limited.***

All of the Senior Notes Collateral is also pledged to the security agent for the benefit of the holders of the Senior Secured Notes and the lenders under the Revolving Credit Facility and to the security agent for the benefit of holders of the Senior Notes. Under the Intercreditor Agreement and the security documents, the Senior Secured Notes and the Revolving Credit Facility Agreement are secured by first-ranking security interests in all of the Senior Notes Collateral and the proceeds of any sale of such Senior Notes Collateral on enforcement will be applied first to repay all debt of the holders of the Senior Secured Notes, the lenders under the Revolving Credit Facility and certain hedging obligations. Consequently, you may not be able to recover on such Collateral because the holders of the Senior Secured Notes, the lenders under the Revolving Credit Facility and the counterparties to certain hedging obligations will have a prior claim on all proceeds realized from any enforcement of such Collateral.

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

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

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

In the event of an enforcement of the relevant Security Documents, the proceeds from the sale of the assets underlying the relevant Security Documents may not be sufficient to satisfy the obligations of the Senior Notes Issuer and the Senior Notes Guarantors with respect to the Senior Notes. No appraisal of the value of the Senior Notes Collateral has been made in connection with these Offerings. The value of the Senior 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 Notes Collateral that are pledged or assigned for the benefit of the holders of the Senior Notes may provide for only limited repayment of the Senior 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 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 Notes Collateral may be significantly decreased. Most of our assets will not secure the Senior Notes and it is possible that the value of the Senior Notes Collateral will not be sufficient to cover the amount of debt secured by such Senior Notes Collateral. With respect to any shares pledged to secure the Senior Notes and the Senior 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 this Senior Notes Collateral may decline over time. If the proceeds of the Senior Notes Collateral are not sufficient to repay all amounts due on the Senior Notes, the holders of the Senior Notes (to the extent not repaid from the proceeds of the sale of the Senior Notes Collateral) would have only a senior unsecured, unsubordinated claim against the Senior Notes Issuer's and the Senior 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 Notes Indenture permits the granting of certain liens other than those in favor of the holders of the Senior Notes on the Senior 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 Notes Indenture or the relevant Security Documents, such holders or third parties may have rights and remedies with respect to the Senior Notes Collateral that, if exercised, could reduce the proceeds available to satisfy our obligations under the Senior Notes. Moreover, if we issue additional notes under the Senior Notes Indenture, holders of such additional notes would benefit from the same collateral as the holders of the Senior Notes being offered hereby, thereby diluting your ability to benefit from the liens on the Senior Notes Collateral.

***The financial information presented in this Offering Memorandum includes only limited detail regarding the Senior Notes Issuer and its subsidiaries that are holding companies of the Company.***

We have not included any financial statements of the Senior Notes Issuer either on a standalone basis or consolidated with its subsidiaries in this Offering Memorandum. Although the Senior Notes Issuer, Luxco and Holdco, which do not engage in any activities other than those relating to holding the shares of their subsidiaries (including the Company), these entities have external liabilities which are not subordinated to the Senior Notes and have experienced losses in the past and may do so in the future. The limited information that we have provided regarding these external liabilities and losses on an unconsolidated basis is not based on IFRS accounts in all cases and thus may not be comparable to, and could differ significantly from, such information prepared on the basis of IFRS. As the financial information of the Company that is presented in this Offering Memorandum does not include the results of Holdco, Luxco and the Senior Notes Issuer, such financial information may be of limited use in assessing the financial position of the Senior Notes Issuer.



## The Acquisition

### The Novescia Acquisition

On December 19, 2014, the Company and the direct and indirect holders of all of the securities (including the shares) issued by Novescia SAS entered into the Securities Purchase Agreement under which the Company will acquire directly and/or indirectly all of the Target Group securities subject to the satisfaction of certain conditions precedent, including antitrust clearance. Novescia SAS is a holding company whose securities are allocated between its holders including Finescia SAS (RCS Paris 513 701 276), a holding company regrouping various investors including Financière Murillo SAS (RCS Paris 523 357 838), Manescia (RCS Nanterre 513 642 231), Manescia 3 (RCS Nanterre 801 486 770) and Bio-Invest Novescia (RCS Nanterre 791 852 759), investment vehicles of the corporate officers and former and current employees or biologists of Novescia. Novescia SAS owns (i) directly the entire capital and voting rights of Laboratoris Amiel, S.L., a Spanish law company (“Laboratis Amiel”) and Labs Toscana S.r.l., an Italian law company (“Labs Toscana”), which run one or several medical biology laboratories, and (ii) indirectly, through Laboratoris Amiel and Labs Toscana, shareholdings in companies running multi-site medical biology laboratories, with up to a maximum of 49.99% of their voting rights, in accordance with the applicable regulation to these companies. As of the Completion Date, Cerba Selata owns, directly or indirectly, approximately 99% of the financial rights of the operating subsidiaries of Novescia SAS.

Under the terms of the Securities Purchase Agreement, the Company purchased indirectly the entirety of the Novescia SAS securities through the direct purchase of the entirety of the shares issued by Financière Murillo and the shares issued by Finescia that were not held by Financière Murillo; the entirety of the shares issued by Manescia, Manescia 3 and Bio-Invest Novescia; and the securities issued by Novescia SAS that were not held by Finescia, Manescia, Manescia 3 and Bio-Invest Novescia.

The Acquisition was paid for in cash, and certain shareholders who are board members, employees or biologists currently working within Novescia were granted the possibility to contribute their shares in kind and receive shares of Frenchco, Manco or a specific-purpose company affiliated with Frenchco in exchange.

### Novescia

Novescia is a clinical laboratory group mostly active in France, and we believe its competitive position is particularly well established. As of June 2014, it provides its services through a network of 95 collection centers and 12 technical platforms in 9 regions, employing approximately 145 biologists, doctors and pharmacists. The strategic rationale of the Acquisition was 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. The Novescia network in the Rhône-Alpes region includes 15 laboratories and processes up to 2500 files per day through its technical platform located in Lyon. The Acquisition will increase our presence in the broader Paris/Île-de-France region, where Novescia has over 40 laboratories and management estimates that on a *pro forma* basis for the Acquisition, approximately 20% of the French Routine operations will be based on private hospital outsourcing contracts.

For the nine months ended September 30, 2014 and the fiscal years ended December 31, 2013 and December 31, 2012, Novescia generated net sales of €112.6 million, €162.4 million and €164.7 million, respectively, and profit from recurring operations before amortization and depreciation of €17.8 million, €19.7 million and €11.8 million, respectively. The €2.3 million decline in revenue from 2012 to 2013 is primarily due to the sale of under-performing labs in the Bordeaux (Novescia Aquitaine) region of France, which occurred in February 2013. Revenue of Novescia in 2014 was also negatively impacted by the sale of under-performing labs in the Nice region of France (Novescia Côte d’Azur), which occurred on January 30, 2014. The increase in profit from recurring operations before amortization and depreciation from 2012 and 2013 primarily reflects the impact of the restructuring program undertaken by Novescia in 2012 and 2013 to reduce costs, in particular personnel costs. These cost savings improvements continued into 2014.

We estimate that, as a result of the Acquisition, our consolidated business operations will achieve cost synergies of approximately €10 million on an annual run rate basis by March 2016, primarily relating to:

- consolidation of administrative and support functions at headquarters for approximately €4.0 million;
- reallocation of subcontracting from Biomnis to Cerba of approximately €1.1 million;

- production synergies including the consolidation of technical platforms, closing of town labs and reorganization of staff where Cerba and Novescia have common geographical presence of approximately €1.9 million;
- optimized purchasing costs by leveraging Cerba's terms and additional combined purchase power of approximately €2.4 million; and
- general and administrative savings of approximately €0.7 million.

We believe that we will have to make capital expenditures and/or incur one-off costs of approximately €8 million to achieve such cost synergies. Please see "*Forward-Looking Statements*."

This Offering Memorandum contains certain synergy estimates, among others, relating to cost reductions and other benefits expected to arise from the Acquisition as well as related costs to implement the Acquisition. The estimates present the expected future impact of this transaction and the integration of Novescia into our existing business. Such estimates are based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. The assumptions used in estimating the synergies arising from the Acquisition 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.

## Use of proceeds

The aggregate principal amount of the Temporary Senior Secured Notes and the Temporary Senior Notes will be €85.0 million and €145.0 million, respectively, and the gross proceeds from the Offerings are expected to be €234.0 million, excluding payment by the purchasers of the Temporary Senior Secured Notes of an amount equal to the accrued interest on the Temporary Senior Secured Notes from February 1, 2015 to, but not including, the Temporary Notes Issue Date. Upon release from escrow of the proceeds from the sale of the Temporary Notes, we used the gross proceeds from the Offerings and existing cash reserves of €3.3 million to fund the purchase price of the Acquisition and pay certain transaction costs, including underwriting commissions as well as fees for legal, accounting, printing, ratings advisory and other professional services.

The following table sets forth our expected estimated sources and uses of funds in connection with the Offerings. Amounts included in the table below are based on data for the nine months ended September 30, 2014. Actual amounts will vary from estimated amounts depending on several factors, including differences from our estimates of fees and expenses on and after the Completion Date.

Sources of funds	Amount	Uses of funds	Amount
	(million €)		
Proceeds from the Temporary Senior Secured Notes(1) .....	89.0	Enterprise value of Target Group(4).....	277.8
Proceeds from the Temporary Senior Notes.....	145.0	Total transaction costs(5).....	10.0
Rolled Novescia debt(2) .....	50.5		
Use of existing cash reserves(3) .....	3.3		
<b>Total Sources</b> .....	<b>287.8</b>	<b>Total Uses</b> .....	<b>287.8</b>

(1) The gross proceeds of the Offering of the Temporary Senior Secured Notes exclude payment by the purchasers of the Temporary Senior Secured Notes of an amount equal to the accrued interest on the Temporary Senior Secured Notes from February 1, 2015 to, but not including, the Temporary Notes Issue Date and reflect the issuance premium with respect to the Temporary Senior Secured Notes.

(2) Rolled Novescia debt includes €4.9 million of finance leases, €44.4 million of bilateral loans and €1.3 million of bank overdrafts.

(3) Use of existing cash reserves is net of €12.7 million of Novescia's acquired cash.

(4) Represents the expected total enterprise value including equity purchase price of €240 million, rolled Novescia debt of € 50.5 million and Novescia cash of €12.7 million.

(5) Represents estimated fees and expenses associated with the Offerings, including the relevant Initial Purchasers' commissions, legal and accounting expenses and other transaction costs. The relevant Temporary Notes Issuer paid the relevant Initial Purchasers commissions upon release of the proceeds of the Offerings from escrow. The Company paid all other transaction costs of the Offerings.

## Capitalization

The following table sets forth the cash and the consolidated capitalization of the Senior Secured Notes Issuer as of September 30, 2014 on an actual basis and as adjusted to give effect to the Offerings (including the application of the proceeds therefrom) and the Acquisition as if these transactions had occurred on September 30, 2014.

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*,” “*Description of the Senior Notes*,” and the financial statements and the related notes included elsewhere in this Offering Memorandum.

	Actual	Adjustments	As adjusted
	(unaudited)	(unaudited) (million €)	(unaudited) As of September 30, 2014
<b>Cash and cash equivalents</b> .....	59.7	(3.3)	56.4
<b>A: Third Party Debt</b>			
Additional Senior Secured Notes offered hereby(1) .....	—	85.0	85.0
Existing Notes(2) .....	445.0	—	445.0
Finance Leases .....	41.0	4.9	45.9
Bilateral Loans .....	29.6	44.4	73.9
Bank overdrafts .....	3.4	1.3	4.7
Other borrowings .....	0.2	—	0.2
<b>Total Debt, excluding Senior Notes and shareholder debt(3) ....</b>	<b>519.1</b>	<b>135.5</b>	<b>654.6</b>
Company Proceeds Loan resulting from Senior Notes offered hereby(4)(6) .....	—	145.0	145.0
<b>Total Debt, excluding shareholder debt(5) .....</b>	<b>519.1</b>	<b>280.5</b>	<b>799.6</b>
Unamortized portion of capitalized debt incurrence costs excluding shareholder debt .....	(9.0)	(10.0)	(19.0)
<b>B: Equity and liabilities owned by shareholders</b>			
PAI Convertible Bonds(7) .....	6.2	—	6.2
Other shareholder bonds(8) .....	20.1	—	20.1
Equity attributable to owners of the Company(9) .....	304.0	—	304.0
<b>Total equity and liabilities owned by shareholders(10) .....</b>	<b>330.3</b>	<b>—</b>	<b>330.3</b>
<b>Total capitalization(11) .....</b>	<b>840.4</b>	<b>270.5</b>	<b>1,110.9</b>

(1) The amount shown represents the aggregate principal amount of the Additional Senior Secured Notes of €85.0 million.

(2) Excludes accrued interest from August 1, 2014 through September 30, 2014.

(3) We use adjusted net financial debt excluding the Senior Notes, which is total debt, excluding the Senior Notes and the shareholder debt, net of cash and cash equivalent, adjusted to give effect to the Offerings and the Acquisition, including the use of proceeds as contemplated under “*Use of Proceeds*,” as if they occurred as of September 30, 2014. See “*Summary Historical Consolidated Financial Information, Pro Forma and Other Data—Other Financial, Pro Forma and Operating Data*.”

(4) Represents, at the Senior Notes Issuer level, the Senior Notes. As of the Completion Date, the Senior Notes will be guaranteed by the Company.

(5) We use adjusted net financial debt including the Senior Notes, which is total debt, excluding the shareholder debt, net of cash and cash equivalent, adjusted to give effect to the Offerings and the Acquisition, including the use of proceeds as contemplated under “*Use of Proceeds*,” as if they occurred as of September 30, 2014. See “*Summary Historical Consolidated Financial Information, Pro Forma and Other Data—Other Financial, Pro Forma and Operating Data*.”

(6) As of September 30, 2014, the Senior Notes Issuer had outstanding Frenchco CPECs issued to Frenchco in an amount outstanding of €401.0 million. On November 4, 2014, €397.1 million of the Frenchco CPECs were converted to equity of the Senior Notes Issuer. Adjusted for this conversion, the balance outstanding as of September 30, 2014 is €3.7 million.

(7) As the PAI Convertible Bonds are issued by the Company to Holdco, they would not be included in a consolidated balance sheet of the Senior Notes Issuer.

(8) Reflects outstanding Damien Bonds of €1.2 million subscribed by Mr. Damien in connection with the sale of Biolille in 2009, outstanding Biopart Bonds of €13.4 million subscribed by Biopart Investments SA in connection with the sale of LLAM in 2011 and PAI Shareholder Loans of €5.6 million. Biopart and Mr. Damien are indirect shareholders of the Company. As the PAI Shareholder Loans are issued by the Company to Holdco, they would not be included in a consolidated balance sheet of the Senior Notes Issuer.

- (9) At the Senior Notes Issuer level, adjusted for the Frenchco CPECs conversion described above, equity attributable to owners was €413.6 million at September 30, 2014.
- (10) At the Senior Notes Issuer level, adjusted for the Frenchco CPECs conversion described above, total equity and liabilities owned by shareholders was €431.8 million at September 30, 2014.
- (11) At the Senior Notes Issuer level, adjusted for the Frenchco CPECs conversion described above, total capitalization was €1,212.4 million at September 30, 2014.

### 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, 2011, 2012 and 2013 and as of and for the nine months ended September 30, 2013 and 2014 have been extracted from the following:

- the Company's 2011 Unaudited Financial Information;
- the Company's 2012 IFRS Financial Statements;
- the Company's 2013 IFRS Financial Statements; and
- the Company's Q3 2014 IFRS Financial Statements.

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 Offering Memorandum. Historical results are not necessarily indicative of future expected results.

### Consolidated income statement data

	Twelve months ended December 31, 2011	2012	2013	2013	2014
		Year ended December 31,	Year ended December 31,	Nine months ended Sept. 30	Nine months ended Sept. 30
	(unaudited)	(audited)	(audited)	(unaudited)	(unaudited)
		(€ in millions)			
Net sales.....	278.7	325.8	351.6	259.5	294.4
Cost of sales/Consumption of materials and supplies.....	(66.8)	(72.3)	(75.7)	(56.4)	(48.5)
Other purchases and external expenses .....	(62.8)	(78.4)	(73.0)	(59.0)	(70.3)
Taxes and duties .....	(5.5)	(7.6)	(8.7)	(6.6)	(8.7)
Personnel expenses .....	(89.4)	(108.1)	(116.3)	(81.6)	(103.5)
Net change in depreciation and amortization.....	(21.3)	(23.9)	(25.1)	(20.9)	(19.7)
Other operating expenses.....	(3.1)	(1.1)	(10.3)	(2.6)	(4.3)
Other income .....	6.1	5.1	10.3	8.4	3.0
<b>Profit from operations.....</b>	<b>36.1</b>	<b>39.3</b>	<b>52.9</b>	<b>41.0</b>	<b>42.4</b>
Goodwill impairment.....	—	(48.5)	—	—	—
<b>Net operating income.....</b>	<b>36.1</b>	<b>(9.2)</b>	<b>52.9</b>	<b>41.0</b>	<b>42.4</b>
Cost of net debt.....	(38.7)	(53.8)	(32.5)	(23.6)	(29.2)
Other financial income (expense).....	(0.2)	0.1	(0.9)	0.4	1.7
<b>Pretax income (expense).....</b>	<b>(2.9)</b>	<b>(62.9)</b>	<b>19.5</b>	<b>17.5</b>	<b>14.1</b>
Income tax .....	(7.3)	(15.7)	(12.0)	(9.3)	(11.1)
<b>Net income (loss) .....</b>	<b>(10.2)</b>	<b>(78.6)</b>	<b>7.6</b>	<b>8.2</b>	<b>2.9</b>
Net income (loss) attributable to non-controlling interests.....	2.2	1.9	2.4	1.9	1.5
<b>Net income (loss) attributable to owners of the Company .....</b>	<b>(12.4)</b>	<b>(80.5)</b>	<b>5.1</b>	<b>6.3</b>	<b>1.4</b>

### Consolidated balance sheet data

	2011	2012	2013	As at Sept. 30, 2014
	As at December 31,	As at December 31,	As at December 31,	As at Sept. 30, 2014
	(unaudited)	(audited)	(audited)	(unaudited)
		(€ in millions)		
Goodwill.....	579.1	561.5	599.3	686.0
Intangible assets.....	127.3	118.7	112.3	107.8

	2011	2012	2013	As at Sept. 30, 2014
	As at December 31,			
	(unaudited)	(audited)	(unaudited)	
	(€ in millions)			
Property, plant and Equipment .....	38.1	42.9	53.4	61.9
Non-current tax assets .....	1.4	2.6	1.6	0.0
Other non-current assets .....	1.7	2.9	1.8	1.9
Deferred tax assets .....	0.9	1.3	1.5	2.1
<b>Total non-current assets.....</b>	<b>748.4</b>	<b>729.9</b>	<b>769.8</b>	<b>859.8</b>
Inventories .....	4.9	5.6	5.9	5.9
Trade receivables .....	53.1	58.7	54.0	59.1
Current tax assets .....	0.7	0.7	1.5	3.2
Other current assets .....	11.3	8.2	9.7	20.1
Cash and cash equivalents .....	26.5	38.9	63.8	59.7
<b>Current assets .....</b>	<b>96.5</b>	<b>112.1</b>	<b>134.8</b>	<b>147.9</b>
<b>Total assets .....</b>	<b>844.9</b>	<b>842.0</b>	<b>904.6</b>	<b>1,007.7</b>
Equity attributable to owners of the Company .....	270.3	308.9	311.5	304.0
Non-controlling interests .....	5.2	9.8	11.5	9.2
<b>Total equity .....</b>	<b>275.4</b>	<b>318.7</b>	<b>323.0</b>	<b>313.2</b>
Non-current financial liabilities .....	400.6	344.1	419.2	514.7
Employee benefits .....	3.9	4.9	5.1	6.5
Non-current provisions .....	4.0	3.8	4.5	4.9
Deferred tax liabilities .....	58.2	38.3	36.1	34.0
Other non-current liabilities .....	5.1	4.6	4.1	5.0
<b>Non-current liabilities .....</b>	<b>471.7</b>	<b>395.7</b>	<b>469.0</b>	<b>565.2</b>
Current financial liabilities .....	21.9	39.0	29.2	28.5
Current provisions .....	0.7	0.9	0.7	0.8
Trade payables .....	36.3	43.3	40.4	43.4
Current tax liabilities .....	2.5	7.2	8.7	12.8
Other current liabilities .....	36.4	37.2	33.6	43.9
<b>Current liabilities.....</b>	<b>97.8</b>	<b>127.6</b>	<b>112.7</b>	<b>129.3</b>
<b>Total liabilities .....</b>	<b>569.5</b>	<b>523.3</b>	<b>581.7</b>	<b>694.5</b>
<b>Total equity and liabilities.....</b>	<b>844.9</b>	<b>842.0</b>	<b>904.6</b>	<b>1,007.7</b>

#### Consolidated cash flow statement data

	Twelve months ended December 31, 2011	2012	2013	2013	2014
		Year ended December 31,		Nine months ended Sept. 30,	
	(unaudited)	(audited)	(unaudited)	(unaudited)	(unaudited)
	(€ in millions)				
Net cash provided by (used in) operating activities .....	43.9	37.6	68.3	41.5	43.1
Net cash provided by (used in) investing activities .....	(147.8)	(27.8)	(47.1)	(22.7)	(70.3)
Net cash provided by (used in) financing activities .....	101.9	(1.1)	9.0	16.7	19.9
Effect of exchange rate fluctuations on cash held.....	(0.2)	0.1	(0.0)	(0.0)	0.1
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<b>(2.3)</b>	<b>8.8</b>	<b>30.1</b>	<b>35.6</b>	<b>(7.2)</b>
Cash and cash equivalents at the beginning of the period ....	27.0	24.7	33.5	33.5	63.6
Cash and cash equivalents at the end of the period(1).....	24.7	33.5	63.6	69.0	56.4

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

## Selected historical consolidated Novescia financial information

The selected historical consolidated Novescia financial information below and other data of Novescia as of and for the fiscal years ended December 31, 2012 and 2013 and as of and for the nine months ended September 30, 2014 have been extracted from the following:

- Novescia’s 2013 IFRS Financial Statements; and
- Novescia’s Q3 2014 Financial Statements.

The following tables should be read in conjunction with “*Presentation of financial information*,” “*Use of proceeds*,” “*Capitalization*,” and Novescia’s consolidated financial statements as of and for the year ended December 31, 2013 prepared in accordance with IFRS and Novescia’s condensed consolidated financial statements as of and for the nine months ended September 30, 2014 prepared in accordance with the measurement and recognition principles described in the notes thereto, an English translation of which is included elsewhere in this Offering Memorandum. Historical results are not necessarily indicative of future expected results.

### Consolidated income statement data

	Year ended December 31, 2012 <sup>(1)</sup>	Year ended December 31, 2013 <sup>(1)</sup>	Nine months ended September 30, 2014
	(In millions of euros)		
<b>Net sales</b> .....	<b>164.7</b>	<b>162.4</b>	<b>112.6</b>
Cost of medical supplies .....	(23.7)	(22.1)	(14.4)
Subcontracting—specialized laboratories .....	(5.2)	(5.0)	(3.5)
<b>GROSS PROFIT</b> .....	<b>135.8</b>	<b>135.3</b>	<b>94.7</b>
Other income .....	0.0	0.1	
Personnel costs .....	(78.4)	(72.7)	(49.3)
Other operating expenses .....	(28.5)	(26.9)	(17.9)
Tax and duties .....	(6.3)	(5.7)	(4.1)
Leases .....	(10.8)	(10.3)	(5.5)
<b>Profit from recurring operations before amortization and depreciation</b> .....	<b>11.8</b>	<b>19.7</b>	<b>17.8</b>
Asset amortization and depreciation .....	(7.7)	(7.9)	(6.6)
<b>Profit from recurring operations</b> .....	<b>4.1</b>	<b>11.8</b>	<b>11.2</b>
Income from disposals .....	1.8	1.2	(0.1)
Asset impairment .....	0.0	(4.1)	0.0
Restructuring costs .....	(6.3)	(3.6)	(4.2)
<b>Other non-recurring income and expenses</b> .....	<b>(4.5)</b>	<b>(6.5)</b>	<b>(4.3)</b>
<b>Operating profit (loss)</b> .....	<b>(0.4)</b>	<b>5.3</b>	<b>7.0</b>
Finance costs .....	(2.3)	(2.0)	(1.2)
Income from cash and cash equivalents .....	0.1		
<b>Net finance costs</b> .....	<b>(2.2)</b>	<b>(2.0)</b>	<b>(1.2)</b>
Other financial income .....	0.0	0.1	0.0
Other financial expense .....	(0.1)	(0.5)	(0.1)
<b>Other financial income and expenses</b> .....	<b>(0.1)</b>	<b>(0.4)</b>	<b>(0.1)</b>
Income tax .....	(2.9)	0.5	(1.9)
Profit from investments in associates .....	0.0	0.0	0.0
<b>Consolidated profit (loss)</b> .....	<b>(5.6)</b>	<b>3.4</b>	<b>3.8</b>
— attributable to owners of the parent company .....	(5.8)	3.4	3.8
—non-controlling interests .....	0.2	(0.0)	0.0

- (1) The selected data as of and for the fiscal years ended December 31, 2012 and 2013 are not presented on a basis consistent with those as of and for the nine months ended September 30, 2014 (refer to note 2.3.5 to the unaudited interim condensed consolidated financial statements of Novescia as of and for the nine months ended September 30, 2014 regarding the impact of the adjustments made following Novescia’s analysis of its equipment leases and changes in accounting treatment related thereto).



## Consolidated balance sheet data

	As at December 31, 2012(1)	As at December 31, 2013(1)	As at September 30, 2014
(In millions of euros)			
Goodwill.....	158.0	137.7	139.3
Other intangible assets.....	33.4	29.8	28.3
Property, plant and equipment.....	15.0	11.3	13.8
Investments in associates.....	0.0	0.0	0.0
Non-current financial assets.....	3.5	2.2	2.2
Deferred tax assets.....	11.3	9.0	10.8
<b>NON-CURRENT ASSETS.....</b>	<b>221.2</b>	<b>190.1</b>	<b>194.4</b>
Inventories.....	1.4	1.3	1.5
Trade receivables.....	18.1	17.4	15.6
Other operating receivables.....	1.7	3.0	3.7
Other current assets.....	1.3	0.3	0.7
Current tax assets.....	1.5	0.6	1.3
Current financial assets.....	0.0	0.0	0.0
Cash and cash equivalents.....	11.2	7.2	12.7
Assets held for sale.....	0.0	17.4	0.0
<b>CURRENT ASSETS.....</b>	<b>35.2</b>	<b>47.3</b>	<b>35.5</b>
<b>TOTAL ASSETS.....</b>	<b>256.4</b>	<b>237.4</b>	<b>229.9</b>
Share capital.....	144.8	144.8	145.0
Additional paid-in capital.....	4.0	4.1	4.0
Consolidated reserves.....	(19.0)	(25.4)	(21.9)
Profit (loss) for the year attributable to owners of the parent company.....	(5.8)	3.4	3.8
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY.....</b>	<b>124.0</b>	<b>126.9</b>	<b>130.9</b>
Non-controlling interests.....	0.3	(0.0)	0.0
<b>TOTAL SHAREHOLDERS' EQUITY.....</b>	<b>124.3</b>	<b>126.9</b>	<b>130.9</b>
Non-current financial liabilities.....	6.8	42.3	38.1
Non-current provisions.....	11.2	5.4	6.9
Other non-current liabilities.....	0.0	0.0	0.0
Deferred tax liabilities.....	10.8	9.7	9.2
<b>NON-CURRENT LIABILITIES.....</b>	<b>28.8</b>	<b>57.4</b>	<b>54.2</b>
Current provisions.....	0.0	0.0	0.0
Trade payables.....	17.9	16.4	16.9
Other operating payables.....	15.6	13.9	13.1
Other current liabilities.....	1.0	1.2	1.2
Current tax liabilities.....	1.3	2.1	1.2
Current financial liabilities.....	67.1	11.1	11.1
Bank overdrafts.....	0.4	0.1	1.3
Liabilities associated with assets held for sale.....	0.0	8.1	0.0
<b>CURRENT LIABILITIES.....</b>	<b>103.3</b>	<b>53.1</b>	<b>44.8</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES.....</b>	<b>256.4</b>	<b>237.4</b>	<b>229.9</b>

(1) The selected data as of and for the fiscal years ended December 31, 2012 and 2013 are not presented on a basis consistent with those as of and for the nine months ended September 30, 2014 (refer to note 2.3.5 to the unaudited interim condensed consolidated financial statements of Novescia as of and for the nine months ended September 30, 2014 regarding the impact of the adjustments made following Novescia's analysis of its equipment leases and changes in accounting treatment related thereto).

## Consolidated cash flow statement data

	Year ended December 31, 2012	Year ended December 31, 2013	Nine months ended September 30, 2014
	(In millions of euros)		
Net cash provided by operating activities.....	4.4	13.1	9.9
Net cash provided by (used in) investing activities .....	(9.4)	2.5	5.2
Net cash provided by (used in) financing activities.....	4.6	(18.8)	(10.8)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS .....</b>	<b>(0.4)</b>	<b>(3.7)</b>	<b>4.3</b>
Cash and cash equivalents at beginning of year .....	11.2	10.8	7.1
Cash and cash equivalents at end of year .....	10.8	7.1	11.4

### Unaudited pro forma consolidated financial information

The following unaudited *pro forma* income statements have been prepared on the basis set out in the notes below and have been presented for illustrative purposes only in order to give effect to the following transactions as if they occurred on January 1, 2013:

- (i) the acquisitions and disposal of Bionord, CHB, Bastard, Stal and JS Bio and disposal of Biotop Place Boulot completed during the period from January 1, 2013 through September 30, 2014; and
- (ii) the acquisition of Novescia;
- (iii) the contemplated financing of the acquisition of Novescia, as described in the section “Sources and uses” of this Offering Memorandum; and
- (iv) certain non-recurring items.

The unaudited pro forma income statements have been derived by applying pro forma adjustments to the historical financial statements of the Company, included elsewhere herein. Audited historical financial information of the Company and Novescia as of and for the fiscal year ended December 31, 2013 have been prepared in accordance with IFRS. Unaudited interim consolidated financial statements of the Company as of and for the nine months ended September 30, 2014, have been prepared in accordance with IAS 34. Unaudited interim financial statements of Novescia as of and for the nine months ended September 30, 2014, have been prepared in accordance with IFRS. Historical financial information for Novescia has been extracted from the Novescia audited financial statements as of and for the year ended December 31, 2013, and the Novescia unaudited condensed interim financial statements as of and for the nine months ended September 30, 2014, which have been prepared in accordance with the measurement and recognition principles described in the notes thereto, an English translation of which is included in this Offering Memorandum.

The unaudited *pro forma* income statement for the last twelve months ended September 30, 2014 for the Company and Novescia have been calculated by adding the unaudited *pro forma* consolidated income statement for the year ended December 31, 2013 and the unaudited *pro forma* income statement for the nine months ended September 30, 2014 and subtracting an unaudited *pro forma* income statement for the nine months ended September 30, 2013.

The acquisition of Novescia is accounted for using the purchase method of accounting under IFRS 3—Business Combinations. Under this method, the purchase price is allocated to the assets acquired and liabilities assumed based on fair values as of the acquisition date. Any excess of purchase price over the estimated fair value of the net assets is goodwill. The allocation of the purchase price for acquisition requires extensive use of accounting estimates and judgments to allocate the purchase price to the identifiable tangible and intangible assets acquired and liabilities assumed based on their respective fair value. Accordingly, unaudited pro forma income statements do not reflect any preliminary impact of purchase price allocation.

We describe the assumptions underlying the *pro forma* adjustments in the accompanying notes, which should be read in conjunction with this unaudited pro forma financial information. The *pro forma* adjustments are based upon available information and certain assumptions that we believe to be reasonable.

The unaudited pro forma income statements are presented for informational purposes only. They do not purport to present what the Company’s results of operations would have been had these transactions actually occurred on the dates indicated, nor they purport to represent Company’s result of operations for any future period. Furthermore, no effect has been given in the unaudited pro forma income statements for synergistic benefits that may be realized through the combinations of the Company and Novescia or the costs that may be incurred in integrating or restructuring their operations.

The unaudited *pro forma* information below has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities and Exchange Act of 1934.

The unaudited *pro forma* financial information should be read in conjunction with the information contained in “Selected Historical Consolidated Financial Information” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the unaudited interim condensed consolidated financial statements and the audited consolidated financial statements and the accompanying notes appearing elsewhere in this Offering Memorandum.

Although the *Pro Forma* Financial Information includes certain adjustments to reflect the full-period impact of acquisitions and disposals by the Company and its subsidiaries since January 1, 2013 and to eliminate the transaction costs associated with such transactions, similar adjustments for acquisitions and disposals and the related transaction costs by Novescia are not included herein. In particular, Novescia disposed of Novescia Aquitaine and Novescia Côte d'Azur in February 2013 and on January 30, 2014, respectively. Novescia Aquitaine's net sales contributions to Novescia for the years ended December 31, 2012 and December 31, 2013 were €4.0 million and €0.4 million, respectively, and its profit from recurring operations before amortization and depreciation contributions to Novescia for the same periods were €0.6 million and €0.1 million, respectively. Novescia Côte d'Azur's net sales contributions to Novescia for the years ended December 31, 2012 and December 31, 2013 and the nine months ended September 30, 2014 were €12.3 million, €11.8 million and €1.0 million, respectively, and its profit from recurring operations before amortization and depreciation contributions to Novescia for the same periods were € 0.8 million, €0.4 million and €0.3 million, respectively. In addition, the *Pro Forma* Financial Information does not make adjustments for intercompany sales between the Company and its subsidiaries and Novescia. This, however, has no impact on profit from recurring operations before amortization and depreciation as the excess sales are eliminated in consumption of materials and supplies.

### Unaudited *pro forma* income statement for the year ended December 31, 2013

	Company(a) (audited)	Historical acquisitions adjustment(b) (unaudited)	Novescia adjustment(c) (unaudited)	Financing Novescia adjustment(d) (unaudited)	Pro forma (unaudited)
			(thousands €)		
<b>Net sales</b> .....	<b>351,586</b>	<b>65,124</b>	<b>162,350</b>	—	<b>579,060</b>
Consumption of materials and supplies .....	(75,653)	(10,756)	(22,100)	—	(108,509)
Other purchases and external expenses ....	(72,965)	(9,075)	(39,195)	—	(121,235)
Taxes and duties .....	(8,742)	(2,123)	(5,700)	—	(16,565)
Personnel expenses ....	(116,267)	(26,797)	(72,700)	—	(215,764)
Other income .....	10,319	(62)	—	—	10,257
Other expenses .....	(10,325)	(5,491)	(450)	—	(16,266)
<b>EBITDA</b> .....	<b>77,953</b>	<b>10,820</b>	<b>22,205</b>	—	<b>110,979</b>
Non-recurring income and expenses(e) .....	—	(1,197)	(2,350)	—	(3,547)
Net change in provisions .....	(2,569)	2,247	(450)	—	(772)
Net change in amortization .....	(22,508)	(3,239)	(9,794)	—	(35,541)
Goodwill impairment..	—	1,131	(4,100)	—	(2,969)
<b>Operating result</b> .....	<b>52,876</b>	<b>9,761</b>	<b>5,512</b>	—	<b>68,149</b>
Cost of net debt .....	(32,465)	(6,123)	(2,342)	(18,660)	(59,589)
Other financial income .....	443	12	100	—	555
Other financial expenses .....	(1,307)	(15)	(350)	—	(1,672)
<b>Financial Income (Expense)</b> .....	<b>(33,329)</b>	<b>(6,127)</b>	<b>(2,592)</b>	<b>(18,660)</b>	<b>(60,707)</b>
Pretax income (expense) of associates accounted for using equity method .....	—	—	—	—	—
<b>Pre-tax income (expense)</b> .....	<b>19,547</b>	<b>3,635</b>	<b>2,920</b>	<b>(18,660)</b>	<b>7,442</b>

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Notes:

- (a) The consolidated income statement of the Company has been extracted from the audited consolidated financial statements of the Company as of and for the year ended December 31, 2013 included elsewhere in this Offering Memorandum.
- (b) The *pro forma* adjustments reflect:
- (i) The acquisition during the year ended December 31, 2013 of company shares of Bio-Nord, CHB, Bastard, Stal and CBM, based on their unaudited management accounts or unaudited management estimates, from January 1, 2013 to the date of inclusion in the consolidation system. Management estimates are pro rata calculations derived from actual income statements, tax returns or trial balances of the acquired companies for a prior period or for a larger period.
  - (ii) The acquisition of company shares of JS Management, Montbrun and JS Bio, based on their audited financial statements as of and for the year ended December 31, 2013.
  - (iii) The disposal of company shares of Biotop Place Boulot based on its contribution to the audited consolidated financial statements of the company as of and for the year ended December 31, 2013, from January 1, 2013 to the date of exclusion in the consolidation system. The gain on disposal on its transaction, amounting to €799 thousand, is cancelled as Biotop Place Boulot is considered as disposed prior to January 1, 2013.
  - (v) IFRS adjustments to the income statement information of the acquired companies and businesses, which was prepared under French GAAP. These adjustments mainly relate to:
    - The accounting treatment of financial leases. Under French GAAP, lease contracts were recorded as operating lease. Under IFRS these lease contracts have been recorded as finance lease;
    - The reclassification of the French value added business tax (CVAE). Under French GAAP, CVAE was reflected as part of operating expenses. Under IFRS, as applied by Cerba, CVAE is presented as part of the income tax;
    - The reclassification of the French tax credit for encouraging competitiveness and jobs (CICE). Under French GAAP CICE was reflected as a deduction of income tax expense. Under IFRS, CICE is reflected as a deduction to personnel expenses;
    - As part a result of the acquisition of JS Bio the following adjustment has been posted to the historical financial statements of JS Bio to comply with IFRS: negative goodwill of €1,131 thousand recorded in historical financial statements of JS Bio has been recorded as income. Under French GAAP, negative goodwill is amortized, whereas under IFRS goodwill it is not.
  - (v) The cancellation of transactional costs associated with acquisitions and disposals for a total of €681 thousand and related to company shares and the businesses described above in (i) to (iii) as these transactions are considered to be completed on January 1, 2013, and non-recurring in nature.
  - (vi) As a direct effect of the acquired companies and agreed in the term of transactions agreements, personnel expenses related to biologists who disposed of their business are lower post acquisition. Decrease in biologist consideration has been applied as if in place starting January 1, 2013. The impact is a decrease in personnel expenses of €560 thousand for the period.
  - (vii) As a result of the acquisition of JS Bio, operating expenses of €765 thousand related to the holding companies named JS Management and Montbrun Bio and included in JS Bio historical financial statements have been cancelled. As these operating expenses do not directly relate to JS Bio business, they are considered to be non-recurring.
  - (viii) The financing impact of the acquisition of JS Bio which consists of the cancellation of the financing in place prior to the acquisition and reimbursed when JS Bio was acquired by Cerba. The impact is replaced by the estimated cost for the twelve month period ended December 31, 2013 of net debt attached to the financial debt issued by Cerba in May 2014. The net impact of these adjustments is an increase in cost of net debt by €4,198 thousand.
- (c) The *pro forma* adjustments reflect the Acquisition based on the consolidated income statement of Novescia from the audited consolidated financial statements of Novescia as of and for the year ended December 31, 2013 included elsewhere in this Offering Memorandum.

The *pro forma* adjustments also include an adjustment to align Novescia's and the Company's accounting principles regarding lease contracts: under the Company's financial statements additional contracts are treated as financial leases whereas they are treated as operating leases under Novescia's financial statements. The impact of this adjustment is an increase in EBITDA by €2,105 thousand, with no impact on result before tax.

- (d) The *pro forma* adjustments reflect the estimated impact under IFRS for the twelve month period ended December 31, 2013 of financial debt to be issued by Cerba to acquire Novescia mentioned in the section "*Sources and uses*" of this Offering Memorandum.
- (e) "Non recurring items" include other operating income and expenses such as: (i) acquisition costs related to a large merger and acquisition project not realized by Cerba (€1,197 thousand), (ii) the gain on disposal of Novescia Aquitaine (€1,250 thousand) and (iii) restructuring costs of Novescia (€3,600 thousand).

**Unaudited *pro forma* income statement for the nine months ended September 30, 2014**

	<b>Company(a) (unaudited)</b>	<b>Historical acquisitions adjustment(b) (unaudited)</b>	<b>Novescia adjustment(c) (unaudited)</b>	<b>Financing Novescia adjustment(d) (unaudited)</b>	<b>Pro forma (unaudited)</b>
			(thousands €)		
<b>Net sales</b> .....	<b>294,373</b>	<b>19,302</b>	<b>112,592</b>	<b>—</b>	<b>426,267</b>
Consumption of materials and supplies .....	(48,533)	(3,822)	(17,917)	—	(70,272)
Other purchases and external expenses ....	(70,282)	(1,518)	(27,240)	—	(99,040)
Taxes and duties .....	(8,730)	(697)	(4,228)	—	(13,655)
Personnel expenses .....	(103,514)	(8,664)	(45,467)	—	(157,645)
Other income .....	3,000	731	66	—	3,797
Other expenses.....	(4,250)	379	—	—	(3,871)
<b>EBITDA</b> .....	<b>62,065</b>	<b>5,710</b>	<b>17,806</b>	<b>—</b>	<b>85,582</b>
Non-recurring income and expenses <sup>(e)</sup> .....	—	(2,744)	(4,267)	—	(7,011)
Net change in provisions .....	(1,020)	(115)	—	—	(1,135)
Net change in amortization .....	(18,672)	(1,101)	(6,573)	—	(26,346)
Goodwill impairment..	—	—	—	—	—
<b>Operating result</b> .....	<b>42,373</b>	<b>1,751</b>	<b>6,966</b>	<b>—</b>	<b>51,090</b>
Cost of net debt.....	(29,248)	(1,997)	(817)	(13,948)	(46,010)
Other financial income .....	1,689	(68)	—	—	1,621
Other financial expenses.....	(725)	(133)	(482)	—	(1,341)
<b>Financial income (expense)</b> .....	<b>(28,284)</b>	<b>(2,198)</b>	<b>(1,299)</b>	<b>(13,948)</b>	<b>(45,730)</b>
Pretax income (expense) of associates accounted for using equity method .....	—	—	—	—	—
<b>Pre-tax income (expense)</b> .....	<b>14,089</b>	<b>(448)</b>	<b>5,667</b>	<b>(13,948)</b>	<b>5,360</b>

Notes:

- (a) The unaudited income statement of the Company has been extracted from the unaudited consolidated financial statements of the Company as of and for the nine month ended September 30, 2014 included elsewhere in this Offering Memorandum.
- (b) The *pro forma* adjustments reflect:
- the acquisition during the nine months period ended September 30, 2014 of company shares of JS Management, Montbrun Bio and JS Bio, based on their unaudited management accounts or unaudited management estimates, from January 1, 2014 to the date of inclusion in the consolidation system. Management estimates are pro rata calculations derived from actual income statements, tax returns or trial balances of the acquired companies for a prior period or for a larger period.
  - IFRS adjustments to the income statement information of the acquired companies and businesses, which was prepared under French GAAP. These adjustments mainly relate to the accounting treatment of financial leases and the reclassification of the French value added business tax (CVAE) within income tax instead of operating expense.
  - the cancellation of acquisition costs recorded by Cerba's entities of €1,141 thousand and related to company shares and the businesses described above in (i) as these transactions are considered to be completed on January 1, 2014, and non-recurring in nature.

- (iv) As a result of the acquisition of JS Bio, operating expenses of €199 thousand related to holding entities named JS Management and Montbrun Bio and included in JS Bio historical financial statements have been cancelled, as they have been considered non-recurring. These operating expenses do not directly relate to JS Bio business.
- (v) The financing impact of the acquisition of JS Bio which consists in the cancellation of the financing in place prior to the acquisition and reimbursed when JS Bio was acquired by Cerba. These impacts are replaced by the estimated cost for the nine month period ended September 30, 2014 of net debt attached to the financial debt issued by Cerba in May 2014. The net impact of these adjustments is an increase of cost of net debt by €871 thousand.
- (c) The *pro forma* adjustments reflect the Acquisition based on the consolidated income statement of Novescia from the unaudited consolidated financial statements of Novescia as of and for the nine months ended September 30, 2014 included elsewhere in this Offering Memorandum.
- (d) The *pro forma* adjustments reflect the estimated impacts under IFRS for the nine month period ended September 30, 2014 of financial debt to be issued by Cerba to acquire Novescia mentioned in the section “Sources and uses” of this Offering Memorandum.
- (e) “Non recurring items” include other operating income and expenses such as (i) the earn out expense related to a laboratory acquired in 2011 (€1,200 thousand) (ii) restructuring costs of Novescia (€4,267 thousand) and (iii) accelerated depreciation of accounts receivable for prior years at JS Bio, prior to the acquisition of JS Bio (€1,544 thousand).

#### Unaudited *pro forma* income statement for the 12 months ended September 30, 2014

	Company(a) (unaudited)	Historical acquisitions adjustment(b) (unaudited)	Novescia adjustment(c) (unaudited)	Financing Novescia adjustment(d) (unaudited)	Pro forma (unaudited)
			(thousands €)		
<b>Net sales</b> .....	<b>386,474</b>	<b>34,705</b>	<b>154,042</b>	<b>—</b>	<b>575,221</b>
Consumption of materials and supplies .....	(67,839)	(6,954)	(19,561)	—	(94,354)
Other purchases and external expenses ....	(84,253)	(1,987)	(35,993)	—	(122,232)
Taxes and duties .....	(10,902)	(1,151)	(5,224)	—	(17,277)
Personnel expenses ....	(138,210)	(15,481)	(68,023)	—	(221,713)
Other income .....	4,894	2,310	66	—	7,270
Other expenses.....	(12,005)	(87)	(450)	—	(12,542)
<b>EBITDA</b> .....	<b>78,160</b>	<b>11,355</b>	<b>24,857</b>	<b>—</b>	<b>114,373</b>
Non-recurring income and expenses(e) .....	—	(3,935)	(6,260)	—	(10,195)
Net change in provisions .....	1,281	(1,526)	(450)	—	(695)
Net change in amortization .....	(25,165)	(1,747)	(9,309)	—	(36,221)
Goodwill impairment..	—	1,131	(4,100)	—	(2,969)
<b>Operating result</b> .....	<b>54,276</b>	<b>5,278</b>	<b>4,738</b>	<b>—</b>	<b>64,292</b>
Cost of net debt.....	(38,106)	(3,599)	(2,027)	(18,660)	(62,391)
Other financial income .....	1,761	(21)	100	—	1,839
Other financial expenses.....	(1,835)	(149)	(261)	—	(2,245)
<b>Financial income (expense)</b> .....	<b>(38,180)</b>	<b>(3,769)</b>	<b>(2,188)</b>	<b>(18,660)</b>	<b>(62,797)</b>
Pretax income (expense) of associates accounted for using equity method .....	—	—	—	—	—
<b>Pre-tax income (expense)</b> .....	<b>16,096</b>	<b>1,509</b>	<b>2,550</b>	<b>(18,660)</b>	<b>1,496</b>

Notes:

- (a) The unaudited income statement for the last twelve months ended September 30, 2014 has been calculated by adding the Company's audited consolidated income statement for the year ended December 31, 2013 and the Company's unaudited income statement for the nine months ended September 30, 2014 and subtracting the Company's unaudited income statement for the nine months ended September 30, 2013.
- (b) The *pro forma* adjustments reflect:
- (i) the acquisition in the last quarter of 2013 of company shares of CBM, Bastard and Stal based on their unaudited management accounts or unaudited management estimates, from October 1, 2013 to the date of inclusion in the consolidation system. Management estimates are pro rata calculations derived from actual income statements, tax returns or trial balances of the acquired companies for a prior period or for a larger period.
  - (ii) the acquisition in 2014 of company shares of JS Management, Montbrun Bio and JS Bio, based on their unaudited management accounts or unaudited management estimates, from October 1, 2013 to the date of inclusion in the consolidation system following the same methodology as for the acquisitions described above in (i).
  - (iii) For each of these acquisitions listed in (i) and (ii), the unaudited consolidated income statement for the last twelve months ended September 30, 2014 has been calculated by adding the unaudited or audited consolidated income statement for the year ended December 31, 2013 and unaudited consolidated income statement for the nine months ended September 30, 2014 and subtracting the Company's unaudited consolidated income statement for the nine months ended September 30, 2013.
  - (iv) IFRS adjustments to the income statement information of the acquired companies and businesses, which was prepared under French GAAP. These adjustments mainly relate to the accounting treatment of financial leases, the reclassification of the French value added business tax (CVAE) within income tax instead of operating expense.
  - (v) the cancellation of acquisition costs recorded by Cerba's entities of €1,502 thousand and related to company shares and the businesses described above in (i) and (ii) as these transactions are considered to be completed on October 1, 2013, and non-recurring in nature.
  - (vi) As a result of the acquisition of JS Bio, operating expenses of €454 thousand related to holding entities named JS Management and Montbrun Bio and included in JS Bio historical financial statements have been cancelled, as they have been considered non-recurring. These operating expenses do not directly relate to JS Bio business.
  - (vii) The financing impact of the acquisition of JS Bio which consists in the cancellation of the financing in place prior to the acquisition and reimbursed when JS Bio was acquired by Cerba. These impacts are replaced by the estimated cost for the twelve month period ended September 30, 2014 of net debt attached to the financial debt issued by Cerba in May 2014. The net impact of these adjustments is an increase of cost of net debt by €1,937 thousand.
- (c) The *pro forma* adjustments for the last twelve months ended September 30, 2014 have been calculated by adding Novescia's audited consolidated income statement for the year ended December 31, 2013 and Novescia's unaudited consolidated income statement for the nine months ended September 30, 2014 and subtracting unaudited information from Novescia's management accounts for the nine months ended September 30, 2013. The *pro forma* adjustments consist in applying Cerba's accounting principles regarding lease contracts: additional contracts are analyzed as financial leases. The impact of this adjustment is an increase in EBITDA by €526 thousand (with no impact on result before tax).
- (d) The *pro forma* adjustments reflect the estimated impacts under IFRS for the twelve months period ended September 30, 2014 of financial debts to be issued by Cerba to acquire Novescia mentioned in the section "*Sources and uses*" of this Offering Memorandum.
- (e) "Non recurring items" include other operating income and expenses such as: (i) the earn out expense related to a laboratory acquired in 2011 (€1,200 thousand), (ii) acquisition costs related to a large merger and acquisition project not realized by Cerba (€1,197 thousand), (iii) restructuring costs of Novescia (€6 260 thousand) and (iv) accelerated depreciation of accounts receivable for prior years at JS Bio, prior to the acquisition of JS Bio (€1,544 thousand).

### ***Pro forma* net sales by business unit**

	<b>Year ended Dec. 31 2013</b>	<b>Twelve months ended Sept. 30 2014 Pro Forma</b>
	<b>(unaudited) (thousand €)</b>	
Specialized <i>Pro Forma</i> net sales .....	130,504	138,274
Routine France <i>Pro Forma</i> net sales .....	339,615	331,247
Routine Belux <i>Pro Forma</i> net sales .....	78,495	74,694
Central Lab <i>Pro Forma</i> net sales .....	42,805	46,665
Intercompany sales .....	(12,359)	(15,659)
<b>Pro forma net sales .....</b>	<b>579,060</b>	<b>575,221</b>



## **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 nine months ended September 30, 2014 and as of and for the years ended December 31, 2011, 2012 and 2013. The following should be read in conjunction with the information set forth under "Presentation of Financial and Other Information," "Summary Historical Consolidated Financial Information, Pro Forma and Other Data" and the consolidated financial statements of the Senior Secured Notes Issuer and the notes thereto, an English translation of which is included elsewhere in this offering 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 offering 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 (including blood chemistry analyses, urinalyses, blood cell counts and microbiology cultures and procedures) for patients who have generally been prescribed these tests by their doctors. 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 base (91% of our Specialized Testing net sales for the nine months ended September 30, 2014), 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.

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 September 30, 2014, we had approximately 2,617 full-time equivalent employees and we employed approximately 221 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 twelve months ended September 30, 2014, we generated pro forma net sales of €575.2 million and Adjusted *pro forma* EBITDA (including Novescia synergies) of €136.8 million. See "Summary Historical Consolidated Financial Information, Pro Forma (including Novescia synergies) and Other Data—Other Financial, Pro Forma and Operating 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 57.6% and 24.0% of our total net sales for the twelve months ended September 30, 2014 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. In the years December 31, 2011, 2012 and 2013, and the nine months ended September 30, 2014, we completed 21, 8, 6 and 1 acquisitions, respectively, for aggregate cash consideration of € 142.2 million, €25.0 million, €33.3 million and € 55.8 million, respectively.

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. Acquisitions made since January 1, 2011 contributed on a cumulative basis 25.1%, 29.7%, 32.7% and 36.0% of the net sales of the Company for the years ended December 31, 2011, 2012 and 2013 and for the nine months ended September 30, 2014, respectively. 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.

On December 19, 2014, we entered into the Securities Purchase Agreement pursuant to which the Company submitted a binding, irrevocable offer to acquire the Target Group through its indirect subsidiary Cerba Selafa. Novescia is a clinical laboratory group active in the Rhône-Alpes region of the south-east of France. The strategic rationale of the Acquisition is 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. The Acquisition will also increase the size of our presence in the broader Paris/Île-de-France region to make us a leader in the region. Management further estimates that, as a result of the Acquisition, our consolidated business operations will achieve cost synergies of approximately €10 million on a run rate basis by mid-2016, primarily relating to the shifting of a portion of the testing activities carried out by Novescia onto the Company's platforms, the planned reduction of administrative costs associated with Novescia's headquarters and the realization of procurement synergies by integrating and leveraging our combined scale. However, this synergy estimate is based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. 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 believe that we will have to make capital expenditures and/or incur one-off costs of approximately €8 million to achieve such cost synergies. Please see "*Forward-Looking Statements*."

Because of the nature of the businesses we acquire, we carry a significant amount of goodwill on our balance sheet (€686.0 million as of September 30, 2014). 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 35.2% of the net sales of the Company for the nine months ended September 30, 2014, 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.

### ***Cyclicalities 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 nine months ended September 30, 2014 with the nine months ended September 30, 2013

The following table shows certain line items of the income statements of the Company’s IFRS financial statements for the nine months ended September 30, 2014 and of the Company’s IFRS financial statements for the nine months ended September 30, 2013, as well as such items as a percentage of net sales.

	2013		2014	
	Nine Months ended September 30,		Nine Months ended September 30,	
	(unaudited)		(unaudited)	
	(€ in millions)		(€ in millions)	
Net sales.....	259.5	100.0%	294.4	100.0%
Cost of sales/Consumption of materials and supplies.....	(56.3)	21.7%	(48.5)	16.5%
Other purchases and external expenses .....	(59.0)	22.7%	(70.3)	23.9%
Personnel expenses .....	(81.6)	31.4%	(103.5)	35.2%
Net change in depreciation and amortization.....	(20.9)	8.1%	(19.7)	6.7%
Goodwill impairment.....	—	—	—	—

	<b>2013</b>		<b>2014</b>	
	<b>Nine Months ended September 30,</b>		<b>(unaudited)</b>	
	<b>(€ in millions)</b>			
Net financial income (expense) .....	(23.4)	9.0%	(28.3)	9.6%
Income tax .....	(9.3)	3.6%	(11.1)	3.8%

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 nine months ended September 30, 2014 and of the Company's IFRS financial statements for the nine months ended September 30, 2013 (included in the Company's Q3 2014 IFRS Financial Statements), as well as each such business unit net sales as a percentage of total net sales.

	<b>2013</b>		<b>2014</b>	
	<b>Nine Months ended September 30,</b>		<b>(unaudited)</b>	
	<b>(€ in millions)</b>			
Routine Lab France net sales .....	82.4	31.8%	111.8	38.0%
Routine Lab Belux net sales .....	59.2	22.8%	55.4	18.8%
Specialized Testing net sales .....	96.0	37.0%	103.7	35.2%
Central Lab net sales .....	30.7	11.8%	34.6	11.8%
Intercompany sales .....	(8.8)	(3.4)%	(11.2)	(3.8)%
<b>Total net sales</b> .....	<b>259.5</b>	<b>100.0%</b>	<b>294.4</b>	<b>100.0%</b>

#### *Net sales*

Our total net sales increased by €34.9 million, or 13.4%, from € 259.5 million in the nine months ended September 30, 2013 to € 294.4 million in the nine months ended September 30, 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 and CHB in France) for a total of €11.5 million, as well as the net sales generated by businesses acquired during the fiscal year 2014 (in particular JS Bio in France, contributing from June 1, 2014), for a total of €15.1 million.

Excluding the impact of these acquisitions, net sales on a like for like basis increased by €8.3 million or 3.2% between the nine months ended September 30, 2013 and the nine months ended September 30, 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 (an increase of €7.7 million, or 8.0%) due to gains of market shares and new revenue stream from innovative tests or services. Net sales from our Central Lab business also increased by €3.9 million, or 12.7%. Organic sales from our Routine Lab France increased by €2.8 million or 3.4%. Sales from our Routine Lab Belux decreased by €3.8 million or (6.4)% due to tariff cuts in Belgium and increased commercial competition in Flanders. The balance is explained by the movement in intercompany sales.

#### *Cost of sales/consumption of materials and supplies*

Cost of sales/consumption of materials and supplies decreased by €7.8 million, or 13.9%, from €56.3 million in the nine months ended September 30, 2013 to €48.5 million in the nine months ended September 30, 2014.

This decrease was mainly attributable to a change in the classification of operating expenses in the Company's Q3 2014 IFRS Financial Statements: transportation costs associated with the Central Lab activity were previously recorded as a component of "Cost of sales/Consumption of materials and supplies"; they are now classified with all other transportation costs of the Company within "Other purchases and external expenses". Such transportation costs for the nine months ended September 30, 2013 amounted to €9.3 million.

Cost of sales/consumption of materials and supplies adjusted for this item amounted to €47.1 million in the nine months ended September 30, 2013, compared to €48.5 million in the nine months ended September 30, 2014. This 3.1% increase was mainly attributable to the full year effect of the cost of sales/consumption of materials

and supplies incurred by the businesses acquired in 2013 and fiscal year 2014, together with the organic growth in both our Routine Lab and Specialized Lab businesses.

Gross margin adjusted for this change in classification increased across the two periods from 81.8% in the nine months ended September 30, 2013 to 83.3% in the nine months ended September 30, 2014. This mostly reflects (i) the application of Cerba tariffs to acquired labs and (ii) improvement in our purchasing conditions and efficiencies in testing processes.

#### *Other purchases and external expenses*

Other purchases and external expenses increased by €11.3 million, or 19.2%, from €59.0 million for the nine months ended September 30, 2013 to €70.3 million in the nine months ended September 30, 2014, mainly due to the change in the classification of operating expenses in the Company's Q3 2014 IFRS Financial Statements: transportation costs associated with the Central Lab activity were previously recorded as a component of "Cost of sales/Consumption of materials and supplies"; they are now classified with all other transportation costs of the Company within "Other purchases and external expenses". Such transportation costs for the nine months ended September 30, 2013 amounted to €9.3 million.

Other purchases and external expenses of materials and supplies adjusted for this item amounted to €68.3 million in the nine months ended September 30, 2013, compared to €70.3 million in the nine months ended September 30, 2014. This 2.9% increase was mainly attributable to the full year effect of the other purchases and external expenses incurred by the businesses acquired in 2013 and fiscal year 2014, together with the organic growth in both our Routine Lab and Specialized Lab businesses.

#### *Personnel expenses*

Personnel expenses increased by €21.9 million, or 26.8%, from € 81.6 million in the nine months ended September 30, 2013 to € 103.5 million in the nine months ended September 30, 2014, mainly due to the impact of the personnel expenses incurred by the businesses acquired in fiscal year 2013 and fiscal year 2014.

Personnel expenses as a percentage of sales increased slightly from 31.4% in the nine months ended September 30, 2013 to 35.2% in the nine months ended September 30, 2014. This mainly reflects (i) recent acquisitions in our Routine Lab France sector, which are traditionally labor-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.

#### *Net change in depreciation and amortization*

Net change in depreciation and amortization decreased by €1.2 million, from €20.9 million in the nine months ended September 30, 2013 to €19.7 million in the nine months ended September 30, 2014.

#### *Goodwill impairment*

We did not incur a goodwill impairment charge in the nine months ended September 30, 2013 or in the nine months ended September 30, 2014.

#### *Net financial income (expense)*

Net financial expense in the nine months ended September 30, 2014 mainly relates to the interest on the Existing Senior Secured Notes in the amount of €22.7 million.

Net financial expense increased by €4.9 million between the nine months ended September 30, 2013 and the nine months ended September 30, 2014, of which €3.7 million is due to the €80 million additional notes issued in April, 2014 but accruing interest since February 1, 2014.

#### *Income tax*

Income tax expense increased by €1.8 million, from €9.3 million in the nine months ended September 30, 2013 to €11.1 million in the nine months ended September 30, 2014, mainly driven by an increase in taxable earnings.

**Comparison of the fiscal year ended December 31, 2013 with the fiscal year ended December 31, 2012**

The following table shows certain line items of the income statements of the Company's 2013 IFRS Financial Statements and of the Company's 2012 IFRS Financial Statements, as well as such items as a percentage of net sales.

	2012		2013	
	Year ended December 31,		Year ended December 31,	
	(audited)		(audited)	
	(€ in millions)		(€ in millions)	
Net sales.....	325.8	100.0%	351.6	100.0%
Cost of sales/Consumption of materials and supplies.....	(72.3)	22.2%	(75.7)	21.5%
Other purchases and external expenses .....	(78.4)	24.1%	(73.0)	20.8%
Personnel expenses .....	(108.1)	33.2%	(116.3)	33.1%
Net change in depreciation and amortization.....	(23.9)	7.3%	(25.1)	7.1%
Goodwill impairment.....	(48.5)	14.9%	—	—
Net financial income (expense) .....	(53.7)	16.5%	(33.3)	9.5%
Income tax .....	(15.7)	4.8%	(12.0)	3.4%

The table below presents a breakdown of our net sales by business unit for the periods covered by, and based on, the Company's 2013 IFRS Financial Statements and the Company's 2012 IFRS Financial Statements, as well as each such business unit net sales as a percentage of total net sales.

	2012		2013	
	Year ended December 31,		Year ended December 31,	
	(audited)		(audited)	
	(€ in millions)		(€ in millions)	
Routine Lab France net sales.....	97.7	30.0%	112.2	31.9%
Routine Lab Belux net sales .....	77.3	23.7%	78.5	22.3%
Specialized Testing net sales .....	121.6	37.3%	130.5	37.1%
Central Lab net sales.....	38.0	11.7%	42.8	12.2%
Intercompany sales .....	(8.8)	(2.7)%	(12.4)	(3.5)%
<b>Total net sales.....</b>	<b>325.8</b>	<b>100.0%</b>	<b>351.6</b>	<b>100.0%</b>

*Net sales*

Our total net sales increased by €25.8 million, or 7.9%, from €325.8 million in fiscal year 2012 to €351.6 million in fiscal year 2013.

This increase was primarily due to the full year effect of the net sales generated by the businesses acquired during the fiscal year 2012 (in particular Notre-Dame in France) for a total of €11.4 million, as well as the net sales generated by businesses acquired during the fiscal year 2013 (in particular CHB in France), for a total of €2.6 million, partially offset by the sale of a non-strategic business for €0.6 million.

Excluding the impact of these acquisitions, net sales on a like for like basis increased by €11.8 million or 3.6% between fiscal year 2012 and fiscal year 2013, corresponding to €7.0 million from our Routine Lab and Specialized Lab businesses and €4.8 million from our Central Lab business, partially offset by price decreases, particularly in France.

This organic growth was primarily due to the Specialized Lab business (an increase of €8.9 million, or 7.3%) due to gains of market shares. Net sales from our Central Lab business also increased by €4.8 million, or 12.7%. Over the same period, our Routine Lab business in Belgium and Luxembourg increased by €1.2 million or 1.6%, and our Routine Lab business in France increased by €0.5 million, or 0.5%, as a result of organic growth. The balance is explained by the movement in intercompany sales.

*Cost of sales/consumption of materials and supplies*

Cost of sales/Consumption of materials and supplies increased by € 3.4 million, or 4.7%, from €72.3 million in fiscal year 2012 to €75.7 million in fiscal year 2013.



This increase was mainly attributable to the full year effect of the Cost of sales/Consumption of materials and supplies incurred by the businesses acquired in 2012 and fiscal year 2013, together with the organic growth in both our Routine Lab and Specialized Lab businesses.

Gross margin increased across the two periods from 77.8% in fiscal year 2012 to 78.5% in fiscal year 2013. 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 decreased by €5.4 million, or 7.0%, from €78.4 million in fiscal year 2012 to €73.0 million in fiscal year 2013, mainly due to the one-off fees and commissions paid in 2012 related to raising new capex credit lines, for a total of €5.7 million.

#### *Personnel expenses*

Personnel expenses increased by €8.2 million, or 7.6%, from €108.1 million in fiscal year 2012 to €116.3 million in fiscal year 2013, mainly due the full-year impact of the personnel expenses incurred by the businesses acquired in fiscal year 2012 and fiscal year 2013.

Personnel expenses as a percentage of sales remained overall stable between the two periods from 33.2% in fiscal year 2012 to 33.1% in fiscal year 2013. This reflects (i) a strict monitoring of personnel costs in the various business units, partly offset by (ii) the reinforcement of headquarters support functions (e.g. process and engineering, IT, financial control) aimed at integrating acquired laboratories and implementing synergies.

#### *Net change in depreciation and amortization*

Net change in depreciation and amortization increased by €1.2 million, from €23.9 million in fiscal year 2012 to €25.1 million in fiscal year 2013, mainly due to the impact of the acquisitions made in 2012 and 2013.

#### *Goodwill impairment*

We did not incur a goodwill impairment charge in 2013.

#### *Net financial income (expense)*

Net financial expense in 2013 mainly relates to the €365 million senior secured notes issued in January, including interest of €23.7 million and amortization of the bond issuance costs of €1.9 million.

Net financial expense decreased by €20.4 million between fiscal year 2012 and fiscal year 2013. This is mainly due to the conversion of the majority of the convertible bond into share capital occurred in December 2012 (€158.1 million of capital increase). These convertible bonds used to bear interest rate of 10% a year.

#### *Income tax*

Income tax expense decreased by €3.8 million, from €15.7 million in fiscal year 2012 to €12.0 million in fiscal year 2013.

This results from deferred tax items, which varied from an expense of €1.8 million in fiscal year 2012 to an income of €2.6 million in fiscal year 2013. Current tax expense slightly increased, from €13.9 million in fiscal year 2012 to €14.5 million in fiscal year 2013, mainly driven by an increase of taxable earnings.

#### ***Comparison of the fiscal year ended December 31, 2012 with the fiscal year ended December 31, 2011***

The following table shows certain line items of the income statements of the Company's 2012 IFRS Financial Statements and of the Company's 2011 Unaudited Financial Information, as well as such items as a percentage of net sales.

	Twelve months ended December 31, 2011		Year ended December 31, 2012	
	(unaudited)		(audited)	
	(€ in millions)			
Net sales.....	278.7	100.0%	325.8	100.0%
Cost of sales/Consumption of materials and supplies.....	(66.8)	24.0%	(72.3)	22.2%
Other purchases and external expenses .....	(62.8)	22.5%	(78.4)	24.1%
Personnel expenses .....	(89.4)	32.1%	(108.1)	33.2%
Net change in depreciation and amortization.....	(21.3)	7.6%	(23.9)	7.3%
Goodwill impairment.....	—	—	(48.5)	14.9%
Net financial income (expense) .....	(38.9)	14.0%	(53.7)	16.5%
Income tax .....	(7.3)	2.6%	(15.7)	4.8%

The table below presents a breakdown of our net sales by business unit for the periods covered by, and based on, the Company's 2012 IFRS Financial Statements and the Company's 2011 Unaudited Financial Information, as well as each such business unit net sales as a percentage of total net sales.

	Twelve months ended December 31, 2011		Year ended December 31, 2012	
	(unaudited)		(audited)	
	(€ in millions)			
Routine Lab France net sales.....	68.2	24.5%	97.7	30.0%
Routine Lab Belux net Sales.....	52.9	19.0%	77.3	23.7%
Specialized Testing net sales .....	123.2	44.2%	121.6	37.3%
Central Lab net sales.....	41.0	14.7%	38.0	11.7%
Intercompany sales .....	(6.6)	(2.4)%	(8.8)	(2.7)%
<b>Total net sales.....</b>	<b>278.7</b>	<b>100.0%</b>	<b>325.8</b>	<b>100.0%</b>

#### *Net sales*

Our total net sales increased by €47.1 million, or 16.9%, from €278.7 million in fiscal year 2011 to €325.8 million in fiscal year 2012.

This increase was primarily due to an increase in net sales of our Routine Lab business of €54.0 million, which itself was mainly attributable to the net sales generated by businesses acquired during the fiscal year 2012 (in particular LABM de Larrard in France) for a total of €8.8 million, as well as the full year effect of the net sales generated by the businesses acquired during the fiscal year 2011 (in particular LLAM in Luxembourg and MedicLab in Belgium) for a total of €40.0 million. Excluding the impact of the acquisitions made during these periods, net sales of our Routine Lab business across France, Belgium and Luxembourg increased by €5.2 million between fiscal year 2011 and fiscal year 2012, due to volume growth, partially offset by price decreases, particularly in France.

The increase in net sales of Routine Lab business was partially offset by a slight decrease in net sales of Specialized Testing of €1.7 million, mainly due to the decrease of vitamin D testing (impact –€ 2.8 million) attributable to the insourcing of such tests by routine laboratories following the development of a simplified test for vitamin D and overall price decreases. However this shift from Specialized to Routine has now come to an end, and we no longer derive net sales from vitamin D testing in our Specialized Lab business unit. Excluding vitamin D, revenue from our Specialized Testing unit increased by €1.2 million or 1.0%.

Net sales from our Central Lab business decreased by €3.0 million, or 7.3%, due to adverse market conditions with several trials cancelled or slowed down. However some projects were postponed to fiscal year 2013.

#### *Cost of sales/consumption of materials and supplies*

Cost of sales/Consumption of materials and supplies increased by €5.5 million, or 8.2%, from €66.8 million in fiscal year 2011 to €72.3 million in fiscal year 2012.

This increase in Cost of sales/Consumption of materials and supplies was mainly attributable to the Cost of sales/Consumption of materials and supplies incurred by the businesses acquired during the fiscal year 2012, as well as the full year effect of the Cost of sales/Consumption of materials and supplies incurred by the businesses acquired in the fiscal year 2011.

Gross margin increased across the two periods from 76.0% in fiscal year 2011 to 77.8% in fiscal year 2012. 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 €15.7 million, or 24.8%, from €62.8 million in fiscal year 2011 to €78.4 million in fiscal year 2012, mainly due to businesses acquired in the fiscal year 2012 for €1.6 million, as well as the full year effect of the other purchases and external expenses incurred by the businesses acquired in fiscal year 2011, together with the one-off fees and commissions paid in 2012 related to raising new capex credit lines for a total of €5.7 million.

#### *Personnel expenses*

Personnel expenses increased by €18.7 million, or 20.9%, from €89.4 million in fiscal year 2011 to €108.1 million in fiscal year 2012, mainly due to personnel expenses incurred by the businesses acquired in 2012, together with the full period impact of the personnel expenses incurred by the businesses acquired in 2011. The remaining increase in personnel expenses over the period was due to the legal and contractual salary increases in our different geographies.

Personnel expenses as a percentage of sales increased from 32.1% to 33.2% between 2011 and 2012 reflecting (i) the large number of acquisitions completed in the year ended December 31, 2011 and personnel of the acquired businesses yet to be redeployed across the platforms, 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.

As of December 31, 2012, we had 2,110 full-time equivalent employees compared to 1,569 as of December 31, 2011.

#### *Net change in depreciation, amortization and impairment*

Net change in depreciation and amortization increased by €2.6 million, from €21.3 million in fiscal year 2011 to €23.9 million in fiscal year 2012, mainly due to the impact of the acquisitions made in 2011 and 2012.

A goodwill impairment charge of €48.5 million was recorded in fiscal year 2012. In 2012, we identified indicators of impairment losses in respect of the business unit for our Specialized Testing business. We tested for impairment using a revised 2.00% assumed growth rate. This growth rate was decreased from 2.50% based on market developments and the Specialized Testing business's competitive position.

#### *Net financial income (expense)*

Net financial expense increased by €14.8 million between fiscal year 2011 and fiscal year 2012. This is mainly due to the accelerated depreciation of capitalized debt issuance costs for €11.6 million. As of December 31, 2012, we considered that the issuance of the Existing Senior Secured Notes and the related refinancing transactions were highly probable, therefore the unamortized portion of the transaction costs related to the previous financing incurred in 2010 was fully expensed into our income statement.

Net financial expense also includes non-cash capitalized interest on shareholder loans for €16.9 million.

#### *Income tax*

Income tax increased by €8.4 million, from €7.3 million for the year ended December 31, 2011 to €15.7 million for the year ended December 31, 2012. However this mainly results from deferred tax items, which varied from an income of €7.0 million in fiscal year 2011 to an expense of €1.8 million in fiscal year 2012. Current tax expense remained broadly constant, from €14.3 million in fiscal year 2011 to €13.9 million in fiscal year 2012.

## 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 nine months ended September 30, 2013 and 2014 based on the Company's Q3 2014 IFRS financial statements and for the years ended December 31, 2013, 2012 and 2011, based on the audited financial statements of the Company, an English translation of which is included elsewhere in this Offering Memorandum and the Company's 2011 Unaudited Financial Information.

<b>Twelve months ended December 31, 2011</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>2014</b>
	<b>Year ended December 31,</b>		<b>Nine months ended September 30,</b>	
<b>(unaudited)</b>	<b>(audited)</b>		<b>(unaudited)</b>	

	Twelve months ended December 31, 2011	2012 Year ended December 31,	2013 Year ended December 31,	2013 Nine months ended September 30,	2014 Nine months ended September 30,
	(unaudited)	(audited)	(unaudited)	(unaudited)	(unaudited)
	(€ in millions)				
Net cash provided by (used in)					
operating activities.....	43.9	37.6	68.3	41.5	43.1
Net cash provided by (used in)					
investing activities.....	(147.8)	(27.8)	(47.1)	(22.7)	(70.3)
Net cash provided by (used in)					
financing activities.....	101.9	(1.1)	9.0	16.7	19.9
Effect of exchange rate fluctuations on					
cash held .....	(0.2)	0.1	(0.0)	0.0	0.1
<b>Net increase (decrease) in cash and</b>					
<b>cash equivalents .....</b>	<b>(2.3)</b>	<b>8.8</b>	<b>30.1</b>	<b>35.6</b>	<b>(7.2)</b>
Cash and cash equivalents at the					
beginning of the period.....	27.0	24.7	33.5	33.5	63.6
Cash and cash equivalents at the end of					
the period(1) .....	24.7	33.5	63.6	69.0	56.4

(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 €1.6 million from €41.5 million in the nine months ended September 30, 2013 to €43.1 million in the nine months ended September 30, 2014. This derived from an increase profit from operating activities by €4.9 million partly offset by an increase of income tax paid by €2.6 million and an increase of change in working capital by €0.8 million

Cash flow from operating activities increased by €30.7 million from €37.6 million in the twelve months ended December 31, 2012 to €68.3 million in the twelve months ended December 31, 2013. This mainly derived from an increase in EBITDA by € 14.8 million, together with a €12.1 million increase from change in working capital, mainly through an improvement in the trade receivables collection cycle.

Cash flow from operating activities decreased by €6.3 million from €43.9 million in the twelve months ended December 31, 2011 to €37.6 million in the twelve months ended December 31, 2012. This mainly derived from an increase in working capital of €7.7 million mainly due to higher receivables in the Specialized Lab Business, where the invoicing process was subject to new rules in the course of 2012 which required specialized laboratories to invoice routine laboratories from which the specialized tests were outsourced, instead of invoicing patients directly. Routine laboratories complied with this arrangement only gradually, which delayed our collection of payments and adversely affected our cash flows. Income tax paid also increased by €2.7 million between the twelve months ended December 31, 2011 and the twelve months ended December 31, 2012 at €10.3 million and €12.9 million, respectively.

#### *Cash flow from (used in) investing activities*

Cash flow used in investing activities increased from €22.7 million in the nine months ended September 30, 2013 to €70.3 million in the nine months ended September 30, 2014 mainly due to investment in acquisitions from €15.0 million in the nine months ended September 30, 2013 to €64.9 million in the nine months ended September 30, 2014 (JS Bio Group for €55.8 million being the largest purchases) and to the repurchase of some minority ownership interests of €10.8 million (Biotop and Biolille). Our operating capital expenditures, excluding acquisitions, decreased by €2.5 million mainly due the decrease of need to upgrade our technical platforms and to convert small labs into collection centers.

Cash flow used in investing activities increased from €27.8 million in the twelve months ended December 31, 2012 to €47.1 million in the twelve months ended December 31, 2013. This was primarily due to investment in acquisitions, from €20.4 million in fiscal year 2012 to €38.5 million in fiscal year 2013. Our operating capital

expenditures, excluding acquisitions, remained broadly stable between the two periods, at €9.9 million in fiscal year 2012 and €8.9 million in fiscal year 2013 or 2.5% of 2013 revenue.

Cash flow used in investing activities decreased from a use of €147.8 million in the twelve months ended December 31, 2011 to a use of €27.8 million in the twelve months ended December 31, 2012, primarily due to the decrease in investment in acquisitions, from €138.0 million in fiscal year 2011 (LLAM in Luxembourg and LABM de Larrard in France being the largest purchases) to €20.4 million in fiscal year 2012. This decrease was partly offset by a €0.9 million increase in operating capital expenditures (i.e. property, plant and equipment), the majority being due to investments made in newly acquired businesses in order to upgrade technical platforms and to convert small labs into collection centers.

#### *Cash flow from (used in) financing activities*

Cash flow from financing activities increased by €3.2 million between the nine months ended September 30, 2013 and the nine months ended September 30, 2014, from €16.7 million to €19.9 million, respectively. This mainly derived from the sources and uses of funds of the bonds refinancing transaction occurred in January 2013 compared to the sources and uses of funds of the tap of the bonds to purchase the JS BIO group in May 2014.

Cash flow from financing activities increased by €10.1 million between fiscal year 2012 and fiscal year 2013, from a cash outflow of €1.1 million to a cash inflow of €9.0 million, respectively. This mainly derived from the sources and uses of funds of the bond refinancing transaction occurred in January 2013.

Cash flow from financing activities decreased from a cash inflow of €101.9 million in the year ended December 31, 2011, to a cash outflow of €1.1 million in the year ended December 31, 2012. Main variances are as follows:

- Debt service payments (i.e. principal and interest payments on our financial debts) slightly decreased from €33.2 million in fiscal year 2011 to €31.7 million in fiscal year 2012;
- Proceeds from new indebtedness and equity contributions decreased from €135.4 million in fiscal year 2011 to €30.7 million in fiscal year 2012. The significant amount raised in fiscal year 2011 was aimed at funding the large acquisition program of that year.

#### **Capital expenditures**

Our net capital expenditures, excluding asset acquisitions, for the nine months ended September 30, 2014 and 2013 were €5.2 million and €8.0 million, respectively, and for the years ended December 31, 2013, 2012 and 2011 were €8.9 million, €9.9 million and €8.7 million, respectively. The slight decrease reflects less investment compared to the improvements of investments done over the past years in France in order to upgrade technical platforms and to convert small labs into collection centers.

We expect our capital expenditures, excluding asset acquisitions, to be approximately €10.8 million in the year ended December 31, 2014 mostly related ancillary laboratory equipment and fixtures and fittings. We expect the ratio of our net sales to our capital expenditures, excluding asset acquisitions, for the year ending December 31, 2015 to be in line with prior recent years.

#### **Capital resources**

As of September 30, 2014, we had net financial debt of €459.4 million (represents total debt, net of cash and cash equivalents, excluding shareholder debt (see “*Capitalization*”) and accrued and unpaid interest on the Existing Notes) composed of the Existing Notes and other financial liabilities (including primarily bilateral bank loans, factoring and finance lease liabilities). We define net financial debt as borrowings and other financial liabilities and cash and cash equivalents.

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 September 30, 2014 as adjusted for the Offerings and the Acquisition:

Contractual obligations	Total	Less than 1 year	1 - 5 years	More than 5 years
		(million €)		
Senior Secured Notes.....	530.0	—	—	530.0
Company Proceeds loan resulting from the Senior Notes .....	145.0	—	—	145.0
Bilateral loans .....	73.9	18.8	48.4	6.7
Finance leases .....	45.9	10.6	25.2	10.1
Bank overdrafts .....	4.6	4.6	—	—
PAI Convertible bonds .....	6.2	—	—	6.2
Other shareholders bonds .....	20.1	—	—	20.1
Other borrowings .....	0.2	0.2	—	—
<b>Total.....</b>	<b>825.9</b>	<b>34.2</b>	<b>73.6</b>	<b>718.1</b>

The Senior Notes Issuer has obligations in respect of the Frenchco CPECs, which, as of September 30, 2014 as adjusted for the conversion of the majority of the Frenchco CPECs to equity of the Senior Notes Issuer, were €3.7 million, all of which is due in more than five years from such date.

Our new Revolving Credit Facility Agreement was not drawn on the Temporary Notes Issue Date.

## 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. See note 6.25 to the Senior Secured Notes Issuer's interim IFRS Financial Statements at September 30, 2014 included elsewhere in this Offering Memorandum.

## 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 Offering Memorandum.

#### *Consolidation methods*

All significant investments in affiliates that are exclusively controlled by Cerba European Lab, 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. For the year ended December 31, 2013 and the nine months ended September 30, 2014, 92.2% and 90.9% of our Specialized Testing net sales, respectively, were derived from specialized tests performed on samples collected in France (either through our routine laboratories or from tests outsourced to us by hospitals and other private laboratories) and in the same periods, 7.8% and 9.1% of our Specialized Testing net sales were derived from specialized tests performed on samples collected by clients we work with in over 50 countries in Europe, North Africa and the Middle East.

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 %)**

[GRAPHIC]

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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)

[GRAPHIC]

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 (including blood chemistry analyses, urinalyses, blood cell counts and microbiology cultures and procedures) for patients who have generally been prescribed these tests by their doctors. 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 base (90.9% of our Specialized Testing net sales for the nine months ended September 30, 2014), 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.

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 September 30, 2014, we had approximately 2,617 full-time equivalent employees and we employed approximately 221 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.

On December 19, 2014, we signed the Securities Purchase Agreement under which we will acquire directly and/or indirectly all of the Target Group securities subject to the satisfaction of certain conditions precedent. See “The Acquisition.”

For the twelve months ended September 30, 2014, we generated *pro forma* net sales of €575.2 million (our Specialized Testing business accounted for €138.3 million, our Routine Lab business accounted for €405.9 million, our Central Lab business accounted for €46.7 million and intercompany sales accounted for negative €15.7 million) and Adjusted *pro forma* EBITDA (including Novescia synergies) of €136.8 million. See “Summary Historical Consolidated Financial Information, Pro Forma and Other Data—Other Financial, Pro Forma and Operating 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 221 clinical pathologists as of September 30, 2014.

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 2014, 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 2014, 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 2014. 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 September 30, 2014, we employed approximately 221 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 221 clinical pathologists as of September 30,

2014. In the years ended December 31, 2011, 2012 and 2013 and the nine months ended September 30, 2014, we completed 21, 8, 6 and 1 acquisition(s), respectively, of which respectively 18, 7, 4 and 0 were bolt-on acquisitions.

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 17.4% between the year ended December 31, 2009 reported at the Original Company level and the twelve months ended September 30, 2014 at the Company level, adjusted for the *pro forma* effect of acquisitions realized during the course of the twelve months ended September 30, 2014. 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.

The Adjusted EBITDA margin of the Company for the year ended December 31, 2011 and for the twelve months ended September 30, 2014 increased from 21.5% to 22.9%, demonstrating our ability to rapidly integrate acquired companies, realize synergies and gain greater operating leverage through our increased scale. 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.

Finally, our business requires relatively low capital expenditure (excluding acquisitions) and working capital requirements. For the years ended December 31, 2011, 2012 and 2013 and the nine months ended September 30, 2014, our net capital expenditures (excluding asset acquisitions), were €8.7 million, €9.9 million, €8.9 million and €5.2 million, respectively. As a percentage of our net sales, capital expenditure (excluding asset acquisitions) amounted to 3.1%, 3.0%, 2.5% and 1.7% for the years ended December 31, 2011, 2012 and 2013 and the nine months ended September 30, 2014, respectively. Due to this favorable business model, we were able to generate strong cash flow as reflected by our cash conversion rate of 85% for 2011, 86% for 2012, 89% for 2013 and 93% for the nine months ended September 30, 2014 (cash conversion rate, expressed as a

percentage, is defined as Adjusted EBITDA minus capital expenditure (excluding asset acquisitions), divided by Adjusted EBITDA).

***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 nine years of experience in the industry with an average of 22 years' industry experience and an average of 16 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 strategic rationale of the larger acquisition of Novescia is 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. We estimate that, as a result of the Acquisition, our consolidated business operations will achieve cost synergies of approximately € 10 million on an annual run rate basis by mid-2016, primarily relating to the shifting of a portion of the testing activities carried out by Novescia onto the Company's platforms, the planned reduction of administrative costs associated with Novescia's headquarters and the realization of procurement synergies by integrating and leveraging our combined scale. However, this synergy estimate is based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. 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 €418.1 million and €405.9 million of *pro forma* net sales for the year ended December 31, 2013 and for the twelve months ended September 30, 2014, respectively, representing 72.2% and 70.6% of our total *pro forma* 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 €339.6 million and €331.2 million of *pro forma* net sales for the year ended December 31, 2013 and for the twelve months ended September 30, 2014, respectively, representing respectively 58.6% and 57.6% of our total Routine Lab *pro forma* 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 €78.5 million and €74.7 million of *pro forma* net sales for the year ended December 31, 2013 and the twelve months ended September 30, 2014, respectively, representing 13.6% and 13% of our total Routine Lab *pro forma* 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 €130.5 million and €138.3 million of *pro forma* net sales for the year ended December 31, 2013 and for the twelve months ended September 30, 2014, respectively, representing 22.5% and 24.0% of our total *pro forma* 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 derived 78.0% of our Specialized Testing net sales for the year ended December 31, 2013 from samples collected in France. 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.

Of our Specialized Testing net sales as of December 31, 2013, 22% was attributable to public hospitals and laboratories and 78% was attributable to the private sector (private hospitals and/or laboratories and/or ambulatory patients).

#### *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. It accounted for approximately 84.4% and 84.9% of our Specialized Testing *pro forma* net sales for the year ended December 31, 2013 and the twelve months ended September 30, 2014, respectively. Our clinical pathology group performed approximately 5 million tests during the year ended December 31, 2013. 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. Our anatomical pathology group performs approximately 1,900 tests per day and accounts for approximately 7.8% and 7.3% of our total Specialized Testing *pro forma* net sales for the year ended December 31, 2013 and the twelve months ended September 30, 2014, respectively. 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. The cytogenetics group accounts for approximately 5.9% of all our Specialized Testing *pro forma* net sales for both the year ended December 31, 2013 and the twelve months ended September 30, 2014. 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 €42.8 million and €46.7 million of *pro forma* net sales for the year ended December 31, 2013 and for the twelve months ended September 30, 2014, respectively, representing 7.4% and 8.1% of our total *pro forma* 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. As of September 30, 2014, our top five customers in terms of net sales were Onyx, Astellas, Gilead, Janssen and Servier, collectively accounting for 42% of our Central Lab net sales. No single customer represented more than 15% of the sales of our Central Lab business for the year ending December 31, 2013.

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 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 September 30, 2014, we had approximately 2,617 full-time equivalent employees and we employed approximately 221 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 performs; 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 médical*), 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 be 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 ("EMA") 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, EMA 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 Issuers

#### *Senior Secured Notes Issuer*

The Senior Secured Notes Issuer is a *société par actions simplifiée* (“SAS”) incorporated in France. The directors of the Senior Secured Notes Issuer are Catherine Rondot-Courboillet and Jérôme Thill. The address for each of the directors of the Senior Secured Notes Issuer is ZI Les Béthunes, 7, rue de l’Equerre, 95310 Saint-Ouen-l’Aumône, France.

#### *Senior Notes Issuer*

The Senior Notes Issuer is a public limited liability company (*société anonyme*) organized and existing under the laws of Luxembourg. The Directors of the Senior Notes Issuer are Jérôme Thill, Catherine Rondot-Courboillet, Gregory Centurione and Annick Marion. The addresses for each of the directors of the Senior Notes Issuer is 43-45 allée Scheffer L-2520 Luxembourg.

### Management of the Senior Secured Notes Issuer

The affairs of the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Issuer, subject to the limits set by law and to the powers expressly granted by law or by the Senior Secured Notes Issuer’s articles of association (*statuts*) to either the shareholders or the Supervisory Board.

#### *Executive board*

The Senior Secured Notes 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 .....	51	Chief Executive Officer
Jérôme Thill.....	49	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*, 51, 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*, 49, 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 Senior Secured Notes 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 Senior Secured Notes 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*, 47, 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*, 41, 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*, 36, 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*, 58, 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 Senior Secured Notes Issuer of property worth greater than €1,000,000;
- adoption of the annual budget of the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 10 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 21 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 20 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 38 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 Senior Secured Notes 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 Senior Secured Notes 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.

## Management of the Senior Notes Issuer

### *Executive board*

The Senior Secured Notes 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 .....	51	Chief Executive Officer
Jérôme Thill.....	49	Deputy Chief Executive Officer and Chief Financial Officer
Gregory Centurione .....	42	Managing Partner
Annick Marion.....	36	Director

The following are brief biographical descriptions of the current members of the Executive Board.

*Catherine Rondot-Courboillet*, 51, 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*, 49, 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 Senior Secured Notes 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.

*Gregory Centurione*, 42, currently serves as Managing Partner at Value Partners (Luxembourg) and has held this position since 2012. He previously served as Managing Partner at Mazars (Luxembourg). Mr. Centurione earned a Bachelor's degree in Business Administration in 1996 and a Master's degree in Taxation in 1998. He is a chartered accountant.

*Annick Marion*, 36, currently serves as the Director of Value Partners (Luxembourg) which provides accounting, tax and other services to international clients. She has 15 years of experience in supplying services to private equity firms and has worked previously at Mazars (Luxembourg) and the Société Européenne de Banque (Luxembourg). Ms. Marion received a Bachelor's degree in Accounting in 1988 from HELMO (Haute École Libre Mosane) Liège in Belgium.

## Principal shareholders and related party transactions

The Senior Secured Notes Issuer is a limited liability company (*société par actions simplifiée*) incorporated under the laws of France. The equity ownership of the Senior Secured Notes 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 the Senior Notes Issuer, a holding company incorporated as a *société à responsabilité limitée* under the laws of Luxembourg. The Senior Notes Issuer is a wholly-owned subsidiary of Frenchco, a holding company incorporated as a *société par actions simplifiée* under the laws of France. Luxco and the Senior Notes Issuer were incorporated as holding companies for the purposes of the acquisition of the Senior Secured Notes Issuer and its subsidiaries by funds advised by PAI.

As of the Temporary Notes 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 Senior Secured Notes Issuer's and the Senior Notes Issuer's equity. Our Chief Executive Officer, Catherine Rondot-Courboillet, directly owns 0.87% of the Senior Secured Notes Issuer's equity and our Deputy Chief Executive Officer and Chief Financial Officer, Jérôme Thill, directly owns 0.45% of the Senior Secured Notes Issuer's equity.

### Capital structure of the Senior Secured Notes Issuer

As of the date of this Offering 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.

### Capital structure of the Senior Notes Issuer

As of the date of this Offering Memorandum, the Senior Notes Issuer has a share capital of €3,987,803.26 comprised of 398,780,326 ordinary shares with a par value of €0.01.

### 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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. As of the Temporary Notes Issue Date, an aggregate principal amount of €10.1 million of the PAI Convertible Bonds will be outstanding. See "*Description of Other Indebtedness—PAI Convertible Bonds*." The IFRS amount as of December 31, 2013 was €6.3 million. See "*Capitalization*."

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 September 30, 2014, €5.9 million was outstanding under the PAI Shareholder Loans. On December 11, 2012, a portion of the PAI Shareholder Loans was capitalized in exchange for 8,756 Class B Preferred Shares, with a resulting €6.9 million remaining outstanding under the PAI Shareholder Loans as of December 31, 2012.

In 2010, the Senior Notes Issuer 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 the Senior Notes Issuer, 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Issuer is the original borrower under the Revolving Credit Facility. The Revolving Credit Facility is guaranteed by the Guarantors (including the Senior Secured Notes 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 Senior Secured Notes 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 Offering Memorandum, and if not so defined in this description shall have the meanings given to such term elsewhere in this Offering Memorandum.

In connection with entering into the Revolving Credit Facility Agreement and the Existing Senior Secured Notes Indenture on January 31, 2013, the Senior Secured Notes Issuer, the Guarantors and certain other subsidiaries of the Senior Secured Notes 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 Senior Secured Notes Issuer in respect of certain structural debt that the Senior Secured Notes 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 Senior Secured Notes 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 Offering Memorandum, the Additional Senior Secured 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 the Senior Notes Issuer) 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 Senior Secured Notes 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 the Senior Notes Issuer, 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 Senior Secured Notes 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 Senior Secured Notes 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 the Senior Notes Issuer in respect of the Senior Notes (the “Senior Notes Issuer 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 the Senior Notes Issuer) 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 the Senior Notes Issuer 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 the Senior Notes Issuer are senior obligations of the Senior Notes Issuer 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 the Senior Notes Issuer 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 Senior Notes Issuer 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;
- a Senior Secured Notes 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;
- the Senior Notes Issuer 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Issuer or a capital contribution to the Senior Secured Notes 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 Senior Secured Notes 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 the Senior Notes Issuer) of the proceeds of any existing Senior Notes which have not been contributed to the Senior Secured Notes 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 Senior Secured Notes Issuer (and for these purposes an amount has been contributed to the Senior Secured Notes Issuer if it has been contributed to the Senior Secured Notes Issuer in cash by way of proceeds loan, certain other debt or equity instruments or subscription for shares in the Senior

Secured Notes 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 the Senior Notes Issuer of any of its obligations under the Senior Notes and such payment is not financed directly or indirectly by a payment to Luxco or the Senior Notes Issuer from a member of the Parent Group which was prohibited (at the time it was made to Luxco or the Senior Notes Issuer) 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 Senior Secured Notes Issuer shall not make (and shall procure that its Subsidiaries shall not make), and no Senior Notes Creditor may receive from the Senior Secured Notes 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 the Senior Notes Issuer, 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 the Senior Notes Issuer, 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 the Senior Notes Issuer 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 Senior Secured Notes Issuer to CEL2 or (if the Senior Notes Issuer is a holding company of CEL2) over any Investment Instruments issued by a Subsidiary of the relevant Senior Notes Issuer 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, the Senior Notes Issuer 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, the Senior Notes Issuer 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 instruct or, 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 they may agree) from the date of receipt of the latest of such instructions, with a view to co-ordinating 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 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 Adviser, 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 commissaire* 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 the only Senior Notes Issuer 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 Offering 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 the Senior Notes Issuer 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 Offering 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 the Senior Notes Issuer and to the Security Agent, the Senior Notes Issuer 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 the Senior Notes Issuer 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 the Senior Notes Issuer 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.

The Senior Notes Issuer 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 the Senior Notes Issuer 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 Soutle, 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 Soutle 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 Senior Secured Notes 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 the Senior Notes Issuer 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 € 41.0 million as of September 30, 2014.

### ***Bilateral credit facilities***

Certain subsidiaries (including certain of the Guarantors) of the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Issuer or (ii) upon the first to occur of the Senior Secured Notes Issuer’s initial public offering or a change of control, absent an agreement to the contrary between the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Issuer issued Luxco €112.0 million aggregate principal amount of PAI Convertible Bonds. Subsequently, on December 16, 2010, the Senior Secured Notes Issuer issued Luxco €6.5 million aggregate principal amount of PAI Convertible Bonds. Additionally, on May 12, 2011, the Senior Secured Notes Issuer issued Luxco €12.8 million aggregate principal amount of PAI Convertible Bonds. The Senior Secured Notes 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.

As of the Temporary Notes Issue Date, €10.1 million aggregate principal amount of PAI Convertible Bonds will be outstanding. The bonds bear interest at a rate of 10% per annum. They are convertible into shares of the Senior Secured Notes Issuer’s Series B Preferred Stock at the option of the holder.

## ***PAI shareholder loans***

Luxco and the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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, the Senior Notes Issuer 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 the Senior Notes Issuer, 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 the Senior Notes Issuer insolvent. The Frenchco CPECs are convertible into shares of the Senior Notes Issuer at the option of Frenchco and are redeemable in cash at the option of the Senior Notes Issuer.

### **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. We intend to keep the Existing Novescia Facilities in place to financing the ongoing operations of Novescia, as the change of control provisions, included therein are not triggered by the Acquisition. See “*Use of Proceeds*.”

## Description of the Senior Secured Notes

In a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended, Cerba European Lab S.A.S., a *société par actions simplifiée* organized under the laws of France (the “*Senior Secured Notes Issuer*”), issued €85.0 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 (the “*Senior Secured Notes Indenture*”), between, among others, the Senior Secured Notes 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*”) and on May 23, 2014, issued an additional €80.0 million senior secured notes due 2020 (together with the Initial 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 €85.0 million aggregate principal amount of Additional Senior Secured Notes were issued upon the exchange of the Temporary Senior Secured Notes.

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 €85.0 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 February 1, 2015. 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 August 1, 2015. 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.

As of the Completion Date no Novescia entity guarantees the Senior Secured Notes. Assuming we had completed the Offerings and applied the proceeds therefrom as described under "*Use of Proceeds*," as of September 30, 2014, the Senior Secured Notes Issuer and the Senior Secured Notes Guarantors would have had total debt excluding shareholder debt of €799.6 million, including, without limitation, € 530.0 million of debt outstanding under the Senior Secured Notes. In addition, we would have had €80.0 million available for drawing under the Revolving Credit Facility. The Senior Secured Notes Indenture permits the Senior Secured Notes Issuer and its Restricted Subsidiaries to incur additional Debt in the future. Giving effect to the Acquisition as if it had occurred on October 1, 2013, and without guarantees from any Novescia entity for the twelve months ended September 30, 2014, the Senior Secured Notes Issuer and the Senior Secured Notes Guarantors generated approximately 71.9% of our Adjusted pro forma EBITDA, and as of September 30, 2014, the Senior Secured Notes Issuer and the Senior Secured Notes Guarantors held approximately 67.8% of our consolidated total assets.

As of the Completion Date, all of the Senior Secured Notes Issuer's Subsidiaries are "Restricted Subsidiaries" for purposes of the Senior Secured Notes Indenture. However, under the circumstances described below under the caption "*Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*," the Senior Secured Notes Issuer is permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." Unrestricted Subsidiaries of the Senior Secured Notes Issuer are not be subject to any of the restrictive covenants in the Senior Secured Notes Indenture and do not guarantee the Senior Secured Notes.

#### **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](http://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 purchasers), 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*” and “*Limitations on Validity and Enforceability of the Security Interests and Senior Secured Note Guarantees and Certain Insolvency Law Considerations.*”

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 Selafo.

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, refinancings 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 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](http://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](http://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 14c-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 refinancings 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 Issuers’ 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 refinancings of those agreements; *provided* that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings 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 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 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. The Senior Secured Notes Issuer has initially designated Wilmington Trust SP Services (Luxembourg) S.A. as its listing agent (the “*Listing Agent*”). The address of the Listing Agent is 52-54 Avenue du X Septembre, L- 2550 Luxembourg.

#### **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 Offering 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 Offering 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 European Lab S.A.S. at ZI Les Béthunes, 7, rue de l'Équerre, 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 entreprises* 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 of 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), indentures, 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](http://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 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 depository 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.

## Description of the Senior Notes

In a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended, Cerberus Nightingale 1 S.A., a *société anonyme* organized under the laws of Luxembourg (the “*Senior Notes Issuer*” or “*Top Luxco*”), issued €145.0 million in aggregate principal amount of 8.25% senior notes due 2020 (the “*Senior Notes*”) under an indenture dated the Completion Date (the “*Senior Notes Indenture*”), between, among others, the Senior Notes Issuer, certain subsidiaries of the Senior Notes Issuer, including the Senior Secured Notes Issuer, that guarantee the Senior Notes (the “*Senior Notes Guarantors*”), Financière Gaillon 13 S.A.S. (“*Holdco*”), Cerberus Nightingale 2 S.A. (“*Luxco*”), Wilmington Trust, National Association), as trustee (the “*Senior Notes Trustee*”), and Wilmington Trust (London) Limited, as security agent (the “*Security Agent*”). The term “Senior Notes” refers also to Book-Entry Interests (as defined below) in the Senior Notes. Except as set forth herein, the terms of the Senior Notes include those set forth in the Senior 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 Notes Indenture. In this “*Description of the Senior Notes*,” references to (i) the “Senior Notes Issuer” refer only to Cerberus Nightingale 1 S.A. and not to any of its Subsidiaries; and (ii) “we,” “our,” and “us” refer to the Senior Notes Issuer and its Restricted Subsidiaries.

The €145.0 million aggregate principal amount of Senior Notes were issued upon the exchange of the Temporary Senior Notes.

The terms of the Senior Notes include those set forth in the Senior Notes Indenture. The Senior Notes Indenture is not qualified under, and is not subject to, the U.S. Trust Indenture Act of 1939, as amended (the “*TIA*”). Consequently, the holders of the Senior Notes generally will not be entitled to the protections provided under the TIA to holders of debt securities issued under a qualified indenture, including those requiring the Senior Notes Trustee to resign in the event of certain conflicts of interest and to inform the holders of the Senior Notes of certain relationships between it and the Senior Notes Issuer or the Senior Notes Guarantors. The Security Documents referred to below under the caption “—*Security*” define the terms of the security that will secure the Senior Notes.

The following description is a summary of the material terms of the Senior Notes Indenture, the Senior Notes and refers to the Intercreditor Agreement, the Security Documents and certain other agreements relating to the Senior Notes. It does not, however, restate any of those agreements in its entirety. You should read the Senior Notes Indenture, the Senior Notes, the Intercreditor Agreement and the Security Documents because they, and not this description, define your rights as a holder of the Senior Notes. Copies of the Senior 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 Notes Issuer as set forth below under “—*Listing and General Information*.”

The Senior Notes Issuer has made an application for the Senior 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 Notes; Paying Agent, Registrar and Transfer Agent for the Senior Notes*.”

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Senior Notes Indenture.

### Principal, Maturity and Interest

The Senior Notes Issuer issued €145.0 million in an aggregate principal amount of Senior Notes in this Offering. The Senior Notes will mature on February 1, 2020, at which time 100% of the principal amount of the Senior Notes shall be payable, unless redeemed prior thereto as described herein. Subject to the covenant described under “—*Certain Covenants—Limitation on Debt*,” the Senior Notes Issuer is permitted to issue additional Senior Notes under the Senior Notes Indenture from time to time after this Offering (the “*Additional Senior Notes*”). The Senior Notes and any Additional Senior Notes that are actually issued will be treated as a single class for all purposes of the Senior 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 Notes” for all purposes of the Senior Notes Indenture and in this “*Description of the Senior Notes*” include references to any Additional Senior Notes that are actually issued under the Senior Notes Indenture.

Interest on the Senior Notes will accrue at the rate of 8.25% *per annum*. Interest on the Senior Notes will accrue from February 13, 2015. Interest will be payable on each Note semi-annually in arrears on February 15 and August 15 of each year. The first interest payment for the Senior Notes will be August 15, 2015. The Senior 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 February 1 and August 1. 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 Notes.

## **Brief Description of the Senior Notes and the Senior Note Guarantees**

### ***The Senior Notes***

The Senior Notes:

- will be general obligations of the Senior Notes Issuer;
- will be *pari passu* in right of payment with all existing and future Debt of the Senior Notes Issuer that is not subordinated in right of payment to the Senior Notes (including the Frenchco CPECs);
- will be senior in right of payment to all existing and future Debt of the Senior Notes Issuer that is subordinated in right of payment to the Senior Notes;
- will be guaranteed by the Senior Notes Guarantors;
- will be secured by a second-ranking security interest in the Senior Notes Collateral as described below under “—Security”;
- will be effectively subordinated to any existing and future Debt of the Senior Notes Issuer that is secured by property or assets that do not secure the Senior Notes or that is secured on a first-ranking basis by property or assets that secure the Senior Notes on a second-ranking basis, 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 Notes Issuer’s Subsidiaries that are not Senior Notes Guarantors.

### ***The Senior Note Guarantees***

The Senior Note Guarantee of each Senior Notes Guarantor:

- will be a general obligation of that Senior Notes Guarantor;
- will be subordinated in right of payment to any existing and future Senior Debt of that Senior Notes Guarantor, including that Senior Notes Guarantor’s obligations under, guarantee of, the Senior Secured Notes and Debt incurred under the Revolving Credit Facility;
- will be *pari passu* in right of payment with all existing and future senior subordinated Debt of that Senior Notes Guarantor that is not subordinated in right of payment to such Senior Note Guarantee;
- will be senior in right of payment to all existing and future Debt of that Senior Notes Guarantor that is subordinated in right of payment to such Senior Note Guarantee;
- will be secured by a second-ranking security interest in the Senior Notes Collateral, as described below under “—Security”;
- will be effectively subordinated to any existing and future Debt of that Senior Notes Guarantor that is secured by property or assets that do not secure the Senior Note Guarantee or that is secured on a first-priority basis by property or assets that secure the Senior Note Guarantee on a second-priority basis, to the extent of the value of the property and assets securing such Debt;
- will be structurally subordinated to all obligations of that Senior Notes Guarantor’s Subsidiaries that are not Senior Notes Guarantors; and

- will be contractually limited to reflect limitations under applicable law.

As of the Completion Date no entity comprising Novescia guarantees the Senior Notes. Assuming we had completed the Offering and applied the proceeds therefrom as described under “*Use of Proceeds*,” as of September 30, 2014, the Senior Notes Issuer and the Senior Notes Guarantors would have had total debt of €799.6 million, €530.0 million in Senior Secured Notes and €145.0 million in Senior Notes. In addition, we would have had €80 million available for drawing under the Revolving Credit Facility. The Senior Notes Indenture permits the Senior Notes Issuer and its Restricted Subsidiaries to incur additional Debt in the future. For the twelve months ended September 30, 2014, and without guarantees from any Novescia entity, the Senior Notes Issuer and the Senior Notes Guarantors generated approximately 71.9% of our Adjusted pro forma EBITDA, and as of September 30, 2014 the Senior Notes Issuer and the Senior Notes Guarantors held approximately 67.8% of our consolidated total assets. Due to restrictions under French law, the Senior Notes Guarantees of the Post-Completion Date Senior Notes Guarantors will effectively have no monetary value as none of them will be lent any of the proceeds of the Offering of the Senior Notes.

As of the Completion Date, all of the Senior Notes Issuer’s Subsidiaries are “Restricted Subsidiaries” for purposes of the Senior Notes Indenture. However, under the circumstances described below under the caption “—*Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*,” the Senior Notes Issuer is permitted to designate certain of its Subsidiaries as “Unrestricted Subsidiaries.” Unrestricted Subsidiaries of the Senior Notes Issuer are not subject to any of the restrictive covenants in the Senior Notes Indenture and do not guarantee the Senior Notes.

### **Payments on the Senior Notes; Paying Agent, Registrar and Transfer Agent for the Senior Notes**

The Senior Notes Issuer will maintain one or more paying agents (each, a “*Paying Agent*”) for the Senior Notes in a member state of the European Union that will not be 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 will be Citibank N.A., London Branch in London.

The Senior 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 will be Citigroup Global Markets Deutschland AG. The initial transfer agent will be Citibank N.A., London Branch. The Registrar will maintain a register reflecting ownership of Definitive Registered Notes (as defined herein) outstanding from time to time (the “*Register*”) and will make payments on and facilitate transfer of Definitive Registered Notes on the behalf of the Senior Notes Issuer.

The Senior Notes Issuer may change the Paying Agent, the Registrar or the transfer agent without prior notice to the holders of Senior Notes. For so long as the Senior 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 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](http://www.bourse.lu)).

No service charge will be made for any registration of a transfer, exchange or redemption of the Senior Notes , but the Senior 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 Notes**

The Senior 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.

Senior 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 was 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. Senior 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 was 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 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 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 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 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 Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Senior Notes Indenture or as otherwise determined by the Senior 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 Notes issued as Definitive Registered 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 Notes. In connection with any such transfer or exchange, the Senior 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 Notes Issuer is not required to register the transfer of any Definitive Registered Notes:

- (a) for a period of 15 days prior to any date fixed for the redemption of the Senior Notes;
- (b) for a period of 15 days immediately prior to the date fixed for selection of Senior 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 Notes Offer.

The Senior 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 Notes Issuer under or with respect to the Senior Notes or any of the Senior Notes Guarantors with respect to any Senior 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 Notes Issuer or any Senior 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 Notes Issuer or any Senior Notes Guarantor (including the jurisdiction of any paying agent for the Senior 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 Notes Issuer under or with respect to the Senior Notes or any of the Senior Notes Guarantors with respect to any Senior Note Guarantee, including, without limitation, payments of principal, redemption price, interest or premium, the Senior Notes Issuer or the relevant Senior 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 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 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 acquisition, ownership or holding of such Note, the enforcement of rights under such Note or under a Senior Note Guarantee or the receipt of any payments in respect of such Note or a Senior Note Guarantee;

(b) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a 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 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 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 Notes or with respect to any Senior 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 Notes, following the Senior 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 Notes Issuer or Senior 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 Note;

(i) any Taxes payable under Sections 1471 through 1474 of the Code, as of the date of this Offering Memorandum (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 Notes Issuer and the Senior 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 Notes, the Senior Notes Indenture, any Senior Note Guarantee or any other document referred to therein (other than a transfer of Senior Notes other than the initial resale by the relevant initial purchasers), 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 Notes or any Senior Note Guarantee.

If the Senior Notes Issuer or any Senior 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 Notes or any Senior Note Guarantee, each of the Senior Notes Issuer or the relevant Senior Notes Guarantor, as the case may be, will deliver to the Senior 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 Notes Issuer or the relevant Senior Notes Guarantor shall notify the Senior 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 Notes Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

The Senior Notes Issuer or the relevant Senior 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 Notes Issuer or the relevant Senior 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 Notes Issuer or the relevant Senior Notes Guarantor will furnish to the Senior 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 Notes Issuer or a Senior 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 Notes Trustee) by such entity. If reasonably requested by the Senior Notes Trustee or the Paying Agent, the Senior Notes Issuer or the Senior Notes Guarantors will provide to the Senior Notes Trustee or Paying Agent such information as may be in the possession of the Senior Notes Issuer or the Senior Notes Guarantors (and not otherwise in the possession of the Senior Notes Trustee or the Paying Agent) to enable the Senior Notes Trustee or the Paying Agent to determine the amount of withholding taxes attributable to any particular holder; *provided, however*, that in no event shall the Senior Notes Issuer or the Senior 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 Notes Trustee or the Paying Agent be required to determine the amount of withholding taxes attributable to any particular holder.

Whenever in the Senior Notes Indenture or in this "*Description of the Senior Notes*" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Senior Notes or of principal, redemption or purchase prices in connection with a redemption or purchase of the Senior Notes, interest or of

any other amount payable under, or with respect to, any of the Senior Notes or any Senior 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 Notes Indenture, any transfer by a holder or beneficial owner of its Senior Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Senior Notes Issuer or any Senior Notes Guarantor is incorporated, organized, engaged in business for tax purposes or otherwise resident for tax purposes or any jurisdiction from or through which such Person makes any payment on the Senior Notes (or any Senior Note Guarantee) and any department or political subdivision thereof or therein.

### **The Senior Note Guarantees**

The Senior Notes will be guaranteed on a senior subordinated basis under the Senior Notes Indenture by Cerba European Lab S.A.S. (the “*Senior Secured Notes Issuer*” or the “*Company*”), Cefid SA, Cerba Selafa, CBM, SLB, BARC, CRI, LBS and LLAM S.A. on the Completion Date (the “*Completion Date Senior Notes Guarantors*”), and by Biolille Société d’Exercice Libéral de Directeurs et Directeurs Adjoints en Laboratoire d’Analyse de Biologie Médicale, Bioréunion, Biotop Développement and Centre Biologique du Chemin Vert (collectively, the “*Post Completion Date Senior Notes Guarantors*”, and together with the Completion Date Senior Notes Guarantors, the “*Initial Senior Notes Guarantors*”) within thirty days of the Completion Date. The Senior Note Guarantees will be joint and several senior subordinated obligations of the Senior Notes Guarantors.

The Senior Notes Guarantees will be senior subordinated indebtedness of the Senior Notes Guarantors, which means that, pursuant to the terms of the Intercreditor Agreement and the Senior Notes Indenture, the Senior Note Guarantees rank behind, and are expressly subordinated to, all the existing and future Senior Debt of the Senior Notes Guarantors, including any obligations under the Revolving Credit Facility and the Senior Secured Notes and any other indebtedness ranking *pari passu* therewith incurred after the Completion Date. The ability to take enforcement action against the Senior Notes Guarantors is subject to significant restrictions imposed by the Intercreditor Agreement, and potentially any Additional Intercreditor Agreements entered into after the Completion Date. In addition, the Senior Note Guarantees and the collateral securing the Senior Notes and Senior Note Guarantees are subject to release under certain circumstances, including, but not limited to, certain enforcement actions taken by the Security Agent acting at the direction of an instructing group of senior secured creditors. Because of the foregoing subordination provisions, it is likely that holders of Senior Debt of the Senior Notes Guarantors would recover disproportionately more than the holders of the Senior Notes recover in any insolvency or similar proceeding relating to such entity. In any such case, there may be insufficient assets, or no assets, remaining to pay the principal of or interest on the Senior Notes after the repayment in full of all Senior Debt.

Each of the Senior Note Guarantees and the amounts recoverable thereunder will be contractually limited to the maximum amount that can be guaranteed by a particular Senior 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 Guarantor’s obligations under its Senior Note Guarantee or any security interest granted by such Senior Notes Guarantor, as applicable, could be significantly less than amounts payable in respect of the Senior Notes. Other debt of such Senior Notes Guarantor may not be similarly limited. In particular, due to restrictions under French law, the Senior Notes Guarantees of the Post-Completion Date Senior Notes Guarantors will effectively have no monetary value as none of them will be lent any of the proceeds of the Offering of the Senior Notes. See “*Summary—Summary Corporate and Financing Structure*” and “*Risk Factors—The Note Guarantees and the Security Interest 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 Notes Issuer are conducted through its Subsidiaries and, therefore the Senior Notes Issuer depends on the cash flow of its Subsidiaries to meet its obligations (including cash flow generated by the Proceeds Loans), including its obligations under the Senior Notes. Not all of the Senior Notes Issuer’s Subsidiaries will guarantee the Senior Notes. The Senior Notes will be effectively subordinated in right of payment to all Debt and other liabilities and commitments (including trade payables and lease obligations) of the Senior Notes Issuer’s non-guarantor Subsidiaries. Any right of the Senior Notes Issuer or any Senior 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 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 Notes Issuer or such Senior Notes Guarantor is itself recognized as a creditor of the non-guarantor Subsidiary, in which case the claims of the Senior Notes Issuer or such Senior 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—Additional Risks Related to the Senior Notes—The Senior Notes are structurally subordinated to the liabilities of non-guarantor subsidiaries.*"

### ***Release of the Senior Note Guarantees***

The Senior 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 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 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 Notes Guarantor or any parent company of that Senior Notes Guarantor to a Person that is not (either before or after giving effect to such transaction) the Senior 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 Notes Guarantor ceases to be a Restricted Subsidiary as a result of the sale, transfer or other disposition;

(c) with respect to the Senior Note Guarantee of any Senior Notes Guarantor that was required to provide such Senior Note Guarantee pursuant to the covenant described under the caption "*Certain Covenants—Additional Guarantees*" upon such Senior Notes Guarantor being unconditionally released and discharged from its liability with respect to the Debt giving rise to the requirement to provide such Senior Note Guarantee so long as no other Debt guaranteed by the relevant Senior Notes Guarantor would result in the requirement that such Senior Notes Guarantor provide a Senior Note Guarantee pursuant to the covenant described under the caption "*Certain Covenants—Additional Guarantees*" immediately after the release of such Senior Note Guarantee;

(d) upon the full and final payment and performance of all obligations of the Senior Notes Issuer under the Senior Notes Indenture and the Senior Notes;

(e) in accordance with the caption entitled "*Amendments and Waivers*;"

(f) as a result of a transaction permitted by the covenant described 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 Notes Indenture as provided below under the captions "*Legal Defeasance or Covenant Defeasance of Senior 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 Notes Guarantor or any direct or indirect parent of that Senior Notes Guarantor pursuant to a security enforcement sale in compliance with the Intercreditor Agreement and any Additional Intercreditor Agreement; and

(i) if the Senior Notes Issuer designates any Restricted Subsidiary that is a Senior Notes Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Senior Notes Indenture.

Upon any occurrence giving rise to a release as specified above, the Senior Notes Trustee and the Security Agent 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 Notes Issuer nor any Senior Notes Guarantor will be required to make a notation on the Senior Notes to reflect any such release, termination or discharge.

## The Proceeds Loans

On the Completion Date, the Senior Notes Issuer lent, pursuant to a proceeds loan in the aggregate principal amount of €145 million (the “*Luxco Proceeds Loan*”), the proceeds of the Senior Notes sold in this Offering to Luxco, and Luxco lent, pursuant to a proceeds loan in an equivalent aggregate principal amount (the “*Company Proceeds Loan*”, and together with the Luxco Proceeds Loan, the “*Proceeds Loans*”), such proceeds to the Company. On the Completion Date, a subsidiary of the Company used the proceeds received by the Company under the Company Proceeds Loan, together with the proceeds of the offering of additional Senior Secured Notes by the Company and cash on hand, to effect the Acquisition. See “*The Acquisition*.”

The Company Proceeds Loan will be treated as an “Issuer Proceeds Loan” for purposes of the Senior Secured Notes Indenture and, accordingly, the Company will be allowed to make interest payments of interest on the Company Proceeds Loan pursuant to Section 4.07(c)(17)(i) of the Senior Secured Notes Indenture.

It is anticipated that funds received by Luxco under the Company Proceeds Loan as payments of interest, and in turn received by the Senior Notes Issuer as payments of interest under the Luxco Proceeds Loan, will be used to service the interest payments under the Senior Notes. In addition, Subsidiaries of the Senior Notes Issuer may upstream further funds as needed by means of dividends or loans.

The Company Proceeds Loan will be treated as a “Subordinated Liability” for purposes of the Intercreditor Agreement and will therefore be subordinated in right of payment to the Revolving Credit Facility and the Senior Secured Notes. See “*Description of Other Indebtedness—Intercreditor Agreement*.”

## Security

### General

As of the Completion Date, the obligations of the Senior Notes Issuer under the Senior Notes and the obligations of the Senior Notes Guarantors under their respective Senior Note Guarantees are secured by the following properties and assets of the Senior Notes Issuer:

- (a) a second-ranking security interest in the Capital Stock of Luxco; and
- (b) a second-ranking security interest over the Luxco Proceeds Loan.

The assets and property of the Senior 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 “*Senior Notes Collateral*.” The security and other agreements in respect of the Senior Notes Collateral are referred to as the “*Security Documents*.”

The Senior 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 Notes and the Senior Note Guarantees will also secure, on a first-priority basis, the obligations of the Senior Notes Guarantors under the Revolving Credit Facility Agreement, the Senior Secured Notes and certain hedging obligations. The relative priority with regard to the security interests in the Senior Notes Collateral that are created by the Security Documents as between (a) the lenders under the Revolving Credit Facility, (b) the trustee and the holders of the Senior Secured Notes, (c) the counterparties under certain Hedging Obligations, and (d) the Senior Notes Trustee, certain other creditor representatives, the Security Agent and the Holders of the Senior Notes, respectively, is established by the terms of the Intercreditor Agreement, which provides, among other things, that the obligations under the Revolving Credit Facility, the Senior Secured Notes, and certain Hedging Obligations are secured by first-priority security interests and that the Senior Notes will be secured by second-priority security interests over the Senior Notes Collateral. Accordingly, pursuant to the terms of the Intercreditor Agreement, the obligations of the Senior Notes Guarantors under the Revolving Credit Facility Agreement, the Senior Secured Notes and certain hedging obligations will be entitled to receive payment from the proceeds of enforcement of the Security Documents prior to the Senior Notes Trustee for the benefit of the holders of the Senior Notes. The rights of the Security Agent (acting on its behalf or on behalf of the holders of the Senior Notes) to take enforcement action under the Security Documents in respect of the Senior Notes Collateral are subject to certain standstill provisions and other limitations on enforcement pursuant to the terms of the Intercreditor Agreement. In addition, under the

Senior Notes Indenture, the Senior Notes Issuer and its Restricted Subsidiaries will be permitted to incur certain additional Debt in the future that may share in the Senior Notes Collateral, including Debt secured by the Senior Notes Collateral on a first-priority basis. 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 Notes Collateral could be significant.

Under the Security Documents, the Senior Notes Collateral will be pledged by the Senior Notes Issuer to secure the payment when due of the Senior Notes Issuer’s and the Senior Notes Guarantors’, as applicable, payment obligations under the Senior Notes, the Senior Note Guarantees and the Senior Notes Indenture. The Security Documents will be 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, the trustee and the holders of Senior Secured Notes, certain secured hedge counterparties, and for the Senior Notes Trustee and the holders of Senior Notes.

In certain jurisdictions, due to the laws and other jurisprudence governing the creation and perfection of security interests, the relevant Security Documents will provide for the creation of “parallel debt” obligations in favor of the Security Agent, and the security interests in such jurisdictions will secure the parallel debt (and not the Debt under the Senior Notes, the Senior 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 Related to the Notes—In certain jurisdictions, security over the Collateral will be granted to the Security Agent rather than directly to the holder of the Notes. The ability of the Security Agent to enforce the Collateral may be restricted by local law.*”

Each holder of Senior Notes, by accepting a Senior Note, shall be deemed (i) to have authorized the Senior 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 Notes, by accepting a Senior Note, appoints the Senior 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 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 Notes Trustee or the Security Agent (as creditor of the parallel debt, in respect of any 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 Notes Indenture and the Intercreditor Agreement without requiring any consent of the holders. The Senior Notes Trustee will have the ability to direct the Security Agent to commence enforcement action under the Security Documents in accordance with the Senior 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 Notes Collateral, the Senior Notes Issuer will have the right to remain in possession and retain exclusive control of the Senior Notes Collateral securing the Senior Notes and the Senior Notes Guarantees, to freely operate the Senior Notes Collateral and to collect, invest and dispose of any income therefrom and, in respect of the shares that are part of the Senior Notes Collateral, will be 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 Notes Collateral securing the Senior Notes and the Senior Note Guarantees may not be sufficient to satisfy the Senior Notes Issuer’s and the Senior Notes Guarantors’ obligations under the Senior Notes and the Senior Note Guarantees, respectively, and the Senior Notes Collateral securing the Senior Notes and the Senior Note Guarantees may be reduced or diluted under certain circumstances, including the issuance of Additional Senior Notes and the disposition of assets comprising the Senior Notes Collateral, subject to the terms of the Senior Notes Indenture. Please see “*Risk Factors—Additional Risks Related to the Senior Notes—The value of the Senior Notes Collateral securing the Senior Notes may not be sufficient to satisfy our obligations under the Senior Notes and such Senior Notes Collateral may be reduced or diluted under certain circumstances.*”

No appraisals of the Senior Notes Collateral have been prepared by or on behalf of the Senior Notes Issuer or the Senior Notes Guarantors in connection with this Offering. There can be no assurance that the proceeds of any sale of the Senior Notes Collateral, in whole or in part, pursuant to the Senior Notes Indenture, the Intercreditor Agreement and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Senior Notes or the Senior Note Guarantees. By its nature, some or all the Senior Notes Collateral may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Senior Notes Collateral would be sold in a timely manner or at all. Please see “*Risk Factors—Additional Risks Related to the Senior Notes—The value of the Senior Notes Collateral securing the Senior Notes may not be sufficient to satisfy our obligations under the Senior Notes and such Senior Notes Collateral may be reduced or diluted under certain circumstances.*”

The Security Documents are governed by the laws of Luxembourg and provide that the rights with respect to the Senior Notes and the Senior Notes Indenture must be exercised by the Security Agent and in respect of the entire outstanding amount of the Senior Notes. The term “*Security Interests*” refers to the Liens on the Senior Notes Collateral.

The Senior Notes Issuer shall, and shall procure that each of its Subsidiaries 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 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 Notes Collateral; and (ii) if such Security Document is enforced in accordance with the terms of the Senior 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 Notes Collateral. The Senior Notes Issuer shall, and shall procure that each of its Subsidiaries 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 Notes Collateral will be released from the Liens over such Senior Notes Collateral under any one or more of the following circumstances:

(a) 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 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 Notes Guarantor that is released from its Senior Note Guarantee pursuant to the terms of the Senior Notes Indenture, the release of the property and assets, and Capital Stock, of such Senior Notes Guarantor;

(c) upon a release of the Lien (the “*Initial Lien*”) that resulted in the creation of the Lien (the “*Notes Lien*”) under the covenant described below under the caption “*Certain Covenants—Limitation on Liens*” so long as immediately after the release of the 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 Notes Lien that would result in the requirement for the Senior Notes and the Senior Notes 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 (c) 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 Notes Issuer under the Senior Notes Indenture and the Senior Notes;

(e) in accordance with the caption entitled “*Amendments and Waivers*;”

(f) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Notes Indenture as provided below under the captions “*Legal Defeasance or Covenant Defeasance of Senior 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) if the Senior Notes Issuer designates any of its Restricted Subsidiaries to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Senior Notes Indenture, the release of the property and assets, and Capital Stock, of such Restricted Subsidiary; or

(j) in a transaction that complies with the provisions described in “—*Certain Covenants—Consolidation, Merger and Sale of Assets*.”

Following written request by the Senior Notes Issuer, the Security Agent and, if necessary, the Senior Notes Trustee will take all necessary action required to effect any release of Senior Notes Collateral securing the Senior Notes and the Senior Note Guarantees, in accordance with the provisions of the Senior 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 Notes Trustee.

### **Optional Redemption**

#### ***Optional Redemption of Senior Notes prior to February 1, 2016, upon Equity Offering***

At any time prior to February 1, 2016, upon not less than 10 nor more than 60 days’ written notice to holders of the Senior Notes, the Senior Notes Issuer may on any one or more occasions redeem up to 35% of the aggregate principal amount of the Senior Notes issued under the Senior Notes Indenture at a redemption price equal to 108.25% of the principal amount of the Senior 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 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 Notes Issuer may only do this, however, if:

(a) at least 65% of the aggregate principal amount of the Senior Notes issued under the Senior Notes Indenture (excluding Senior Notes held by the Senior Notes Issuer or any of its Subsidiaries) would remain outstanding immediately after the occurrence of such proposed redemption; and

(b) the redemption occurs within 180 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 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 Notes.

#### ***Optional Redemption of Senior Notes prior to February 1, 2016***

At any time prior to February 1, 2016, upon not less than 10 nor more than 60 days’ written notice to holders of the Senior Notes, the Senior Notes Issuer may on any one or more occasions redeem all or part of the Senior Notes, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Redemption Premium of the Senior Notes plus accrued and unpaid interest on the Senior Notes to, but not including, the redemption date. Any such redemption or notice may, at the Senior 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 Notes.

#### ***Optional Redemption of Senior Notes on or after February 1, 2016***

At any time on or after February 1, 2016, and prior to maturity, upon not less than 10 nor more than 60 days’ written notice to holders of the Senior Notes, the Senior Notes Issuer may on any one or more occasions redeem all or part of the Senior 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 notes redemption prices
2016.....	104.125%
2017.....	102.063%
2018 and thereafter .....	100.000%

Unless the Senior Notes Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Senior Notes or portion thereof called for redemption on the applicable redemption date. Any such redemption or notice may, at the Senior Notes Issuer's discretion, be subject to one or more conditions precedent.

### ***Tax Redemption***

The Senior Notes Issuer may redeem the Senior Notes, in whole but not in part, at the Senior 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 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 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 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 Notes or any Senior Note Guarantee, the Senior Notes Issuer under or with respect to the Senior Notes or any of the Senior Notes Guarantors with respect to any Senior Note Guarantee, as the case may be, is or would be required to pay Additional Amounts (but, in the case of the relevant Senior Notes Guarantor, only if such amount cannot be paid by the Senior Notes Issuer or another Senior Notes Guarantor who can pay such amount without the obligation to pay Additional Amounts), and the Senior Notes Issuer or Senior 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 Notes Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Senior Notes Issuer or the Senior Notes Guarantor, as applicable, would be obligated to make such payment or withholding if a payment in respect of the Senior 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 Notes pursuant to the foregoing, the Senior Notes Issuer will deliver to the Senior Notes Trustee an opinion of independent tax counsel (the choice of such counsel to be subject to the prior written approval of the Senior 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 Notes Issuer to redeem the Senior Notes pursuant to the terms of the Senior Notes Indenture. In addition, before the Senior Notes Issuer publishes or mails notice of redemption of the Senior Notes as described above, it will deliver to the Senior 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 Notes pursuant to the their terms.

The Senior 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 Notes.

The foregoing provisions shall apply (a) to a Senior Notes Guarantor only after such Senior Notes Guarantor has become obligated to make at least one payment on the Senior Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Senior 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 Notes Indenture.

### **Sinking Fund; Offers to Purchase; Open Market Purchases**

The Senior Notes Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Senior Notes. However, under certain circumstances, the Senior Notes Issuer may be required to offer to purchase the Senior Notes as described under the captions “—*Purchase of Senior Notes upon a Change of Control*” and “—*Certain Covenants—Limitation on Sale of Certain Assets*.” The Senior Notes Issuer and any Restricted Subsidiary may at any time and from time to time purchase Senior Notes in the open market or otherwise.

### **Purchase of Senior Notes upon a Change of Control**

If a Change of Control (as defined below) occurs at any time, then the Senior Notes Issuer must make an offer (a “*Change of Control Offer*”) to each holder of Senior 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 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 Notes Indenture.

Unless the Senior Notes Issuer has unconditionally exercised its right to redeem all the Senior Notes in accordance with the Senior Notes Indenture and all conditions to such redemption have been satisfied or waived, within 30 days following any Change of Control, the Senior Notes Issuer will deliver a notice to each holder of the Senior 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 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 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 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 Note (or part thereof) not tendered will continue to accrue interest; and
- (f) any other procedures that a holder of Senior Notes must follow to accept a Change of Control Offer or to withdraw such acceptance.

An agent of the Senior Notes Issuer (expected to be the Paying Agent) will at the written direction of the Senior Notes Issuer promptly mail (or cause to be delivered) to each holder of Senior Notes properly tendered the Change of Control Purchase Price for such Senior Notes. The Senior 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 Senior Note or Senior Notes equal in principal amount to any unpurchased portion of Senior Notes surrendered, if any, to the holder of Senior Notes in global form or to each holder of certificated Senior 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 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 Notes Issuer to repurchase Senior 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 or require that the Company make an offer to redeem the Senior Secured Notes at a redemption price equal to 101% of the principal amount thereof. 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 Notes Indenture. The Senior 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 Notes of their right to require a repurchase of the Senior 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 Notes Issuer of such repurchase.

If a Change of Control Offer is made, the Senior 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 Notes that might be delivered by holders of the Senior Notes seeking to accept the Change of Control Offer. If the Senior 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 Notes Trustee and the holders of the Senior Notes the rights described under “—*Events of Default*.”

Even if sufficient funds were otherwise available, the terms of the other indebtedness of the Senior Notes Issuer and its subsidiaries may prohibit the prepayment of the Senior Notes prior to their scheduled maturity. If the Senior 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 Notes Issuer would be unable to fulfill its repurchase obligations to holders of the Senior Notes who exercise their right to redeem their Senior Notes following a Change of Control, which would cause a Default or Event of Default under the Senior Notes Indenture. A Default or Event of Default under the Senior Notes Indenture, unless waived by holders of the Senior 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 Notes may in certain circumstances make more difficult or discourage a sale or takeover of the Senior Notes Issuer and, thus, the removal of incumbent management. The Senior Notes Issuer has no present intention to engage in a transaction involving a Change of Control, although it is possible that the Senior Notes Issuer could decide to do so in the future. Subject to limitations discussed below, the Senior Notes Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Senior Notes Indenture, but that could increase the amount of Debt outstanding at such time or otherwise affect the Senior Notes Issuer's capital structure or credit ratings. Restrictions on the Senior 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 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 Notes Indenture will not require the Senior 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 Notes, if such transaction is not a transaction defined as a Change of Control.

The Senior 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 Notes Indenture applicable to a Change of Control Offer made by the Senior Notes Issuer and purchases all Senior 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 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 Notes Indenture are applicable.

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 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 Notes Indenture, the Senior Notes Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached their obligations under the Senior Notes Indenture by virtue of such conflict.

“*Change of Control*” means the occurrence of any of the following events:

(a) the Senior 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 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 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 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 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 Notes Indenture relating to the Senior Notes Issuer’s obligation to make an offer to repurchase the Senior 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 Notes.

If and for so long as the Senior 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 Notes Issuer will publish notices relating to a Change of Control Offer on the official website of the Luxembourg Stock Exchange ([www.bourse.lu](http://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 Notes are to be redeemed at any time, the Senior Notes Trustee or the Registrar will select the Senior Notes for redemption by a method that complies with the requirements, as certified to the Senior Notes Trustee and the Registrar by the Senior Notes Issuer, of the principal securities exchange, if any, on which the Senior Notes are listed at such time or, if the Senior Notes are not listed on a securities exchange, *pro rata* or by such other method as the Senior 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 Note not redeemed to less than €100,000. Neither the Senior Notes Trustee nor the Registrar shall be liable for any selections made by it in accordance with this paragraph.

No Senior Notes of €100,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each holder of Senior 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 Notes or a satisfaction and discharge of the Senior Notes Indenture.

If any 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 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 Notes upon cancellation of the original Senior Note. Senior Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior Notes or portions of Senior Notes redeemed.

For Senior 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 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 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](http://www.bourse.lu)) and, in connection with any redemption, the Senior Notes Issuer will notify the Luxembourg Stock Exchange of any change in the principal amount of Senior Notes outstanding.

Notice of any redemption including, without limitation, upon an Equity Offering may, at the Senior Notes Issuer’s discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering. If such redemption is subject to the satisfaction of one or more conditions precedent, the related notice shall describe each such condition and, if applicable, shall state that, in the Senior Notes Issuer’s discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied or waived (*provided* that in no event shall such date of redemption be delayed to a date later than 60 days after the date on which such notice was sent), or such redemption may not occur and such notice may be

rescinded in the event that any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date so delayed.

### **Suspension of Certain Covenants when Senior Notes Rated Investment Grade**

If on any date following the Issue Date, the Senior 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 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 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 Notes and any related default provisions of the Senior Notes Indenture will cease to be effective and will not be applicable to the Senior 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 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 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 Notes Issuer will send written notice to the Senior Notes Trustee.

### **Certain Covenants**

#### ***Limitation on Debt***

- (1) The Senior 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 Notes Issuer and any of its Restricted Subsidiaries will be permitted to incur Debt (including Acquired 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 Fixed Charge Coverage Ratio of the Senior 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; *provided, further*, that the aggregate amount of Debt (including Acquired Debt) that may be incurred pursuant to the foregoing by a Restricted Subsidiary that is not a Senior Notes Guarantor shall not exceed €20.0 million, at any one time outstanding, after giving effect to the incurrence of such Debt and the application of the proceeds thereof, on a pro forma basis.

(2) The first paragraph of this covenant will not, however, prohibit the following (collectively, “*Permitted Debt*”):

(a) the incurrence by the Senior Notes Issuer or any of its Restricted Subsidiaries of Debt under Credit Facilities in an aggregate principal amount at any time outstanding not to exceed the greater of (i) €80.0 million and (ii) 75% of Consolidated EBITDA of the Senior 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; *provided*, that the aggregate amount of Debt that may be incurred pursuant to the foregoing by a Restricted Subsidiary that is not a Senior Notes Guarantor shall not exceed €20.0 million, at any one time outstanding, after giving effect to the incurrence of such Debt and the application of the proceeds thereof, on a pro forma basis;

(b) the incurrence by the Senior Notes Issuer and the Senior Notes Guarantors of Debt represented by the Senior Notes issued on the Issue Date, any related Senior Note Guarantees and any “parallel debt” obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;

(c) the incurrence by the Senior Notes Issuer or any Restricted Subsidiary of intercompany Debt between the Senior Notes Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries; *provided that*:

(i) if the Senior Notes Issuer or a Senior Notes Guarantor is the obligor on any such Debt and the payee is not the Senior Notes Issuer or a Senior 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 Notes, in the case of the Senior Notes Issuer, or the Senior Note Guarantee, in the case of a Senior Notes Guarantor (including as provided under the Intercreditor Agreement or any Additional Intercreditor Agreement) (A) except in respect of Working Capital Intercompany Loans and (B) only to the extent legally permitted (the Senior 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 Notes Issuer or a Restricted Subsidiary) and (B) any transaction pursuant to which any Restricted Subsidiary that has Debt owing by the Senior 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 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 (including, without limitation, any Senior Secured Notes issued by the Company on the Issue Date after giving effect to the Transactions and any related guarantees);

(e) guarantees of the Senior Notes Issuer’s Debt or Debt of any Restricted Subsidiary by the Senior 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 Notes or to a Senior Note Guarantee then such guarantee must be subordinated to the same extent as the Debt being guaranteed;



(f) the incurrence by the Senior 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 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 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 Notes Issuer) (collectively, "*Hedging Obligations*");

(h) the incurrence by the Senior 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) Debt of the Senior Notes Issuer or any of its Restricted Subsidiaries in an aggregate principal amount at any time outstanding which, when taken together with any Permitted Refinancing Debt in respect thereof and the aggregate principal amount of all other Debt Incurred pursuant to this clause (i) and then outstanding, will not exceed the greater of €35.0 million and 3.5% of Total Assets; *provided*, that the aggregate amount of Debt that may be incurred pursuant to the foregoing by a Restricted Subsidiary that is not a Senior Notes Guarantor shall not exceed €20.0 million, at any one time outstanding, after giving effect to the incurrence of such Debt and the application of the proceeds thereof, on a pro forma basis;

(j) the incurrence by the Senior 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 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 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) (a) Debt of any Person incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Senior 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 Notes Issuer or any Restricted Subsidiary and (b) Debt incurred by the Senior Notes Issuer or any of its Restricted Subsidiaries 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 Notes Issuer or a Restricted Subsidiary or that was otherwise incurred in connection with or contemplation of such acquisition; *provided, however*, with respect to each of clause (a) and (b), that at the time of such acquisition or other transaction pursuant to which such Debt is deemed to be incurred, (x) the Senior Notes Issuer could incur at least €1.00 of additional Debt under clause (1) 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 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 Notes Issuer or any Restricted Subsidiary of Permitted Refinancing Debt incurred to renew, refund, replace, refinance, defease or discharge Debt incurred by the Senior Notes Issuer or any Restricted Subsidiary 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 Notes Issuer or any Restricted Subsidiary of Debt represented by guarantees of any Management Advances;

(p) Debt incurred in connection with any Qualified Securitization Financing; or

(q) (i) the incurrence by the Senior 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 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) in an aggregate amount not to exceed the greater of (A) €30.0 million and (B) 3.0% of Total Assets.

(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 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 Notes Issuer and Consolidated EBITDA shall be measured as at the time that the Senior Notes Issuer or the Senior 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 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 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.

(9) In the event that the Senior Notes Issuer or Luxco incurs Debt owing to any Parent Company of the Senior Notes Issuer or other Affiliates of any Parent Company of the Senior Notes Issuer (other than Subsidiaries of the Senior Notes Issuer) which, together with all other such outstanding Debt incurred prior to such incurrence, including (notwithstanding clause (3) of this covenant) any accrued or capitalized interest thereon, is in an aggregate amount equal to or greater than €10.0 million, the Senior Notes Issuer shall (reasonably promptly after such incurrence) procure that any such Debt (including, without limitation, any Frenchco CPECs then outstanding) is subordinated in right of payment to the prior payment in full in cash of the Senior Notes pursuant to the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement.

#### ***Limitation on Restricted Payments***

(1) The Senior 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 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 Notes Issuer or any Restricted Subsidiary), to the direct or indirect holders of the Senior 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 Notes Issuer or any Restricted Subsidiary, (ii) for dividends or distributions payable solely in Qualified Capital Stock of the Senior 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 Notes Issuer or a Restricted Subsidiary of dividends or distributions of greater value than the Senior 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 Notes Issuer or of any Parent Company held by persons other than the Senior 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 Notes Issuer or any Senior Notes Guarantor that is Subordinated Debt (excluding any intercompany Debt between or among the Senior 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 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 Notes Issuer could incur at least €1.00 of additional Debt under clause (1) of the “—*Certain Covenants—Limitation on Debt*” covenant; and

(c) the aggregate amount of all Restricted Payments declared or made after January 1, 2015 (including Restricted Payments permitted by clauses (3)(a), (d)(ii), (h), (k), (l) and (q) 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 Notes Issuer on accumulative basis during the period beginning on January 1, 2015, and ending on the last day of the Senior 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 or other property or assets received by the Senior Notes Issuer after the Issue Date as capital contributions or from the issuance or sale (other than to any Subsidiary of the Senior Notes Issuer) of shares of the Qualified Capital Stock of the Senior 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 Notes Issuer’s Qualified Capital Stock or Deeply Subordinated Funding or Management Proceeds Funding (except, in each case, for Excluded Contributions or Cash Contributions for Contribution Debt); *plus*

(iii) (x) the amount by which the Senior Notes Issuer's Debt or Debt of any Restricted Subsidiary is reduced on the Senior Notes Issuer's consolidated balance sheet after the Issue Date upon the conversion or exchange (other than by the Senior Notes Issuer or its Restricted Subsidiary) of such Debt into the Qualified Capital Stock of the Senior 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 or other property or assets received after the Issue Date by the Senior Notes Issuer from the issuance or sale (other than to any Restricted Subsidiary) of Redeemable Capital Stock of the Senior Notes Issuer that has been converted into or exchanged for the Qualified Capital Stock of the Senior 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 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 or other property or assets received by the Senior Notes Issuer at the time of such conversion or exchange (excluding Cash Contributions for Contribution Debt and Excluded Contributions); *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 or other property or assets received by the Senior 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 Notes Issuer or a Restricted Subsidiary or the assets of an Unrestricted Subsidiary are transferred to the Senior 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 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 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 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 Notes Issuer for such period; *plus*

(vii) an amount available as of January 1, 2015 for the making of Restricted Payments (as defined in the Senior Secured Notes Indenture under clause (3) of Section 4.07(b) (i.e., the restricted payments build- up basket))

(3) Paragraphs (1) and (2) above will not prohibit (so long as with respect to clauses (h) and (q) 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 Notes Issuer) of, shares of the Senior 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 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 or to be net cash proceeds from an Equity Offering for the purposes of the "Optional Redemption" provisions of the Senior 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 Notes Issuer) upon a Change of Control or Asset Sale to the extent required by the agreements governing such Debt; *provided* that the Senior Notes Issuer shall have complied with the “—*Purchase of Senior Notes upon a Change of Control*” or “—*Limitation on Sale of Certain Assets*” covenant, as the case may be, and the Senior Notes Issuer repurchased all Senior 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 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;

(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 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 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 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 Notes Indenture or any other agreement or instrument relating to Debt of the Senior Notes Issuer or any Restricted Subsidiary, (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 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 and (v) other fees, expenses and costs relating directly or indirectly to activities of the Senior Notes Issuer and its Subsidiaries or any Parent Company or any other Person established for purposes of or in connection with the Transactions or which holds directly or indirectly any Capital Stock, Deeply Subordinated Funding or Management Proceeds Funding of the Senior Notes Issuer, in an amount not to exceed €2.0 million in any fiscal year; and;

(h) following a Public Offering of the Senior Notes Issuer or of a Parent Company, the declaration and payment by the Senior Notes Issuer of, or loans, advances, dividends or distributions to any Parent Company to pay, dividends on the common stock or common equity interests of the Senior Notes Issuer or any Parent Company following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Senior Notes Issuer from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or through an Excluded Contribution) of the Senior Notes Issuer or loaned as Deeply Subordinated Funding or Management Proceeds Funding to the Senior Notes Issuer and (b) following the Initial Public Offering, an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; provided that (in the case of this sub-clause (i)) after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 3.25 to 1.00 and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; provided that (in the case of this sub-clause (ii)) after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 3.50 to 1.00;

(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 or consist of Excluded Contributions;

(k) advances or loans to (i) any future, present or former officer, director, employee, consultant or independent contractor of the Senior 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 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 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 €6.0 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 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 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 €6.0 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 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 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 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, are 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 Notes Issuer or any Restricted Subsidiary and any other Person with which the Senior Notes Issuer or any Restricted Subsidiary files or filed a consolidated tax return or with which the Senior Notes Issuer or any Restricted Subsidiary is or was part of a consolidated group for tax purposes;

(o) the making of any payments and any reimbursements in relation to the Transactions, including, without limitation, as contemplated in the section entitled "*Use of Proceeds*" of this Offering Memorandum;

(p) cash dividends or other distributions on the Senior 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 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) 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 €20.0 million; and

(r) any other Restricted Payment; *provided* that the Consolidated Leverage Ratio of the Senior Notes Issuer on a pro forma basis after giving effect to any such dividend, distribution, loan or other payment does not exceed 3.0 to 1.0.

(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 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 Notes Issuer acting in good faith.

#### ***Limitation on Transactions with Affiliates***

The Senior 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 Notes Issuer involving aggregate payments or consideration in excess of €5.0 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 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 Notes Issuer delivers to the Senior 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 €7.5 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 €25.0 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 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 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 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 Notes Issuer or any Restricted Subsidiary and any Affiliate of the Senior Notes Issuer or an Associate or similar entity (in each case other than an Unrestricted Subsidiary of the Senior Notes Issuer) that would constitute an Affiliate Transaction solely because the Senior Notes Issuer or a Restricted Subsidiary or any Affiliate of the Senior 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 Notes Issuer and the Restricted Subsidiaries or between or among Restricted Subsidiaries and any guarantees issued by the Senior Notes Issuer or a Restricted Subsidiary for the benefit of the Senior 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 Notes Issuer or any Restricted Subsidiary and any other Person with which the Senior Notes Issuer or any Restricted Subsidiary files or filed a consolidated tax return or with which the Senior Notes Issuer or any Restricted Subsidiary is or was part of a consolidated group for tax purposes;

(g) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, providers of employees or other labor (including such transactions with a shared services provider to the Senior Notes Issuer and Restricted Subsidiaries and the business acquired in a Significant Acquisition) in the ordinary course of business and otherwise in compliance with the terms of the Senior Notes Indenture that are fair to the Senior 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 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 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 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 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 €2.0 million in any consecutive four-quarter period and (ii) payments by the Senior 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 Notes Issuer in good faith;

(m) the Transactions and the entry into and performance of obligations of the Senior Notes Issuer or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of the Issue Date after giving effect to the Transactions (including, without limitation, any transactions described under the caption “*Certain Relationships and Related Party Transactions*” in this Offering Memorandum), as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the holders in any material respect and

the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering; provided that such performance does not involve the payment of fees or commissions to the Affiliates and does not involve the payment of underwriting fees, commissions or discounts on behalf of shares sold by Affiliates;

(n) transactions (i) on terms that, taken as a whole, are not materially less favorable to the Senior 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 Notes Issuer and (ii) in which the Senior Notes Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Senior Notes Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Senior 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 Notes Issuer or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Senior 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; *provided* that the consideration in such Permitted Reorganization consists solely of Qualified Capital Stock of the Senior 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 Notes Issuer will not, and the Senior 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 Notes Collateral, (a) Permitted Liens or (b) Liens on property or assets that are not Permitted Liens if the obligations under the Senior Notes and the Senior 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, or, in the case of Liens in respect of Senior Debt, junior 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 Notes Collateral, Permitted Collateral Liens.

### ***Limitation on Sale of Certain Assets***

(1) The Senior Notes Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale unless:

(a) the consideration the Senior 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 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 Notes Issuer or any such Restricted Subsidiary from such transferee that are converted by the Senior 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 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 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 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 Notes Issuer or any Restricted Subsidiary received by the Senior Notes Issuer or any Senior Notes Guarantor from Persons who are not the Senior Notes Issuer or any Restricted Subsidiary; (viii) any Designated Non-cash Consideration received by the Senior 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) the greater of €15.0 million and 1.50% of Total Assets; or (ix) a combination of the consideration specified in clauses (i) to (viii).

(2) If the Senior Notes Issuer or any Restricted Subsidiary consummates an Asset Sale, the Net Cash Proceeds from such Asset Sale, within 400 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 400 days from the consummation of the Asset Sale or 180 days from the date of such binding commitment) at the option of the Senior Notes Issuer or such Restricted Subsidiary:

(a) to purchase the Senior Notes pursuant to an offer to all holders of the Senior Notes at a purchase price equal to at least 100% of the principal amount of the Senior Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase (a “*Senior 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 not be required to be cancelled) incurred pursuant to clause 2(a) of the covenant described under the caption “—*Limitation on Debt*”;

(c) to purchase or permanently prepay or redeem or repay any other Senior Debt or other Debt that is secured by a Lien on assets or property which do not constitute Senior Notes Collateral (*provided*, in each case, that in connection with any revolving credit borrowings under Credit Facilities, the related commitment will not be required to be reduced) or (ii) any Debt of a Restricted Subsidiary that is not a Senior Notes Guarantor;

(d) unless included in clause (2)(b) or (2)(c) above, to purchase, or prepay or redeem or repay, any Pari Passu Debt at a price equal to 100% of the principal amount (or accreted value, as applicable) of such Debt or a price equal to the same percentage of principal amount that is offered to the holders of Senior Notes in the substantially concurrent *pro rata* offer made to them, so long as the Senior Notes Issuer or such Restricted Subsidiary makes an offer on a *pro rata* basis to all holders of the Senior Notes at a purchase price equal to at least 100% of the principal amount of the Senior 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 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 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 Notes Issuer may also at any time, and the Senior Notes Issuer will within ten Business Days after the aggregate amount of Excess Proceeds exceeds €15.0 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 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 Notes Indenture or the agreements governing any such Pari Passu Debt. The offer price for the Senior Notes and any such Pari Passu Debt will be payable in cash in an amount equal to at least 100% of the principal amount of such Note (and solely in the case of Pari Passu Debt, no greater than either 100% of the principal amount (or accreted value, as applicable) of such Debt or the same percentage of principal amount that is offered to the holders of Senior Notes in the substantially concurrent *pro rata* offer made to them), 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 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 Notes Issuer (or applicable Restricted Subsidiary) may use the amount of such Excess Proceeds not used to purchase the Senior Notes and other Pari Passu Debt for general corporate purposes that are not otherwise prohibited by the Senior Notes Indenture. If the aggregate principal amount of the Senior 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 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 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 Notes to be purchased exceeds the amount of proceeds received for application to such principal amount, the Senior Notes Trustee will select the Senior 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 Notes Issuer is obligated to make an Excess Proceeds Offer, the Senior Notes Issuer will purchase the Senior 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 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 law and regulations are applicable in connection with each repurchase of Senior 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 Notes Indenture, the Senior 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 Notes Indenture by virtue of such compliance.

#### ***Additional Guarantees***

The Senior Notes Issuer will not permit any of its Restricted Subsidiaries that is not a Senior Notes Guarantor, directly or indirectly, to guarantee the payment of any other Debt of the Senior Notes Issuer or any Senior Notes Guarantor unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Senior Notes Indenture providing for a Senior Note Guarantee of the payment of the Senior Notes by such Restricted Subsidiary, which Senior Note Guarantee will be *pari passu* with or senior (or, if the other Debt being guaranteed by such Restricted Subsidiary is Senior Debt, junior) to such Restricted Subsidiary's guarantee of such other Debt.

Each additional Senior 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, (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 Notes Issuer or the Restricted Subsidiaries, or (d), for the avoidance of doubt, arising due to the granting of a Permitted Lien or Permitted Collateral Lien.

Notwithstanding the foregoing, the Senior Notes Issuer shall not be obligated to cause a Restricted Subsidiary to guarantee the payment of the Senior Notes to the extent that such Senior 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 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 Note Guarantee, which cannot be avoided through measures reasonably available to the Senior Notes Issuer or any Restricted Subsidiary.

***Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries***

(1) The Senior 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 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 Notes Issuer or any other Restricted Subsidiary;
- (c) make loans or advances to the Senior Notes Issuer or any other Restricted Subsidiary; or
- (d) transfer any of its properties or assets to the Senior 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 Notes Issuer or any Restricted Subsidiary to other Debt incurred by the Senior 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 Notes (including Additional Senior Notes), the Senior Note Guarantees, the Senior Notes Indenture, the Revolving Credit Facility Agreement, the Senior Secured Notes or any related guarantees, the Senior Secured Notes Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents;

(b) any agreements or instruments with respect to Debt of the Senior 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 refinancings 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 Notes Issuer, are not materially less favorable to the holders of the Senior 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, (ii) is customary in comparable financings (as determined in good faith by the board of directors or a member of senior management), or (iii) the Senior 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 Notes Issuers’ ability to make principal or interest payments on the Senior Notes (as determined in good faith by the board of directors or a member of senior management);

(c) any agreement in effect on the Issue Date after giving effect to the Transactions and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings 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, after giving effect to the Transactions (as determined in good faith by the board of directors or a member of senior management of the Senior 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 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;
- (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 Notes than those under or pursuant to the agreement so extended, renewed, amended, modified, restated, supplemented, refunded, refinanced or replaced;
- (n) customary restrictions included in shareholder agreements relating to non-Wholly Owned Subsidiaries; and
- (o) any encumbrance or restriction pursuant to Hedging Obligations.

### ***Lines of Business***

The Senior 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 Notes Issuer and its Restricted Subsidiaries, taken as a whole.

### ***Designation of Unrestricted and Restricted Subsidiaries***

The board of directors of the Senior 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 Notes Issuer or any other Subsidiary of the Senior 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 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 Notes Issuer. That designation will only be permitted if the Investment of the Senior 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 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 Notes Issuer as an Unrestricted Subsidiary will be evidenced to the Senior Notes Trustee by filing with the Senior 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 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 Notes Issuer as a Restricted Subsidiary will be evidenced to the Senior Notes Trustee by filing with the Senior 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 Notes are outstanding, the Senior Notes Issuer will furnish to the Senior Notes Trustee:

(a) within 120 days after the end of the the Company’s fiscal year beginning with the fiscal year ended December 31, 2014, annual reports containing the following information with a level of detail that is substantially comparable in all material respects to this Offering Memorandum: (i) audited consolidated balance sheets of the Company as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company 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 Company, 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 Company 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, material contracts, management, shareholders, material affiliate transactions and material debt instruments of the Company; (v) material risk factors and material recent developments; and (vi) a summary description of any material differences in the information reported by the Company with respect to items (i) to (v) above and the corresponding information of the Senior Notes Issuer (which summary description need not be audited and will not include a line-item by line-item reconciliation between financial information of the Company and the corresponding financial information of the Senior Notes Issuer);

(b) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Company beginning with the quarter ending March 31, 2015, all quarterly financial statements of the Company 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 Company, 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 Company 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 this Offering Memorandum) 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 Company 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 (v) a summary description of any material differences in the information reported by the Company with respect to items (i) to (iv) above and the corresponding information of the Senior Notes Issuer (which summary description need not be audited and will not include a line-item by line-item reconciliation between financial information of the Company and the corresponding financial information of the Senior Notes Issuer); and

(c) promptly after the occurrence of any material acquisition, disposition, restructuring or business consolidation or combination of the Senior Notes Issuer and its Restricted Subsidiaries, taken as a whole, or any senior executive officer changes at the Senior Notes Issuer or change in auditors of the Senior



Notes Issuer or any other material event that the Senior 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 Notes Issuer or any Subsidiaries of the Senior 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 this Offering Memorandum 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 Notes Guarantor and non-Senior Notes Guarantor Subsidiaries of the Senior Notes Issuer.

Contemporaneously with the furnishing of each such report discussed above, the Company or the Senior 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 Company or the Senior Notes Issuer.

At any time that any of the Company'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 Company, 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 Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

At any time that any of the Senior Notes Issuer's Subsidiaries (other than the Company and its 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 Notes Issuer, then the financial statements, information, auditors' reports and other documents or information required to be provided under this "*Provision of Information*" covenant will be those of the Senior Notes Issuer rather than those of the Company, and any such required quarterly and annual financial information 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 Notes Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Senior Notes Issuer.

At the Senior Notes Issuer's election, for any relevant reporting period, the financial statements, information, auditors' reports and other documents or information required to be provided as described in the four preceding paragraphs of this "*Provision of Information*" covenant, may be, rather than those of the Company, those of the Senior Notes Issuer itself. If the Senior Note Guarantee of the Company has been released in accordance with the provisions of the Senior Notes Indenture, the reports and other documents and information required to be provided as described in the first four paragraphs of this "*Provision of Information*" covenant shall be those of the Senior Notes Issuer. With respect to information and reports for the fiscal year ended December 31, 2014 and the quarter ending March 31, 2015, we expect to provide the financial statements, information and other documents of the Company.

So long as any of the Senior Notes remain outstanding and during any period during which the Senior 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 Notes Issuer will make available to any prospective purchaser of Senior Notes or beneficial owner of Senior Notes in connection with any sale thereof the information required by Rule 144A(d)(4) under the Securities Act.

In the event that (i) the Senior 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 Notes Issuer elects to provide reports which, if filed with the Commission, would satisfy (in the good faith judgment of the Senior 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 Notes Issuer will make available such annual reports, information, documents and other reports that the Senior 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 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 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 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 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 Notes Issuer will be the surviving Person or (ii) the Person (if other than the Senior 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 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;

(y) will expressly assume the Senior Notes Issuer’s obligations under the Senior Notes, the Senior Notes Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement, and (in the event of a merger or consolidation of the Senior Notes Issuer or a sale of all or substantially all of the Senior Notes Issuer’s assets effected through the sale of the Capital Stock of Luxco) the Security Documents pursuant to a supplemental indenture, accession agreement, security documents and any other relevant document, in each case, delivered to the Senior Notes Trustee and the Security Agent; and

(z) will grant, or cause to be granted, for the benefit of the holders of the Senior Notes (in the event of a sale of all or substantially all of the Senior Notes Issuer’s assets effected through the sale of the Capital Stock of Holdco or the Company) a second-ranking security interest in the shares of the Company or the direct Subsidiary of the Surviving Entity of which the Company is a direct or indirect wholly owned Subsidiary;

(b) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (and treating any obligation of the Senior 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 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 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) 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) the Senior Notes Issuer or the Surviving Entity will have delivered to the Senior Notes Trustee, in form satisfactory to the Senior 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 Notes constitute the Senior Notes Issuer’s or Surviving Entity’s legal, valid and binding obligations, enforceable (subject to customary qualifications) in accordance with their terms; and

(e) (i) in the event of a merger or consolidation of the Senior Notes Issuer or a sale of all or substantially all of the Senior Notes Issuer’s assets effected through the sale of the Capital Stock of Luxco, the Luxco Proceeds Loan will be novated to the Surviving Entity, or (ii) in the event of a sale of all or substantially all of the Senior Notes Issuer’s assets effected through the sale of the Capital Stock of Holdco or the Company, the Company Proceeds Loan will be novated to the Surviving Entity and a second-ranking security interest will be granted by such entity over such loan for the benefit of the holders of Senior Notes, and such novated Luxco

Proceeds Loan or novated Company Proceeds Loan, as applicable, shall constitute a “Proceeds Loan” for the purposes of this Senior Notes Indenture.

The Surviving Entity will succeed to, be substituted for and may exercise every right and power of the Senior Notes Issuer under the Senior Notes, the Senior Notes Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents (with the release of the Senior Notes Issuer from any and all obligations thereunder); *provided* that, in the event of a sale of all or substantially all of the Senior Notes Issuer’s assets effected through the sale of the Capital Stock of Holdco or the Company, the Liens over the Senior Notes Collateral consisting of the Capital Stock of Luxco and the Luxco Proceeds Loan will be released.

A Senior Notes Guarantor (other than any Senior Notes Guarantor whose Senior Note Guarantee is to be released in accordance with the terms of the Senior Note Guarantee and the Senior Notes Indenture as described under “*The Senior Note Guarantees*”) will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Senior 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 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 Notes Guarantor) assumes all the obligations of such Senior Notes Guarantor under its Senior Note Guarantee, the Senior Notes Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which such Senior Notes Guarantor is party pursuant to a supplemental indenture, accession agreement and appropriate security documents delivered to the Senior 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 Notes Indenture.

Notwithstanding clauses (b) and (c) of the first paragraph of this covenant and clause (a) of the third 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 Notes Issuer or any other Restricted Subsidiary and (ii) the Senior Notes Issuer may consolidate with, merge into or transfer all or substantially all of its properties and assets to any Senior 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 Notes Issuer with or into an Affiliate solely for the purpose of reincorporating the Senior Notes Issuer in another jurisdiction for tax reasons.

Notwithstanding clause (a) of the third paragraph of this covenant, any Senior Notes Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Senior Notes Guarantor, and any Senior Notes Guarantor may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized solely for the purpose of changing the legal domicile of the Senior Notes Guarantor, reincorporating the Senior Notes Guarantor in another jurisdiction, or changing the legal form of the Senior Notes Guarantor.

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.

### ***Impairment of Security Interest***

The Senior Notes Issuer, will not, and the Senior 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 Notes Collateral (it being understood that (subject to provisos below) the incurrence of Liens on the Senior 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 Notes Collateral) for the benefit of the Senior Notes Trustee and the holders of the

Senior Notes, and the Senior Notes Issuer will not, and the Senior 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 Notes Trustee and the holders of the Senior 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 Notes Collateral; *provided* that (a) nothing in this provision shall restrict the discharge or release of the Senior Notes Collateral in accordance with any other provision of the Senior Notes Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement and (b) the Senior Notes Issuer and the Senior 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 Notes Collateral released and substantially concurrently retaken unless substantially concurrently with such amendment, extension, replacement, restatement, supplement, modification, replacement or release and retaking, the Senior Notes Issuer delivers to the Senior Notes Trustee any of (1) a solvency opinion from an internationally recognized investment bank or accounting firm confirming the solvency of the Senior Notes Issuer and its Subsidiaries, taken as a whole, 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 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 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 Notes Issuer and without the consent of the holders of the Senior Notes, the Senior 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 Notes Collateral; (iv) comply with the terms of the Intercreditor Agreement; (v) evidence the succession of another Person to the Senior Notes Issuer or a Senior Notes Guarantor and the assumption by such successor of the obligations under the Senior Notes Indenture, the Senior Notes, the applicable Senior 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 Senior Notes Collateral from the Lien of the Security Documents or the release of the Senior Note Guarantee of a Senior Notes Guarantor, in each case, in accordance with (and if permitted by) the terms of the Senior Notes Indenture; (vii) conform the Security Documents to this “*Description of the Senior Notes*,” (viii) evidence and provide for the acceptance of the appointment of a successor Senior Notes Trustee or Security Agent; (ix) to provide for Additional Senior Notes to also benefit from the Senior Notes Collateral or (x) make any other change thereto that does not adversely affect the rights of the holders of the Senior Notes in any material respect.

In the event that the Senior Notes Issuer complies with this covenant, the Security Agent and the Senior Notes Issuer and the Senior 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 Notes Issuer, at the time of, or prior to, the Incurrence or refinancing of any Senior Debt, the Senior Notes or any Debt that is permitted to share the Senior Notes Collateral, the Senior Notes Issuer, the relevant Senior Notes Guarantors, the Senior Notes Trustee and the Security Agent will (without the consent of the holders of the Senior 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 Notes) or an amendment to or an amendment and restatement of the Intercreditor Agreement (which amendment in the good faith judgment of the Senior Notes Issuer does not adversely affect the rights of holder of the Senior 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 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 Notes Trustee or the Security Agent or adversely affect the rights, duties, liabilities, protections, indemnities or immunities of the Senior Notes Trustee and the Security Agent under the Senior Notes Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement. For the avoidance of doubt, subject to the foregoing and the succeeding paragraph, any such Additional Intercreditor Agreement may provide for senior, pari passu or subordinated security interests in respect of any such Debt (to the extent such Indebtedness is permitted to share the Senior Notes Collateral pursuant to the definition of Permitted Collateral Lien).

The Senior Notes Indenture will also provide that, at the written direction of the Senior Notes Issuer and without the consent of the holders of the Senior Notes, the Senior 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 Notes Issuer or a Senior 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 Notes or the Senior Note Guarantees, or an amendment or modification of provisions relating to Debt ranking junior in right of payment to the Senior Notes or the Senior Note Guarantees if such amendments do not adversely affect the holders of the Senior Notes in any material respect, (3) add Restricted Subsidiaries or new Senior Notes Guarantors to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Senior Notes (including Additional Senior Notes), (5) make provision for equal and ratable pledges of or call options on the Senior Notes Collateral to secure Additional Senior 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 Notes in any material respect.

The Senior Notes Indenture will also provide that, in relation to the Intercreditor Agreement or any Additional Intercreditor Agreement, the Senior Notes Trustee (and Security Agent, if applicable) shall consent on behalf of the holders of the Senior 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 Notes Indenture will provide that each holder of a Note, by accepting such 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 Notes Issuer, the Senior Notes Trustee or the Security Agent will be required to seek the consent of any holders of the Senior Notes to perform its obligations under and in accordance with this covenant. Each holder of the Senior Notes will be deemed to have consented to and directed the Senior 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 Notes Issuer will use its commercially reasonable efforts to obtain and maintain the listing of the Senior Notes on the Luxembourg Stock Exchange for so long as such Senior Notes are outstanding; *provided* that if the Senior Notes Issuer is unable to obtain admission to listing of the Senior Notes on the Luxembourg Stock Exchange or if at any time the Senior 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 Notes on another recognized stock exchange.

### ***Holding Company Limitation on Holdco***

- (a) Holdco shall not carry on any material business or own any material assets except for:
  - (i) subscribing for, holding and voting shares or other debt or equity instruments or securities of the Company or its Subsidiaries, Debt of the Company or its Subsidiaries, other credit balances in bank accounts and any other asset or property substantially in the nature of bank accounts and other assets or property it owns on the Issue Date after giving effect to the Transactions, and to sell, issue, convey, transfer, lease, or otherwise dispose of all of the foregoing in each case, in accordance

with the provisions of the Senior Notes Indenture; *provided* that (notwithstanding the foregoing or any other provision of this covenant) Holdco may from time to time receive in a transaction otherwise permitted under the Senior Notes Indenture any other 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 reasonably 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 any Debt or other debt securities or instruments of Holdco and using the net cash proceeds of such issuance, or exchanging or converting such securities or instruments for any purposes not prohibited by this covenant, including, without limitation, to fund the purchase price or redemption of any Debt or other equity or debt instrument or security of the Company or any of its Subsidiaries, or contributing to the common equity of the Company or any of its Subsidiaries; and (B) any purchase, repurchase, redemption, or the performance of the terms and conditions of, and exercise of rights in respect of, the foregoing, as applicable, in accordance with the provisions of the Senior Notes Indenture;

(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, in each case, in accordance with the provisions of the Senior Notes Indenture;

(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 in accordance with the provisions of the Senior Notes Indenture;

(v) entry into and performance of its rights and obligations under the Senior Notes Indenture, the Senior Notes, the Intercreditor Agreement, any Additional Intercreditor Agreement, any Credit Facility, 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 Notes Indenture);

(vi) holding cash and Cash Equivalents;

(vii) paying dividends, making distributions and other payments in accordance with the provisions of the Senior Notes Indenture;

(viii) pursuant to or in connection with the Transactions;

(ix) making Investments in the Senior Notes, any Debt or any other securities of the Senior Notes Issuer or any of its Subsidiaries (other than an Unrestricted Subsidiary);

(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 Notes Issuer or any Parent Company or any of their affiliates in accordance with the provisions of the Senior Notes Indenture;

(xii) the entry into and performance of its rights and obligations under any contract, agreement or other transaction with the Senior Notes Issuer or any of its Subsidiaries in accordance with the provisions of the Senior Notes Indenture;

(xiii) the provision of administration services, treasury services, cash management services and other management services to the Senior Notes Issuer or any of its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries, including, without limitation, those relating to tax consolidation, 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 the Senior Notes Issuer’s or any of 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 Notes Indenture;

(xv) effecting or participating in a Permitted Reorganization; and

(xvi) activities undertaken on the Issue Date after giving effect to the Transactions and subsequent activities substantially consistent with activities undertaken by the Senior Notes Issuer or Holdco as of the Issue Date and other activities not specifically enumerated above that are incidental to the foregoing or are de minimis in nature.

***Holding Company Limitations on the Senior Notes Issuer and Luxco***

(a) None of the Senior Notes Issuer or Luxco shall carry on any material business or own any material assets except for:

(i) (A) in the case of the Senior Notes Issuer, subscribing for, holding and voting shares, Debt or other debt or equity instruments or securities of any of its Subsidiaries, other credit balances in bank accounts and any other asset or property substantially in the nature of bank accounts and other assets or property it owns on the Issue Date after giving effect to the Transactions; (B) in the case of Luxco, subscribing for, holding and voting shares, Debt or other debt or equity instruments or securities of Holdco or any of its Subsidiaries, other credit balances in bank accounts and any other asset or property substantially in the nature of bank accounts and other assets or property it owns on the Issue Date after giving effect to the Transactions; and, in the case of (A) and (B), each of the Senior Notes Issuer and Luxco can sell, issue, convey, transfer, lease, or otherwise dispose of all of the foregoing in accordance with the provisions of the Senior Notes Indenture; *provided that* (notwithstanding the foregoing or any other provision of this covenant) each of the Senior Notes Issuer and Luxco may from time to time receive in a transaction otherwise permitted under the Senior Notes Indenture any other 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 reasonably promptly by it and, after giving effect thereto, the Senior Notes Issuer or Luxco is again in compliance with this clause;

(ii) (A) the issuance, offering and sale of Capital Stock, other equity securities or any Debt or other debt securities or instruments of the Senior Notes Issuer or Luxco and using the net cash proceeds of such issuance, or exchanging or converting such securities or instruments for any purposes not prohibited by this covenant, including, without limitation, to fund the purchase price or redemption of any Debt or other equity or debt instrument or security of any of its respective Subsidiaries, or contributing to the common equity of any of its respective Subsidiaries; and (B) any purchase, repurchase, redemption, or the performance of the terms and conditions of, and exercise of rights in respect of, the foregoing, as applicable, in accordance with the provisions of the Senior Notes Indenture and the relevant Security Document;

(iii) (A) the listing of Qualified Capital Stock or Debt of the Senior Notes Issuer 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, in each case, in accordance with the provisions of the Senior 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 in accordance with the provisions of the Senior Notes Indenture and the relevant Security Documents;

(v) entry into and performance of its rights and obligations under the Senior Notes Indenture, the Senior Notes, the Luxco Proceeds Loan and/or the Company Proceeds Loan, as applicable, the Intercreditor Agreement, any Additional Intercreditor Agreement, any Credit Facility, 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 Notes Indenture);

(vi) holding cash and Cash Equivalents;

(vii) paying dividends, making distributions and other payments in accordance with the provisions of the Senior Notes Indenture;



(viii) carrying out the Transactions and any trading, activities or transactions entered into or carried out pursuant to or in connection with the Transactions;

(ix) making Investments in the Senior Notes, any Debt or any other securities of the Senior Notes Issuer or any of its Subsidiaries (other than an Unrestricted Subsidiary);

(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 Notes Issuer or any Parent Company or any of their affiliates in accordance with the provisions of the Senior Notes Indenture;

(xii) the entry into and performance of its rights and obligations under any contract, agreement or other transaction with the Senior Notes Issuer or any of its Subsidiaries in accordance with the provisions of the Senior Notes Indenture;

(xiii) the provision of administration services, treasury services, cash management services and other management services to the Senior Notes Issuer or any of its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries, including, without limitation, those relating to tax consolidation, 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 the Senior Notes Issuer's or any of its Subsidiaries' corporate existence, and the ownership of assets necessary to provide such services;

(xiv) in the case of the Senior Notes Issuer, 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 after giving effect to the Transactions and subsequent activities substantially consistent with activities undertaken by the Senior Notes Issuer or Luxco as of the Issue Date and other activities not specifically enumerated above that are incidental to the foregoing or are de minimis in nature.

### ***Limitation on Layered Debt***

No Senior Notes Guarantor will incur, create, issue, assume, guarantee or otherwise become liable for any Debt that is contractually subordinated or junior in right of payment to the Senior Debt of such Senior Notes Guarantor and senior in right of payment to such Guarantor's Senior Note Guarantee. No such Debt will be considered to be contractually subordinated or junior in right of payment to any Senior Debt of any Senior Notes Guarantor by virtue of being unsecured or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Debt under Credit Facilities.

### ***Payments for Consent***

The Senior 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 Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Senior Notes Indenture or the Senior Notes unless such consideration is offered to be paid and is paid to all holders of the Senior 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 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 Notes Indenture or the Senior Notes, to exclude holders of Senior 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 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 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.

#### ***Limitation on Actions with respect to the Proceeds Loans***

None of the Senior Notes Issuer or Luxco will (1) advance the Stated Maturity or reduce the principal of the relevant Proceeds Loan; (2) change the currency for payment of any amount under the relevant Proceeds Loan; (3) prepay or otherwise reduce or permit the prepayment or reduction of the principal of the relevant Proceeds Loan (other than to facilitate or otherwise accommodate or reflect a reasonably concurrent repayment, redemption or repurchase of outstanding Senior Notes); (4) sell, assign or otherwise transfer or forgive or waive any principal amount of the relevant Proceeds Loan (other than to secure the Senior Notes, any Senior Note Guarantees or the Senior Notes Indenture, to secure the Senior Secured Notes, any related guarantee or the Senior Secured Notes Indenture, to grant Permitted Collateral Liens or as otherwise permitted under the Senior Notes Indenture (including, without limitation, pursuant to the covenant described above under the caption “—*Certain Covenants—Impairment of Security Interest*”) or in connection with a transaction permitted by “—*Certain Covenants—Consolidation, Merger and Sale of Assets*”); or (5) amend the relevant Proceeds Loan in a manner adverse in any material respect to the Holders of Senior Notes (as determined in good faith by the Senior Notes Issuer). Notwithstanding the foregoing, the Senior Notes Issuer or Luxco may amend the relevant Proceeds Loan to modify the interest terms thereof, including the interest rate payable thereunder.

Notwithstanding the foregoing the Proceeds Loans may be cancelled, forgiven, amended or otherwise repaid, released or discharged upon:

- (1) legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Notes, as provided in “—*Legal Defeasance or Covenant Defeasance of the Senior Notes Indenture*” and “—*Satisfaction and Discharge*,”
- (2) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (3) as described under “—*Amendments and Waivers*,” or
- (4) as a result of a transaction permitted by “—*Certain Covenants—Consolidation, Merger and Sale of Assets*.”

The Senior Notes Trustee and the Security Agent shall take all necessary actions reasonably requested by the Senior Notes Issuer, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, the Senior Notes Indenture and the applicable Security Document, to effectuate any release of the Proceeds Loans in accordance with the foregoing provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Senior Notes Trustee and the Security Agent without the consent of or liability to the Holders or any other action or consent on the part of the Senior Notes Trustee or the Security Agent.

#### **Events of Default**

- (1) Each of the following will be an “*Event of Default*” under the Senior Notes Indenture:
  - (a) default for 30 days in the payment when due of any interest or any Additional Amounts on any Note;
  - (b) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of or premium, if any, on any Note;
  - (c) failure by the Senior Notes Issuer, Luxco, Holdco or the relevant Senior Notes Guarantor 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 Notes Issuer, the relevant Senior Notes Guarantor, Holdco or Luxco for 60 days after written notice to the Senior Notes Issuer by the Senior Notes Trustee or the holders of at least 25% in aggregate principal amount of the Senior Notes then outstanding voting as a single class to comply with any of the agreements in the Senior 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 Notes, the Senior Note Guarantees or the Security Documents);

(e) default under the terms of any instrument evidencing or securing Debt for money borrowed by the Senior 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 €20.0 million;

(f) any Senior Note Guarantee ceases to be, is held in any judicial proceeding or shall be asserted in writing by any Senior Notes Guarantor, or any Person acting on behalf of any Senior 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 Notes Indenture, any Senior Note Guarantee or the Intercreditor Agreement);

(g) failure by the Senior 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 €20.0 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 Senior Notes 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 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 Notes Indenture for any reason other than the satisfaction in full of all obligations under the Senior Notes Indenture and discharge of the Senior Notes Indenture or in accordance with the terms of the Intercreditor Agreement, any Additional Intercreditor Agreement, the Senior 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 Notes Issuer or any Restricted Subsidiary granting Senior Notes 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 Notes Indenture with respect to the Senior 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 Notes Issuer) occurs and is continuing, the Senior Notes Trustee or the holders of not less than 25% in aggregate principal amount of the Senior Notes then outstanding by written notice to the Senior Notes Issuer (and to the Senior Notes Trustee if such notice is given by the holders) may, and the Senior 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 Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the Senior Notes will become immediately due and payable.

(3) If an Event of Default specified in clause (1)(i) above with respect to the Senior 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 Notes shall become and be immediately due and payable without any declaration or other act on the part of the Senior Notes Trustee or any holder of Senior Notes.

(4) The Senior Notes Indenture will provide that the holders of a majority in aggregate principal amount of the then outstanding Senior Notes by written notice to the Senior Notes Trustee may on behalf of the holders of all of the Senior Notes waive any existing Default and its consequences under the Senior Notes Indenture (except a continuing Default in the payment of interest on, premium and Additional Amounts, if any, of the principal of any Senior Notes held by a non-consenting holder, which may only be waived with the consent of holders of the Senior Notes holding 90% of the aggregate principal amount of the Senior Notes outstanding under the Senior Notes Indenture) and rescind any acceleration with respect to the Senior 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 Notes) shall be annulled, waived or rescinded, automatically and without any action by the Senior 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 Notes Indenture, but before a judgment or decree for payment of the money due has been obtained by the Senior Notes Trustee, the holders of a majority in aggregate principal amount of the outstanding Senior Notes, by written notice to the Senior Notes Issuer and the Senior Notes Trustee, may rescind such declaration and its consequences if:

(a) the Senior Notes Issuer has paid or deposited with the Senior Notes Trustee (or another party designated by the Senior Notes Trustee for this purpose) a sum sufficient to pay:

(i) all overdue interest and Additional Amounts on all Senior Notes then outstanding;

(ii) all unpaid principal of and premium, if any, on any outstanding Senior Notes that has become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Senior 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 Notes; and

(iv) all sums paid or advanced by the Senior Notes Trustee under the Senior Notes Indenture and the properly incurred compensation, expenses, disbursements and advances of the Senior 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 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 Notes may direct the Senior Notes Trustee in its exercise of any trust or power.

(7) In case an Event of Default occurs and is continuing, the Senior Notes Trustee will be under no obligation to exercise any of the rights or powers under the Senior Notes Indenture at the request or direction of any holders of the Senior Notes unless such holders have made written request and offered to the Senior Notes Trustee indemnity and/or security satisfactory to the Senior Notes Trustee against any loss, liability or expense (which shall include the cost of the Senior Notes Trustee's legal counsel). 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 Notes has any right to institute any proceedings with respect to the Senior Notes Indenture or any remedy thereunder, unless the holders of at

least 25% in aggregate principal amount of the outstanding Senior Notes have made written request to, and offered indemnity and/or security satisfactory to, the Senior Notes Trustee to institute such proceeding as trustee under the Senior Notes and the Senior Notes Indenture, the Senior Notes Trustee has failed to institute such proceeding within 30 days after receipt of such written notice and indemnity and/or security and the Senior 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 Notes. Such limitations do not, however, apply to a suit instituted by a holder of a Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Note on or after the respective due dates expressed in such Note.

(8) If a Default or an Event of Default occurs and is continuing and is known to the Senior Notes Trustee, the Senior Notes Trustee will deliver to each holder of the Senior 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 Notes, the Senior Notes Trustee may withhold the notice to the holders of such Senior Notes if the Senior Notes Trustee in good faith determines that withholding the notice is in the interests of the holders of the Senior Notes.

(9) The Senior Notes Issuer is required to furnish to the Senior Notes Trustee annual statements regarding compliance with the Senior Notes Indenture and as to the occurrence of a Default or Event of Default. The Senior Notes Issuer is also required to notify the Senior 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 Notes Indenture**

The Senior 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 Notes issued under an Senior Notes Indenture and all obligations of the Senior Notes Guarantors discharged with respect to their applicable Senior Note Guarantees ("*Legal Defeasance*") except as to:

- (a) the rights of holders of outstanding Senior Notes to receive payments in respect of the principal of, premium, if any, and interest on such Senior Notes (including Additional Amounts, if any) when such payments are due from the trust referred to below;
- (b) the Senior Notes Issuer's obligations to issue temporary Senior Notes, register, transfer or exchange any Senior Notes, replace mutilated, destroyed, lost or stolen Senior Notes, maintain an office or agency for payments in respect of the Senior Notes and segregate and hold such payments in trust;
- (c) the rights, powers, trusts, duties and immunities of the Senior Notes Trustee and the obligations of the Senior Notes Issuer and the Senior Notes Guarantors in connection therewith; and
- (d) the Legal Defeasance and Covenant Defeasance provisions of the Senior Notes Indenture.

In addition, the Senior Notes Issuer may, at its option and at any time, elect to have the obligations of the Senior Notes Issuer and the Senior 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 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 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 Notes. These events do not include events relating to non-payment or, solely with respect to the Senior Notes Issuer, bankruptcy, insolvency, receivership and reorganization. The Senior 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 Notes Issuer must irrevocably deposit or cause to be deposited in trust with the Senior Notes Trustee (or such other entity nominated by the Senior Notes Trustee for this purpose), for the benefit of the holders of the Senior 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

Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Senior Notes Issuer must (x) specify whether the Senior Notes are being defeased to such Stated Maturity or to a particular redemption date; and (y) if applicable, have delivered to the Senior Notes Trustee an irrevocable notice to redeem all the outstanding Senior Notes of such principal, premium, if any, or interest;

(b) in the case of Legal Defeasance, the Senior Notes Issuer must have delivered to the Senior Notes Trustee an opinion of counsel reasonably acceptable to the Senior Notes Trustee stating that (i) the Senior 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 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 Notes Issuer must have delivered to the Senior Notes Trustee an opinion of counsel reasonably acceptable to the Senior Notes Trustee to the effect that the beneficial owners of the outstanding Senior 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 Notes Issuer must have delivered to the Senior Notes Trustee an Officer's Certificate stating that the deposit was not made by the Senior Notes Issuer with the intent of preferring the holders of the Senior Notes over the other creditors of the Senior Notes Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the Senior Notes Issuer or others; and

(e) the Senior Notes Issuer must have delivered to the Senior Notes Trustee an Officer's Certificate and an opinion of counsel, reasonably acceptable to the Senior 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 Notes Indenture will be discharged and will cease to be of further effect as to all Senior Notes issued thereunder when:

(a) either:

(i) all the Senior Notes that have been authenticated and delivered (other than destroyed, lost or stolen Senior Notes that have been replaced or paid and Senior Notes for whose payment money has been deposited in trust or segregated and held in trust and thereafter repaid to the Senior Notes Issuer or discharged from such trust as provided for in the Senior Notes Indenture) have been delivered to the Paying Agent (and notified to the Senior Notes Trustee) for cancellation; or

(ii) all Senior Notes that have not been delivered to the Paying Agent (and notified to the Senior 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 Notes Issuer or any Senior Notes Guarantor has irrevocably deposited or caused to be deposited with the Senior Notes Trustee (or such other entity nominated by the Senior Notes Trustee for this purpose) as trust funds in trust solely for the benefit of the holders of the Senior 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 Notes not delivered to the Paying Agent (and notified to the Senior Notes Trustee) for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; and

(b) the Senior Notes Issuer or any Senior Notes Guarantor has paid or caused to be paid all sums payable by the Senior Notes Issuer under the Senior Notes Indenture and the Senior Notes; and

(c) the Senior Notes Issuer has delivered irrevocable instructions to the Paying Agent and copied to the Senior Notes Trustee under the Senior Notes Indenture to apply the deposited money toward the payment of the Senior Notes at maturity or on the redemption date, as the case may be.

In addition, the Senior Notes Issuer must deliver to the Senior 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 Notes Indenture relating to the satisfaction and discharge of the Senior 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 Notes Indenture, the Senior Notes, the Senior Note Guarantees, the Proceeds Loans, 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 Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Notes), and any existing Default or Event of Default or compliance with any provision of the Senior Notes Indenture, the Senior Notes, the Senior 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 Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Notes).

Unless (i) consented to by the holders of at least 90% of the aggregate principal amount of then outstanding Senior Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Notes) or (ii) consented to by each holder of Senior 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 Note;
- (b) reduce the principal amount of any 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 Note;
- (c) change the coin or currency in which the principal of any Note or any premium or any Additional Amounts or the interest thereon is payable;
- (d) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed, in each case as described under “—*Optional Redemption*,”
- (e) impair the right of any holder of Senior 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 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 Notes (except a rescission of acceleration of the Senior Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Senior Notes and a waiver of the Payment Default that resulted from such acceleration);
- (g) release any Senior Notes Guarantor from any of its obligations under its Senior Note Guarantee other than in accordance with the terms of the Senior Notes Indenture and the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (h) any change to any provision of the Senior Notes Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement affecting the ranking of the Senior Notes or Senior Note Guarantees, in each case, in a manner that adversely affects the rights of the holders of Senior Notes in a material way;
- (i) release any Senior Notes Collateral granted for the benefit of the holders of the Senior Notes, except in accordance with the terms of the relevant Security Document, the Senior Notes Indenture and the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (j) make any change in the provisions of the Senior Notes Indenture described under “—*Additional Amounts*” that adversely affects the rights of any holder of the Senior Notes in a material way or amend the terms of the Senior Notes or the Senior 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 Note (other than a payment required by the covenants described above under the captions “*Purchase of Senior Notes upon a Change of Control*” and “*Certain Covenants—Limitation on Sale of Certain Assets*,” which may be waived with the consent of the holders of at least a majority in aggregate principal amount of the Senior Notes then outstanding);

(l) modify any of the provisions relating to supplemental indentures requiring the consent of holders of the Senior 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 Notes required for such actions or to provide that certain other provisions of the Senior 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 Notes will be binding against any non-consenting holders.

Notwithstanding the foregoing, without the consent of any holder of the Senior Notes, the Senior Notes Issuer, the Senior Notes Guarantors, Holdco, Luxco, the Security Agent, Paying Agent and the Senior Notes Trustee (as applicable) may modify, amend or supplement the Senior Notes Indenture, the Senior Notes, the Senior Note Guarantees, the Proceeds Loans, 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 Notes Issuer or a Senior 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 senior, junior or *pari passu* in right of payment to the Senior Notes, or an amendment or modification of provisions relating to such Debt) that does not adversely affect the holders of the Senior Notes in any material respect;

(c) add Restricted Subsidiaries to the relevant agreement;

(d) implement any Permitted Collateral Liens (including senior liens, 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 Notes Issuer’s or any other Guarantor’s obligations to holders of the Senior Notes and Senior 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 Notes or that does not adversely affect the legal rights under the Senior Notes Indenture of any such holder in any material respect;

(g) to conform the text of the Senior Notes Indenture, the Senior Note Guarantees, the Proceeds Loans, the Security Documents or the Senior Notes to any provision of this “*Description of the Senior Notes*” to the extent that such provision in this “*Description of the Senior Notes*” was intended to be a verbatim recitation of a provision of the Senior Notes Indenture, the Senior Note Guarantees, the Proceeds Loans, the Security Documents or the Senior Notes;

(h) to release any Senior Note Guarantee in accordance with the terms of the Senior Notes Indenture;

(i) to allow any Senior Notes Guarantor to execute a supplemental indenture with respect to the Senior Notes or a Senior 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 Senior Notes Collateral) or any amendment or in respect of the Security Documents with respect to or securing the Senior Notes and the Senior Note Guarantees when such release, termination, discharge or retaking or amendment is in accordance with the terms of the Senior Notes Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;



(k) provide for uncertificated Senior Notes in addition to or in place of certificated Senior Notes (*provided* that the uncertificated Senior 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 Notes Indenture or to otherwise comply with any requirement of the Senior Notes Indenture;

(m) to the extent necessary to grant a Security Interest in any Senior Notes Collateral for the benefit of any Person; *provided* that the granting of such Security Interest is not prohibited by the Senior Notes Indenture or the Intercreditor Agreement or any Additional 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*,”

(o) to provide for the issuance of Additional Senior Notes in accordance with, and if permitted by, the terms and limitations set forth in the Senior Notes Indenture;

(p) subject to the covenant described under “—*Certain Covenants—Limitation on Actions with respect to the Proceeds Loans*,” to amend, supplement or otherwise modify the Proceeds Loans in ways that would not be adverse to the holders of Senior Notes in any material respect; or

(q) to make any amendment to the provisions of the Senior Notes Indenture relating to the transfer and legending of Senior Notes, including, without limitation to facilitate the issuance and administration of the Senior Notes; *provided*, that (i) compliance with the Senior Notes Indenture as so amended would not result in Senior Notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of holders to transfer Senior Notes.

In formulating its opinion on such matters, the Senior 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 Notes Trustee may solely rely.

The consent of the holders of the Senior Notes is not necessary under the Senior 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 Notes Trustee**

The Senior 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 Notes Trustee.

The holders of a majority in aggregate principal amount of the then outstanding Senior Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Senior Notes Trustee, subject to certain exceptions. The Senior Notes Indenture will provide that in case an Event of Default occurs and is continuing, the Senior 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 Notes Trustee will be under no obligation to exercise any of its rights or powers under the Senior Notes Indenture at the request of any holder of Senior Notes, unless such holder has offered to the Senior Notes Trustee security and/or indemnity satisfactory to it against any loss, liability or expense (which shall include the cost of the Senior Notes Trustee’s legal counsel).

The Senior Notes Issuer and the Senior Notes Guarantors will jointly and severally indemnify the Senior Notes Trustee for certain claims, liabilities and expenses (which shall include the cost of the Senior Notes Trustee’s legal counsel) 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 Senior 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 Senior Notes is not conditioned on obtaining this listing. The Senior Notes Issuer has initially designated Wilmington Trust SP

Services (Luxembourg) S.A. as its listing agent (the “*Listing Agent*”). The address of the Listing Agent is 52-54 Avenue du X Septembre, L-2550 Luxembourg, Luxembourg.

### **Listing and General Information**

So long as the Senior 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 Senior Notes and this Offering Memorandum may be obtained, free of charge, during normal business hours at the registered office of the Senior Notes Issuer.

Anyone who receives this Offering Memorandum may obtain a copy of the Senior Notes Indenture, the Senior Notes, the Intercreditor Agreement, the Security Documents, any Additional Intercreditor Agreement without charge by writing to the Senior Notes Issuer, c/o Cerba European Lab S.A.S., 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 Notes Issuer or any Senior Notes Guarantor will have any liability for any obligations of the Senior Notes Issuer or the Senior Notes Guarantors under the Senior Notes, the Senior Note Guarantees, the Security Documents or the Senior 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 Note, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Notes. Such waiver and release may not be effective to waive liabilities under the U.S. federal securities laws.

### **Prescription**

Claims against the Senior Notes Issuer or the Senior Notes Guarantors for the payment of principal or premiums, if any, on the Senior Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Senior Notes Issuer or the Senior Notes Guarantors for the payment of interest on the Senior Notes will be prescribed five years after the applicable due date for payment of interest.

### **Governing Law**

The Senior Notes Indenture, the Senior Notes and the Senior Note Guarantees will be 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 Luxembourg.

### **Consent to Jurisdiction and Service**

The Senior Notes Indenture provides that the Senior Notes Issuer and each Senior Notes Guarantor 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 Notes Indenture or the Senior 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 Notes Issuer and the Senior Notes Guarantors are outside the United States, any judgment obtained in the United States against the Senior Notes Issuer or Senior 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 Notes, may not be collectible within the United States.

### **Certain Definitions**

Set forth below are certain defined terms used in the Senior Notes Indenture. Reference is made to the Senior 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.

*“Acquisition”* means the indirect acquisition by the Senior Secured Notes Issuer of the all of the issued and outstanding share capital of Novescia SAS by way of the acquisition of shares in Manescia SAS, Manescia 3 SAS, Bio-Invest Novescia SAS, Finescia SAS and Financière Murillo SAS, as described under the section titled *“Acquisition”* in this Offering Memorandum.

*“Acquisition Agreement”* means the securities purchase agreement dated December 19, 2014 between the Senior Secured Notes Issuer and the sellers set forth therein relating to the Acquisition as amended from time to time.

*“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 Note on any redemption date prior to February 1, 2016, the greater of:

- (a) one percent of the principal amount of such Note; and
- (b) the excess of:
  - (i) the present value at such redemption date of the redemption price of such Note at February 1, 2016, plus all required interest payments that would otherwise be due to be paid on such 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 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 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 Notes Issuer or a Restricted Subsidiary) or the economic rights of the Senior 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 Notes Issuer or any Restricted Subsidiary; or
- (c) any other of the Senior 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 Notes Indenture described under “—*Certain Covenants—Consolidation, Merger and Sale of Assets*” and “—*Purchase of Senior 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, including, without limitation, under the relevant Stockholders Documents, by the Senior Notes Issuer to any Restricted Subsidiary, or by any Restricted Subsidiary to the Senior Notes Issuer or any Restricted Subsidiary, in each case in accordance with the terms of the Senior Notes Indenture;
- (iii) any issuance of Capital Stock or economic rights in the Capital Stock of a Restricted Subsidiary, including, without limitation, under the relevant Stockholders Documents, by a Restricted Subsidiary to the Senior 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 Notes Issuer or any Restricted Subsidiary that are no longer used or useful in the ordinary course of the Senior 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 the greater of €7.5 million and 0.75% of Total Assets;

- (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 issuance, sale or other 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 Notes Issuer or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the Senior 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 Notes Issuer or any Restricted Subsidiary to such Person) related to such assets; *provided*, that the board of directors of the Senior Notes Issuer shall certify that in its opinion, the outsourcing transaction will be economically beneficial to the Senior Notes Issuer and the Restricted Subsidiaries (considered as a whole);
- (xvii) the granting of Liens not otherwise prohibited by the Senior Notes Indenture;
- (xviii) the surrender, or waiver of contract rights or settlement, release or surrender of contract, tort or other claims;
- (xix) the unwinding of any Hedging Obligations; or
- (xx) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Senior Notes Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition.

“*Associate*” means (i) any Person engaged in a Permitted Business of which the Senior 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 Notes Issuer or any Restricted Subsidiary of the Senior 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 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 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 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 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 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 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 Notes Issuer) of the Senior Notes Issuer described in the definition of “*Contribution Debt*” or cash payments to the Senior 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 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;

(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; and

(f) the marketable securities, money market funds, bank deposits and bank accounts owned by the Senior Notes Issuer and its Subsidiaries on the Issue Date after giving effect to the Transactions.

“*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.

“*Completion Date*” means the date on which the Acquisition is consummated.

“*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 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 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 Notes, the Senior Notes Indenture, the Senior Secured Notes, the Senior Secured Notes Indenture, the Intercreditor Agreement and the Revolving Credit Facility Agreement, (iii) contractual restrictions in effect on the Issue Date after giving effect to the Transactions 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 Notes than such restrictions in effect on the Issue Date after giving effect to the Transactions) 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 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 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 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, 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 entreprises* 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 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 Notes Issuer or net cash proceeds of an issuance of Qualified Capital Stock of the Senior 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 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 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 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 Notes Issuer.

“*Consolidated Leverage*” means, as of any date of determination, the sum without duplication of the total amount of Debt (excluding Hedging Obligations) 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 Debt of a Parent Company 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 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 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 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 of Debt on such date (but not giving effect to any additional Debt to be incurred 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 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 Notes Issuer or any Senior 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) made to the equity capital of the Senior Notes Issuer (other than by a Subsidiary of the Senior 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 is designated as Contribution Debt pursuant to an Officer’s Certificate of the Senior 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), indentures, 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 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 Notes Issuer, if the proceeds of such Debt have been on-lent to the Senior Notes Issuer, only the amount of the Debt guaranteed shall count and the corresponding borrowing by the Senior Notes Issuer 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 Notes Issuer or any Restricted Subsidiary of Debt in respect of standby letters of credit, performance bonds or surety bonds provided by the Senior 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 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 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 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 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 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 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 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 or the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement, (i) is subordinated in right of payment to the prior payment in full in cash of the Senior 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 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 Notes Issuer), in each case, prior to the first anniversary of the Stated Maturity of the Senior Notes and all other amounts due under the Senior Notes Indenture, (iii) does not provide for or require any security interest or encumbrance over any asset of the Senior Notes Issuer or any Restricted Subsidiary and is not guaranteed by any Subsidiary of the Senior Notes Issuer, (iv) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Senior Notes or compliance by the Senior Notes Issuer or any Senior Notes Guarantor, as applicable, with its obligations under the Senior Notes, the Senior Notes Indenture, or any Senior Note Guarantee, (v) 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 Notes mature other than into or for Qualified Capital Stock of the Senior 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 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 issue 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 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.

“*Equity Offering*” means a public or private sale of Qualified Capital Stock of the Senior 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 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 Notes Issuer; *provided* that the proceeds of such offering are not (i) utilized for Contribution Debt or Excluded Contributions 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 Notes Issuer through the issuance of Redeemable Capital Stock.

“*Escrowed Proceeds*” means the proceeds from the offering of any debt securities or other Debt paid into an escrow account with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term “Escrowed Proceeds” shall include any interest earned on the amounts held in escrow.

“*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](http://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 Net Cash Proceeds or property or assets received by the Senior Notes Issuer after the Issue Date as capital contributions to the equity (other than through the issuance of Redeemable Capital Stock) of the Senior Notes Issuer or from the issuance or sale (other than to a Restricted Subsidiary or an

employee stock ownership plan or trust established by the Senior Notes Issuer or any Subsidiary of the Senior Notes Issuer for the benefit of its employees to the extent funded by the Senior Notes Issuer or any Restricted Subsidiary) of Capital Stock (other than Redeemable Capital Stock) or Deeply Subordinated Funding of the Senior Notes Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Senior Notes Issuer.

*"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 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 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 Notes Issuer), in each case, prior to the first anniversary of the Stated Maturity of the Senior Notes and all other amounts due under the Senior Notes Indenture, (iii) does not provide for or require any security interest or encumbrance over any asset of the Senior Notes Issuer or any Restricted Subsidiary and is not guaranteed by any Subsidiary of the Senior Notes Issuer, (iv) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Senior Notes or compliance by the Senior Notes Issuer or any Senior Notes Guarantor, as applicable, with its obligations under the Senior Notes, the Senior Notes Indenture, or any Senior Note Guarantee and (v) 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 Notes mature other than into or for Qualified Capital Stock of the Senior 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 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 or Management Proceeds Funding, such instrument shall constitute Deeply Subordinated Funding or Management Proceeds Funding, as applicable or (ii) such instrument shall otherwise constitute Debt by the Senior Notes Issuer.

*"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 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 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 Notes Issuer or any Restricted Subsidiary or secured by a Lien on the Senior 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 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 Notes Issuer; *minus*

(g) 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, or Existing Management Vendor Loans, (ii) any payments on any operating leases or (iii) any commissions, discounts, yield and other fees and charges related to Qualified Securitization Financing.

"*Frenchco CPECs*" means convertible preferred equity certificates issued by the Senior Notes Issuer on October 20, 2010 and transferred to Frenchco on November 4, 2014.

"*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.

"*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 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 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 on or about January 31, 2013, by and among, *inter alios*, CEL, the other Senior Notes Guarantors, Luxco, Holdco, 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 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 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 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 Notes Issuer made in such Unrestricted Subsidiary at such time. The portion (proportionate to the Senior 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 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 Notes Issuer as a replacement agency).

“*Investor Company*” means any holding company established by any Initial Investor for purposes of holding its Investment in the Senior Notes Issuer, Holdco, Luxco or CEL.

“*IPO Market Capitalization*” means an amount equal to (1) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (2) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

“*Issue Date*” means the Completion Date.

“*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.

“*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 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 €2.5 million in the aggregate outstanding at any time.

“*Management Investment Company*” means an entity (other than the Senior Notes Issuer or a Subsidiary of the Senior Notes Issuer) whose sole purpose is investing in Capital Stock of the Senior 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 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 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 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 Notes Issuer or any Parent Company or any of their affiliates to the Senior 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 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 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 Notes Issuer), in each case, prior to the first anniversary of the Stated Maturity of the Senior Notes and all other amounts due under the Senior Notes Indenture, (iii) does not provide for or require any security interest or encumbrance over any asset of the Senior Notes Issuer or any Restricted Subsidiary and is not guaranteed by any Subsidiary of the Senior Notes Issuer, (iv) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Senior Notes or compliance by the Senior Notes Issuer or any Senior Notes Guarantor, as applicable, with its obligations under the Senior Notes, the Senior Notes Indenture, or any Senior Note Guarantee, (v) 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 Notes mature other than into or for Qualified Capital Stock of the Senior 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 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.

“*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 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 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 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 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 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 Notes Trustee.

“*PAI*” means PAI partners S.A.S.

“*Parent Company*” of the Senior 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 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 Notes Issuer constitute its Parent Company.

“*Pari Passu Debt*” means (a) any Debt of the Senior Notes Issuer that ranks equally in right of payment with the Senior Notes or (b) any Debt of a Senior Notes Guarantor that ranks equally in right of payment to its Senior Note Guarantee.

“*Permitted Business*” means (a) any businesses, services or activities engaged in by the Senior Notes Issuer or any Restricted Subsidiary on the Issue Date or which is contemplated by the Senior Notes Issuer on the Issue Date and (b) any businesses, services and activities engaged in by the Senior 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 Notes Collateral securing the Senior Notes or the Senior Note Guarantees (including any Additional Senior Notes or guarantees of Additional Senior Notes) and any Permitted Refinancing Debt in respect thereof (and Permitted Refinancing Debt in respect of such Permitted Refinancing Debt) and the related Senior 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;

(b) Liens on the Senior Notes Collateral to secure any Senior Debt or any Pari Passu Debt permitted to be incurred by 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 Notes Collateral securing Pari Passu Debt secures the Senior Notes or the Senior Note Guarantees on a senior or *pari passu* basis;

(c) Liens on the Senior Notes Collateral to secure any Permitted Refinancing Debt in respect of Debt referred to in the foregoing clause (b) (and Permitted Refinancing Debt in respect 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

(d) 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 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 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 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 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 Notes Issuer or a Restricted Subsidiary;
- (d) Investments made by the Senior 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 Notes and any Debt of the Senior Notes Issuer or any Restricted Subsidiary;
- (g) Investments existing on the Issue Date after giving effect to the Transactions 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 after giving effect to the Transactions; *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 after giving effect to the Transactions or (b) as otherwise permitted under the Senior 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 Notes Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;

(k) Investments acquired after the Issue Date as a result of the acquisition by the Senior Notes Issuer or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Senior Notes Issuer or any of its Restricted Subsidiaries in a transaction that is not prohibited by the Senior Notes Indenture to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on, or made pursuant to binding commitments existing on, the date of such acquisition, merger, amalgamation or consolidation;

(l) Investments made in connection with the Transactions;

(m) any guarantee of Debt not prohibited by the covenant entitled “—*Certain Covenants—Limitation on Debt*”, performance guarantees and contingent obligations incurred in the ordinary course of business and the creation of Liens on the assets of the Senior Notes Issuer or any Restricted Subsidiary, in compliance with the covenant described under “—*Certain Covenants—Limitation on Liens*,”

(n) Management Advances;

(o) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business;

(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) €25.0 million and (ii) 2.5% 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) non-cash Investments made in connection with tax planning and reorganization activities;

(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) any Investment to the extent made using Capital Stock of the Senior Notes Issuer (other than Redeemable Capital Stock), Deeply Subordinated Funding or Capital Stock of any Parent Company as consideration;

(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 Notes Issuer or any Restricted Subsidiary;

(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; and

(y) Investments made in connection with a cash management program established in the ordinary course of business.

“*Permitted Liens*” means the following types of Liens:

- (a) Liens existing on the Issue Date after giving effect to the Transactions;
- (b) Liens in favor of the Senior Notes Issuer or any Restricted Subsidiary;
- (c) Liens created for the benefit of (or to secure) the Senior Notes and the Senior 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 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 depository 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 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 Notes Issuer or any Restricted Subsidiary other than the 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 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 Notes Issuer or any Restricted Subsidiary; *provided* that such Liens (i) do not extend to or cover any property or assets of the Senior 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 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 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 any Restricted Subsidiary that is not a Senior Notes Guarantor securing Debt of any Restricted Subsidiary that is not a Senior Notes Guarantor;

(q) Liens on any property or assets of the Senior 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 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 Notes Indenture;

(r) Liens incurred to secure Permitted Refinancing Debt permitted to be incurred under the Senior 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 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) Liens on (a) Escrowed Proceeds for the benefit of the related holders of debt securities or other Debt (or the underwriters or arrangers thereof) or (b) on cash set aside at the time of the incurrence of any Debt or government securities purchased with such cash, in either case, to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(aa) Liens over treasury stock of the Senior Notes Issuer or a Restricted Subsidiary purchased or otherwise acquired for value by the Senior 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 €25.0 million and 2.5% of Total Assets, 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 Debt and Permitted Refinancing Debt in respect thereof 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 Debt and Permitted Refinancing Debt in respect thereof;

(ff) Liens securing any Senior Debt; 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 the Senior 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 Notes or any Senior Note Guarantee, such Permitted Refinancing Debt is subordinated in right of payment to such obligations on terms at least as favorable to the holders of the Senior Notes or relevant Senior 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 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 Notes Issuer that is not a Senior Notes Guarantor that refinances Debt of the Senior Notes Issuer or a Senior Notes Guarantor or (y) Debt of the Senior Notes Issuer or a Restricted Subsidiary that refinances Debt of an Unrestricted Subsidiary.

“*Permitted Reorganization*” means, upon the consummation of, or concurrently with, a Significant Acquisition, (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 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 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 the Senior Notes Issuer or any of its Restricted Subsidiaries; and/or (z) the assumption of, or accession by the Senior Notes Issuer or any of its Subsidiaries 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*.”

“*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 Notes Issuer as of the Issue Date.

“*Public Offering*” means (1) any offering of Qualified Capital Stock of the Senior 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 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 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 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 Notes Issuer) at the time such financing is entered into and (b) such financing shall be non-recourse to the Senior 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 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 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 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 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 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 Notes Issuer’s repurchase of such Senior Notes as are required to be repurchased pursuant to “—*Certain Covenants—Limitation on Sale of Certain Assets*” and “—*Purchase of Senior 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 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 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 among CEL, certain Subsidiaries of CEL, 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 or altering the maturity thereof.

*“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 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 Debt*” means, whether outstanding on the Issue Date or thereafter incurred, all amounts payable by, under or in respect of all other Debt of any Senior Notes Guarantor, including premiums and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Senior Notes Guarantor at the rate specified in the documentation with respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; *provided*, that Senior Debt will not include:

- (a) any Debt incurred in violation of the Senior Notes Indenture;
- (b) any obligation of any Senior Notes Guarantor to any Restricted Subsidiary;
- (c) any liability for taxes owed or owing by any Senior Notes Guarantor;
- (d) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof or instruments evidencing such liabilities);
- (e) any Debt, guarantee or obligation of any Senior Notes Guarantor that is expressly subordinate or junior in right of payment to any other Debt, guarantee or obligation of such Senior Notes Guarantor;
- (f) Pari Passu Debt or Subordinated Debt; or
- (g) any Capital Stock.

“*Senior Management*” means the officers, directors, employees and other members of the management of any Parent Company, the Senior 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 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 Notes Issuer, Capital Stock of any Parent Company or any Management Investment Company.

“*Senior Notes Guarantors*” means the Initial Senior Notes Guarantors, any other Restricted Subsidiary of the Senior Notes Issuer or its Surviving Entity or any other entity that guarantees the Senior Notes in accordance with the provisions of the Senior Notes Indenture from time to time.

“*Senior Secured Notes*” means any notes issued by CEL from time to time under the Senior Secured Notes Indenture.

“*Senior Secured Notes Indenture*” means the indenture dated January 31, 2013, between, among others, CEL, certain subsidiaries of CEL that guarantee the Senior Secured Notes, Financière Gaillon 13 S.A.S., the Senior Notes Issuer, Cerberus Nightingale 2 S.A., Wilmington Trust, National Association, as trustee, and Wilmington Trust (London) Limited, as security agent, as amended from time to time.

“*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 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 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% (or solely for purposes of the fourth paragraph of the “—*Provision of Information*” covenant, 7.5%) of the consolidated revenues of the Senior Notes Issuer or (ii) as of the end of the most recent fiscal quarter, was the owner of more than 5% (or solely for purposes of the fourth paragraph of the “—*Provision of Information*” covenant, 7.5%) 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 Notes Issuer or any Senior Notes Guarantor that is expressly subordinated in right of payment to the Senior Notes or the Senior Note Guarantees of such Senior 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).

“*Target*” means Novescia S.A.S.

“*Target Group*” means the Target and its Subsidiaries.

“*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.

“*Total Assets*” means the consolidated total assets of the Senior Notes Issuer and the Restricted Subsidiaries as shown on the most recent consolidated balance sheet of the Senior Notes Issuer.

“*Transactions*” means the Acquisition, the Offerings (as such term is defined in this Offering Memorandum), the exchange of the Temporary Senior Secured Notes for additional Senior Secured Notes and the Temporary Senior Notes for Senior Notes as described in this Offering Memorandum under “*Summary—The Offerings*,” together with any transactions related thereto or contemplated thereby (including, without limitation, any related escrow arrangements) and any costs, fees and expenses related thereto.

“*Unrestricted Subsidiary*” means:

(a) any Subsidiary of the Senior Notes Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Senior 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.

“*Wholly Owned Subsidiary*” means a Restricted Subsidiary of the Senior Notes Issuer, all of the Voting Stock of which (other than directors’ qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Senior Notes Issuer or another Wholly Owned Subsidiary) is owned by the Senior Notes Issuer or another Wholly Owned Subsidiary.

“*Working Capital Intercompany Loan*” means any loan to or by the Senior Notes Issuer or any of its Restricted Subsidiaries to or from the Senior 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**

Each series of Temporary 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 (each a “Rule 144A Global Temporary Note”). Each series of the Temporary Notes sold to non-U.S. persons outside the United States in compliance with Regulation S under the U.S. Securities Act and each series of Notes issued in respect of such Temporary Notes were initially represented by a global note in registered form without interest coupons attached (each a “Regulation S Global Temporary Note” and, together with the Rule 144A Global Temporary Note, the “Global Temporary Notes”). The Global Temporary Notes were deposited, on the Temporary Notes Issue Date, with, or on behalf of, a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream, Luxembourg.

The Temporary Senior Secured Notes had different international securities identification numbers and common codes (as applicable) from, and will not trade fungibly with, the corresponding Senior Secured Notes. On the Completion Date, the Temporary Senior Secured Notes were automatically exchanged (and thereupon cancelled) for Additional Senior Secured Notes having the same international securities identification numbers and common codes (as applicable), and will trade fungibly with, the corresponding Senior Secured Notes.

The Notes issued in exchange for a Rule 144A Global Temporary Note on the Completion Date will initially be represented by a global note in registered form without interest coupons attached (the “Rule 144A Global Note”). The Notes issued in exchange for a Regulation S Global Temporary Note on the Completion Date will initially be represented by a global note in registered form without interest coupons attached (the “Regulation S Global Note” and, together with the Rule 144A Global Note, the “Global Notes”). The Global Notes were deposited, on the Completion Date, with, or on behalf of, a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream, Luxembourg.

Ownership of interests in the Rule 144A Global Temporary Note and the Rule 144A Global Note (the “Rule 144A Book-Entry Interests”) and ownership of interests in the Regulation S Global Temporary Note and 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 Temporary Notes and 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 Temporary Notes and the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or “holders” of the Temporary Notes or the Notes, as applicable, for any purpose.

So long as the Notes are held in global form, the common depository 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 relevant 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 relevant Indenture.

None of the Senior Secured Notes Issuer, the Senior Notes 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 relevant 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 relevant Issuer that it is unwilling or unable to continue to act as depository and a successor depository 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 relevant Indenture and enforcement action is being taken in respect thereof under the relevant Indenture.

In such an event, the relevant 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 relevant Indenture, unless that legend is not required by the relevant Indenture or applicable law.

To the extent permitted by law, the Senior Secured Notes Issuer, the Senior Notes 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 depository or its nominee for Euroclear and Clearstream, Luxembourg. The common depository will distribute such payments to participants in accordance with their customary procedures. The relevant 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*” or “*Description of the Senior 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*” or “*Description of the Senior 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 relevant 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 relevant Indenture, the Senior Secured Notes Issuer, the Senior Notes Issuer, the Trustee, the Registrar and the Paying Agents will treat the registered holders of the Global Notes (i.e., the common depository 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 Senior Secured Notes Issuer, the



Senior Notes 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 Notes 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 Note only as described under “*Description of the Senior Secured Notes—Transfer and Exchange*” or “*Description of the Senior 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 relevant 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 Initial Purchasers 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 Temporary Notes or 144A Global Notes only through Euroclear or Clearstream, Luxembourg participants.

### **Global clearance and settlement under the book-entry system**

The Additional Senior Secured Notes and Senior 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 Issuers, any Guarantor, the Initial Purchasers, 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 relevant Indenture against the Trustee, the persons named in a certificate of the holder of the Notes in respect of which a 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 offered hereby.*

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 Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and 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 Temporary Notes to the Initial Purchasers for re-offer and resale only:

- in the United States to “qualified institutional buyers,” commonly referred to as “QIBs,” as defined in Rule 144A in compliance with Rule 144A; and
- 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.

Each purchaser of the Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the relevant Issuer and the relevant Initial Purchasers as follows:

(1) It understands and acknowledges that the Notes and the Note Guarantees have not been registered under the U.S. Securities Act or any other applicable state securities laws, and that the Notes are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any state securities law, including sales pursuant to Rule 144A, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any other applicable state securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.

(2) It is not an “affiliate” (as defined in Rule 144) of the relevant Issuer or acting on behalf of the relevant Issuer and it is either:

(a) a QIB and is aware that any sale of the Notes to it will be made in reliance on Rule 144A, and the acquisition of the Notes will be for its own account or for the account of another QIB; or

(b) it is purchasing the Notes in an offshore transaction in accordance with Regulation S.

(3) It acknowledges that none of the Senior Secured Notes Issuer, the Senior Notes Issuer, the Guarantors, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or the Initial Purchasers, or any person representing any of them, have made any representation to it with respect to the offering or sale of any Notes other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It has had access to such financial and other information concerning us, the Issuer and its subsidiaries and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Issuers and the Initial Purchasers.

(4) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.

Each holder of Notes issued in reliance on Rule 144A (“Rule 144A Notes”) agrees on its own behalf and on behalf of any investor account for which it is purchasing Notes, and each subsequent holder of the Rule 144A Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to

the date (the “Resale Restriction Termination Date”) that is one year after the later of the Temporary Notes Issue Date and the last date on which the relevant Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) only (i) to the relevant Issuer, the Guarantors or any subsidiary thereof, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S, or (v) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and in compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the relevant Issuer’s and the Trustee’s rights prior to any such offer, sale or transfer (I) pursuant to clause (iv) or (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. Each purchaser acknowledges that each Rule 144A Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF, AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) THAT IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT (“RULE 144A”), TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE ISSUER’S AND THE TRUSTEE’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE REVERSE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE; AND AGREES THAT IT

WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A  
NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

If it purchases Notes, it will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in Notes as well as to holders of these Notes.

(5) It agrees that it will give to each person to whom it transfers Notes notice of any restrictions on transfer of such Notes. It acknowledges that the Registrar will not be required to accept for registration or transfer any Notes acquired by it except upon presentation of evidence satisfactory to the relevant Issuer and the Registrar that the restrictions set forth therein have been complied with.

(6) It acknowledges that the Issuers, the Initial Purchasers, the Trustee, the Transfer Agent, the Registrar and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of Notes is no longer accurate, it shall promptly notify the relevant Initial Purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(7) It understands that no action has been taken in any jurisdiction (including the United States) by the relevant Issuer, any of the Guarantors or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under “*Plan of Distribution.*”

## Tax considerations

### Savings directive

On June 3, 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the “Savings Directive”). Pursuant to the Savings Directive and subject to a number of conditions being met, Member States are required, since July 1, 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Savings Directive (interest, premium or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident or certain limited types of entities established in that other Member State (the “Disclosure of Information Method”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals. In the case at hand, (i) the Temporary Senior Secured Notes Issuer, (ii) the Temporary Senior Notes Issuer, (iii) the Senior Secured Notes Issuer, (iv) the Senior Notes Issuer, (v) Euroclear and Clearstream, Luxembourg, (vi) Euroclear’s and Clearstream, Luxembourg’s common depositary, (vii) Euroclear’s and Clearstream, Luxembourg’s common depositary’s nominee or (viii) another entity may be considered paying agent within the meaning of the Savings Directive depending on (a) the legal status of (v), (vi), (vii) and (viii) and (b) the modalities of the payments made to the holders of the Notes.

However, throughout a transitional period, certain Member States (Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interest payments unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method or the tax certificate procedure. The rate of such withholding is currently 35%.

Such transitional period will end at the end of the first full financial year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on April 18, 2002 (the “OECD Model Agreement”) with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since July 1, 2005.

On 24 March 2014, the Council of the European Union adopted EU Council Directive 2014/48/EU amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Savings Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to or by, or secured for or by, persons, entities or legal arrangements (including trusts), where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented (i.e., Austria).

On May 14, 2013 the Council of the European Union gave a mandate to the EU Commission to negotiate amended savings tax agreements with Switzerland, Liechtenstein, Monaco, Andorra and San Marino to ensure that these five countries continue to apply measures that are equivalent to the Savings Directive, as amended. In March 2014, the Council of the European Union confirmed this mandate and asked the EU Commission to continue the negotiations with a view to concluding them until the end of year 2014. The negotiations are still ongoing.

## **The proposed financial transactions tax (“FTT”)**

On February 14, 2014, the European Commission published a proposal (the “*Commission’s Proposal*”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States).

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Temporary Notes or Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Temporary Notes or Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by January 1, 2016.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Temporary Notes or Notes are advised to seek their own professional advice in relation to the FTT.

## **Certain French tax consequences**

The following description is only addressed to beneficial owners of Additional Senior Secured Notes who are not French residents for French tax purposes, who do not hold their Additional Senior Secured Notes in connection with a permanent establishment or a fixed base in France and who are neither shareholders nor related parties within the meaning of Article 39.12 of the French *code général des impôts* (French Tax Code, the “FTC”) of our company (for the purposes of this section the “holders” of Additional Senior Secured Notes).

The following only represents a summary of certain provisions of French tax laws and regulations, as currently in effect and applied by the French tax authorities, which, due to its summary character, does not cover all details and tax exemptions which may apply in specific individual cases and may even require a deviation therefrom, including as a result of the application of the provisions of any relevant tax treaty.

The Savings Directive was implemented into French law under Articles 199 *ter* and 242 *ter* of the FTC, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another EU Member State, including among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

According to Article 125 A III of the FTC, payments of interest and assimilated revenues made by a debtor which is established in France with respect to a particular debt (including debt in the form of notes) are not subject to withholding tax unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the FTC (a “Non-Cooperative State”). If such payments are made in a Non-Cooperative State, a 75% withholding tax is applicable (subject to certain exceptions certain of which are set forth below and to the more favorable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the FTC. The list of Non-Cooperative States is published by a ministerial executive order (*arrêté*) which is up-dated each year.

Furthermore, according to Article 238 A of the FTC, interest on debt and assimilated revenues will not be deductible from the debtor’s taxable result if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on an account opened in a financial institution established in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest may be re-characterized as constructive dividends pursuant to Article 109 *et seq.* of the FTC, in which case it may be subject to the withholding tax set out under Article 119 *bis* 2 of the FTC, at a rate of 30% or 75% (subject to the more favorable provisions of any applicable double tax treaty).



Notwithstanding the foregoing, Articles 125 A III and 238 A of the FTC provide that neither the 75% withholding tax set out under Article 125 A III of the FTC nor, to the extent the relevant interest relate to genuine transactions and is not in an abnormal or exaggerated amount, the non-deductibility rule set out under Article 238 A of the FTC and the related withholding tax set out under Article 119 *bis* 2 of the FTC that may be levied as a result of such non deductibility, will apply in respect of a particular debt if the debtor can prove that the main purpose and effect of such transactions was not that of locating the interest in a Non-Cooperative State (the “Exception”). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* (French administrative guidelines) referenced as BOI-INT-DG-20-50-20140211 § 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 § 70 and BOI-ANNN-000364-20120912 (the “Administrative Guidelines”), an issue of notes will benefit from the Exception without the issuer having to provide any evidence supporting the main purpose and effect of such issue of notes, if such notes are:

- offered by means of a public offering within the meaning of Article L.411-1 of the French *Code monétaire et financier* (French Monetary and Financial Code) or pursuant to an equivalent offer in a state other than a Non-Cooperative State (for this purpose, an “equivalent offering” means any offering requiring the registration or submission of an offering document by or with a foreign securities market authority);
- admitted to trading on a French or foreign regulated market or on a multilateral financial instruments trading facility *provided* that such market or facility is not located in an Non-Cooperative State and that such market is operated by a market operator, an investment services provider, or by such other similar foreign entity that is not located in a Non-Cooperative State; or
- admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators *provided* that such depository or operator is not located in a Non-Cooperative State.

The Additional Senior Secured Notes issued by the Senior Secured Notes Issuer under this Offering Memorandum qualify as debt securities under French commercial law. Considering (i) that, as of the date of their admission to trading, the Additional Senior Secured Notes will be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange in Luxembourg which does not qualify as a Non-Cooperative State and that such market will be operated by a market operator which is not located in a Non-Cooperative State, and (ii) that the Additional Senior Secured Notes will be admitted, at the time of their issue, to the clearing operations of Euroclear SA/NV and Clearstream Banking SA, i.e. to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L. 561-2 of the French *Code monétaire et financier* which is not located in a Non-Cooperative State, payments made by the Senior Secured Notes Issuer in respect of the Additional Senior Secured Notes to their holders should benefit from at least one of the above mentioned exceptions and consequently be exempt from the withholding tax set out under Article 125 A III of the FTC. Moreover, under the same conditions and since the relevant interest and other assimilated revenues should be considered as relating to genuine transactions and not in an abnormal or exaggerated amount, interest and other assimilated revenues paid by the Senior Secured Notes Issuer on the Additional Senior Secured Notes should not be subject, pursuant to the Administrative Guidelines, to the non-deductibility rule set out under Article 238 A of the FTC and, as a result, should not be subject to the withholding tax set out under Article 119 *bis* 2 of the FTC solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

A holder of Additional Senior Secured Notes who is not a resident of France for French tax purposes and who does not hold its Additional Senior Secured Notes in connection with a permanent establishment or a fixed place of business in France will not be subject to any income or withholding taxes in France in respect of the gains realized on the sale, exchange or other disposition of Notes.

Transfers of Additional Senior Secured Notes outside France are not subject to any stamp duty or other transfer taxes imposed in France, except in the case of filing with the French tax authorities on a voluntary basis.

## Luxembourg

*The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.*

### ***Withholding tax and self-applied tax***

Under Luxembourg general tax laws currently in effect and subject to the Relibi Law (as defined below), there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

### ***Luxembourg non-resident individuals***

Under Luxembourg general tax laws currently in effect there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) paid to Luxembourg non-resident individuals. There is also no Luxembourg withholding tax upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes held by Luxembourg non-resident individuals.

### ***Luxembourg resident individuals***

Subject to the law of 23 December 2005, as amended (the “Relibi Law”) on the introduction of a withholding tax on certain interest payments on savings income, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by Luxembourg paying agents to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income (the “Savings Directive”) and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the “Territories”), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a 10 per cent. withholding tax. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Pursuant to the Relibi Law, Luxembourg resident individuals, acting in the course of the management of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments made by paying agents located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

### **Certain U.S. federal income tax considerations**

The following discussion is a summary of material U.S. federal income tax consequences of the purchase, ownership and disposition of the Additional Senior Secured Notes and the Senior Notes (collectively, the “Issued Notes”) by a U.S. Holder (as defined below), who purchases the Issued Notes in the Offerings at the offer price indicated on the cover page, but does not purport to be a complete analysis of all potential tax effects. This summary is based upon the U.S. Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations issued thereunder, and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. No rulings from the Internal Revenue Service (“IRS”) have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the U.S. federal income tax consequences of the purchase, ownership or disposition of the Issued Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder’s particular circumstances or to holders subject to special treatment under the U.S. federal income tax laws, such as financial institutions, U.S. expatriates, insurance companies, dealers in securities or currencies, traders in securities, U.S. Holders whose functional currency is not the U.S. dollar, grantor trusts, tax-exempt organizations, regulated investment companies, real estate investment trusts, partnerships or other pass through entities (or investors in such entities), persons liable for alternative minimum tax and persons holding the Issued Notes as part of a “straddle,” “hedge,” “conversion transaction” or other

integrated transaction. In addition, this discussion is limited to persons who purchase the Issued Notes for cash at original issue and who hold the Issued Notes as capital assets within the meaning of Section 1221 of the Code. This discussion does not address any tax consequences other than U.S. federal income tax consequences and does not address the Medicare tax on certain investment income.

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of an Issued Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia; (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If any entity treated as a partnership for U.S. federal income tax purposes holds the Issued Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of the purchase, ownership and disposition of the Issued Notes. The discussion below assumes that the Issued Notes will be treated as debt for U.S. federal income tax purposes.

**Prospective purchasers of the Issued Notes should consult their tax advisors concerning the tax consequences of holding Issued Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of U.S. federal estate and gift tax laws and state, local, foreign or other tax laws.**

#### *Transactions related to the acquisition*

On the Acquisition Closing Date, the Temporary Notes were automatically exchanged for an equal aggregate principal amount of Additional Senior Secured Notes or Senior Notes, as applicable, the escrow proceeds were released, and certain other transactions occurred in connection with the Acquisition. Although the issue is not free from doubt, we intend to take the position (to the extent we are required to do so), and the remainder of this discussion assumes, that the exchange of the Temporary Notes for the Additional Senior Secured Notes or Senior Notes, as applicable, in connection with the Acquisition-Related Transactions will not be treated as an “exchange” for U.S. federal income tax purposes. If this position is respected, a U.S. Holder would not recognize any income, gain or loss in connection with such transactions and would have the same adjusted tax basis in the Additional Senior Secured Notes or Senior Notes, as applicable, as the U.S. Holder had in the Temporary Notes exchanged therefor. Moreover, the holding period for the Additional Senior Secured Notes or Senior Notes, as applicable, would generally include the holding period for the Temporary Notes.

It is possible that the IRS could take a contrary view, and seek to treat the exchange of the Temporary Notes for the Additional Senior Secured Notes or Senior Notes, as applicable, as an “exchange” for U.S. federal income tax purposes. If so, U.S. Holders would recognize gain or loss in connection with such exchange and would have a new holding period and a new tax basis in the Additional Senior Secured Notes or Senior Notes, as applicable, for U.S. federal income tax purposes. In addition, if the fair market value of the Additional Senior Secured Notes or Senior Notes, as applicable, at the time of such exchange is less than the principal amount of the Additional Senior Secured Notes or Senior Notes, as applicable, (by at least a statutorily defined *de minimis* amount), the Additional Senior Secured Notes or Senior Notes, as applicable, may be treated as issued with original issue discount, in which case the tax consequences of the ownership and disposition of the Issued Notes described below may be different than what is described below.

U.S. Holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences to them of the Acquisition-Related Transactions.

#### *Pre-issuance accrued interest*

A portion of the price paid for the Temporary Senior Secured Notes will be allocable to interest that accrued prior to the date such Temporary Senior Secured Notes are purchased (the “pre-issuance accrued interest”). We intend to take the position that, on the first payment date, a portion of the interest received in an amount equal to the pre-issuance accrued interest will be treated as a return of a portion of the purchase price paid for such Temporary Senior Secured Notes that is allocable to the pre-issuance accrued interest and not as a payment of interest on such Temporary Senior Secured Notes or Additional Senior Secured Notes or a pro rata prepayment that retires a portion of such Temporary Senior Secured Notes or Additional Senior Secured Notes (except that a

U.S. Holder generally would be required to recognize exchange gain or loss, as discussed below, in an amount equal to the difference, if any, between the U.S. dollar value of the pre-issuance accrued interest at the time of purchase and at the time the payment of such pre-issuance accrued interest is received, as determined at the spot rate in effect on each such date). Amounts treated as a return of pre-issuance accrued interest should not be taxable when received but should reduce a U.S. Holder's adjusted tax basis in such Temporary Senior Secured Notes (or Additional Senior Secured Notes exchanged therefor, which is treated as a continuation of the same debt instrument as the Temporary Senior Secured Notes) by a corresponding amount.

#### *Amortizable bond premium*

If a U.S. Holder purchases a Temporary Senior Secured Note for an amount (not including any amount paid for pre-issuance accrued interest) that is greater than the principal amount of the Temporary Senior Secured Note, the U.S. Holder will be considered to have purchased the Temporary Senior Secured Note with amortizable bond premium. For this purpose, in determining the amount of amortizable bond premium, it will initially be assumed that we will exercise our rights to redeem the Temporary Senior Secured Notes (or Additional Senior Secured Notes exchanged therefor, which is treated as a continuation of the same debt instrument as the Temporary Senior Secured Notes) at a premium if doing so results in a smaller amortizable bond premium attributable to the period to the date of such earlier redemption, and subsequent adjustments may be made if we do not in fact exercise our redemption rights. This assumption may eliminate, reduce or defer any amortizable bond premium. With some exceptions, a U.S. Holder may elect to amortize this premium over the remaining term of the Temporary Senior Secured Note (including the term of the Additional Senior Secured Note) on a constant yield method. A U.S. Holder making this election must generally use any amortizable bond premium allocable to an accrual period to offset interest required to be included in income with respect to the Temporary Senior Secured Note or Additional Senior Secured Notes exchanged therefor in such accrual period and reduce its tax basis in the Temporary Senior Secured Note or Additional Senior Secured Notes exchanged therefor by the amount of the premium amortized in any year. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by such U.S. Holder and such election may be revoked only with the consent of the IRS. Amortizable bond premium will be computed in euros. A U.S. Holder making the election to amortize bond premium may recognize exchange gain or loss equal to the difference between the U.S. dollar value of bond premium amortized with respect to a period determined on the date the interest attributable to such period is received and the U.S. dollar value of that portion of the bond premium determined on the date of the acquisition of the Issued Notes. If a U.S. Holder does not make such election, bond premium will be included in its basis for purposes of computing the amount of gain or loss recognized on the taxable disposition of a Temporary Senior Secured Note or Additional Senior Secured Notes exchanged therefor.

#### *Payments of interest*

Subject to the descriptions relating to pre-issuance accrued interest and amortizable bond premium above, payments of stated interest on the Issued Notes (including any non-U.S. tax withheld on such payments and any Additional Amounts) generally will be taxable to a U.S. Holder as ordinary income at the time that such payments are received or accrued, in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes.

A U.S. Holder that uses the cash method of accounting for U.S. federal income tax purposes and that receives a payment of stated interest will be required to include in ordinary income the U.S. dollar value of the euro interest payment (translated at the "spot rate" on the date such payment is received) regardless of whether the payment is in fact converted to U.S. dollars. A cash method U.S. Holder will not recognize exchange gain or loss with respect to the receipt of such payment, but may have exchange gain or loss attributable to the actual disposition of the euros so received.

A U.S. Holder that uses the accrual method of accounting for U.S. federal income tax purposes will be required to include in income the U.S. dollar value of the amount of interest income in euros that has accrued with respect to an Issued Note during an accrual period. The U.S. dollar value of such accrued income will be determined by translating such income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within each taxable year.

A U.S. Holder may elect, however, to translate such accrued interest income using the rate of exchange on the last day of the accrual period or, with respect to an accrual period that spans two taxable years, using the rate of exchange on the last day of the portion of the accrual period within each taxable year. Additionally, if payment of the accrued interest is received within five business days of the last day of an accrual period, a U.S. Holder may instead translate such interest at the "spot rate" on the date of actual receipt. The above election will apply

to other obligations held by the U.S. Holder and may not be changed without the consent of the IRS. An accrual basis U.S. Holder will recognize exchange gain or loss with respect to accrued interest income on the date such interest is received. The amount of exchange gain or loss recognized will equal the difference, if any, between the U.S. dollar value of the euro payment received (translated at the “spot rate” on the date such payment is received) in respect of such accrual period and the U.S. dollar value of interest income that has accrued during such accrual period (as determined above), regardless of whether the payment is in fact converted to U.S. dollars. Such gain or loss will generally constitute U.S. source ordinary income or loss.

#### *Foreign tax credit*

Subject to the discussion of exchange gain or loss above, interest income on an Issued Note generally will constitute foreign source income and be considered “passive category income” in computing the foreign tax credit allowable to U.S. Holders under U.S. federal income tax laws. Any non-U.S. withholding tax paid by a U.S. Holder at a rate applicable to such holder may be eligible for foreign tax credits (or, at such holder’s election, a deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations. The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. Holder’s particular circumstances. U.S. Holders should consult their tax advisors regarding the availability of foreign tax credits.

#### *Sale, exchange, redemption, retirement or other taxable disposition of issued notes*

Generally, upon the sale, exchange, redemption, retirement or other taxable disposition of an Issued Note, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the disposition (less any amount attributable to accrued but unpaid interest not previously included in income, which will be taxable as such) and such U.S. Holder’s adjusted tax basis in the Issued Note. If a U.S. Holder receives foreign currency on such a sale, exchange, redemption, retirement or other taxable disposition of an Issued Note, the amount realized generally will be based on the U.S. dollar value of the foreign currency translated at the “spot rate” on the date of disposition. In the case of an Issued Note that is traded on an established securities market, a cash basis U.S. Holder and, if it so elects, an accrual basis U.S. Holder, will determine the U.S. dollar value of the amount realized by translating such amount at the “spot rate” on the settlement date of the disposition. If an accrual-basis U.S. Holder does not make such election, such U.S. Holder will determine the U.S. dollar value of the amount realized by translating such amount at the “spot rate” on the trade date of the disposition.

A U.S. Holder’s adjusted tax basis in an Issued Note will initially equal, in the case of a Temporary Note, the cost of such Temporary Note to such U.S. Holder, and in the case of an Additional Senior Secured Note or a Senior Note, as described above under “—*Transactions Related to the Acquisition*,” and in each case will be decreased by any principal payments previously received by such U.S. Holder and the amount of amortizable bond premium previously taken into account. If a U.S. Holder uses foreign currency to purchase a Temporary Note, the cost of the Temporary Note will generally be the U.S. dollar value of the foreign currency purchase price by translating such amount at the “spot rate” on the date of purchase. However, in the case of a Temporary Note that is traded on an established securities market, a cash basis U.S. Holder, and, if it so elects, an accrual basis U.S. Holder, will generally determine the U.S. dollar value of the cost of such Temporary Note by translating the amount paid at the “spot rate” on the settlement date of the purchase.

If an Issued Note is not traded on an established securities market (or, if an Issued Note is so traded, but a U.S. Holder is an accrual basis taxpayer that has not made the settlement date election), a U.S. Holder will recognize foreign currency exchange gain or loss (taxable as ordinary income or loss) to the extent that the U.S. dollar value of the foreign currency received (based on the “spot rate” on the settlement date of the disposition) differs from the U.S. dollar value of the amount realized (based on the “spot rate” on the trade date of the disposition).

The special election available to accrual basis U.S. Holders in regard to the purchase and sale of Issued Notes traded on an established securities market, which is discussed in the preceding paragraphs, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Subject to the discussion of exchange gain or loss below, gain or loss recognized upon the sale, exchange, redemption, retirement or other taxable disposition of an Issued Note (i) generally will be U.S. source gain or loss and (ii) generally will be capital gain or loss and will be long-term capital gain or loss if at the time of the sale, exchange, redemption, retirement or other taxable disposition the Issued Note has been held by such U.S. Holder for more than one year. Long-term capital gain realized by a non-corporate U.S. Holder will generally be subject to taxation at a reduced rate. The deductibility of capital losses is subject to limitation.

Prospective purchasers should consult their tax advisors as to the foreign tax credit implications of the sale, exchange, redemption or other taxable disposition of the Issued Notes.

A U.S. Holder may recognize exchange rate gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of an Issued Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price (excluding the portion attributable to the pre-issuance accrued interest and excluding any bond premium previously amortized) for the Issued Note (i) on the date such Issued Note is disposed of and (ii) on the date on which the U.S. Holder acquired the Issued Note (or, in each case, on the settlement date, if the Issued Notes are traded on an established securities market and the holder is either a cash basis U.S. Holder or an electing accrual basis U.S. Holder). Such gain or loss will be treated as ordinary income or loss and generally will be treated as U.S. source income or as an offset to U.S. source income, respectively. In addition, exchange gain or loss may be realized with respect to accrued interest as discussed above under “—*Payments of Interest.*” However, upon a sale, exchange, redemption, retirement or other taxable disposition of an Issued Note, a U.S. Holder will realize exchange gain or loss with respect to principal and accrued interest only to the extent of the total gain or loss realized on the disposition.

#### *Reportable transactions*

Under Treasury regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a foreign currency note or foreign currency received in respect of a foreign currency note to the extent that any such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount. U.S. Holders should consult their tax advisors to determine the tax return obligations, if any, with respect to an investment in the Issued Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

#### *Certain information reporting requirements with respect to foreign financial assets*

Certain U.S. Holders who are individuals are required to file IRS Form 8938 (Statement of Specified Foreign Financial Assets) to report information relating to an interest in the Issued Notes, subject to certain exceptions (including an exception for Issued Notes held in accounts maintained by certain financial institutions). Under certain circumstances, an entity may be treated as an individual for purposes of the foregoing rules. U.S. Holders should consult their tax advisors regarding the effect, if any, of these requirements on their ownership and disposition of the Issued Notes. Penalties may apply for failure to properly complete and file IRS Form 8938.

#### *Fungible issue*

The relevant Temporary Notes Issuer or the relevant Issuer may, without the consent of the holders of outstanding Issued Notes, issue additional notes with identical terms. These additional notes, even if they are treated for non-tax purposes as part of the same series as the original Issued Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional notes may be considered to have been issued with original issue discount for U.S. federal income tax purposes even if the original Issued Notes had no original issue discount. These differences may affect the market value of the original Issued Notes if the additional notes are not otherwise distinguishable from the original Issued Notes.

#### *Backup withholding and related information reporting requirements*

In general, payments of interest and the proceeds from sales or other dispositions (including retirements or redemptions) of Issued Notes held by a U.S. Holder may be required to be reported to the IRS unless the U.S. Holder is an exempt recipient and, when required, demonstrates this fact. In addition, a U.S. Holder that is not an exempt recipient may be subject to backup withholding unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the appropriate information is timely furnished to the IRS.

#### *FATCA*

Pursuant to Sections 1471 through 1474 of the Code (provisions commonly known as “FATCA”), a “foreign financial institution” may be required to withhold U.S. tax on certain passthru payments made after December 31, 2016 to the extent such payments are treated as attributable to certain U.S. source payments. Obligations issued on or prior to the date that is six months after the date on which applicable final regulations

defining foreign passthru payments are filed generally would be “grandfathered” unless materially modified after such date. Accordingly, if the relevant Issuer is treated as a foreign financial institution, FATCA would apply to payments on the Issued Notes only if there is a significant modification of the Issued Notes for U.S. federal income tax purposes after the expiration of this grandfathering period. However, if additional notes are issued after the expiration of the grandfather period, have the same CUSIP or ISIN as the Issued Notes issued hereby and are subject to withholding under FATCA, then withholding agents may treat all notes in such series, including the Issued Notes issued hereby, as subject to withholding under FATCA. Non-U.S. governments have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein. U.S. Holders should consult their own tax advisors on how these rules may apply to their investment in the Issued Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Issued Notes, there generally will be no additional amounts payable to compensate for the withheld amount.

### **Limitations on validity and enforceability of the security interests and note guarantees and certain insolvency law considerations**

*Set forth below is a summary of certain limitations on the enforceability of the Note Guarantees and the Security Interests, and a summary of certain insolvency law considerations in each of the jurisdictions in the Senior Secured Notes Issuer, the Senior Notes Issuer and Guarantors are organized. This is a summary only, and bankruptcy, insolvency or a similar proceedings, could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Temporary Notes, the Notes, the Note Guarantees and the Security Interests on the Collateral.*

#### **European Union**

Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (the “EU Insolvency Regulation”), the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the EU Member State (other than Denmark) where the company concerned has its “center of main interests” (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its “center of main interests” is a question of fact on which the courts of the different EU Member States may have differing and even conflicting views.

The term “center of main interests” is not a static concept. Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any such company has its “center of main interests” in the EU Member State in which it has its registered office, Preamble 13 of the EU Insolvency Regulation states that the “center of main interests” of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and “is therefore ascertainable by third parties.” In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the location where the large majority of the company’s creditors are established may all be relevant in the determination of the place where the company has its “center of main interests.”

If the “center of main interests” of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings opened in one EU Member State under the EU Insolvency Regulation are to be recognized in the other EU Member States (other than Denmark), although secondary proceedings may be opened in another EU Member State. If the “center of main interests” of a debtor is in one EU Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another EU Member State (other than Denmark) have jurisdiction to open “territorial proceedings” only in the event that such debtor has an “establishment” in the territory of such other EU Member State. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other EU Member State. If the company does not have an establishment in any other EU Member State, no court of any other EU Member State has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation. In the event that any one or more of the Senior Secured Notes Issuer, the Senior Notes Issuer, the Guarantors or any of the Senior Secured Notes Issuer’s subsidiaries experience 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. Applicable insolvency laws may affect the enforceability of the obligations and the security of the Senior Secured Notes Issuer, the Senior Notes Issuer and the Guarantors.

#### **France**

##### ***Insolvency***

We conduct part of our business activity in France and, to the extent that the center of main interests of any of the Issuers or any of the Guarantors is deemed to be in France, it would be subject to French proceedings affecting creditors, including court-assisted proceedings (*mandat ad hoc* or *conciliation* proceedings) and court-administered proceedings being either safeguard proceedings, accelerated safeguard proceedings or accelerated financial safeguard proceedings (*sauvegarde*, *sauvegarde accélérée* or *sauvegarde financière accélérée*), judicial reorganization proceedings (*redressement judiciaire*) or judicial liquidation proceedings (*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 your ability to enforce your rights under the Notes and/or the Note Guarantees granted by the French Guarantors and corresponding security interests in the Collateral.

Under the European Council Regulation (EC) No. 1346/2000 on insolvency proceedings, if a debtor is located in the European Union (other than Denmark), French courts shall have jurisdiction over the main insolvency proceedings if the debtor's center of main interests is situated in France. In the case of a debtor or legal person, the place of the registered office shall be presumed to be its center of main interests in the absence of proof to the contrary. In determining whether the center of main interests of a debtor is in France, French courts will take into account a broad range of factual elements.

The following is a general discussion of insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes.

#### *Grace periods*

In addition to insolvency laws discussed below, you could, like any other creditors, be subject to Article 1244-1 *et seq.* of the French Civil Code (*Code civil*).

Pursuant to the provisions of this article, French courts may, in any civil or commercial proceedings involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's needs, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate, as published annually by the French government) or that payments made shall first be allocated to repayment of principal. A court order made under Article 1244-1 *et seq.* of the French Civil Code will suspend any pending enforcement measures, and any contractual default interest or penalty for late payment will not accrue or be due during the grace periods ordered by the relevant judge.

With respect to grace periods under Articles 1244-1 and subsequent of the French Civil Code, pursuant to article L. 611-7 of the French Commercial Code, the judge having commenced conciliation proceedings may, during the execution period of a conciliation agreement, impose grace periods on creditors having participated in the conciliation proceedings (other than the tax and social security administrations) for their claims that were not dealt with in the conciliation agreement.

#### *Insolvency test*

Under French law, a company is considered to be insolvent (*en état de cessation des paiements*) when it is unable to pay its due debts with its available assets taking into account available credit lines, existing debt rescheduling agreements and moratoria.

The date of insolvency (*état de cessation des paiements*) is generally deemed to be the date of the court ruling commencing the insolvency proceedings, unless the Court sets an earlier date, which may be carried back up to 18 months before the date of such opening ruling.

#### **Court-assisted proceedings**

A French debtor facing difficulties without being insolvent (*en état de cessation des paiements*) (or for less than 45 calendar days in the case of *conciliation* proceedings) may request the commencement of court-assisted proceedings (*mandat ad hoc* or *conciliation*), the aim of which is to reach an agreement with the debtor's main creditors and stakeholders e.g. agreement to reduce or reschedule its indebtedness. *Mandat ad hoc* and *conciliation* are proceedings carried out under the supervision of the Court, which do not trigger any stay of enforcement against the debtor.

*Mandat ad hoc* proceedings may only be initiated by the debtor itself, in its sole discretion. In practice, *mandat ad hoc* proceedings are used by debtors that are facing any type of difficulties but are not in a state of insolvency (*cessation de paiements*) (see "*Insolvency test*" above). They are informal, confidential and are not limited in time. They are carried out under the aegis of a court-appointed officer (*mandataire ad hoc*, whose name can be suggested by the debtor) itself under the supervision of the Court and do not automatically involve any stay of the claims or pending proceedings. The duties of the *mandataire ad hoc* are determined by the competent Court that appoints him or her. *Mandataires ad hoc* are usually appointed in order to facilitate negotiations with

creditors but cannot coerce the creditors into accepting any proposal. The agreement reached between the debtor and its creditors (if any) with the help of the *mandataire ad hoc* will be negotiated on a purely consensual and voluntary basis; those creditors not willing to take part cannot be bound by the arrangement. Creditors are not barred from taking legal action against the debtor to recover their claims but they usually accept not to do so. In any event, the debtor retains the right to petition the relevant judge for a grace period, as set forth above. The agreement reached is reported to the Court but is not formally approved by it. The ordinance of the Court appointing the *Mandataire ad hoc* shall be notified for information purposes to the debtor's auditors.

*Conciliation* proceedings are available to a debtor that faces current or foreseeable difficulties of a legal, economic or financial nature and which (at the time the *conciliation* proceedings are commenced) has not been in a state of insolvency (*cessation de paiements*) (see “*Insolvency test*” above) for more than 45 calendar days. The debtor petitions the President of the Commercial Court for the appointment of a *conciliator* (whose name it can suggest) in charge of assisting the debtor in negotiating an agreement with all or part of its creditors and/or trade partners that puts an end to its difficulties, providing e.g. for the restructuring of its indebtedness.

*Conciliation* proceedings are confidential and may last up to four months (an additional one month extension can be requested by the conciliator). During the proceedings, creditors may continue to individually claim payment of their claims but they usually accept not to. In addition, the debtor retains the right to petition the judge who opened the proceedings for grace periods pursuant to article L. 1244-1 of the French Civil Code as set forth above, in which case the decision would be taken after having heard the conciliator.

The conciliation agreement reached between the parties may be either acknowledged (*constaté*) by the President of the Commercial Court or approved (*homologué*) by the Commercial Court. It will become binding upon them only and the creditors party thereto may not take action against the debtor in respect of claims governed by the conciliation agreement. The acknowledgement (*constatation*) of the conciliation agreement by the President of the Commercial Court upon all parties' request, gives the agreement the legal force of a final judgment, which means that it constitutes a judicial title that can be enforced by the parties without further recourse to a judge (*titre exécutoire*), but the *conciliation* proceedings remain confidential. So long as the conciliation agreement is in effect, interest accruing on the affected claims can no longer be compounded.

In case of acknowledgement (*constat*) or approval (*homologation*), the Court can, at the request of the debtor, appoint the conciliator to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its execution.

The approval (*homologation*) by the Court, upon the debtor's request will make the existence of the conciliation proceedings public and have the following specific consequences:

- creditors who provide new money, goods or services designed to ensure the continuation of the business of the debtor (other than shareholders providing new equity in the context of a capital increase) will enjoy a priority of payment over all pre-proceedings and post-proceedings claims (except with respect to certain pre-petition employment claims and procedural costs) (the “**New Money Lien**”), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation; and
- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of the *cessation des paiements*, and therefore the starting date of the hardening period (as defined below—see The “*hardening period*” (*période suspecte*) in *judicial reorganization and liquidation proceedings*), cannot be set by the Court as of a date earlier than the date of the approval (*homologation*) of the agreement by the Court (see above regarding the definition of the date of the *cessation des paiements*) except in case of fraud.

The court decision approving the conciliation agreement does not make its terms public (save for the information of the works council or the employees representatives, if any, on the content of the agreement) but makes public the guarantees and the terms of the New Money Lien granted to the creditors under the conciliation agreement.

While the agreement (whether acknowledged or approved) is in force the debtor retains the right to petition the Court that opened conciliation proceedings for a debt rescheduling, pursuant to Article 1244-1 *et seq.* of the French Civil Code mentioned above, in relation to claims of creditors (other than public creditors) party to the conciliation, in which case the decision would be taken after having heard the conciliator in the event that he has been appointed to monitor the implementation of the agreement.

A third party having granted a guarantee (*sûreté personnelle*) or a security interest (*sûreté réelle*) with respect to the debtor's obligations can benefit from the provisions of the approved or acknowledged conciliation agreement.

In the event of a breach of the conciliation agreement, any party to it can petition the President of the Commercial Court for its termination. If such termination is granted, grace periods granted in relation to the conciliation proceedings may be revoked. Conversely, provided that the conciliation agreement is duly performed, any individual proceedings by creditors with respect to the claims included in the agreement are suspended. The commencement of subsequent insolvency proceedings will automatically put an end to the conciliation agreement, in which case the creditors will recover their claims, decreased by the payments already received, and their security interests.

Conciliation proceedings, in the context of which a draft plan has been negotiated and is supported by a large majority of creditors which is likely to meet the threshold requirements for creditors' consent in safeguard, will be a mandatory preliminary step of the accelerated safeguard proceedings or accelerated financial safeguard proceedings, as described below.

In the event of the commencement of subsequent safeguard or judicial reorganization proceedings, within the context of the adoption of a safeguard plan or a recovery plan, the Court will not be able to impose a payment deferral to a date later than the date on which the plan is adopted, or debt reductions, to creditors with respect to their claims benefiting from the New Money Lien.

At the request of the debtor and after the participating creditors have been consulted on the matter, the conciliator may be appointed with a mission to organize the partial or total sale of the debtor which would be implemented, as applicable, in the context of subsequent safeguard, judicial reorganization or liquidation proceedings; any offers received in this context by the conciliator may be directly submitted to the Court in the context of reorganization or liquidation proceedings after consultation of the public prosecutor.

Any contractual provision that modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the designation of a *mandataire ad hoc* or of the commencement of conciliation proceedings or of a request submitted to this end, and any contractual provision requiring the debtor to bear, by reason only of the appointment of a *mandataire ad hoc* or of the commencement of conciliation proceedings, more than three-quarters of the fees of the professional advisers retained by creditors in connection with these proceedings, are deemed null and void.

### ***Court-administered proceedings—safeguard***

A debtor which experiences difficulties that it is not able to overcome may, in its sole discretion, initiate safeguard proceedings (*procédure de sauvegarde*) with respect to itself, *provided* that it is not insolvent (*en état de cessation des paiements*). Creditors of the debtor do not attend the hearing before the Court at which the commencement of safeguard proceedings is requested. Following the commencement of safeguard proceedings, a court-appointed administrator is usually appointed to investigate the business of the debtor during an observation period (the period from the date of the court decision commencing the proceedings to the date on which the Court takes a decision on the outcome of the proceedings), which may last up to 18 months, and to help the debtor elaborate a draft safeguard plan (*projet de plan de sauvegarde*) that it will propose to its creditors. Creditors do not have effective control over the proceedings, which remain in the hands of the debtor, assisted by the court-appointed administrator (*administrateur judiciaire*) who will, in accordance with the terms of the judgment, exercise *ex post facto* control over decisions made by the debtor ("*mission de surveillance*") or assist the debtor to make all or some of the management decisions ("*mission d'assistance*"), all under the supervision of the Court.

During the safeguard proceedings, payment by the debtor of any debts incurred prior to the commencement of the proceedings is prohibited, subject to very limited exceptions. For example, the Court can authorize payments for prior debts in order to discharge a lien on property needed for the continued operation of the debtor's business or to recover goods or rights transferred as collateral in a fiduciary estate (*patrimoine fiduciaire*). In addition, creditors are required to declare to the court-appointed creditors' representative (*mandataire judiciaire*) the debts that arose prior to the commencement of the proceedings (as well as the post-commencement non-privileged debts) and are prohibited from engaging any court proceedings against the debtor for any payment default in relation to such debts, and the accrual of interest on loans with a term of less than one year (or on payments deferred for less than one year) is stopped. Debts duly arising after the commencement of the safeguard proceedings and which relate to expenses necessary for the debtor's business

activities during the observation period (see above), are for the requirements of the proceedings, or are in consideration for services rendered or goods delivered to the debtor during this period, must be paid as and when they fall due and, if not, will be given priority over debts incurred prior to the commencement of the safeguard proceedings (with certain limited exceptions, such as the New Money Lien).

Creditors must be consulted on the manner in which the debtor's liabilities will be settled under the plan (debt forgiveness and payment terms) prior to the plan being approved by the Court.

The rules governing consultation vary according to the size of the business.

Standard consultation: for debtors whose accounts are not certified by a statutory auditor or prepared by a chartered accountant, and who have less than 150 employees or €20 million of turnover, the administrator notifies the proposals for the settlement of debts to the court-appointed creditors' representative, who obtains the agreement of each creditor who filed a claim, regarding the debt remissions and payment times proposed. Creditors are consulted individually or collectively.

French law does not state whether the proposals for settlement can vary according to the creditor and whether the principle of equal treatment of creditors is applicable at the consultation stage. According to legal commentaries and established practice, in the absence of a specific legislative prohibition, differing treatment as between creditors is possible, *provided* that it is justified by the specific position of the creditors and approved by the court-appointed creditors' representative. In practice, it is also possible at the consultation stage to make a proposal for a partial payment of the claim over a shorter time period instead of a full payment of the claim over ten years.

Creditors whose payment terms are not affected by the plan or who are paid in cash in full as soon as the plan is approved do not need to be consulted.

Creditors consulted in writing which do not respond within 30 days are deemed to have accepted the proposal. The creditors' representative keeps a list of the responses from creditors, which is notified to the debtor, the administrator and the controllers.

Within the framework of a standard consultation, if the creditors refuse the proposals that were submitted to them, the Court that approves the reorganization plan (*plan de redressement*) can impose on them a uniform rescheduling of their claims (subject to the specific regime of claims benefiting from the New Money Lien) over a maximum period of ten years (except for claims with maturity dates of more than the deferral period set by the Court, in which case the maturity date shall remain the same), but no waiver of any claim or debt-for-equity swap may be imposed without its creditor's individual acceptance.

Following a court imposed rescheduling, the first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual installment must be of at least 5% of the total amount of the debt claim) or the year following the initial maturity of the claim if it is later than the date of the first anniversary of the adoption of the plan, in which case the amount of the payment is determined in accordance with the specific rules in order to ensure that the full amount of the claim is repaid within the 10 year period.

Following a court imposed rescheduling, the first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual installment must be of at least 5% of the total amount of the debt claim) or the year following the initial maturity of the claim if it is later than the date of the first anniversary of the adoption of the plan, in which case the amount of the payment is determined in accordance with the specific rules in order to ensure that the full amount of the claim is repaid within the 10 year period.

Committee-based consultation: In the case of large companies (whose accounts are certified by a statutory auditor or established by a chartered- accountant and with more than 150 employees or a turnover greater than €20 million), or with the consent of the Court in the case of debtors that do not exceed the aforementioned thresholds, two creditors' committees have to be established by the court-appointed administrator on the basis of the claims that arose prior to the initial judgment:

- one for credit institutions or assimilated institutions and entities having granted credit or advances in favor of the debtor (the "Credit Institutions Committee") and

- the other one for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers and other suppliers invited to participate in such committee by the court-appointed administrator (the "Major Suppliers Committee").

If there are any outstanding debt securities in the form of *obligations* (such as bonds or notes), a general meeting of all holders of such debt securities will be established irrespective of whether or not there are different issuances and of the governing law of those *obligations* (the "**Bondholders' General Meeting**"). The Notes constitute *obligations* for the purposes of safeguard proceedings.

It is unclear whether the Security Agent as creditor of the Parallel Debt under the Intercreditor Agreement would vote in the creditor's committee.

The proposed plan:

- must take into account subordination agreements entered into by the creditors before the commencement of the proceedings;
- may treat creditors differently if it is justified by their differences in situation; and
- may, *inter alia*, include a rescheduling or cancellation of debts (subject to the specific regime of claims benefiting from the New Money Lien), and/or debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent).

If the plan provides for a share capital increase, the shareholders may subscribe to such share capital increase by way of a set-off with their claims against the debtor, as reduced as the case may be according to the provisions of the plan.

Creditors which are members of the credit institutions' committee or the suppliers' committee may also prepare an alternative safeguard or reorganization plan that will also be put to the vote of the committees and of the general bondholders meeting, it being specified that approval of these alternative plans is subject to the same two-thirds majority vote in each committee and in the Bondholders General Meeting and gives rise to a report by the judicial administrator). Bondholders are not permitted to present their own alternative plan.

The committees must approve or reject the safeguard plan within a minimum of 15 days of its submission. The plan must be approved by a majority vote of each committee, *provided* that the majority is two-thirds of the outstanding claims of the creditors expressing a vote.

Each creditor member of a creditors committee and each holder of the Notes must, if applicable, inform the judicial administrator of the existence of any agreement relating to the exercise of its vote, to the full or total payment of its claim by a third party as well as of any subordination agreement. The judicial administrator shall then submit to the creditor/holder of the Notes a proposal for the computation of its voting rights in the creditors committee/Bondholders General Meeting. In the event of a disagreement, the creditor/holder of the Notes or the judicial administrator may request that the matter be decided by the President of the Commercial Court in summary proceedings. The amounts of claims secured by a trust (*fiducie*) granted by the debtor do not give rise to voting rights.

In addition, creditors whose repayment schedule is not modified by the plan, or for which the plan provides for a payment of their claims in cash in full as soon as the plan is adopted or as soon as their claims are admitted, do not take part in the vote. Such creditors do not need to be consulted on the plan.

Following the approval of the plan by the two creditors' committees, the plan will be submitted for approval to the Bondholders' General Meeting at the same two-thirds majority vote. Following approval by the creditors' committees and the Bondholders' General Meeting and determination of a rescheduling of the claim of creditors that are not members of the committees or bondholders as discussed hereafter, the plan has to be approved (*arrêté*) by the Court. In considering such approval, the Court has to verify that the interests of all creditors are sufficiently protected and that relevant shareholder consent, if any is required, has been obtained. Once approved by the Court, the safeguard plan will be binding on all the members of the committees and all bondholders (including those who did not vote or voted against the adoption of the plan).

Creditors outside the creditors' committees or the Bondholders' General Meeting are consulted in accordance with the standard consultation process referred to above.

In the event that the debtor's proposed plan is not approved by both committees and the Bondholders' General Meeting within the first six months of the observation period, either because they do not vote on the plan or because they reject it, this six month period may be extended by the Court at the request of the judicial administrator, to the extent it does not exceed the duration of the observation period, in order for the plan to be approved by the committee-based consultation process. Absent such extension, the Court can still adopt a safeguard plan in the time remaining until the end of the observation period. In such a case, the rules are the same as the ones applicable for the standard consultation process described above.

If the Court empowers the administrator to convene a shareholders' meeting in order to take corporate resolutions with respect to the modification of the debtor's share capital required by a safeguard plan, the Court may order that, under certain conditions, the shareholders' decisions be adopted by a majority vote of the shareholders attending or represented, as long as such shareholders own at least half of the shares with voting rights.

If no plan is adopted by the committees, at the request of the debtor, the judicial administrator, the *mandataire judiciaire* or the public prosecutor, the Court may convert the safeguard proceedings into judicial reorganization proceedings if it appears that the adoption of a safeguard plan is impossible and if the end of the safeguard proceedings would certainly lead to the debtor shortly becoming insolvent.

*Specific case—Creditors that are public institutions:* Public creditors (financial administrations, social security and unemployment insurance organizations) may agree to grant debt remissions under conditions that are similar to those that would be granted under normal market conditions by a private economic operator placed in a similar position. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors are consulted under specific conditions, within the framework of a local administrative committee (*Commission des Chefs de Services Financiers*). The tax administrations may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

In the event that safeguard (or judicial reorganization) proceedings are commenced against any of the Issuers, the holders of the relevant Notes will not be members of the credit institutions' committee but would vote on any proposed draft safeguard plan as members of the Bondholders' General Meeting.

#### ***Court-administered proceedings—accelerated safeguard and accelerated financial safeguard***

A debtor in *conciliation* proceedings may request commencement of accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) or accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*).

The accelerated safeguard proceedings and accelerated financial safeguard proceedings have been designed to “fast-track” difficulties of large companies:

- who publish consolidated accounts in accordance with article L. 233-16 of the French Commercial Code; or
- who publish accounts certified by a statutory auditor or established by a certified public accountant and have (i) more than 20 employees or (ii) a turnover greater than €3 million excluding VAT or (iii) whose total balance sheet exceeds €1.5 million.

The regime applicable to accelerated safeguard or accelerated financial safeguard proceedings is broadly the regime applicable to standard safeguard proceedings to the extent compatible with the accelerated timing in accelerated safeguard and/or accelerated financial safeguard proceedings, since the total duration of the accelerated safeguard proceedings is three months, while the duration of the accelerated financial safeguard proceedings is one month, unless the Court decides to extend it by an additional month.

In particular, the creditors committees and the Bondholders General Meeting are required to vote on the proposed safeguard plan within a minimum period of fifteen days of its being sent to the creditors in the case of accelerated safeguard proceedings or within 8 days thereof in accelerated financial safeguard proceedings.

The plan adopted in the context of accelerated safeguard proceedings or accelerated financial safeguard proceedings is adopted following the same majority rules as in standard safeguard proceedings and may notably provide for rescheduling, debt cancellation and conversion of debt into equity capital in the debtor (debt-for-equity swaps requiring relevant shareholder consent).



The accelerated financial safeguard proceedings apply only to “financial creditors” (i.e., creditors that belong to the credit institutions committee and bondholders), the payment of whose debt is suspended until adoption of a plan through the accelerated financial safeguard proceedings. As to financial creditors, the debtor will be prohibited from paying any amounts (including interests) in connection with the finance documents that fall due during the observation period. Such amounts may be paid only after the judgment of the Court approving the safeguard plan and in accordance with its terms. Creditors other than financial creditors (such as public creditors, the tax or social security administration and suppliers) are not directly impacted by accelerated financial safeguard proceedings. Their debts will continue to be due and payable in the ordinary course of business according to their contractual or legal terms.

To be eligible to accelerated safeguard proceedings or accelerated financial safeguard proceedings, the debtor must fulfill three conditions:

- the debtor must be subject to ongoing conciliation proceedings when it applies for the commencement of accelerated safeguard proceedings or accelerated financial safeguard proceedings;
- as is the case for regular safeguard proceedings, the debtor must face difficulties which it is not in a position to overcome; and
- the debtor must have prepared a draft safeguard plan ensuring the continuation of his business as a going concern supported by enough of its creditors subject to the proceedings members of, as applicable, its Credit Institutions or Major Suppliers committee or its Bondholders’ General Meeting, to render likely its adoption by a two-thirds majority of the relevant Committee and General Meeting within a maximum of three months following the commencement of accelerated safeguard proceedings and of one month following the commencement of accelerated financial safeguard proceedings (that can be extended by an additional month).

If a plan is not adopted by the creditors and approved by the Court within the deadlines applicable to each, the Court shall terminate the proceedings. The Court cannot reschedule amounts owed to the creditors outside of the committee process.

The list of claims of creditors party to the *conciliation* proceeding shall be drawn up by the debtor and certified by the statutory auditor and shall be deemed to constitute the filing of such claims for the purpose of the accelerated safeguard proceedings or, as applicable, accelerated financial safeguard proceedings (see below) unless the creditors otherwise elect to make such a filing (see below).

### ***Judicial reorganization or liquidation proceedings***

Judicial reorganization (*redressement judiciaire*) or liquidation proceedings (*liquidation judiciaire*) may be initiated against or by a debtor only if it is insolvent and, with respect to liquidation proceedings only, if the debtor’s recovery is manifestly impossible. The debtor is required to petition for judicial reorganization or liquidation proceedings (or for conciliation proceedings, as discussed above) within 45 days of becoming insolvent. *De jure* managers (including directors) and, as the case may be, *de facto* managers are exposed to civil liability if it fails to do so.

Where the debtor requested the commencement of judicial reorganization proceedings and the Court considers that judicial liquidation proceedings would be more appropriate, after having heard the debtor, the Court may order the commencement of the proceedings which it finds most appropriate. The same would apply if the debtor requested the commencement of judicial liquidation proceedings and the Court considers that judicial reorganization proceedings would be more appropriate.

In addition, at any time during the safeguard proceedings observation period, upon request of the debtor, the administrator, the creditors’ representative (*mandataire judiciaire*), the public prosecutor or (at its own initiative) the Court may convert safeguard proceedings into reorganization proceedings or liquidation proceedings. In all cases, the Court’s decision is only taken after having heard the debtor, the judicial administrator, the creditors’ representative, the public prosecutor and the workers’ representatives (if any).

Under the judicial reorganization proceedings, the administrator appointed by the Court will assist the debtor to make management decisions (*mission d’assistance*) or may be empowered by the Court to take over the management and control of the debtor (*mission d’administration*). As a result of the commencement of liquidation proceedings, the managers of the debtor are no longer in charge of the management.

In the event of reorganization, an administrator is usually appointed by the Court (*administrateur judiciaire*) to investigate the business of the debtor during an observation period, which may last up to 18 months, and make proposals either for the reorganization of the debtor (by helping the debtor to elaborate a reorganization plan, which is similar to a safeguard plan), or the sale of the business or the liquidation of the debtor.

Committees of creditors and a Bondholders General Meeting may be created under the same conditions as in safeguard proceedings (see above). At any time during this observation period, the Court can order the liquidation of the debtor. At the end of the observation period, the outcome of the proceedings is decided by the Court.

If the Court decides to order the judicial liquidation of the debtor, the Court will appoint a liquidator, which is generally the former creditors' representative (*mandataire judiciaire*). No maximum time period is provided by law to limit the duration of the judicial liquidation process. The liquidator is vested with the power to represent the debtor and perform the liquidation operations (mainly liquidate the assets and settle the liabilities to the extent the proceeds from the liquidated assets are sufficient, in accordance with the creditors' priority order for payment).

Concerning the liquidation of the assets of the debtor, there are two possible outcomes of such liquidation scenario:

- an asset sale plan (in which case the Court will usually appoint a judicial administrator to manage the debtor and organize such sale of the business); or
- a sale of the individual assets of the debtor, in which case the liquidator may decide to:
  - launch auction sales;
  - sell on an amicable basis each asset for which spontaneous purchase offers have been received, (the formal authorization of the bankruptcy judge being necessary to conclude the sale agreement with the bidder); or
  - request, under the supervision of the bankruptcy judge, from all potential interested purchasers to bid on each asset, as the case may be, by way of a private competitive process whereby the bidders submit their offers only at the hearing without the proposed prices being disclosed before such hearing (*procédure des plis cachetés*).

When either no due liabilities remain, the liquidator has sufficient funds to pay off the creditors (*extinction du passif*), or continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d'actif*), the Court terminates the proceedings.

In reorganization proceedings, in case a shareholders' meeting needs to vote to bring the shareholders' equity to a level equal to at least one half of the share capital as required by article L.626-3 of the French Commercial Code, the administrator may appoint a trustee (*mandataire en justice*) to convene a shareholders' meeting and to vote on behalf of the shareholders which refuse to vote in favour of such a resolution if the draft restructuring plan provides for a modification of the equity to the benefit of a third party(ies) undertaking to comply with the recovery plan.

If the proposed reorganization plans are manifestly not likely to ensure that the debtor will recover or if no reorganization plan is proposed, the Court upon the request of the administrator, can order the total or partial transfer of the business.

The Court may terminate the proceedings when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets. The Court may also appoint a *mandataire* in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

### ***The "hardening period" (période suspecte) in judicial reorganization and liquidation proceedings***

The date of insolvency (*cessation des paiements*) is deemed to be the date of the court order commencing proceedings, unless the Court sets an earlier date, which may be no earlier than 18 months before the date of such court order. Also, except in the case of fraud, the date of insolvency may not be set at a date earlier than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation



proceedings (see above). The date of insolvency is important because it marks the beginning of the “*période suspecte*” (otherwise referred to as “hardening period”), being the period between the date of insolvency and the Court decision commencing the proceedings. Certain transactions entered into during the hardening period are void as of right or voidable by the Court. Automatically void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no or nominal consideration, contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner which is not commonly used in the ordinary course of business and security granted for debts (including a security granted to secure a guarantee obligation) previously incurred and provisional measures (unless the attachment or seizure predates the date of insolvency), operations relating to stock options, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as security for debt incurred simultaneously), any amendment to a trust arrangement (*fiducie*) that affects assets or rights already transferred in the trust as a guarantee of debt incurred prior to such amendment, and a declaration of non-seizability (*déclaration d’insaisissabilité*).

Transactions voidable by the Court include payments made on accrued debts, transactions for consideration and notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the hardening period, in each case if the Court determines that the creditor knew of the insolvency of the debtor. Transactions relating to the transfer of assets for no consideration are also voidable when entered into during the six-month period prior to the beginning of the hardening period.

Contractual provisions pursuant to which the commencement of the safeguard or insolvency proceedings constitutes an event of default are not enforceable against the debtor. Neither, in accordance with a decision of the French Supreme Court dated January 14, 2014, n°12-22.909, are “contractual provisions modifying the conditions of continuation of an ongoing contract, diminishing the rights or increasing the obligations of the debtor solely upon the opening of reorganization proceedings” (case law which is likely to be extended to safeguard, accelerated safeguard or accelerated financial safeguard proceedings). However, the court-appointed officer can unilaterally decide to terminate ongoing contracts (*contrats en cours*) which it believes the debtor will not be able to continue to perform.

Conversely, the court-appointed officer can, require that other parties to a contract continue to perform their obligations even though the debtor may have been in default, but on the condition that the debtor fully performs its post-petition contractual obligations (and provided that, in the case of reorganization proceedings, absent consent to other terms of payment, the debtor pays cash on delivery).. The commencement of liquidation proceedings, however, automatically accelerates the maturity of all of a debtor’s obligations unless the Court orders the continued operation of the business with a view to the adoption of a “plan for the sale of the business” (*plan de cession*) (which it may do for a period of three months, renewable once), in which case the acceleration of the obligations will only occur on the date of the court decision adopting the “plan for the sale of the business” or on the date on which the continued operation of the business ends.

As from the court decision commencing the proceedings:

- accrual of interest is suspended, except in respect of loans for a term of at least one year, or of contracts providing for a payment which is deferred by at least one year, with respect to which, however, accrued interest can no longer be compounded;
- the debtor is prohibited from paying debts incurred prior to the commencement of the proceedings, subject to specified exceptions (which essentially cover the set-off of related (*connexes*) debts and payments authorized by the insolvency judge appointed by the Court to recover assets for which recovery is justified by the continued operation of the business);
- the debtor is prohibited from paying debts having arisen after commencement of the proceedings unless they are incurred for the purposes of the proceedings or of the observation period or in consideration of services rendered/ goods provided to the debtor;
- creditors may not pursue any individual legal action against the debtor (or a guarantor of the debtor where such guarantor is a natural person) with respect to any claim arising prior to the court decision commencing the proceedings, if the objective of such legal action is:

- to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a Court determine the amount due in order to file a proof of claim, as described below);
- to terminate a contract for non-payment of amounts owed by the creditor; or
- to enforce the creditor's rights against any assets of the debtor except where such asset- whether tangible or intangible, movable or immovable-is located in another Member State within the European Union, in which case the rights *in rem* of creditors thereon would not be affected by the insolvency proceedings, in accordance with the terms of Article 5 EU Insolvency Regulation;
- immediate cash payment for services rendered pursuant to an ongoing contract (*contrats en cours*), absent consent to other terms of payment, will be required only in the context of reorganization or liquidation proceedings.

In accelerated safeguard and accelerated financial safeguard proceedings, the above rules only apply to the creditors that are subject to the accelerated safeguard proceedings or the accelerated financial safeguard proceedings respectively (see above).

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of proceedings must file a claim with the court - appointed creditors' representative within two months of the publication of the court decision in an official gazette (*Bulletin Officiel des annonces civiles et commerciales*) (; this period is extended to four months for creditors domiciled outside France. Where the debtor has informed the creditors' representative of the existence of a claim and no proof of claim has been filed yet, the claim as reported by the debtor is deemed to be a filing on the claim with the creditors' representative on behalf of the debtor. Creditors are allowed to ratify a proof of claim made on their behalf until the insolvency judge rules on the admissibility of the claim. Creditors who have not submitted their claims during the relevant period, whose claims are not deemed filed with the creditors' representative are, except with respect to limited exceptions, barred from receiving distributions made in connection with the proceedings. Employees are not subject to such limitations and are preferential creditors under French law.

In accelerated financial safeguard proceedings, however:

- debts owed to creditors other than banks, financial institutions or bondholders should be paid in the ordinary course; and
- the debtor draws a list of the claims of its creditors having participated in the conciliation proceedings, which is certified by its statutory auditors (failing which, its accountant). Although such creditors may file proofs of claim as part of the regular process, they may also avail themselves of this simplified alternative and merely adjust the amounts of their claims as set forth in the list prepared by the debtor (within the above two or four months' time limit). Those financial creditors who did not take part in the conciliation proceedings (but who would belong to the financial institutions' committee or the Bondholders' General Meeting) would have to file their proofs of claim within the aforementioned deadlines.

If the Court adopts a safeguard plan, accelerated safeguard plan, accelerated financial safeguard plan or reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan. The Court can also set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

If the Court adopts a plan for the sale of the business (*plan de cession*) of the debtor in judicial reorganization or judicial liquidation proceedings, the proceeds of the sale will be allocated towards the repayment of its creditors according to the ranking of the claims. If the Court decides to order the judicial liquidation of the debtor, the Court will appoint a liquidator (usually the former creditor's representative) in charge of managing the debtor, selling the assets of the debtor and settling the relevant debts in accordance with their ranking. However, in practice, where the sale of the business is considered, the Court will usually appoint a judicial administrator to manage the debtor during the temporary continuation of the business operations (see above) and organize the sale of the business process.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees, post-petition legal costs (essentially, fees of the officials appointed by the Court), creditors who, as part of the approved *conciliation* agreement, have provided new money or goods or services, post-petition creditors, certain

pre-petition secured creditors in the event of liquidation proceedings and the French State (taxes and social charges).

As soon as insolvency proceedings are commenced, the immediate payment of any unpaid amount of share capital of the debtor will be required.

The *mandataire judiciaire* may demand that a shareholder pay-up its portion of the unpaid share capital.

#### *Void and voidable transaction*

“Void transactions” include transactions or payments entered into during the suspect period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration, contracts under which the reciprocal obligations of the company significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner that is not commonly used in the ordinary course of business, any escrow ordered by a judicial decision if such decision is not final when reorganization or liquidation proceedings are commenced, security granted for debts previously incurred, any provisional measures (unless the writ of attachment or seizure predates the date of insolvency) operations relating to stock options, fiduciary transfers (unless the transfer is made as a security for an indebtedness entered into simultaneously) and modifications to existing fiduciary transfers securing previous debts.

“Voidable transactions” include payments for due debts made from the date of insolvency, transactions for consideration and notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the suspect period if the party dealing with the debtor company knew that it was insolvent (see “—*Insolvency test*”). Transactions relating to the transfer of assets for no consideration are also voidable when entered into during the six-month period prior to the beginning of the suspect period.

#### *Creditors' liability*

Pursuant to article L. 650-1 of the French Commercial Code as interpreted by case law, where safeguard, judicial reorganization or judicial liquidation proceedings have been commenced, creditors may be held liable for the losses suffered as a result of facilities granted to the debtor only if the granting of such facilities was wrongful and, in the case of (i) fraud; (ii) interference with the management of the debtor or (iii) if the security or guarantees taken to support the facilities are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court.

#### *Limitations on guarantees*

The liabilities and obligations of each French Guarantor are subject to:

- certain exceptions, including to the extent any obligations which, if incurred, would constitute prohibited financial assistance within the meaning of Article L. 225-216 of the French *Code de Commerce* or infringement of the provisions of Articles L. 241-3 or L. 242-6 of the French *Code de Commerce*, it being specified that, under French financial assistance rules, a company is prohibited from guaranteeing indebtedness of another company that is used, directly or indirectly, for the purpose of its acquisition; and
- a contractual financial limitation corresponding to an amount equal to the proceeds from the Offering of the Notes which the Issuer has applied for the direct or indirect benefit of each French Guarantor and/or the controlled subsidiaries of that French Guarantor through the intercompany loans and cash pooling arrangements that are outstanding on the date a payment is requested to be made by such French Guarantor.

Under French corporate benefit rules, a court could subordinate or void any guarantee or security and, if payment had already been made under the relevant guarantee or security, require that the recipient return the payment to the relevant guarantor or security provider, if the court found that the guarantor or security provider did not derive an overall corporate benefit from the transaction involving the grant of the guarantee or security as a whole. The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

French case law has recognized that certain inter group transactions (including upstream guarantees) can be in the corporate interest of the relevant company, in particular, where the following criteria are fulfilled:

- the existence of a genuine group of companies (taken as a whole, not just its shareholders) operating under a common strategy aimed at a common objective;
- the existence of a common economic, social or financial interests of the group within the framework of a policy implemented by the group of companies;
- the transaction shall not be without due consideration and compensation and shall not change the existing balance between the respective obligations of the relevant companies;
- the risk assumed by a French Guarantor must be proportionate to the benefit. The French Guarantor must receive an actual and adequate benefit, consideration or advantage from the transaction involving the granting by it of the guarantee; and
- the obligations of the French Guarantor under the guarantee shall not exceed its financial capability.

Accordingly, the Note Guarantees by the French Guarantors are limited to amounts recoverable thereunder will be limited to amounts that represent either (i) the amount of debt that each such French Guarantor and the controlled subsidiaries of that French Guarantor can be deemed to have refinanced with the proceeds of the Notes through the intercompany loans and (ii) the amounts of the Notes proceeds on-lent, directly or indirectly, to such French Guarantor, and the controlled subsidiaries of that French Guarantor, through the intercompany loans, via the group's cash-pooling arrangements or otherwise, and outstanding on the date a payment is requested to be made by such French Guarantor under its Notes Guarantee. Any payment made by such French Guarantor under its guarantee or under the intercompany loans or the cash pooling arrangements will reduce the maximum amount of its guarantee. By virtue of this limitation, a French Guarantor's obligation under the Guarantee could be significantly less than amounts payable with respect to the Notes, or a French Guarantor may have effectively no obligation under its Notes Guarantee. See "*Description of the Additional Senior Secured Notes—The Note Guarantees.*"

In addition, if a French Guarantor receives, in return for issuing the guarantee, an economic return that is less than the economic benefit such French Guarantor would obtain in a transaction entered into on an arm's-length basis, the difference between the actual economic benefit and that in a comparable arm's-length transaction could be taxable under certain circumstances.

#### *Limitation on enforcement of security interests*

Security interests governed by French law may only secure payment obligations and may only be enforced following a payment default (including following acceleration) and up to the secured amount that is due and remaining unpaid.

Under French law, generally speaking, pledges over assets may be enforced at the option of the secured creditors either (i) before a court (a) 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 (b) by way of the judicial foreclosure (*attribution judiciaire*) of the pledged assets; or (ii) by way of contractual foreclosure (*attribution conventionnelle* or *pacte comissoire*) 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 contractual foreclosure may not be agreed at the time of the granting of the security or subsequently and, therefore, the Noteholders will not benefit from such enforcement method.

If the secured creditors choose enforcement by way of foreclosure (whether judicial foreclosure or contractual foreclosure), the secured liabilities will be deemed extinguished up to the value of the attributed assets. Such value is determined either by the judge in the context of a judicial foreclosure (*attribution judiciaire*) or by an expert (pre-contractually agreed or appointed by a judge) in the context of a contractual foreclosure (*pacte comissoire*). In case of enforcement by way of foreclosure (whether judicial foreclosure or contractual foreclosure), if the value of the pledged assets exceeds the amount of the secured liabilities, the secured creditors will be required to pay the relevant pledgor a "*soulte*" equal to the difference between the value of the pledged assets and the amount of the secured liabilities. This is true regardless of the actual amount of proceeds ultimately received by the secured creditor from a subsequent sale of the Collateral. On the contrary, if the value of such pledged assets 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 pledged assets, and the remaining amount owed to such creditors will be unsecured.

### *Parallel debt*

Under French law, certain “accessory” security interests such as pledges require that the pledgee and the creditor be the same person. Such security interests cannot be held on behalf of the creditors by third parties who do not hold the secured claim, unless they act as trustees (*fiduciaires*) under Article 2011 of the French Civil Code or as security agent (*agent des sûretés*) under Article 2328-1 of the French Civil Code, which is not the case here for the Security Documents governed by French law. The holders of interests in the Notes from time to time will not be parties to the Security Documents. In order to permit the Noteholders to benefit indirectly from a secured claim, the Intercreditor Agreement will provide for the creation of a “Parallel Debt.” Pursuant to such Parallel Debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Indenture and the Intercreditor Agreement. The pledges governed by French 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. Although the French Supreme Court (*Cour de cassation*) has held (in a decision dated September 13, 2011 (Cass. Com. 13 September 2011 n° 10-25.533 *Belvédère*) rendered in the context of safeguard proceedings opened in France) that, subject to certain conditions being met, the concept of “parallel debt” governed by the laws of the State of New York was not incompatible with the French law concept of international public policy (*ordre public international*), this decision cannot be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a parallel debt obligation and no assurance can be given that such a structure will be effective in all cases before French courts. There is no certainty that the Parallel Debt construction will eliminate or mitigate the risk of unenforceability under French law. To the extent that the Security Interests in the Collateral created under the Parallel Debt structure are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of the security interest in the Collateral.

### *Trustee*

Pledges governed by French law will be granted to the benefit of the Security Agent as trustee for the holders of the Notes in accordance with the provisions of the Indenture, and may therefore not directly be granted to holders of the Notes. A concept of “trust” has been recognized for tax purposes by Article 792-0 bis of the French Tax Code and the French Supreme Court (*Cour de cassation*) has held, in the *Belvédère* decision referred to above in respect of the parallel debt concept, 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 La Haye Convention of July 1, 1985 on the law applicable to trusts and on their recognition, so that the concept of “trust” has not been generally recognized under French law.

### *Fraudulent conveyance*

French law contains specific provisions dealing with fraudulent conveyance both in and outside insolvency proceedings, the “*action paulienne*” provisions. The *action paulienne* offers creditors protection against a decrease in their means of recovery. A legal act performed by a person (including, without limitation, an agreement pursuant to which such person guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such person’s or a third party’s obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside insolvency proceedings of the relevant person by the creditors’ representative (*mandataire judiciaire*), the commissioner of the safeguard or recovery plan (*commissaire à l’exécution du plan*) insolvency proceedings of the relevant person or by any of the creditors of the relevant person outside insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings, and may be declared unenforceable against third parties if: (i) the person performed such acts without an obligation to do so; (ii) the creditor concerned or, in the case of the person’s insolvency proceedings, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of such person’s creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*à titre gratuit*), in which case such knowledge of the counterparty is not necessary for a successful challenge on the grounds of fraudulent conveyance. If a court found that the issuance of the Notes, the grant of the Security Interests in the Collateral, or the granting of a guarantee involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes, the granting of the Security Interests in the Collateral or the granting of such guarantee could be declared unenforceable against third parties or declared unenforceable against the creditor who lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes, the Note Guarantees or the Security Interests in the Collateral and the value of

any consideration that holders of the Notes received with respect to the Notes, the Security Interests in the Collateral or the Note Guarantees could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuer or the Guarantors as a result of the fraudulent conveyance.

#### *Assumptions as to the validity of the intercreditor agreement*

There is no law or published decision of the French courts of appeal or of the French Supreme Court (*Cour de cassation*) on the validity or enforceability of the obligations of an agreement such as the Intercreditor Agreement, except for article L.626-30-2 of the French Code de Commerce which states that, in the context of safeguard proceedings, the safeguard plan which is put to the committees of creditors takes into consideration (*prend en compte*) the provisions of subordination agreements between creditors which were entered into prior to the opening of the safeguard proceedings. As a consequence, except to the extent referred to above (which, as at the date of this offering memorandum, has received no judicial interpretation), we cannot rule out that a French court would not give effect to certain provisions of the Intercreditor Agreement.

### **Belgium**

#### ***Insolvency***

Some Guarantors are incorporated under the laws of Belgium (the “Belgian Guarantors”). Provided Belgium is the territory in which the center of a Belgian Guarantor’s main interests is situated, main insolvency proceedings may be initiated in Belgium. Such proceedings would then be governed by Belgian insolvency law. Under certain circumstances, Belgian law also allows bankruptcy proceedings to be opened in Belgium over the assets of companies that are not established under Belgian law.

The following is a brief description of certain aspects of Belgian insolvency law. Belgian insolvency laws provide for two insolvency proceedings: judicial restructuring proceedings (*gerechtelijke reorganisatie/réorganisation judiciaire*) and bankruptcy proceedings (*faillissement/faillite*). Note that in addition, Belgian law allows for liquidation in deficit (*deficitaire vereffening/liquidation déficitaire*). The latter proceedings will not be further discussed.

#### *Judicial restructuring*

A debtor may (and in limited circumstances, its creditors, interested third parties or the public prosecutor) file a petition for judicial restructuring if the continuity of the enterprise is at risk, whether immediately or in the future. If the net assets of the company have fallen under 50% of the company’s registered capital, the continuity of the enterprise is always presumed to be at risk.

As from the filing of the petition and as long as the court overseeing a judicial restructuring has not issued a ruling thereon, the debtor cannot be declared bankrupt or wound up by court order. During the period between the filing of the petition and the court’s decision, with few exceptions, none of the debtor’s assets may be disposed of by any of its creditors as a result of the enforcement of any security interests that such creditors may hold with respect to such assets.

Within a period of fourteen days as from the filing of the petition and subject to the satisfaction of the filing conditions, the court will declare the judicial restructuring procedure open, allowing a temporary moratorium for a maximum period of six months. At the request of the debtor and pursuant to the report issued by the delegated judge, the moratorium period can thereafter be extended up to a total maximum period of twelve months as from the initial start of the moratorium period. In exceptional circumstances (such as due to the size of the business, the complexity of the case or the impact of the procedure on employment), and in the interest of the creditors, the court may order an additional extension of the moratorium period for six months.

The granting of the moratorium operates as a stay. No enforcement measures with respect to preexisting claims in the moratorium can be continued or initiated against any of the debtor’s assets from the time that the moratorium is granted until the end of the period, with few exceptions. During the duration of the moratorium, no attachments can be made with regard to preexisting claims.

Conservatory attachments that existed prior to the opening of the judicial restructuring retain their conservatory character, but the court may order their release, *provided* that such release does not have a material adverse effect on the situation of the creditor concerned.

If receivables are pledged by the debtor in favor of a creditor prior to the opening of the judicial restructuring proceedings, such pledge will not be affected by the moratorium (provided the receivables are pledged specifically to that creditor from the moment the pledge is created), and the holder of such pledged receivables is permitted to take enforcement measures against the estate of the initial counterparty of the debtor (e.g., the debtor's customers) during the moratorium. A pledge on financial instruments within the meaning of the Belgian Collateral Act (*Wet Financiële Zekerheden/Loi sur les Sûretés Financières*) can be enforced notwithstanding the enforcement prohibition imposed by the moratorium, subject to certain conditions. Personal guarantees granted by third parties in favor of the debtor's creditors are not covered by the enforcement prohibition imposed by the moratorium, nor are the debts payable by co-debtors, subject to certain exceptions or qualifications in respect of guarantees granted by individuals. The moratorium also does not prevent the voluntary payment by the debtor of claims covered by the moratorium, to the extent such payment is necessary for the continuity of the enterprise.

During judicial restructuring proceedings, the board of directors and management of the debtor continue (in principle) to exercise their management functions. However, upon request of the debtor or any other interested party and to the extent it is deemed useful for reaching the aims of the restructuring, the court may appoint, in its decision to open the judicial restructuring procedure or at any other point in time during the course of the procedure, a judicial administrator (*gerechtsmandataris/mandataire de justice*) to assist the debtor during the restructuring. The court may also appoint a judicial administrator, upon request of any interested party or the public prosecutor, in the event of manifestly grave shortcomings of the debtor or any of its corporate bodies. In addition, in the event of manifestly gross error or manifest bad faith, a court-appointed temporary director (*voorlopig bestuurder/administrateur provisoire*) may be appointed.

The restructuring procedure aims to preserve the continuity of a company as a going concern. Consequently, the initiation of the procedure does not terminate any contracts, and contractual provisions which provide for the early termination or acceleration of the contract upon the initiation or approval of a restructuring procedure, and certain contractual terms such as default interest, may not be enforceable during such a procedure. Subject to certain conditions, such enforcement prohibition does not apply to close-out netting provisions. The Belgian law on judicial restructuring provides that a creditor may not terminate a contract on the basis of a debtor's default that occurred prior to the restructuring procedure if the debtor remedies such default within a 15-day period following the notification of such default.

As an exception to the general rule of continuity of contracts, the debtor may cease performing a contract during the restructuring proceedings, *provided* that the debtor notifies the creditor and the decision is necessary for the debtor to be able to propose a reorganization plan to its creditors or to transfer all or part of the company or its assets. The exercise of this right does not prevent the creditor from suspending in turn the performance of its own obligations.

*Judicial restructuring by collective agreement, by amicable settlement or by court-ordered transfer of enterprise*

Judicial restructuring proceedings may result in an amicable settlement between the debtor and two or more of its creditors or a collective agreement.

The type of reorganization may change during the proceedings and may also depend on the position of the court and/or third parties. In the case of an amicable settlement only, the parties to such amicable settlement will be bound by the terms they have agreed.

In the case of a judicial restructuring by collective agreement, the creditors agree to a restructuring plan during the restructuring procedure. The plan may include measures such as the reduction or rescheduling of liabilities and interest obligations and the swap of debt into equity. It must be filed with the Clerk's Office of the Commercial Court at least 20 days in advance of the date on which the creditors will vote on the approval of the restructuring plan. The court needs to ratify the restructuring plan prior to it taking effect. A restructuring plan approved by a double majority of the creditors (both in headcount and in value of the claims) and by the court will bind all creditors, including those who voted against it or did not vote and whether secured or not, subject to limited exceptions. The court may refuse ratification if the conditions of the judicial restructuring act were not met, or if the proposed restructuring plan violates public policy.

Within a period of 14 days following the ruling declaring the judicial restructuring proceedings open, the debtor must inform each of its creditors individually of the amount of its claims against the debtor as recorded in the books of the debtor, as well as of details regarding security interests, if applicable. Creditors with pre-existing claims, as well as any other interested party that claims to be a creditor, can challenge the amounts and the



ranking of the secured claims declared by the debtor. The court can determine the disputed amounts and the ranking of such claims on a preliminary basis for the purpose of the restructuring procedure, or definitively, on the condition that it has jurisdiction in that respect but that the decision relating to the dispute cannot be taken in a sufficiently short time frame. In addition, the court can, upon joint request by the debtor and the creditor, change the amount and the ranking of the claim initially declared by the debtor at the latest 15 days before the date on which the creditors will vote on the reorganization plan. If a creditor has not challenged the amount and the ranking of its claim at least 14 days in advance of the date on which the creditors will vote on the approval of the reorganization plan, the amount of its claim will remain unchanged for voting purposes as well as for the purposes of the reorganization plan.

The debtor must use the moratorium period to complete and finalize a restructuring plan, with the assistance of the court-appointed administrator, as the case may be.

The court-ordered transfer of all or part of the debtor's enterprise can be requested by the debtor in its petition or at a later stage in the procedure. It can be requested by the public prosecutor, by a creditor or by any party who has an interest in acquiring, in whole or in part, the debtor's enterprise, and the court can order such transfer in specific circumstances.

The court-ordered transfer will be organized by one or more judicial administrators (*gerechtsmandataris/mandataire de justice*) appointed by the court. Following the transfer, the recourse of the creditors will in most cases be limited to the transfer price.

### **Bankruptcy**

Bankruptcy proceedings may be initiated by the debtor, by unpaid creditors or upon the initiative of the Public Prosecutor's office, by the provisional administrator of the debtor's assets, by the liquidator of the debtor's assets or by the liquidator of 'main insolvency proceedings' opened in another EU member state (other than Denmark) in accordance with the EU Insolvency Regulation. Once the court ascertains that the requirements for bankruptcy are met, the court will establish a date by which all creditors' claims must be submitted to the court for verification.

Conditions for a bankruptcy order (*aangifte van faillissement/déclaration de faillite*) are that the debtor must be in a situation of cessation of payments (*staking van betaling/cessation de paiements*) and be unable to obtain further credit (*wiens krediet geschokt is/ébranlement du crédit*). Cessation of payments is generally accepted to mean that the debtor is not able to pay its debts as they fall due. Such situation must be persistent and not merely temporary. In bankruptcy, the debtor loses all authority and decision rights concerning the management of the bankrupt business. The bankruptcy receiver (*curator/curateur*), appointed by the court, becomes responsible for the operation of the business and implements the sale of the debtor's assets, the distribution of the sale proceeds to creditors and the liquidation of the debtor. The rights of creditors in the process are limited to being informed of the course of the bankruptcy proceedings on a regular basis by the receiver. Creditors may oppose the sale of assets by bringing an action before the court, or may request the temporary continued operation of the business.

The receiver must decide whether or not to continue performance under ongoing contracts (i.e., contracts existing before the bankruptcy order). The receiver may elect to continue the business of the debtor, provided the receiver obtains the authorization of the court and such continuation does not cause any prejudice to the creditors. However, two exceptions apply:

- the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an early termination or acceleration event; and
- *intuitu personae* contracts (i.e., contracts whereby the identity of the other party constitutes an essential element upon the signing of the contract) are automatically terminated as of the bankruptcy judgment since the debtor is no longer responsible for the management of the company. Parties can agree to continue to perform under such contracts.

The bankruptcy receiver may elect not to perform the obligations of the bankrupt party which are still to be performed after the bankruptcy under any agreement validly entered into by the bankrupt party prior to the bankruptcy if such decision is necessary for the management and the liquidation of the bankrupt estate. The counterparty to an ongoing contract may summon the receiver to take a decision within 15 days. If no extension of the 15 days term is agreed upon or if the receiver does not take any decision, the ongoing contract is presumed to be terminated after the expiration of the 15 days term. The counterparty to that agreement may



make a claim for damages in the bankruptcy and such claim will rank *pari passu* with claims of all other unsecured creditors and/or seek a court order to have the relevant contract dissolved. The counterparty may not seek injunctive relief or require specific performance of the contract.

As a general rule, the enforcement rights of individual creditors are suspended upon the rendering of the court order opening bankruptcy proceedings, and after such order is made, only the bankruptcy receiver may proceed against the debtor and liquidate its assets. However, such suspension does not apply to a pledge of financial instruments or cash held on account, falling with the scope of the Belgian Collateral Act.

For creditors with claims secured by movable assets, such suspension would normally be limited to the period required for the verification of the claims. At the request of the bankruptcy receiver, the suspension period may be extended for up to one year from the bankruptcy judgment. Such extension requires a specific order of the court which can only be made if the further suspension will allow for a realization of the assets in the interest of all creditors without prejudicing the secured creditors and *provided* that those secured creditors have been given the opportunity to be heard by the court.

For creditors with claims secured by immovable assets, the intervention of the bankruptcy receiver is necessary to pursue the sale of the assets. The receiver will do so upon an order of the court, given either at its request or at the request of a mortgagee. A first-ranking mortgagee will generally be entitled to pursue the enforcement of its mortgage as soon as the report of claims has been finalized; the court may suspend such enforcement for a period of not more than one year from the date of the bankruptcy if the suspension will allow for a realization of the assets without prejudicing the mortgagee *provided* that the mortgagee has been given the opportunity to be heard by the court.

If a security, such as a pledge, has been granted over assets that, at the time of opening of an insolvency proceeding, are located in another EU Member State, the rights the creditor has under such security shall, in accordance with the Insolvency Regulation, not be affected by the opening of such insolvency proceedings.

As from the date of the bankruptcy judgment, no further interest accrues against the bankrupt debtor on its unsecured debt, or debts secured by a general privilege, such as tax administration or social security.

The debts of the bankrupt estate generally will be ranked as to priority on the basis of complex rules. The following is a general overview of such rules:

- Estate debt: Costs and indebtedness incurred by the receiver during the bankruptcy proceedings, the so-called “estate debts,” have a senior priority. In addition, if the receiver has contributed to the realization and enforcement of secured assets, such costs will be paid to the receiver in priority out of the proceeds of the realized assets before distributing the remainder to the secured creditors.
- Security interests: Creditors that hold a security interest have a priority right over the secured asset (whether by means of appropriation of the asset or on the proceeds upon realization).
- Privileges: Creditors may have a particular privilege on certain or all assets (e.g., tax claims, claims for social security premiums, etc.). Privileges on specific assets rank before privileges on all assets of the debtor.
- *Pari passu*: Once all estate debts and creditors having the benefit of security interests and privileges have been satisfied, the proceeds of the remaining assets will be distributed by the receiver among the unsecured creditors who rank *pari passu* (unless a creditor agreed to be subordinated).

### ***Limitations on enforcement***

The grant of a guarantee or collateral by a Belgian company for the obligations of another group company must fall within the grantor’s legal and corporate purpose and be for the own corporate benefit of the granting company.

If the granting of a guarantee or the creation of a security interest does not fall within the grantor’s corporate purpose, then such guarantee or security interest could, upon certain conditions, be held null and void.

The assessment of whether or not the grant of a guarantee or collateral is in each of the Belgian Guarantor’s own corporate interest, is largely dependent on factual considerations and is to be determined on a case-by-case basis by the board of directors or the managers of each of the Belgian Guarantors and to be reviewed ultimately on a

case-by-case basis by the competent courts. Consideration has to be given to any actual or real benefit that such Belgian Guarantor would actually derive from the transaction; this is particularly relevant for upstream or cross-stream guarantees and security interests. It is generally considered by legal scholars that at least the following principles apply to such evaluation: (i) the risk taken by the Belgian Guarantor in issuing the guarantee must be proportional to the direct and/or indirect benefit derived from the transaction; and (ii) the financial support granted by the Belgian Guarantor should not exceed its financial capabilities. The responsibility for such assessment lies with the board of directors or with the managers of the Belgian Guarantors.

If the corporate benefit requirement is not met, the board of directors or managers of the Belgian Guarantor may be held liable (i) by the company for negligence in the management of the company and (ii) by third parties in tort. Moreover, the guarantee or collateral could be declared null and void and, under certain circumstances, the creditor that benefits from the guarantee or collateral could be held liable on the basis of the principles of tort liability. Alternatively, the guarantee or collateral could be reduced to an amount corresponding to the corporate benefit and, under certain circumstances, the creditor could be held liable for any guarantee amount in excess of such amount. These rules have, however, seldom been tested under Belgian law, and there is only limited case law on this issue.

In order to enable Belgian subsidiaries to grant a guarantee and collateral to secure liabilities of a direct or indirect parent or sister company without the risk of violating Belgian rules on corporate benefit, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain so-called “limitation language” in relation to subsidiaries incorporated or established in Belgium. Accordingly, the Indentures and the Security Documents will contain such limitation language and the guarantee of the Belgian Guarantor and the security will be so limited.

The Senior Secured Notes Indenture for the notes expressly provides substantially as follows:

In the case of a Belgian Guarantor, with respect to the obligations of any obligor which is not a subsidiary of such Belgian Guarantor, its liability under the guarantee clause of the Senior Secured Notes Indenture shall be limited, at any time, to a maximum aggregate amount equal to the greater of:

- an amount equal to 90% of such Belgian Guarantor’s net assets (as determined in accordance with Article 617 and Article 320 of the Belgian Companies Code and accounting principles generally accepted in Belgium, but not taking intragroup debt into account as debts) as shown by its most recent audited annual financial statements on the date on which the relevant demand is made; and
- the aggregate amount outstanding on the date on which the relevant demand is made of (i) the principal amount made available to such Belgian Guarantor from the proceeds of the Notes, and (ii) the aggregate amount of any intragroup loans or facilities made to it by any group company directly and/or indirectly using all or part of the proceeds of the Notes (whether or not such intragroup loan is retained by the Belgian Guarantor for its own purposes or on-lent to a subsidiary of such Belgian Guarantor, but for the avoidance of doubt excluding any intragroup loan on-lent to any other group company).

The Senior Notes Indenture expressly provides substantially as follows:

Notwithstanding anything to the contrary, nothing in this Senior Notes Indenture may cause the aggregate amount of a Belgian Guarantor’s liability under the Indentures with respect to the obligations of any obligor which is not a subsidiary of such Belgian Guarantor to exceed the greater of:

- an amount equal to 90% of such Belgian Guarantor’s net assets (as determined in accordance with Article 617 and Article 320 of the Belgian Companies Code and accounting principles generally accepted in Belgium, but not taking intragroup debt into account as debts) as shown by its most recent audited annual financial statements on the date on which the relevant demand is made; and
- the aggregate amount outstanding on the date on which the relevant demand is made of (i) the principal amount made available to such Belgian Guarantor from the proceeds of the Existing Senior Secured Notes and the Notes, and (ii) the aggregate amount of any intragroup loans or facilities made to it by any group company directly and/or indirectly using all or part of the proceeds of the Existing Senior Secured Notes and the Notes (whether or not such intragroup loan is retained by the Belgian Guarantor for its own purposes or on-lent to a subsidiary of such Belgian Guarantor, but for the avoidance of doubt excluding any intragroup loan on-lent to any other group company).

The terms of the Security Documents granted by a Belgian Guarantor will limit enforcement to the same extent as the payment obligations under the Belgian Guarantor's guarantee of the Additional Notes.

Any guarantee granted by a Belgian Guarantor shall not include and shall not extend to cover any payment obligation in respect of the proceeds of the Notes arising out of amounts used to fund directly or indirectly the acquisition of shares of such Belgian Guarantor to the extent that by assuming such obligation the Belgian Guarantor would be deemed to be providing prohibited financial assistance to the acquisition of its own shares or capital participations, as prohibited under article 329 or 629 of the Belgian Company Code. Therefore, such payment obligations shall be excluded from the concept of guarantee by a Belgian Guarantor.

### ***Financial assistance***

Any guarantees or security interest granted by a Belgian Guarantor which constitute a breach of the provisions on financial assistance as defined by article 329 and 629 of the Belgian Companies Code will not be enforceable.

### ***Security trustee and parallel debt***

As there is no established concept of “trust” or “trustee” under the present Belgian legal system, the precise nature, effect and enforceability of the duties, rights and powers of the Security Agent as agent or trustee for noteholders with respect to certain Belgian law collateral (other than financial collateral subject to the Belgian Collateral Act) is debated under Belgian law. As a result, Belgian courts may not recognize the effects of any trust provisions in relation to assets that are subject to the security and located in Belgium and held by or granted to the Security Agent, meaning that the noteholders may have a credit risk on the Security Agent.

The Intercreditor Agreement shall provide for the creation of a “parallel debt.” Pursuant to the parallel debt and subject to the terms of the Intercreditor Agreement and to applicable law, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor to any Secured Party under any Secured Debt Document as and when those amounts are due. The pledges over receivables governed by Belgian law will secure the parallel debt and may not directly secure the obligations under the Senior Secured Notes and the other indebtedness secured by the Collateral. As a result, any noteholders that are not direct pledgees under such pledges will have a credit risk on the Security Agent. The parallel debt procedure has not been tested under Belgian law, and there is no certainty that it will eliminate or mitigate the risk of unenforceability posed by Belgian law. To the extent that the Security Interests in the Collateral created under the parallel debt structure are successfully challenged by other parties, holders of the Senior Secured Notes will not receive any proceeds from an enforcement of the security interest in the Collateral.

However, pledge agreements over financial collateral subject to the Belgian Collateral Act (such as the shares of Belgian companies or bank accounts) may be entered into with a representative of noteholders having the right to enforce the pledge on behalf of the noteholders, *provided* that the noteholders can be identified on enforcement.

### ***Hardening periods and fraudulent transfer***

In the event that bankruptcy proceedings are governed by Belgian law, certain transactions may be declared ineffective against third parties if concluded or performed by the debtor during the so-called “hardening period.”

In principle, the cessation of payments (which constitutes a condition for filing for bankruptcy) is deemed to have occurred as of the date of the bankruptcy order. The court issuing the bankruptcy order may determine, based on serious and objective indications, that the cessation of payments occurred on an earlier date. Such earlier date may not be earlier than six months before the date of the bankruptcy order, except in the case where the bankruptcy order relates to a company that was dissolved more than six months before the date of the bankruptcy order in circumstances suggesting an intent to defraud its creditors, in which case the date of cessation of payments may be determined as being the date of such decision to dissolve the company. The period from the date of cessation of payments up to the declaration of bankruptcy is referred to as the “hardening period” (*verdachte periode/période suspecte*).

The transactions entered into or performed during the hardening period which may be declared ineffective against third parties include, among others, (i) gratuitous transactions entered into at an undervalue or on extremely beneficial terms for the counterparty, (ii) payments for debts which are not due (iii) payments other than in cash for debts due, and (iv) security provided for pre-existing debts.

The Belgian bankruptcy receiver may request the court to declare payments of a Belgian Guarantor during the hardening period for debts due ineffective against third parties, *provided* that it can be proven that the creditor concerned was aware of the cessation of payment of the company. If the guarantee or security interests granted

by a Belgian Guarantor were successfully held ineffective (based on the above), noteholders would cease to have any claim in respect thereof and would be under an obligation to repay any amounts received pursuant to such guarantee or the realization of the security. Finally, regardless of any declaration by the commercial court of a hardening period, transactions of which it can be demonstrated that they have been entered into with fraudulent prejudice to a third creditor, may be declared ineffective against third parties.

### ***Recognition and enforcement***

The granting of security interests over movable or immovable, tangible or intangible, assets may be subject to validity and/or enforceability conditions. The breach of any of such conditions may render such security interests invalid or unenforceable. The foreclosure of security interests may be subject to formalities (e.g. judicial or non-judicial consent) and may be time consuming in the event that the foreclosure takes place under judicial control or in the event of a legal dispute. Courts may condition the enforcement of a security interest and/or guarantee upon the evidence that the creditor has a final and undisputed claim triggering the foreclosure of the security interest and/or guarantee. Enforcement of security interests and/or guarantees may be hindered by conflict of law and/or conflict of jurisdiction issues and may not breach any public policy provision and/or mandatory legal provisions. Courts may require a sworn translation in French or Dutch of the English documents which they may review.

### **Luxembourg**

The Senior Notes Issuer, the Luxembourg Security Providers and certain of the Guarantors (each, a “Luxembourg Guarantor”) are incorporated under the laws of Luxembourg, and there are assets located in Luxembourg which are subject to security interests.

### ***Insolvency***

Accordingly, the Luxembourg District Court, sitting in commercial matters (the “Commercial Court”), should have, in principle, jurisdiction to open main insolvency proceedings with respect to the Senior Notes Issuer, each Luxembourg Security Providers and each Luxembourg Guarantor, each entity having its registered office and central administration (*administration centrale*) and “center of main interests” (*centre des intérêts principaux*) (“COMI”), as defined in the EU Insolvency Regulation, in Luxembourg, such proceedings to be governed by Luxembourg insolvency laws. According to the EU Insolvency Regulation, the place of the registered office of a company shall be presumed to be the centre of its main interests in the absence of proof to the contrary. As a result, there is a rebuttable presumption that the COMI (for the purposes of the EU Insolvency Regulation) of the Senior Notes Issuer, the Luxembourg Security Providers and Luxembourg Guarantor is located in Luxembourg and consequently that the Commercial Court would have, in principle, jurisdiction to open “main insolvency proceedings” (as defined in the EU Insolvency Regulation), such proceedings to be governed by Luxembourg law. However, as further explained in the “*Limitations on the Validity and Enforceability of the Security Interests and Note Guarantees and Certain Insolvency Law Considerations—European Union*” section, the localization of the COMI (including the COMI of the Senior Notes Issuer, the Luxembourg Security Providers or the Luxembourg Guarantor) is a question of fact, which may change from time to time.

Under Luxembourg insolvency laws, the following types of proceedings (“Insolvency Proceedings”) may be opened against the Senior Notes Issuer, a Luxembourg Security Provider or a Luxembourg Guarantor:

- bankruptcy proceedings (*faillite*), the opening of which may be initiated by the Senior Notes Issuer, the relevant Luxembourg Security Provider or Luxembourg Guarantor. The directors of the Senior Notes Issuer, the relevant Luxembourg Security Provider or of the Luxembourg Guarantor have the compulsory obligation to file for the opening of bankruptcy proceedings within one month in case the Senior Notes Issuer, a Luxembourg Security Provider or Luxembourg Guarantor is in a state of cessation of payment (*cessation des paiements*). Following such a request, the Commercial Court having jurisdiction may open bankruptcy proceedings, if the Senior Notes Issuer, a Luxembourg Security Provider or Luxembourg Guarantor has ceased to make its payments (*cessation de paiement*) and has lost its credit worthiness (*ébranlement de crédit*). If the Commercial Court considers that these criteria are met, it may open bankruptcy proceedings on its own motion, absent a request made by the Senior Notes Issuer, a Luxembourg Security Provider or Luxembourg Guarantor or any of its respective creditors. The period within which creditors must file their proofs of claims (*déclarations de créances*) is specified in the judgment adjudicating the Senior Notes Issuer, the relevant Luxembourg Security Provider or Luxembourg Guarantor bankrupt. Claims filed after such period may nevertheless be taken into account by the

bankruptcy receiver subject to certain limitations as to distributable proceeds. Bankruptcy proceedings are primarily designed to realize the assets of the bankrupt entity in order to pay off its debts. One of the main effects of such proceedings is the stay of proceedings: unsecured creditors (*créanciers chirographaires*) and creditors with a general priority right (*privilege général*) would, as of the bankruptcy order, no longer be permitted to take any action based on title to movable and immovable assets, nor any enforcement action against the Senior Notes Issuer, a Luxembourg Security Provider's or Luxembourg Guarantor's movable or immovable assets. Assets over which security interests have been granted will, in principle, not be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is realized). Secured creditors who are holding security interests falling within the scope of the Luxembourg law of August 5, 2005 on financial collateral arrangements, as amended (the "Luxembourg Collateral Law"), may enforce their security interests regardless of the bankruptcy adjudication. The bankruptcy receiver will realize the Senior Notes Issuer, the Luxembourg Security Provider's or the Luxembourg Guarantor's assets and distribute the proceeds to the relevant Luxembourg Security Provider's or Luxembourg Guarantor's creditors in accordance with the statutory order of payment and, if there are any funds lefts, to the bankrupt Senior Notes issuer, Luxembourg Security Provider's or Luxembourg Guarantor's shareholders;

- controlled management proceedings (*gestion contrôlée*) which are governed by a grand-ducal decree of May 24, 1935 (the "Decree"), are available to the good faith relevant Senior Notes Issuer, relevant Luxembourg Security Provider or Luxembourg Guarantor, in the event that it no longer has creditworthiness or is experiencing difficulties in meeting all of its commitments. The purpose of controlled management proceedings is to assist the Senior Notes Issuer, the Luxembourg Security Providers or Luxembourg Guarantor in reorganizing its business or in optimizing the sale of its assets under the supervision of the Commercial Court and of court-appointed commissioners (*commissaires*) and with the approval of the creditors. The opening of such proceedings may only be requested by the management of the Senior Notes Issuer, the relevant Luxembourg Security Provider or the Luxembourg Guarantor and not by its respective creditors. The Commercial Court first examines the request (and the evidence) filed by the applicant to determine whether a controlled management order is justified. If the application is not dismissed, the Commercial Court appoints one of its judges (*juges délégués*) to prepare a report on the financial situation of the applicant's business. The court order does not prevent creditors from commencing or continuing court proceedings against the applicant, but the creditors are, as of that date, not permitted to enforce any court judgments against the applicant. Security interests falling within the scope of the Luxembourg Collateral Law will, however, be enforceable notwithstanding the controlled management proceedings. As of the same judgment, the Senior Notes Issuer, the relevant Luxembourg Security Provider or Luxembourg Guarantor may not, without the written approval of the appointed judge, dispose of its assets, grant pledges or mortgages, make commitments or payments, enter into settlement agreements, borrow money or receive funds. Once the report has been finalized, the Commercial Court decides whether the application for controlled management will be granted or rejected. If the application is granted, one or more commissioners will be appointed by the Commercial Court to prepare a reorganization or liquidation plan. The Senior Notes Issuer, the relevant Luxembourg Security Provider or the Luxembourg Guarantor may not, without the commissioners' prior approval, and under penalty of nullity of such acts, alienate any of its assets, grant pledges or mortgages, borrow or receive any amounts of money, enter into settlement agreements, or perform any management activity including making any commitments under any agreement, without the formal authorization of the commissioners. The commissioners may impose measures to preserve either the company's interests or those of the creditors and challenge (voidance actions or claw-back actions) transactions and payments made in violation of the creditor's rights and in violation of the Decree. The reorganization or liquidation plan must be accepted by a majority (representing, *via* their claims which have not been challenged by the commissioner(s), at least half of the Senior Notes Issuer, the relevant Luxembourg Security Provider's or Luxembourg Guarantor's liabilities) of creditors to become binding; and
- composition proceedings (*concordat préventif de la faillite*), the obtaining of which is requested by the relevant good faith Senior Notes Issuer, Luxembourg Security Provider or Luxembourg Guarantor and must be supported by proposals of composition. The composition may only be adopted if a majority of the creditors (representing, by their unchallenged claims, three-quarters of the Senior Notes Issuer's, Luxembourg Security Provider's or Luxembourg Guarantor's liabilities) have adhered to the proposals and if composition has been homologated by the Commercial Court. The obtaining of such composition proceedings will trigger a provisional stay on enforcement of claims by creditors. The composition has, in principle, no effect on the claims secured by a mortgage, a privilege or a pledge and on claims by the tax authorities. Composition proceedings are rarely used in practice since they are not binding upon secured creditors.



In addition to these proceedings, the ability to receive payments for the holders of the Senior Secured Notes under the Existing Senior Secured Notes Indenture, the Senior Secured Note Guarantees, the Senior Notes under the Senior Notes Indenture or the Senior Note Guarantee may be affected by a decision of the Commercial Court to grant a stay on payments (*sursis de paiement*) or to put the Senior Notes Issuer, the relevant Luxembourg Security Provider or Luxembourg Guarantor into judicial liquidation (*liquidation judiciaire*). Judicial liquidation proceedings may be opened at the request of the public prosecutor against the Senior Notes Issuer, a Luxembourg Security Provider or a Luxembourg Guarantor pursuing an activity violating criminal laws or which is in serious breach or violation of the commercial code or of the Luxembourg law dated August 10, 1915 on commercial companies, as amended (“the Companies Act 1915”). The management of such liquidation proceedings will generally follow similar rules as those applicable to bankruptcy proceedings. Liability of the Senior Notes Issuer, the relevant Luxembourg Security Provider or Luxembourg Guarantor in respect of the Senior Secured Notes and the Senior Notes (and payment under the relevant guarantees) will, in the event of a liquidation of the Senior Notes Issuer, the relevant Luxembourg Security Provider or Luxembourg Guarantor following bankruptcy or judicial liquidation proceedings, rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those debts of the Senior Notes Issuer, the relevant Luxembourg Security Provider or Luxembourg Guarantor that are entitled to priority under Luxembourg law. For example, preferential debts under Luxembourg law include, among others:

- certain amounts owed to the Luxembourg Revenue (*Administration des Contributions Directes*);
- value added tax and other taxes and duties owed to the Luxembourg Customs and Excise (*Administration de l’Enregistrement et des Domaines*);
- social security contributions; and
- remuneration owed to employees.

For the avoidance of doubt, the above list is not exhaustive.

Furthermore, you should note that declarations of default and subsequent acceleration (such as acceleration upon the occurrence of an event of default) may not be enforceable during controlled management proceedings.

As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue vis-à-vis the bankruptcy estate.

Insolvency proceedings may hence have a material adverse effect on the Senior Notes Issuer, the relevant Luxembourg Security Provider’s or Luxembourg Guarantor’s business and assets and the relevant Luxembourg Security Provider’s or Luxembourg Guarantor’s respective obligations under the Note Guarantees.

Finally, international aspects of Luxembourg bankruptcy, controlled management or composition proceedings may be subject to the EU Insolvency Regulation.

### ***Continuance of ongoing contracts***

In principle, contracts of a bankrupt Senior Notes Issuer, Luxembourg Security Provider or Luxembourg Guarantor are not automatically terminated on commencement of bankruptcy proceedings. However, certain contracts are terminated automatically by law, such as employment contracts, unless expressly confirmed by the bankruptcy receiver.

The bankruptcy receiver (*curateur*) may decide whether or not to continue performance of ongoing contracts (i.e., contracts existing before the bankruptcy order). The bankruptcy receiver may decide to continue the business of the Senior Notes Issuer, a Luxembourg Security Provider or Luxembourg Guarantor, *provided* that he obtains the authorization of the Commercial Court and that such continuation does not cause any prejudice to the creditors. However, two exceptions apply:

- the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an early termination or acceleration event; and
- *intuitu personae* contracts (i.e., contracts whereby the identity or the solvency of the other party constitutes an essential element upon the signing of the contract) are generally automatically terminated as of the bankruptcy judgment.

In the event that the bankruptcy receiver decides to terminate a contract validly entered into by the Senior Notes Issuer, Luxembourg Security Providers or Luxembourg Guarantor prior to the bankruptcy adjudication, the counterparty to such contract may file a claim for damages in the bankruptcy and such claim will rank *pari passu* with claims of all other unsecured creditors and/or initiate proceedings pertaining to a termination of the relevant contract. The counterparty may not require specific performance of the contract.

### ***Hardening periods and fraudulent transfer***

Generally, payments made, as well as other transactions (listed in the pertinent section of the Luxembourg Commercial Code) concluded or performed, during the hardening period (*période suspecte*) which is fixed by the Commercial Court and dates back not more than six months as from the date on which the Commercial Court formally adjudicates a person bankrupt, and, as for specific payments and transactions, during an additional period of ten days before the commencement of such period, are subject to cancellation by the Commercial Court upon proceedings instituted by the Luxembourg bankruptcy receiver. In particular:

- article 445 of the Luxembourg Commercial Code sets out that specific transactions entered into during the hardening period or an additional period of ten days preceding the hardening period fixed by the Commercial Court are null and void, if so requested by the bankruptcy receiver (e.g., the disposals by the Senior Notes Issuer, the relevant Luxembourg Security Provider or Luxembourg Guarantor of movable and immovable assets without consideration or with inadequate consideration; payments whether in cash or by way of assignment, sale, set-off or by any other means for non-matured debts; payments that have not been in cash or by way of negotiable and non-negotiable papers for matured debts and the granting of security interests for antecedent debts (save for financial collateral arrangements within the meaning of the Luxembourg Collateral Law));
- article 446 of the Luxembourg Commercial Code provides that the bankruptcy receiver may challenge and initiate nullity actions in the following events: (i) payments made for matured debts for considerations and (ii) other transactions realized during the hardening period, if the contracting party has knowledge of the cessation of payments;
- article 447 of the Luxembourg Commercial Code provides that the bankruptcy receiver may challenge and initiate nullity actions against mortgages and privileges that have been granted either ten days prior to or after the date of the cessation of payments if more than 15 days have elapsed between the granting of the mortgage or privilege and its registration; and
- regardless of the hardening period, article 448 of the Luxembourg Commercial Code and article 1167 of the Luxembourg Civil Code (*actio pauliana*) give the court-appointed bankruptcy receiver (acting on behalf of the creditors) the right to challenge any fraudulent payments and transactions made prior to the bankruptcy, without limitation of time.

Pursuant to article 21(2) of the Luxembourg Collateral Law, notwithstanding the hardening period as referred to in articles 445 and 446 of the Luxembourg Code of Commerce, where a financial collateral arrangement has been entered into after the opening of a liquidation proceedings or the coming into force of reorganization measures or the entry into force of such measures, such an arrangement is valid and binding against third parties, administrators, insolvency receivers, liquidators and other similar organs, if the collateral taker proves that it was unaware of the fact that such proceedings had been opened or that such measures had been taken or that it could not be aware of it.

### ***Limitation on enforcement of security interests***

According to Luxembourg conflict of laws rules, the courts in Luxembourg will generally apply the *lex rei sitae* or *lex situs* (the law of the place where the assets or subject matter of the pledge or security interest is situated) in relation to the creation, perfection and enforcement of security interests over such assets. As a consequence, Luxembourg law will apply in relation to the creation, perfection and enforcement of security interests over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies or bearer shares issued by Luxembourg companies and physically located in Luxembourg, bank accounts held with a Luxembourg bank, receivables/claims governed by Luxembourg law and/or having debtors located in Luxembourg, tangible assets located in Luxembourg, securities which are held through an account located in Luxembourg, bearer securities physically located in Luxembourg, etc.



If there are assets located or deemed to be located in Luxembourg, the security interests over such assets will be governed by Luxembourg law and must be created, perfected and enforced in accordance with Luxembourg law. The Luxembourg Collateral Law governs the creation, validity, perfection and enforcement of pledges over registered shares in Luxembourg companies or bearer shares in Luxembourg companies physically located in Luxembourg, bank accounts and receivables located or deemed to be located in Luxembourg. Under the Luxembourg Collateral Law, the perfection of security interests depends on certain registration, notification and acceptance requirements. A share pledge agreement over registered shares in a Luxembourg company must be (i) acknowledged and accepted by the company which has issued the shares (subject to the security interest) and/or (ii) registered in the shareholders' register of such company. If future registered shares are pledged, the perfection of such pledge will require additional registration in the shareholders' register of such company. A pledge over shares issued in bearer form (deposited with a depositary in accordance with article 42 of the Companies Act 1915) in a Luxembourg company will have to be registered by the depositary in the register of the bearer shares issued by such Luxembourg company (kept by the depositary in accordance with article 42 of the Companies Act 1915) in the name of the pledgee. If future shares issued in bearer form are pledged, the perfection of such pledge will require additional registration in the register of the bearer shares issued by the Luxembourg company in which the shares are pledged. A pledge over receivables becomes enforceable against the debtor of the receivables and third parties from the moment when the agreement pursuant to which the pledge was created is entered into between the pledgor and the pledgee. However, if the debtor has not been notified of the pledge or if it did not otherwise acquire knowledge of the pledge, it will be validly discharged if he pays the pledgor. A bank account pledge agreement must be notified to and accepted by the account bank. In addition, the account bank has to waive any pre-existing security interests and other rights in respect of the relevant account. If (future) bank accounts are pledged, the perfection of such pledge will require additional notification to, acceptance and waiver by the account bank. Until such registrations, notifications and acceptances occur, the receivables pledge agreements / the bank account pledge agreements are not effective and perfected (as applicable) against the debtors, the account banks and other third parties. Article 11 of the Luxembourg Collateral Law sets out enforcement remedies available upon the occurrence of an enforcement event, including, but not limited to:

- appropriation by the pledgee or appropriation by a third party of the pledged assets at (i) a value determined in accordance with a valuation method agreed upon by the parties or (ii) (if listed) the listing price of the pledged assets;
- sell or cause the sale of the pledged assets (i) in a private transaction at commercially reasonable terms (*conditions commerciales normales*), (ii) by a public sale at the stock exchange (if listed shares), or (iii) by way of a public auction;
- court allocation of the pledged assets to the pledgee in discharge of the secured obligations following a valuation made by a court-appointed expert; or
- set-off between the secured obligations and the pledged assets.

As the Luxembourg Collateral Law does not provide any specific time periods and depending on (i) the method chosen, (ii) the valuation of the pledged assets, (iii) any possible recourses, and (iv) the possible need to involve third parties, such as, e.g., courts, stock exchanges and appraisers, the enforcement of the security interests might be substantially delayed.

The Luxembourg Collateral Law expressly provides that financial collateral arrangements (including pledges) including enforcement measures are valid and enforceable, even if entered into during the hardening period, against third parties including supervisory, receivers, liquidators and any other similar persons or bodies irrespective of any bankruptcy, liquidation or other situation, national or foreign, of composition with creditors or reorganization affecting any one of the parties.

Foreign law governed security interests and the powers of any receivers/administrators may not be enforceable in respect of assets located or deemed to be located in Luxembourg. Security interests/ arrangements, which are not expressly recognized under Luxembourg law and the powers of any receivers/administrators might not be recognized or enforced by the Luxembourg courts, even over assets located outside of Luxembourg, in particular where the relevant Luxembourg Security Provider or Luxembourg Guarantor becomes subject to Luxembourg Insolvency Proceedings or where the Luxembourg courts otherwise have jurisdiction because of the actual or deemed location of the relevant rights or assets, except if "main insolvency proceedings" (as defined in the EU Insolvency Regulation) are opened under Luxembourg law and such security

interests/arrangements constitute rights in rem over assets located in another Member State in which the EU Insolvency Regulation applies, and in accordance with article 5 of the EU Insolvency Regulation.

In this respect, the enforceability of the first ranking assignment over some of the Senior Secured Notes Issuer's rights under the Covenant Agreement Assignment or the enforceability of the pledges over each Escrow Account granted by the Temporary Notes Issuer cannot be entirely ascertained in a Luxembourg insolvency situation affecting the Senior Secured Notes Issuer or the Temporary Notes Issuer. While the Luxembourg Collateral Law recognizes the validity and enforceability of outright transfers of title to "assets" (which are defined as financial instruments and claims, together, the "Collateral Law Assets") against third parties, administrators, insolvency receivers, liquidators and other similar persons notwithstanding the existence of a reorganization measure, liquidation proceedings or the occurrence of any competing claims between creditors, whether located in Luxembourg or not, it is untested and legally questionable whether assets transferred by way of security (as contemplated by the first ranking assignment or the pledges over the Escrow Accounts) (other than the Collateral Law Assets) would benefit from the provisions of the Luxembourg Collateral Law.

The perfection of the security interests created pursuant to pledge agreements does not prevent any third party creditor from seeking attachment or execution against the assets, which are subject to the security interests created under the pledge agreements, to satisfy their unpaid claims against the pledgor. Such creditor may seek the forced sale of the assets of the pledgors through court proceedings, although the beneficiaries of the pledges will in principle remain entitled to priority over the proceeds of such sale (subject to preferred rights by operation of law).

Under Luxembourg law, certain creditors of an insolvent party have rights to preferred payments arising by operation of law, some of which may, under certain circumstances, supersede the rights to payment of secured or unsecured creditors, and most of which are undisclosed preferences (*privilèges occultes*). This includes, in particular, the rights relating to fees and costs of the insolvency official as well as any legal costs, the rights of employees to certain amounts of salary, and the rights of the Treasury and certain assimilated parties (namely social security bodies), which preferences may extend to all or part of the assets of the insolvent party. This general privilege takes in principle precedence over the privilege of a pledgee in respect of pledged assets. Finally, the appointment of a foreign security agent will be recognized under Luxembourg law, (i) to the extent that the designation is valid under the law governing such appointment and (ii) subject to possible restrictions. Generally, according to paragraph 2(4) of the Luxembourg Collateral Law, a security (financial collateral) may be provided in favor of a person acting on behalf of the collateral taker, a fiduciary or a trustee in order to secure the claims of third party beneficiaries, whether present or future, *provided* that these third party beneficiaries are determined or may be determined. Without prejudice to their obligations vis-à-vis third party beneficiaries of the security, persons acting on behalf of beneficiaries of the security, the fiduciary or the trustee benefit from the same rights as those of the direct beneficiaries of the security aimed at by such law.

#### ***Limitation on luxembourg guarantors' guarantees and security***

The Companies Act 1915 does not provide for rules governing the ability of a Luxembourg company to guarantee the indebtedness of another entity of the same group. It is generally held that within a group of companies, the corporate interest of each individual corporate entity should, to a certain extent, be tempered by, and subordinated to, the interest of the group. A reciprocal assistance from one group company to another does not necessarily conflict with the interest of the assisting company. However, this assistance must be temporary, in proportion with the real financial means of the assisting company or have a reciprocal character. A company may give a guarantee provided the giving of the guarantee is covered by the company's corporate objects and is in the best interest of the company. The test regarding the guarantor's corporate interest is whether the company that provides the guarantee receives some consideration in return (such as an economic or commercial benefit) and whether the benefit is proportional to the burden of the assistance. A guarantee that substantially exceeds the guarantor company's ability to meet its obligations to the beneficiary of the guarantee and to its other creditors would expose its directors or managers to personal liability. Furthermore, under certain circumstances, the directors of the Luxembourg company might incur criminal penalties based on the concept of misappropriation of corporate assets (article 171-1 of the Companies Act 1915). The guarantees granted by the Luxembourg Guarantors will be limited to 90% of, among others, the relevant company's net worth in accordance with the provisions set out in the relevant Indentures.

A guarantee granted by a Luxembourg company could, if submitted to a Luxembourg court, depending on the terms of such guarantee, possibly be construed by such court as a suretyship (*cautionnement*) and not a demand guarantee or an independent guarantee. Article 2012 of the Luxembourg Civil Code provides that the validity and the enforceability of a suretyship (which constitutes an accessory obligation) is subject to the validity of the

underlying obligation. It follows that if the underlying obligations were invalid or challenged, it cannot be excluded that the Luxembourg Guarantor would be released from its liabilities under the guarantee.

### ***Financial assistance***

Any guarantees or security interests granted by Luxembourg companies that constitute a breach of the provisions on financial assistance as defined by article 49-6 of the Companies Act 1915 might not be enforceable.

### ***Registration in Luxembourg***

The registration of the Notes, the Security Documents, the Existing Senior Secured Notes Indenture, the Senior Notes Indenture and the Note Guarantees (and any other document in connection therewith) with the *Administration de l'Enregistrement et des Domaines* in Luxembourg may be required in the case of legal proceedings before Luxembourg courts or in the case that the Notes, the Security Documents, the Existing Senior Secured Notes Indenture, the Senior Notes Indenture and the Note Guarantees (and any other document in connection therewith) must be produced before an official Luxembourg authority (*autorité constituée*) or in the case that the Notes, the Security Documents, the Indenture and the Note Guarantees (and any other document in connection therewith) are referred to in a public deed. In such case, either a nominal registration duty or an ad valorem duty (or, for instance, 0.24% of the amount of the payment obligation mentioned in the document so registered) will be payable depending on the nature of the document to be registered. No *ad valorem* duty is payable in respect of Security Documents that are subject to the Luxembourg Collateral law.

The Luxembourg courts or the official Luxembourg authority may require that the Notes, the Security Documents, the Existing Senior Secured Notes Indenture, the Senior Notes Indenture and the Note Guarantees (and any other document in connection therewith) and any judgment obtained in a foreign court be translated into French or German.

### **Plan of distribution**

Subject to the terms and conditions set forth in a purchase agreement (the “*Senior Secured Notes Purchase Agreement*”) dated as of the date of this Offering Memorandum, the Temporary Senior Secured Notes Issuer agreed to sell to each Senior Secured Notes Initial Purchaser and each such Senior Secured Notes Initial Purchasers agreed, severally and not jointly, to purchase the Temporary Senior Secured Notes from the Temporary Senior Secured Notes Issuer.

Subject to the terms and conditions set forth in a purchase agreement (the “*Senior Notes Purchase Agreement*”, together with the Senior Secured Notes Purchase Agreement, the “*Purchase Agreements*”) dated as of the date of this Offering Memorandum, the Temporary Senior Notes Issuer agreed to sell to each Senior Notes Initial Purchaser and each such Senior Notes Initial Purchasers agreed, severally and not jointly, to purchase the Temporary Senior Notes from the Temporary Senior Notes Issuer.

The Purchase Agreements provide that the obligations of the relevant Initial Purchasers to pay for and accept delivery of the Temporary Senior Secured Notes or Temporary Senior Notes, as applicable, are subject to, among other conditions, the delivery of certain legal opinions by counsel.

The relevant Initial Purchasers propose to offer the Temporary Senior Secured Notes and the Temporary Senior Notes initially at the prices indicated on the cover page hereof. After the initial offering, the offering price and other selling terms of the Temporary Notes may from time to time be varied by the relevant Initial Purchasers without notice.

We have agreed to provide the Initial Purchasers certain customary fees or discounts for their services in connection with the Offerings and to reimburse them for certain out-of-pocket expenses.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Purchase Agreements provide that we will indemnify and hold harmless the relevant Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the relevant Initial Purchasers may be required to make in respect thereof. We have agreed, subject to certain limited exceptions, not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreements, any debt securities of, or guaranteed by, us during the period from the date of the Purchase Agreements through and including the date 90 days after the date of the Purchase Agreements.

The Temporary Notes, the Additional Senior Secured Notes, the Senior Notes and the Note Guarantees have not been registered under the U.S. Securities Act. The Initial Purchasers have agreed that they will only offer or sell the Notes (i) in the United States to “qualified institutional buyers” in accordance with Rule 144A, and (ii) outside the United States in offshore transactions in accordance with Regulation S. Terms used in this paragraph have the meanings given to them by Rule 144A and Regulation S.

Each Initial Purchaser has represented, warranted and agreed with us that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Temporary Notes in circumstances in which Section 21(1) of the FSMA does not apply to us, and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Temporary Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us or the Initial Purchasers that would permit a public offering of the Temporary Notes, the Senior Notes or the Additional Senior Secured Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Temporary Notes, the Senior Notes or the Additional Senior Secured Notes in any jurisdiction where action for this purpose is required. Accordingly, the Temporary Notes, the Senior Notes or the Additional Senior Secured Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Temporary Notes, the Senior Notes or the Additional Senior Secured Notes may be distributed or published, in

or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offerings, the distribution of this Offering Memorandum and resale of the Notes. See “*Notice to Investors.*”

The Temporary Senior Notes were a new issue of securities for which there currently was no market.

The relevant Initial Purchasers advised us that they intended to make a market for the Temporary Senior Secured Notes and the Temporary Senior Notes, as applicable, as permitted by applicable law after completing the Offerings. The Initial Purchasers are not obligated, however, to make a market in the Temporary Senior Secured Notes or the Temporary Secured Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market-making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Following the exchange of Temporary Notes for Additional Notes, we cannot assure you that any market for the Additional Senior Secured Notes or the Senior Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Additional Senior Secured Notes or Senior Notes at a particular time or at a price which will be favorable to you. See “*Risk Factors—Risks Related to Our Indebtedness—There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited.*”

Delivery of the Temporary Notes was made against payment on the Temporary Notes on March 10, 2015, which was ten business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as “T+10”). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wished to trade the Temporary Notes on the date of this Offering Memorandum or the next six business days were required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

In connection with the Offerings, the Stabilizing Manager, or persons acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Additional Senior Secured Notes or the Senior Notes. Specifically, the Stabilizing Manager, or persons acting on its behalf, may bid for and purchase Additional Senior Secured Notes or the Senior Notes in the open markets to stabilize the price of the Additional Senior Secured Notes or the Senior Notes. The Stabilizing Manager, or persons acting on its behalf, may also over allot the Offerings, creating a syndicate short position, and may bid for and purchase Additional Senior Secured Notes or Senior Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager, or persons acting on its behalf, may bid for and purchase Additional Senior Secured Notes or Senior Notes in market making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Additional Senior Secured Notes or Senior Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Additional Senior Secured or Senior Notes. See “*Risk Factors—Risks Related to Our Indebtedness—There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited.*” Additionally, the Initial Purchasers and/or their affiliates have committed to provide bridge financing in connection with the financing of the Acquisition in the event that the Offerings are not consummated.

The Initial Purchasers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial investment banking, financial advising, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchasers or their respective affiliates from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to the Issuers and their affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. The Initial Purchasers and their affiliates may receive allocations of the Notes. In addition, affiliates of each of the Initial Purchasers act as mandated lead arrangers and lenders under the Revolving Credit Facility. Natixis also acts as facility agent under the Revolving Credit Facility. Each has received and will receive customary fees for their services in such capacities.

### **Legal matters**

Certain legal matters in connection with the Offerings will be 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 and King & Wood Mallesons AARPI as to matters of French law and by King & Wood Mallesons Luxembourg as to matters of Luxembourg law. Certain legal matters in connection with the Offerings will be passed upon for the Initial Purchasers by Cravath, Swaine & Moore LLP, as to matters of U.S. federal and New York law, by Allen & Overy LLP, as to matters of French and Belgian law and by Allen & Overy Société en commandite simple (*inscrite au barreau de Luxembourg*) as to matters of Luxembourg law.

### **Independent auditors**

The Company's 2011 IFRS Financial Statements, 2012 IFRS Financial Statements and 2013 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 Offering Memorandum.

Novescia's 2013 IFRS Financial Statements have been audited by KPMG Audit, a department of KPMG S.A., and Aplitec, as stated in their report, an English translation of which is included in this Offering Memorandum.

### Service of process and enforcement of civil liabilities

The Senior Notes Issuer is organized under the laws of Luxembourg, and the Temporary Notes Issuers were organized under the law of Luxembourg. The Senior Secured Notes 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 Indentures (including the Senior Secured Note Guarantees) and Senior Notes and the Additional Senior Secured Notes is governed by New York law. The Intercreditor Agreement will be governed by the law of England and Wales. All of the directors and executive officers of each of the Issuers and each of the Guarantors are non-residents of the United States. Since substantially all of the assets of each of the Issuers 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 either of the Issuers 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 each of the Issuers 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 Indentures 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 either of the Issuers 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 each of the Issuers and the Guarantors is 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 Senior Secured Notes Issuer with respect to the Additional Senior Secured Notes, (ii) the Temporary Senior Secured Notes Issuer in respect of the Temporary Senior Secured Notes, (iii) the Temporary Senior Notes Issuer in respect of the Temporary Senior Notes, (iv) the Senior Notes Issuer in respect of the Senior Notes or (v) 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**

### **1. Listing information**

Application has been made to admit the 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 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 Listing Agent in Luxembourg during normal business hours:

- the organizational documents of the Issuers;
- the bylaws of the Guarantors;
- the consolidated financial statements included in this Offering Memorandum;
- the financial statements of the Senior Notes Issuer;
- our most recent audited consolidated financial statements, and any interim quarterly financial statements published by us;
- the forms of Notes;
- the Indentures governing the Notes;
- the Intercreditor Agreement; and
- the Security Documents.

We have appointed Wilmington Trust SP Services (Luxembourg) S.A. as Luxembourg listing agent, 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 Indentures.

### **2. Litigation**

Except as disclosed elsewhere in this Offering Memorandum, neither the Issuers nor any of the Guarantors is involved, or has been involved during the twelve months preceding the date of this Offering 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.

### **3. No material adverse change**

Except as disclosed in this Offering Memorandum, there has been no material adverse change in the Company's consolidated financial and trading position since December 31, 2013 (being the last day of the period in respect of which Cerba published its latest annual audited consolidated financial statements).

### **4. Clearing information**

The Additional Senior Secured Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Clearstream, Luxembourg and Euroclear under common codes 087760707 and 087760600, respectively. The international securities identification number (the "ISIN Number") for the Additional Senior Secured Notes sold pursuant to Regulation S is XS0877607076 and the ISIN Number for the Additional Senior Secured Notes sold pursuant to Rule 144A is XS0877606003.

The Senior Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Clearstream, Luxembourg and Euroclear under common codes 111729972 and 111729999,

respectively. The ISIN for the Senior Notes sold pursuant to Regulation S is XS1117299724 and the ISIN Number for the Senior Notes sold pursuant to Rule 144A is XS1117299997.

## **5. Legal information**

The Temporary Senior Secured Notes Issuer was a public limited liability company (*société anonyme*) set up as an orphan special purpose vehicle and organized and existing under the laws of Luxembourg, having its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg, in the process of being registered with the Luxembourg Trade and Companies Register.

The Temporary Senior Notes Issuer was a public limited liability company (*société anonyme*) set up as an orphan special purpose vehicle and organized and existing under the laws of Luxembourg, having its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg, in the process of being registered with the Luxembourg Trade and Companies Register.

The Senior Notes Issuer is 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 141.222

The Senior Secured Notes Issuer is a private limited liability company (*société par actions simplifiée*) organized and established under the laws of France. The Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Issuer's telephone number is +33(0) 1 34 40 21 26.

The Senior Secured Notes Issuer's fiscal year ends on December 31.

## **6. Consents**

The creation and issuance of the Temporary Notes and the Notes has been authorized by resolutions of the shareholders and of the Supervisory Board of the relevant Temporary Notes Issuer and the relevant Issuer, each dated January 30, 2015.

## **7. Statement**

Each of the Issuers accepts responsibility for the information contained in this Offering Memorandum. Each of the Issuers declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering 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 Offering Memorandum. Information relating to each of the Guarantors was provided by the respective Guarantor.

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## **Cerba European Lab**

**Statutory auditors' report on the interim condensed consolidated financial statements of Cerba European Lab**

**Period from January 1, 2014 to September 30, 2014**



**PricewaterhouseCoopers Audit**  
63 rue de Villiers  
92200 Neuilly-sur-Seine

**Grant Thornton**  
100 rue de Courcelles  
75017 Paris

**Statutory auditors' report on the interim condensed consolidated financial statements.  
(Period from January 1, 2014 to September 30, 2014)**

**Cerba European Lab**  
ZI Les Béthunes  
7/11 rue de l'Equerre  
95310 Saint-Ouen-L'Aumone

To the Chairman,

In our capacity as Statutory Auditors of Cerba European Lab and in compliance with your request, we have reviewed the accompanying interim condensed consolidated financial statements of Cerba European Lab for the period from January 1, 2014 to September 30, 2014. ("the financial statements").

The management is responsible for the preparation and fair presentation of these "financial statements". Our responsibility is to express an opinion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated "financial statements" are not prepared, in all material respects, in accordance with IAS 34—the standard of IFRS as adopted by the European Union applicable to interim financial information.

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, January 23, 2014

The statutory auditors

<b>PricewaterhouseCoopers Audit</b>	<b>Grant Thornton</b>
	<b>French member of Grant Thornton International</b>
Jacques Lévi Marie-Cécile Dang Tran	Michel Cohen Vincent Papazian

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# 1 Consolidated statement of financial position

(In thousands of euro)

	30 September 2014	31 December 2013
<b>Assets</b>		
Goodwill .....	686,040	599,292
Intangible assets .....	107,802	112,269
Property, plant and equipment .....	61,945	53,368
Equity-accounted associates .....	—	—
Non-current tax assets .....	33	1,628
Other non-current assets .....	1,893	1,797
Deferred tax assets .....	2,068	1,467
<b>Non-current assets .....</b>	<b>859,781</b>	<b>769,821</b>
Inventories .....	5,855	5,862
Trade receivables .....	59,082	53,962
Current tax assets .....	3,199	1,452
Other current assets .....	20,050	9,749
Cash and cash equivalents .....	59,742	63,764
<b>Current assets .....</b>	<b>147,928</b>	<b>134,789</b>
<b>TOTAL ASSETS .....</b>	<b>1,007,709</b>	<b>904,611</b>
<b>Equity and Liabilities</b>		
Share capital .....	810	810
Share premium .....	416,811	416,811
Retained earnings .....	(114,407)	(110,519)
Profit (loss) for the period, attributable to owners of the Company ..	1,436	5,109
Foreign currency translation reserve .....	(629)	(743)
Equity attributable to owners of the company .....	304,021	311,468
Non-controlling interests—reserves .....	7,687	9,038
Non-controlling interests—profit (loss) .....	1,505	2,449
Non-controlling interests .....	9,192	11,486
<b>TOTAL EQUITY .....</b>	<b>313,212</b>	<b>322,954</b>
Non-current financial liabilities .....	514,727	419,180
Employee benefits .....	6,508	5,079
Non current provisions .....	4,924	4,525
Deferred tax liabilities .....	33,989	36,056
Other non current liabilities .....	5,013	4,147
<b>Non-current liabilities .....</b>	<b>565,161</b>	<b>468,986</b>
Current financial liabilities .....	28,493	29,239
Current provisions .....	815	679
Trade payables .....	43,374	40,440
Current tax liabilities .....	12,767	8,719
Other current liabilities .....	43,886	33,592
<b>Current liabilities .....</b>	<b>129,335</b>	<b>112,670</b>
<b>TOTAL EQUITY AND LIABILITIES .....</b>	<b>1,007,709</b>	<b>904,611</b>

## 2 Consolidated income statement

(In thousands of euro)

	Notes	30 September 2014	30 September 2013
<b>NET SALES .....</b>	<b>6.6</b>	<b>294,373</b>	<b>259,485</b>
Consumption of materials and supplies .....		(48,533)	(56,347)
Other purchases and external expenses .....		(70,282)	(58,994)
Taxes and duties .....		(8,730)	(6,570)
Personnel expenses .....	6.8	(103,514)	(81,571)
Net change in depreciation and amortisation .....		(19,692)	(20,885)
Other income .....	6.7	3,000	8,425
Other expenses .....	6.7	(4,250)	(2,570)
Goodwill impairment .....		—	—
<b>OPERATING INCOME (LOSS) .....</b>		<b>42,373</b>	<b>40,973</b>
Cost of net debt .....		(29,248)	(23,607)
Other financial income .....		1,689	371
Other financial expenses .....		(725)	(197)
<b>FINANCIAL INCOME (EXPENSE) .....</b>	<b>6.9</b>	<b>(28,284)</b>	<b>(23,433)</b>
<b>PRETAX INCOME (EXPENSE) .....</b>		<b>14,089</b>	<b>17,540</b>
Income tax .....	6.10	(11,148)	(9,349)
<b>PROFIT (LOSS) .....</b>		<b>2,941</b>	<b>8,192</b>
<i>Attributable to owners of the Company .....</i>		<i>1,436</i>	<i>6,302</i>
<i>Attributable to non-controlling interests .....</i>		<i>1,505</i>	<i>1,890</i>

### 3 Consolidated statement of comprehensive income

(In thousands of euro)

	Notes	30 September 2014	30 September 2013
<b>Profit (Loss)</b> .....	<b>2</b>	<b>2,941</b>	<b>8,192</b>
<b>Recyclable items through profit</b>			
<i>Foreign currency translation differences</i> .....		137	(373)
<b>Non-recyclable items through profit</b>			
<i>Actuarial gains and losses on defined benefit obligations</i> .....		(105)	
<i>Tax impacts on actuarial gains and losses on defined benefit obligations</i> .....		36	
<b>Gain and losses recognised directly in equity</b> .....		<b>68</b>	<b>(373)</b>
<b>Total comprehensive income for the period</b> .....	<b>4</b>	<b>3,009</b>	<b>7,819</b>
<i>Attributable to owners of the Company</i> .....		1,481	6,103
<i>Attributable to non-controlling interests</i> .....		1,598	1,716

#### 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
<b>Opening position at 1st January 2013 .....</b>	<b>810</b>	<b>416,811</b>	<b>(108,529)</b>	<b>117</b>	<b>(348)</b>	<b>308,861</b>	<b>9,822</b>	<b>318,683</b>
<b>Total comprehensive income for the period</b>								
Net income (loss) for the period .....			5,109			5,109	2,449	7,557
Total other comprehensive income .....				(19)	(396)	(415)	(276)	(691)
<b>Total comprehensive income for the period .....</b>	<b>—</b>	<b>—</b>	<b>5,109</b>	<b>(19)</b>	<b>(396)</b>	<b>4,694</b>	<b>2,173</b>	<b>6,867</b>
<b>Transactions with owners of the Company, recognised directly in equity .....</b>						—		—
<b>Contributions by and distributions to owners of the Company .....</b>						—		—
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)
<b>Total contributions by and distribution to owners of the Company .....</b>	<b>—</b>	<b>—</b>	<b>(2,088)</b>	<b>—</b>	<b>—</b>	<b>(2,088)</b>	<b>(497)</b>	<b>(2,585)</b>
<b>Changes in ownership interests in subsidiaries .....</b>						—		—
Non-controlling interests at acquisition of the subsidiary .....						—	(11)	(11)
<b>Total transactions with owners of the Company .....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(11)</b>	<b>(11)</b>
<b>Closing position at 31 December 2013 .....</b>	<b>810</b>	<b>416,811</b>	<b>(105,509)</b>	<b>98</b>	<b>(743)</b>	<b>311,468</b>	<b>11,486</b>	<b>322,954</b>
	Share capital	Share premium	Retained earnings	Actuarial differences	Translation differences	Total	Non- controlling interests	Total equity
<b>Opening position at 1st January 2014 .....</b>	<b>810</b>	<b>416,811</b>	<b>(105,509)</b>	<b>98</b>	<b>(743)</b>	<b>311,467</b>	<b>11,486</b>	<b>322,953</b>

	Share capital	Share premium	Retained earnings	Actuarial differences	Translation differences	Total	Non- controlling interests	Total equity
<b>Total comprehensive income for the period</b>								
Profit (loss) for the period .....			1,436			1,436	1,505	2,941
Total other comprehensive income .....				(69)	114	45	93	137
<b>Total comprehensive income for the period .....</b>	<b>—</b>	<b>—</b>	<b>1,436</b>	<b>(69)</b>	<b>114</b>	<b>1,481</b>	<b>1,598</b>	<b>3,078</b>
<b>Transactions with owners of the Company, recognised directly in equity .....</b>						—		—
<b>Contributions by and distributions to owners of the Company .....</b>						—		—
Changes in scope .....			(5,673)			(5,673)	(121)	(5,793)
Issue of ordinary shares ..	—					—		—
Issue of convertible bonds net of differed tax .....						—		—
Own shares sold .....						—		—
Dividends .....			(20)			(20)	(1,999)	(2,019)
Others .....			(3,234)			(3,234)	2,065	(1,170)
<b>Total contributions by and distribution to owners of the Company .....</b>	<b>—</b>	<b>—</b>	<b>(8,927)</b>	<b>—</b>	<b>—</b>	<b>(8,927)</b>	<b>(55)</b>	<b>(8,982)</b>
<b>Changes in ownership interests in subsidiaries .....</b>						—		—
Non-controlling interests at acquisition of the subsidiary .....						—	(3,837)	(3,837)
<b>Total transactions with owners of the Company .....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(3,837)</b>	<b>(3,837)</b>
<b>Closing position at 30 September 2014 ....</b>	<b>810</b>	<b>416,811</b>	<b>(113,000)</b>	<b>29</b>	<b>(629)</b>	<b>304,020</b>	<b>9,192</b>	<b>313,213</b>

## 5 Consolidated cash flow statement

(In thousands of euro)

	30 September 2014	30 September 2013
Profit (loss) for the period.....	2,941	8,192
Adjustments for:		
Amortisation, depreciation and impairment .....	18,800	15,820
Income tax .....	11,148	9,349
Financial Income (Expense) .....	28,284	23,434
Items classified as cash flows from investing activities .....	135	(433)
Other items not affecting cash .....	—	—
Change in working capital .....	(5,825)	(5,040)
Income tax paid .....	(12,335)	(9,780)
<b>Net cash provided by (used in) operating activities .....</b>	<b>43,147</b>	<b>41,542</b>
Acquisition of property, plant and equipment and intangible assets....	(5,385)	(7,980)
Disposals of property, plant and equipment and intangible assets.....	232	—
Change in loans and other financial assets .....	(527)	(1)
Effect of change in consolidation scope .....	(64,909)	(14,986)
Interests received .....	12	123
Change in loans and other financial assets .....	—	—
Other changes related to investing activities .....	210	185
<b>Net cash provided by (used in) investing activities .....</b>	<b>(70,319)</b>	<b>(22,659)</b>
Dividends paid by the parent company.....	—	—
Dividends paid to non-controlling interests .....	(1,894)	(927)
Increase (decrease) in share capital .....	—	700
Increase (decrease) in share capital by non-controlling interests.....	1,314	0
Proceeds from issuance of borrowings .....	94,445	358,420
Repayment of borrowings.....	(43,362)	(318,629)
Finance costs paid.....	(31,625)	(22,957)
Other Financial expenses paid.....	974	66
<b>Net cash provided by (used in) financing activities .....</b>	<b>19,852</b>	<b>16,672</b>
Effect of exchange rate fluctuations on cash held.....	100	(4)
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<b>(7,221)</b>	<b>35,551</b>
<i>Cash and cash equivalents at beginning of period .....</i>	<i>63,605</i>	<i>33,471</i>
<i>Cash and cash equivalents at end of period .....</i>	<i>56,384</i>	<i>69,022</i>



## 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 6.11):

- Acquisition of JS Bio Group on May 23, 2014 in order to strengthen its presence in the PACA region

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:
  - LABLORIOT to BIPOLE 80 from 18<sup>th</sup> August 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.

##### 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 interim consolidated financial statements at 30 September 2014 were prepared in accordance with IAS 34—Interim Financial Information. They correspond to condensed interim financial statements and do not include all the information required for annual financial statements. The interim consolidated financial statements at 30 September 2014 are to read in conjunction with the consolidated financial statements of the Group published on 31 December 2013.

The accounting policies applied by the Group to establish the interim consolidated financial statements at September 30, 2014, are similar to those applied by the Group at 31 December 2013, with the exception of the following standards applicable from 1 January 2014, and comply with International Financial Reporting

Standards (IFRS) as approved by the European Union. These accounting principles are described in the “Significant Accounting Policy” of consolidated financial statements 2013.

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 30 September 2014.

These standards can be viewed on the European Commission’s website at:

[http://ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](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**

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 30 September 2014.

- Amendment to IAS 28 “Investments in Associates and Joint Ventures.” IAS 28 was amended to conform to changes made after the issuance of IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements” and IFRS 12 “Disclosure of Interests in Other Entities”;
- Amendments to IAS 32 “Overview: offsetting financial assets and financial liabilities” clarifies meaning of “must have an enforceable legal right to offset the recognized amounts” and that some systems overall compensation can be considered equivalent to a settlement based on the net. This amendment was adopted by the European Union December 29, 2012 and must be applied retrospectively for annual periods beginning on or after 1 January 2014;
- Amendments to IAS 36 “Impairment of Assets—Information on non recoverable amount of non-active Financial “. These amendments were adopted by the European Union December 19, 2013 and are applicable for fiscal years beginning on or after 1 January 2014;
- Amendments to IAS 39 and IFRS 9 Novation derivatives and maintaining the hedge accounting. these amendments were adopted by the European Union December 19, 2013 and are applicable to financial years beginning on or after 1 January 2014;
- IFRS 10 “Consolidated Financial Statements”;
- IFRS 11 “Joint Arrangements” replaces IAS 31 “Interests in Joint Ventures” and SIC—13 “Entities jointly controlled entities—Non-monetary Contributions by Venturers “;
- IFRS 12 “Disclosure of Interests in Other Entities”. The objective of IFRS 12 is to require information that enables users of financial statements to evaluate the basis of control, any restrictions on consolidated assets and liabilities, risk exposures arising from investments in unconsolidated structured entities and the participation of minority interests in the activities of the entities consolidated.

The analysis conducted by the Group on its investments, and over all the periods presented, showed that the new definition of control given by IFRS 10 does not change the scope of consolidation.

The Other standards are no material impact on the consolidated financial statements.

#### **New standards, amendments and interpretations published by the IASB but not yet applicable or not early-adopted by the Group:**

The new standards, amendments to existing standards and interpretations not yet adopted by the EU European, are:

\* *Standards:*

- IFRS 9 “Financial Instruments” effective from January 1, 2015 and not yet adopted by the EU European;
- IFRS 14 Regulatory Deferral Accounts (issued on 30 January 2014)
- IFRS 15 Revenue from Contracts with Customers (issued on 28 May 2014)
- IFRIC 21 “Duties and Taxes”, adopted by the European Union on June 2014, which are applicable to periods beginning from 1 July 2014

\* *Amendments:*

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014)
- Amendments to IAS 27: Equity Method in Separate Financial Statements (issued on 12 August 2014)
- Amendments to IAS 16 and IAS 41: Bearer Plants (issued on 30 June 2014)
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (issued on 12 May 2014)
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (issued on 6 May 2014)
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) (issued on 21 November 2013)

The Group is currently analysing the impact on its consolidated financial statements of the standards published by the IASB at 30 September 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 interim consolidated financial statements at 30 September 2014 are identical to those used for the interim consolidated statements at 30 September 2013.

As part of a consolidated reporting optimization process, it was made in 2014 some reclassifications 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 interim 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 interim 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 interim 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 Scope of consolidation

Integrated companies	30 September 2014			31 December 2013			Address	Country
	Consolidati on method	% control	% interests	Consolidati on method	% control	% interests		
<b>Cerba European Lab SAS</b> <b>(formerly Financière Gaillon 12)</b>	<b>Parent company</b>	<b>100,00 %</b>	<b>100,00 %</b>	<b>Parent company</b>	<b>100,00 %</b>	<b>100,00 %</b>	<b>Saint-Ouen-l'Aumône</b>	<b>France</b>
BARC Australia.....	FC	100,00 %	100,00 %	FC	100,00 %	100,00 %	Kogarah	Australie
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	100,00 %	99,96%	FC	22,91%	71,38%	Marseille	France
Biotop SCM.....	FC	100,00 %	99,96%	FC	100,00 %	71,38%	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%	97,29%	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
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%	97,21%	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%	99,96%				Marseille	France
JS-Management .....	FC	100,00 %	99,96%				Marseille	France
Société des laboratoires BILLIEMAZ.....	FC	49,00%	99,95%				Marseille	France
GIE JS-BIO .....	FC	100,00 %	99,95%				Marseille	France

Montbrun BIO .....	100,00						
	FC	%	99,96%			Marseille	France

FC: Full consolidation

UTH: Universal transmission heritage

	30 September 2014			31 December 2013			Comments
	Consolidation method	% control	% interests	Consolidation method	% control	% interests	
Transfer of assets							
Laboratoire L							UTH in Biopole in
Loriot .....				FC	100,00%	100,00%	2014

	30 September 2014			31 December 2013			Comments
	Consolidation method	% control	% interests	Consolidation method	% control	% interests	
New consolidated entities							
JS-BIO .....	FC	49,00%	99,95%				Acquired on the 23 may 2014
JS-Management .....	FC	100,00%	99,95%				Acquired on the 23 may 2014
Société des laboratoires BILLIEMAZ.....	FC	49,00%	99,95%				Acquired on the 23 may 2014
GIE JS-BIO .....	FC	100,00%	99,95%				Acquired on the 23 may 2014
Montbrun BIO .....	FC	100,00%	99,95%				Acquired on the 23 may 2014

FC: Full consolidation

UTH: Universal transmission heritage

## 6.5 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)	30 September 2014	30 September 2013
Specialised clinical pathology .....	97,139	91,327
France clinical laboratory testing.....	111,371	82,302
Belux clinical laboratory testing .....	51,451	55,269
Clinical Trials .....	34,412	30,587
<b>Net sales .....</b>	<b>294,373</b>	<b>259,485</b>

## Notes to the consolidated income statement

### 6.6 Net sales

(In thousands of euro)	30 September 2014	30 September 2013
Sales of services.....	294,373	259,485
Sales of goods .....	—	—
<b>Net sales .....</b>	<b>294,373</b>	<b>259,485</b>

Sales of services correspond to testing for patients, laboratories, hospitals and pharmaceutical companies in three market segments (Cf Note 6.5).

### 6.7 Other income and expenses

(In thousands of euro)	30 September 2014	30 September 2013
Gains and losses on receivables.....	(741)	—
Net gains on disposal of assets .....	8	626
Other expenses.....	(2,991)	(5,067)
Other incomes.....	1,347	5,426
Self production .....	293	315
Operating subsidy .....	834	708
Other reversals of provisions .....	—	3,847
<b>Total .....</b>	<b>(1,250)</b>	<b>5,855</b>

On 30<sup>th</sup> of September, the others expenses and incomes includes mainly the license fees of € –1 million, earn out expenses of € –1.2 millions and gains on lease-back of € 0.5 million.

### 6.8 Personnel expenses

(In thousands of euro)	30 September 2014	30 September 2013
Wages and salaries including social charges .....	(97,828)	(80,132)
Post-employment benefits and other long-term benefits .....	(3,757)	(270)
Employee profit sharing .....	(1,929)	(1,169)
<b>Personnel expenses .....</b>	<b>(103,514)</b>	<b>(81,571)</b>

Employee head count in fully-consolidated entities was 2,617 at 30 September 2014, compared to 2,222 at 30 September 2013 (Full Time Equivalent).

Headcount in newly-acquired or newly-consolidated entities, net of entities derecognised during the year was 370.

## 6.9 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)	30 September 2014	30 September 2013
<i>Change in fair value (product)</i> .....	—	5,538
<i>Net return on cash equivalents</i> .....	170	180
<i>Effect of discounting (profit)</i> .....	271	—
Financial income .....	441	5,718
<i>Change in fair value (expense)</i> .....	(53)	—
<i>Losses on cash equivalents</i> .....	(2)	(5)
<i>Other financial charges on cash equivalents</i> .....	—	(3)
<i>Interest on bonds</i> .....	(26,724)	(27,879)
<i>Interests on bank loans</i> .....	(1,010)	—
<i>Interests on finance lease</i> .....	(1,672)	(1,441)
<i>Interests on derivatives</i> .....	(213)	—
<i>Other interests</i> .....	(15)	—
Finance cost .....	(29,689)	(29,325)
<b>Net cost of debt</b> .....	<b>(29,248)</b>	<b>(23,607)</b>
Other financial incomes .....	1,689	371
Other financial expenses .....	(725)	(197)
<b>Net financial income (loss)</b> .....	<b>(28,284)</b>	<b>(23,433)</b>

## 6.10 Income tax

### 6.10.1 Breakdown between current and deferred tax

(In thousands of euro)	30 September 2014	30 September 2013
Current tax expense .....	(13,767)	(11,158)
Deferred tax expense .....	2,619	1,809
<b>Income tax</b> .....	<b>(11,148)</b>	<b>(9,349)</b>

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 theoretical income tax in France is 34.43%, including the additional contributions.

In September 2014, the theoretical income tax, calculated by multiplying consolidated income before tax by the standard French corporate income tax rate, represented an expense of € –5,4 Million, compared with actual income tax expense of € –11,1 million. The difference between these two amounts can be explained mainly as follows:

- Impact of permanent differences of € –2,4 million corresponding to the Tax effect of untaxed income and income taxed at a different rate (€ –1,3 million), IAS39 restatements impacts (€ –1,7 million), and to the tax effect on other permanent differences (€ 0,6 million);
- Taxes with no tax base (CVAE) of € –1,1 million;
- Deferred tax assets unrecognized on tax losses of € –2,3 million.



## Financial position-assets

### 6.11 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
<b>Net assets acquired .....</b>	<b>64.9</b>
Cancellation of Provision Employee Benefits .....	-0.9
Cancellation of commercial goodwill .....	(38.6)
Restatement Leasing .....	(0.3)
Provision for impairment of trade receivables .....	(25.9)
Cancellation of intercompany shares .....	(28.3)
Tax liabilities .....	0.3
<b>Net assets acquired (liabilities assumed) restated at fair value (100%) .....</b>	<b>(28.8)</b>
<b>Share of the Fair value of net assets acquired .....</b>	<b>(28.8)</b>
<b>Acquisition price .....</b>	<b>55.8</b>
<b>Goodwill on financial instruments value .....</b>	<b>2.1</b>
<b>Goodwill .....</b>	<b>86.7</b>

Changes in the gross value and carrying amount of goodwill can be broken down as follows:

(In thousands of euro)	30 September 2014
Gross value at 1 January .....	647,792
Acquisitions of entities or share .....	86,748
Foreign currency translation differences .....	—
Acquisitions of businesses	
<b>Gross value at 30 September .....</b>	<b>734,540</b>
Impairment at 1 January .....	(48,500)
Impairment for the period .....	—
<b>Impairment at 30 September .....</b>	<b>(48,500)</b>
Net value at 1 January .....	599,292
<b>Net value at 30 September .....</b>	<b>686,040</b>

The €86.8 million increase in the gross value of goodwill relates to goodwill on acquisitions of securities and companies during the period (see Note 6.2).

CEL management did not identify any triggering event as at September 30, 2014, as such no impairment test was conducted and no impairment loss was recognized.

## 6.12 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 2013	Change in scope (in)	Acquisitions	Disposals	Reclassification	30 September 2014
Development costs .....	—	—	133	—	121	254
Concessions, patents and similar rights ...	1,629	—	128	(14)	—	1,743
Software.....	13,172	881	555	—	(1,745)	12,863
Leasehold.....	589	592	—	—	—	1,181
Goodwill .....	—	—	—	—	—	—
Customer.....	1,170	—	—	—	—	1,170
Other intangible fixed assets.....	918	—	(1)	—	(430)	487
Order book.....	5,958	—	—	—	—	5,958
Customer relationships....	126,809	—	—	—	—	126,809
Intangible assets in progress .....	—	—	1,191	—	1,882	3,073
Amount paid on intangible assets.....	107	—	177	—	(170)	114
<b>Intangible assets—</b>						
<b>Gross value ....</b>	<b>150,352</b>	<b>1,473</b>	<b>2,183</b>	<b>(14)</b>	<b>(342)</b>	<b>153,652</b>
<b>Depreciations and amortisations (in thousands euro)</b>	<b>31 December 2013</b>	<b>Change in scope (in)</b>	<b>Additions</b>	<b>Reversals</b>	<b>Reclassification</b>	<b>30 September 2014</b>
Development costs .....	—	—	(18)	—	—	(18)
Concessions, patents and similar rights ...	(1,008)	—	(171)	14	—	(1,165)
Software.....	(8,513)	(770)	(927)	—	(49)	(10,259)
Leasehold.....	—	—	—	—	—	—
Good will .....	—	—	(6)	—	—	(6)
Other intangible fixed assets.....	(6,546)	—	1,105	—	—	(5,441)
Order book.....	(4,018)	—	(1,940)	—	—	(5,958)
Customer relationships....	(17,998)	—	(5,006)	—	—	(23,004)
<b>Intangible assets—</b>						
<b>Accumulated amortisation and impairment ....</b>	<b>(38,083)</b>	<b>(770)</b>	<b>(6,963)</b>	<b>14</b>	<b>(49)</b>	<b>(45,851)</b>

<b>Intangible assets—Net value .....</b>	<b>112,269</b>	<b>703</b>	<b>(4,780)</b>	<b>—</b>	<b>(391)</b>	<b>107,802</b>
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### 6.13 Property, plant and equipment

Changes in the gross value and accumulated depreciation of property, plant and equipment break down as follows:

	31 December 2013	Change in scope (in)	Acquisitions	Disposals	Reclassifications	Foreign currency translation differences	30 September 2014
<b>Gross value (in thousands of euro)</b>							
Land.....	834	22	—	—	—	3	859
Arrangements on land.....	163	—	—	—	—	—	163
Buildings.....	26,799	1,790	844	(24)	—	47	29,456
Leased Buildings .....	5,708	—	—	—	—	—	5,708
Technical plant, equipment and machinery .....	59,634	10,813	8,029	(1,611)	(996)	68	75,972
Leased technical plant, equipment and machinery .....	4,511	—	365	—	(372)	—	4,504
Other property, plant and equipment .....	31,460	3,059	1,351	(1,024)	1,177	—	36,023
Office equipment .....	4,783	268	197	(314)	337	37	5,308
Transport equipment.....	1,328	83	118	(439)	352	7	1,449
Leased transport equipment .....	1,254	—	374	(27)	(352)	—	1,249
Hardware .....	7,995	1,264	516	(18)	21	19	9,797
Biological assets .....	1,222	—	122	(45)	—	—	1,299
Work in progress .....	72	273	284	(4)	(169)	0	456
Amount paid on property, plant and equipment.....	76	—	129	—	(85)	—	120
<b>Property, Plant and equipment—gross .....</b>	<b>145,841</b>	<b>17,572</b>	<b>12,329</b>	<b>(3,507)</b>	<b>(87)</b>	<b>181</b>	<b>172,364</b>

	31 December 2013	Change in scope (in)	Additions	Reversals	Reclassifications	Foreign currency translation differences	30 September 2014
<b>Accumulated depreciations (in thousands of euro)</b>							
Arrangements on land....	(129)	—	(3)	—	—	—	(132)
Buildings.....	(12,301)	(1,206)	(1,368)	25	—	(20)	(14,869)
Leased Buildings .....	(3,194)	—	(204)	—	—	—	(3,398)
Technical plant, equipment and machinery .....	(42,272)	(5,054)	(5,529)	1,441	737	(55)	(50,741)
Leased technical plant, equipment and machinery .....	(2,988)	—	(767)	—	320	—	(3,435)
Other property, plant and equipment.....	(19,117)	(1,654)	(2,674)	927	(714)	—	(23,232)
Office equipment .....	(3,529)	(148)	(245)	316	(268)	(33)	(3,906)
Transport equipment.....	(1,139)	(81)	(129)	378	(254)	(4)	(1,229)
Leased transport equipment .....	(595)	—	(187)	—	254	—	(528)
Hardware .....	(6,314)	(1,144)	(531)	18	(26)	(14)	(8,012)
Biological assets .....	(889)	—	(74)	45	—	—	(918)
Land.....	—	(17)	(2)	—	—	—	(19)

Work in progress .....	—	—	—	—	—	—	—
<b>Property, plant and equipment—accumulated depreciation.....</b>	<b>(92,467)</b>	<b>(9,304)</b>	<b>(11,713)</b>	<b>3,151</b>	<b>49</b>	<b>(126)</b>	<b>(110,419)</b>
<b>Property, plant and equipment—net.....</b>	<b>53,373</b>	<b>8,268</b>	<b>616</b>	<b>(356)</b>	<b>(38)</b>	<b>55</b>	<b>61,945</b>

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.

#### 6.14 Other non-current assets

(In thousands of euro)	30 September 2014	31 December 2013
Equity affiliates .....	239	226
Other receivables related to investments .....	188	188
Investment securities .....	6	7
Loans, deposits and other receivables—non-current .....	1,486	1,376
Other receivables .....	64	55
Impairment of other non-current receivables.....	(50)	(50)
Prepaid expenses.....	—	—
Impairment of securities .....	(40)	(5)
<b>Total .....</b>	<b>1,893</b>	<b>1,797</b>

Loans, security deposits and other receivables mostly include Security deposits and Guarantees.

#### 6.15 Inventories

The Group's inventories include reagents and consumables.

(In thousands of euro)	30 September 2014	31 December 2013
Raw materials .....	5,582	5,649
Finished products.....	—	—
Merchandises .....	549	370
<b>Inventories (gross value) .....</b>	<b>6,131</b>	<b>6,019</b>
<b>Impairment of inventories .....</b>	<b>(276)</b>	<b>(157)</b>
<b>Inventories (net value).....</b>	<b>5,855</b>	<b>5,862</b>

#### 6.16 Trade receivables

(In thousands of euro)	30 September 2014	31 December 2013
Trade receivables .....	57,538	48,589
Unbilled .....	8,170	8,630
Impairment of trade receivables .....	(6,627)	(3,257)
<b>Carrying amount .....</b>	<b>59,082</b>	<b>53,962</b>

## 6.17 Other current assets

(In thousands of euro)	30 September 2014	31 December 2013
Accrued interest on receivables and loans .....	3	9
Investment securities .....	2	2
Loans, deposits and other receivables.....	735	385
Deposits factor.....	—	500
Impairment of loans, deposits and other receivables .....	(163)	(15)
Suppliers—Prepayments .....	575	554
Suppliers receivable.....	1,212	748
Receivables from employees & social organizations .....	463	441
Tax receivables—excluding IS.....	7,638	2,341
Current accounts—assets.....	2,282	458
Receivables on disposals of assets.....	6	189
Other receivables .....	2,392	94
Impairment of current accounts .....	—	(76)
Prepaid expenses.....	4,935	4,119
Receivables from participations .....	18	—
Accrued interest on receivables .....	1	—
Tax CIR .....	(41)	—
Impairment of other receivables & accrued interest .....	(8)	—
<b>Total other current assets .....</b>	<b>20,050</b>	<b>9,749</b>

The tax receivables includes the VAT receivables not yet collected on investments (€ 1.6 million) and expenses of debt issues (€ 2 million).

Prepaid expenses at 30 September 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).

## 6.18 Cash and cash equivalents

(In thousands of euro)	30 September 2014	31 December 2013
Money Market securities .....	139	10,088
Cash .....	59,603	53,676
<b>Total.....</b>	<b>59,742</b>	<b>63,764</b>
Factoring debt.....	—	—
Bank overdrafts .....	(3,358)	(159)
<b>Total net cash .....</b>	<b>56,384</b>	<b>63,605</b>

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

## 6.19 Financial liabilities

(In thousands of euro)	30 September 2014	31 December 2013
Convertible bonds.....	6,232	6,274
H-YIELD bond .....	435,978	361,705
Other bonds .....	20,081	19,818
Bank loans .....	29,572	26,547

Finance lease liabilities .....	41,013	33,693
Other borrowings .....	165	223
Accrued interests .....	6,821	—
Bank overdrafts .....	3,358	159
<b>Total financial liabilities.....</b>	<b>543,220</b>	<b>448,419</b>
<i>Of which non-current financial liabilities.....</i>	<i>514,727</i>	<i>419,180</i>
<i>Of which current financial liabilities.....</i>	<i>28,493</i>	<i>29,239</i>

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.

On September 30<sup>th</sup> 2014, the financial instruments aren't significant in the consolidated accounts of the Group.

Changes in financial liabilities over the period may be analysed as follows:

(In thousands of euro)	30 September 2014
<b>Opening position .....</b>	<b>448,419</b>
Proceeds from issuance of borrowings .....	94,445
Repayment of borrowings.....	(43,362)
Change in factoring debt.....	6,821
Change in bank overdrafts .....	(3,622)
Change in fair value of financial instruments .....	—
Amortized cost of reprocessing ERI and convertible bonds.....	879
New finance lease contracts.....	8,675
Finance costs .....	28,222
Finance costs paid.....	(31,625)
Reclassifications (mainly incorporation to share capital) .....	(224)
Change in consolidation scope .....	34,675
Translation differences .....	(109)
Others .....	26
<b>Closing position.....</b>	<b>543,220</b>

#### 6.19.1 Debt repayment schedule and terms

(In thousands of euro)	30 September 2014	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Over 5 years
Bonds and notes.....	462,291	—	—	—	—	462,291
Bank loans .....	29,572	7,708	7,660	4,640	2,864	6,700
Finance lease liabilities..	41,013	10,477	9,708	6,749	3,975	10,104
Other borrowings.....	165	133	5	—	—	27
Accrued interests .....	6,821	6,821	—	—	—	—
Bank overdrafts .....	3,358	3,358	—	—	—	—
<b>Total financial liabilities.....</b>	<b>543,220</b>	<b>28,497</b>	<b>17,373</b>	<b>11,389</b>	<b>6,839</b>	<b>479,122</b>

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)	30 September 2014	Face value	Share capital	Less IFRS restatements past closings	Less IFRS restatements current closing	Capitalized interests
Convertible bonds.....	6,232	10,137	(4,309)	(493)	(131)	1,029
H-YIELD bond.....	435,978	445,000	—	(14,154)	5,132	—
Other bonds .....	20,081	16,029	—	—	—	4,052

<b>Total bonds and notes .....</b>	<b>462,291</b>	<b>471,166</b>	<b>(4,309)</b>	<b>(14,647)</b>	<b>5,002</b>	<b>5,080</b>
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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.

### 6.19.2 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).

### 6.20 Employee benefits

(In thousands of euro)	30 September 2014	31 December 2013
Defined benefits plan.....	5,889	4,495
Long-service bonuses .....	619	584
<b>Total employee benefits.....</b>	<b>6,508</b>	<b>5,079</b>
<i>Of which :</i>		
<i>Employee benefit obligations.....</i>	<i>6,986</i>	<i>5,618</i>
<i>Plan assets .....</i>	<i>(478)</i>	<i>(478)</i>

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 2013

### 6.20.1 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

	Management	Other employees	Management	Other employees
	30 September 2014		31 December 2013	
<b>Discount rate</b> .....	3.25%		3.25%	
<b>Expected return on plan assets at 1 January</b>				
<b>Salary increase rate</b>				
- 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%
<b>Employer contributions</b> .....	58.00%	52.00%	58.00%	52.00%
<b>Staff Turnover rate</b>				
- 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%
<b>Retirement age</b> .....	65 years	62 years	65 years	62 years
<b>Mortality table</b> .....	INSEE		INSEE	
	F 2008 - 2010		F 2008 - 2010	



## 6.21 Provisions

(In thousands of euro)	31 December 2013	Change in consolidation scope	Additions	Provisions used	Reclassification	30 September 2014
Provision for litigation..	627	529	461	(597)	—	1,020
Provision for restructuring.....	—	—	—	—	—	—
Other provisions .....	3,898	—	6	—	—	3,904
<b>Non-current Provisions .....</b>	<b>4,525</b>	<b>529</b>	<b>467</b>	<b>(597)</b>	<b>—</b>	<b>4,924</b>
Provision for litigation..	424	59	—	—	—	483
Provision for restructuring.....	—	—	—	—	—	—
Other provisions .....	255	100	3	—	(26)	332
<b>Current provisions.....</b>	<b>679</b>	<b>159</b>	<b>3</b>	<b>—</b>	<b>(26)</b>	<b>815</b>

Provisions mostly comprise an estimated potential tax risk in one of the Group's subsidiaries for an amount of €3,898 thousand.

## 6.22 Other non-current liabilities

(In thousands of euro)	30 September 2014	31 December 2013
Deferred income—non-current.....	4,190	4,074
Other liabilities .....	823	73
<b>Total other non-current liabilities .....</b>	<b>5,013</b>	<b>4,147</b>

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.

## 6.23 Trade and other payables

(In thousands of euro)	30 September 2014	31 December 2013
Trade payables.....	38,658	38,375
Payables to fixed asset suppliers.....	4,717	2,065
<b>Total Trade payables.....</b>	<b>43,374</b>	<b>40,440</b>

## 6.24 Other current liabilities

(In thousands of euro)	30 September 2014	31 December 2013
Social security payables.....	25,960	20,645
Tax payables.....	6,818	3,669
Advances and downpayments received .....	5,817	5,390
Derivative instruments.....	951	898
Other current liabilities .....	4,255	2,426
Deferred income—current.....	85	565
<b>Total Other current liabilities.....</b>	<b>43,886</b>	<b>33,592</b>

## 6.25 Off-balance sheet commitments

### 6.25.1 Commitments given

Entities (In thousands of euro)	Nature	Value at 30 September 2014	Value at 31 December 2013
<b>Cerba European Lab</b> .....	Guarantees	8	8
<b>(formerly Financière Gaillon 12)</b> .....	Mortgages and pledges	670,389	601,307
<b>CEFID</b> .....	Mortgages and pledges	69,763	60,146
<b>CERBA</b> .....	Mortgages and pledges	66,762	64,691
	Others		3,692
<b>BARC NV</b> .....	Mortgages and pledges	125,140	128,062
<b>CRI</b> .....	Mortgages and pledges	63,896	70,707
<b>LBS</b> .....	Mortgages and pledges	36,226	37,856
<b>LLAM SA</b> .....	Guarantees		163
	Commitments under no-cancellable lease	25,665	4,693
	Mortgages and pledges	4,777	2,026
	Others		1,778
<b>BIOTOP</b> .....	Guarantees	5,401	6,515
	Commitments under no-cancellable lease	4,456	5,178
<b>BIOLILLE</b> .....	Commitments under no-cancellable lease	1,421	1,677
	Mortgages and pledges	454	1,419
<b>BIOREUNION</b> .....	Commitments under no-cancellable lease	2,366	2,832
<b>CBCV</b> .....	Commitments under no-cancellable lease	2,170	2,518
	Mortgages and pledges	1,148	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.

### 6.25.2 Commitments received

(In thousands of euro)	Nature	Value at 30 September 2014	Value at 31 December 2013
<b>Group CEL</b> .....	Acquisition credit facility		
	Others	50,000	50,000
<b>CERBA</b> .....	Revolving credit facility		
	Acquisition credit facility		
	Guarantees		3,097
	Mortgages and pledges	1,928	
<b>BIOPYRENEES</b> .....	Guarantees	630	1,188
<b>BIOREUNION</b> .....	Guarantees		358
<b>BIOTOP</b> .....	Guarantees		4,894
<b>CBCV</b> .....	Guarantees	338	408
<b>LLAM SA</b> .....	Guarantees		2
	<b>Total</b>	<b>52,896</b>	<b>59,947</b>

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.

## **6.26 Subsequent events**

The group has announced on January 16, 2015 the acquisition of Novescia for an enterprise value of approximately €275 million.

Launch of the legal process of simplification within the Business Unit “Marseille” following the acquisition of the JS Bio Group in May 2014.

# **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'Aumône**

*This report contains 54 pages*

## **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
<b>Assets</b>			
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
<b>Non-current assets</b> .....		<b>769,821</b>	<b>729,940</b>
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
<b>Current assets</b> .....		<b>134,789</b>	<b>112,082</b>
<b>Total assets</b> .....		<b>904,611</b>	<b>842,022</b>
<b>Equity and liabilities</b>			
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
<b>Total equity</b> .....	<b>4</b>	<b>322,954</b>	<b>318,683</b>
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
<b>Non-current liabilities</b> .....		<b>468,986</b>	<b>395,730</b>
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
<b>Current liabilities</b> .....		<b>112,670</b>	<b>127,609</b>
<b>Total equity and liabilities</b> .....		<b>904,611</b>	<b>842,022</b>



## 2 Consolidated income statement

(In thousands of euro)

	Notes	31 December 2013	31 December 2012
<b>Net sales</b> .....	<b>6.7</b>	<b>351,586</b>	<b>325,750</b>
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)
<b>Operating income (loss)</b> .....		<b>52,875</b>	<b>(9,181)</b>
Cost of net debt .....		(32,465)	(53,809)
Other financial income .....		443	625
Other financial expenses .....		(1,307)	(518)
<b>Financial income (expense)</b> .....	<b>6.10</b>	<b>(33,329)</b>	<b>(53,702)</b>
<b>Pretax income (expense)</b> .....		<b>19,546</b>	<b>(62,884)</b>
Income tax .....	6.11.1	(11,988)	(15,744)
<b>Profit (loss)</b> .....		<b>7,557</b>	<b>(78,628)</b>
<i>Attributable to owners of the Company</i> .....		<i>5,109</i>	<i>(80,493)</i>
<i>Attributable to non-controlling interests</i> .....		<i>2,449</i>	<i>1,866</i>

### 3 Consolidated statement of comprehensive income

(In thousands of euro)

	Notes	31 December 2013	31 December 2012
<b>Profit (Loss)</b> .....	<b>2</b>	<b>7,557</b>	<b>(78,628)</b>
<b>Recyclable items through profit</b>			
<i>Foreign currency translation differences</i> .....	<i>4</i>	<i>(691)</i>	<i>(135)</i>
<b>Non-recyclable items through profit</b>			
<i>Actuarial gains and losses on defined benefit obligations</i> .....		<i>(105)</i>	<i>(250)</i>
<i>Tax impacts on actuarial gains and losses on defined benefit obligations</i> .....		<i>36</i>	<i>83</i>
<b>Gain and losses recognised directly in equity</b> .....		<b>(760)</b>	<b>(302)</b>
<b>Total comprehensive income for the period</b> .....	<b>4</b>	<b>6,798</b>	<b>(78,929)</b>
<i>Attributable to owners of the Company</i> .....		<i>4,694</i>	<i>(80,717)</i>
<i>Attributable to non-controlling interests</i> .....		<i>2,173</i>	<i>1,788</i>

**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
<b>Opening position at 1st January 2012 .....</b>	<b>807</b>	<b>249,774</b>	<b>19,695</b>	<b>284</b>	<b>(291)</b>	<b>270,269</b>	<b>5,170</b>	<b>275,439</b>
<b>Total comprehensive income for the period .....</b>	—	—	—	—	—	—	—	—
Net income (loss) for the period .....	—	—	(80,493)	—	—	(80,493)	1,866	(78,628)
Total other comprehensive income .....	—	—	—	(167)	(57)	(224)	(78)	(301)
<b>Total comprehensive income for the period .....</b>	<b>—</b>	<b>—</b>	<b>(80,493)</b>	<b>(167)</b>	<b>(57)</b>	<b>(80,717)</b>	<b>1,788</b>	<b>(78,929)</b>
<b>Transactions with owners of the Company, recognised directly in equity .....</b>	—	—	—	—	—	—	—	—
<b>Contributions by and distributions to owners of the Company .....</b>	—	—	—	—	—	—	—	—
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 deferred tax .....	1	166,865	(48,819)	—	—	118,047	—	118,047
Own shares sold .....	—	—	—	—	—	—	—	—
Dividends .....	—	—	—	—	—	—	(1,198)	(1,198)
Others .....	—	—	384	—	—	384	(37)	347
<b>Total contributions by and distribution to owners of the Company .....</b>	<b>3</b>	<b>167,037</b>	<b>(47,731)</b>	<b>—</b>	<b>—</b>	<b>119,309</b>	<b>2,371</b>	<b>121,680</b>
<b>Changes in ownership interests in subsidiaries .....</b>	—	—	—	—	—	—	—	—
Non-controlling interests at acquisition of the subsidiary .....	—	—	—	—	—	—	492	492
<b>Total transactions with owners of the Company .....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>492</b>	<b>492</b>
<b>Closing position at 31 December 2012 .....</b>	<b>810</b>	<b>416,811</b>	<b>(108,529)</b>	<b>117</b>	<b>(348)</b>	<b>308,861</b>	<b>9,822</b>	<b>318,683</b>

	Share capital	Share premium	Retained earnings	Actuarial differences	Translation differences	Total	Non- controlling interests	Total equity
<b>Opening position at 1st January 2013 .....</b>	<b>810</b>	<b>416,811</b>	<b>(108,529)</b>	<b>117</b>	<b>(348)</b>	<b>308,861</b>	<b>9,822</b>	<b>318,683</b>
<b>Total comprehensive income for the period .....</b>								
Profit (loss) for the period .....			5,109			5,109	2,449	7,557
Total other comprehensive income .....				(19)	(396)	(415)	(276)	(691)
<b>Total comprehensive income for the period .....</b>	<b>—</b>	<b>—</b>	<b>5,109</b>	<b>(19)</b>	<b>(396)</b>	<b>4,694</b>	<b>2,173</b>	<b>6,867</b>
<b>Transactions with owners of the Company, recognised directly in equity .....</b>								
<b>Contributions by and distributions to owners of the Company .....</b>								
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)
<b>Total contributions by and distribution to owners of the Company .....</b>	<b>—</b>	<b>—</b>	<b>(2,088)</b>	<b>—</b>	<b>—</b>	<b>(2,088)</b>	<b>(497)</b>	<b>(2,585)</b>
<b>Changes in ownership interests in subsidiaries .....</b>								
Non-controlling interests at acquisition of the subsidiary .....						—	(11)	(11)
<b>Total transactions with owners of the Company .....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(11)</b>	<b>(11)</b>
<b>Closing position at 31 December 2013 .....</b>	<b>810</b>	<b>416,811</b>	<b>(105,509)</b>	<b>98</b>	<b>(743)</b>	<b>311,468</b>	<b>11,486</b>	<b>322,954</b>

**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)
<b>Net cash provided by (used in) operating activities .....</b>		<b>68,308</b>	<b>37,592</b>
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
<b>Net cash provided by (used in) investing activities .....</b>		<b>(47,126)</b>	<b>(27,758)</b>
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)	—
<b>Net cash provided by (used in) financing activities .....</b>		<b>8,973</b>	<b>(1,139)</b>
Effect of exchange rate fluctuations on cash held .....		(20)	69
<b>Net increase (decrease) in cash and cash equivalents.....</b>		<b>30,134</b>	<b>8,765</b>
<i>Cash and cash equivalents at beginning of period.....</i>	6.20	33,471	24,706
<i>Cash and cash equivalents at end of period ..</i>	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 probable 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, approved and 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](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 Divestment 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)	<u>4 years</u>

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	<u>5 - 10 years</u>

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

Integrated companies	31 December 2013			31 December 2012			Address	Country
	Consolidati on method	% control	% interests	Consolidati on method	% control	% interests		
<b>Cerba European Lab SAS</b> <b>(formerly Financière Gaillon 12)</b>	<b>Parent company</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>Parent company</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>Saint-Ouen-l'Aumône</b>	<b>France</b>
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 .....					100.00 %			
				FC	%	97.72%	Paris	France
Biolille .....	FC	39.16%	71.18%	FC	48.90%	71.27%	Lille	France
Biotop Développement ....	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.....		100.00 %			100.00 %			
	FC	%	71.38%	FC	%	74.67%	Marseille	France
Cefid .....		100.00 %	100.00 %		100.00 %	100.00 %	Saint-Ouen-l'Aumône	
	FC	%	%	FC	%	%		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 %		100.00 %	100.00 %	Saint-Ouen-l'Aumône	
	FC	%	%	FC	%	%		France
CRI .....		100.00 %	100.00 %		100.00 %	100.00 %		
	FC	%	%	FC	%	%	Zwijnarde	Belgium
GD Bio .....					100.00 %			
					%	97.72%	Paris	France
Gendrault Mancy Tollobre .....					100.00 %			
		%	97.72%		%	97.72%	Paris	France
Laboraco .....		100.00 %	100.00 %		100.00 %	100.00 %		
	FC	%	%	FC	%	%	Vorst	Belgium
Laboratoire Cerba.....							Saint-Ouen-l'Aumône	
	FC	25.00%	99.85%	FC	25.00%	99.85%		France
Laboratoire Petite Ile .....							Petite Ile La Réunion	
		90.00%	67.66%		90.00%	67.66%		France
LBS.....		100.00 %	100.00 %		100.00 %	100.00 %		
	FC	%	%	FC	%	%	Bruxelles	Belgium
LLAM SA.....		100.00 %	100.00 %		100.00 %	100.00 %		Luxembourg
	FC	%	%	FC	%	%	Esch-sur-Alzette	
Biobaie.....	FC	49.00%	73.70%	FC	49.00%	73.70%	Plérin	France
VGS La Réunion Selas ....							Le Port, La Réunion	
	FC	46.96%	79.65%	FC	44.22%	75.18%		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 .....		100.00 %			100.00 %			
	FC	%	50.94%	FC	%	50.92%	Amiens	France

	31 December 2013			31 December 2012			Address	Country
	Consolidati on method	% control	% interests	Consolidati on method	% control	% interests		
<b>Integrated companies</b>								
<b>Cerba European Lab SAS (formerly Financière Gaillon 12)</b>	<b>Parent company</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>Parent company</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>Saint-Ouen-l'Au mône</b>	<b>France</b>
Chaouat Heurzeau Bieder .....	FC	99.98%	97.33%	FC			Aubervilliers Quartier	France
Bionord .....		100.00 %	79.65%	FC			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

	31 December 2013			31 December 2012			Comments
	Consolidation method	% control	% interests	Consolidation method	% control	% interests	
<b>Transfer of assets</b>							
Biocreat SELAS .....							UTH in Centre Biologique du Chemin Vert in 2013
				FC	100.00%	100.00%	
Gendrault Mancy Tollobre .....							UTH in Centre Biologique du Chemin Vert in 2013
				FC	100.00%	100.00%	
GD Bio .....							UTH in Centre Biologique du Chemin Vert in 2013
				FC	100.00%	100.00%	
Bionord .....							UTH in Bioréunion in 2013
				FC	100.00%	100.00%	
LABM de la plaine des CAFRES .....							UTH in Bioréunion in 2013
				FC	100.00%	100.00%	
Laboratoire Petite Ile .....							UTH in Bioréunion in 2013
				FC	100.00%	100.00%	

	31 December 2013			31 December 2012			Comments
	Consolidation method	% control	% interests	Consolidation method	% control	% interests	
<b>New consolidated entities</b>							
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)
<b>Net sales .....</b>	<b>351,586</b>	<b>325,750</b>

## 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
<b>Net sales .....</b>	<b>351,586</b>	<b>325,750</b>

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
<b>Total .....</b>	<b>(5)</b>	<b>3,919</b>

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)
<b>Personnel expenses .....</b>	<b>(116,267)</b>	<b>(108,074)</b>

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
<i>Change in fair value (product)</i> .....	5,585	
<i>Net return on cash equivalents</i> .....	413	18
Financial income .....	5,998	18
<i>Interest on bonds</i> .....	(28,292)	(23,545)
<i>Interests on bank loans</i> .....	(3,373)	(24,694)
<i>Interests on derivatives</i> .....	(4,402)	(4,832)
<i>Other interests</i> .....	(2,397)	(757)
Finance cost .....	(38,463)	(53,827)
<b>Net cost of debt</b> .....	<b>(32,465)</b>	<b>(53,809)</b>
Other financial income .....	443	625
Other financial expenses .....	(1,307)	(518)
<b>Net financial income (loss)</b> .....	<b>(33,329)</b>	<b>(53,702)</b>

## 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)
<b>Income tax</b> .....	<b>(11,988)</b>	<b>(15,744)</b>

### 6.11.2 Reconciliation between theoretical income tax and effective income tax

(In thousands of euro)	31 December 2013	31 December 2012
<b>Tax rate</b> .....	<b>34.43%</b>	<b>33.33%</b>
<b>Consolidated profit (loss), after tax</b> .....	<b>7,557</b>	<b>(78,628)</b>
Income tax .....	(11,988)	(15,744)
<b>Consolidated profit (loss) before tax</b> .....	<b>19,546</b>	<b>(62,884)</b>
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)



(In thousands of euro)	31 December 2013	31 December 2012
Other items .....	124	(554)
<b>Effective tax expense .....</b>	<b>(11,988)</b>	<b>(15,744)</b>

## 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
<b>Net assets acquired .....</b>	<b>11.1</b>
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)
<b>Net assets acquired (liabilities assumed) restated at fair value (100%) .....</b>	<b>(3.5)</b>
<b>Share in fair value of net assets acquired .....</b>	<b>(3.5)</b>
<b>Acquisition price .....</b>	<b>34.1</b>
<b>Goodwill.....</b>	<b>37.5</b>

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 .....	—
<b>Net cash outflow on acquisitions.....</b>	<b>32.6</b>
Debt payment on acquisitions in prior years.....	5.8
Acquisitions of additional shares in 2013.....	1.3
Disposals of subsidiaries .....	(1.1)
<b>Impact of changes in consolidation .....</b>	<b>38.5</b>

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	30/06/2013 Chaouat Heurzeau Bieder	01/06/2013 Bionord	20/12/2013 Centre de biologie médicale	20/12/2013 BIO76	31 December 2013 Pro forma 12 months
<b>Net sales .....</b>	<b>351,586</b>	<b>2,849</b>	<b>1,042</b>	<b>13,005</b>	<b>1,846</b>	<b>370,327</b>
<b>Profit (Loss).....</b>	<b>7,557</b>	<b>118</b>	<b>16</b>	<b>1,238</b>	<b>—</b>	<b>8,930</b>

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
<b>Gross value at 31 December</b> .....	<b>647,792</b>
Impairment at 1 January .....	(48,500)
Impairment for the period .....	—
<b>Impairment at 31 December</b> .....	<b>(48,500)</b>
Net value at 1 January .....	561,526
<b>Net value at 31 December</b> .....	<b>599,292</b>

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
<b>Total</b> .....	<b>561.5</b>	<b>32.1</b>	<b>5.7</b>	<b>—</b>	<b>599.3</b>

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)	<u>Test margin</u>	<u>Discount rate for cash flows 0.5%</u>	<u>Growth rate to infinity -0.5%</u>	<u>Combination of two factors</u>
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)
<b>Total.....</b>	<b>221.6</b>	<b>(73.8)</b>	<b>(57.9)</b>	<b>(122.2)</b>

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
<b>Intangible assets—Gross value .....</b>	<b>147,173</b>	<b>849</b>	<b>9,133</b>	<b>(412)</b>	<b>(6,341)</b>	<b>(30)</b>	<b>(17)</b>	<b>150,352</b>

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)
<b>Intangible assets—Accumulated amortisation and impairment.....</b>	<b>(28,456)</b>	<b>(442)</b>	<b>(9,559)</b>	<b>425</b>	<b>(70)</b>	<b>—</b>	<b>17</b>	<b>(38,083)</b>
<b>Intangible assets—Net value.....</b>	<b>118,717</b>	<b>407</b>	<b>(426)</b>	<b>13</b>	<b>(6,411)</b>	<b>(30)</b>	<b>—</b>	<b>112,269</b>

## 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
<b>Property, Plant and equipment—gross.....</b>	<b>118,697</b>	<b>6,350</b>	<b>14,395</b>	<b>(4,750)</b>	<b>12,906</b>	<b>(94)</b>	<b>1</b>	<b>(782)</b>	<b>(901)</b>	<b>145,822</b>

### 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
<b>Lease property, plant and equipment—gross .....</b>	<b>60,624</b>

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)
<b>Lease property, plant and equipment—accumulated depreciation .....</b>	<b>(29,976)</b>
<b>Lease property, plant and equipment—net .....</b>	<b>30,648</b>

#### 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)
<b>Total .....</b>	<b>1,797</b>	<b>2,916</b>

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
<b>Net deferred tax .....</b>	<b>(36,985)</b>	<b>(49)</b>	<b>(117)</b>	<b>2,561</b>	<b>(34,589)</b>

<i>Of which deferred tax assets</i> .....	1,282	35	(130)	279	1,467
<i>Of which deferred tax liabilities</i> .....	(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
<b>Inventories (gross value)</b> .....	<b>6,019</b>	<b>5,618</b>
<b>Impairment of inventories</b> .....	<b>(157)</b>	<b>(64)</b>
<b>Inventories (net value)</b> .....	<b>5,862</b>	<b>5,554</b>

## 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)
<b>Carrying amount</b> .....	<b>53,962</b>	<b>58,735</b>

Changes in accumulated impairment of trade receivables break down as follows:

(In thousands of euro)	31 December 2013
<b>Impairment of trade receivables—Opening</b> .....	<b>(3,742)</b>
Additions .....	(1,730)
Reversals .....	2,607
Reclassification .....	—
Translation differences .....	2
Change in consolidation scope .....	(394)
<b>Impairment of trade receivables—Closing</b> .....	<b>(3,257)</b>

## 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)
<b>Total other current assets.....</b>	<b>9,749</b>	<b>8,156</b>

Prepaid expenses at 31 December 2013 included commissions related 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
<b>Total .....</b>	<b>63,764</b>	<b>38,937</b>
Factoring debt .....	—	(3,859)
Bank overdrafts.....	(159)	(1,607)
<b>Total net cash .....</b>	<b>63,605</b>	<b>33,471</b>

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 37	Share premium	Share capital	Share premium	Share capital	Share premium and additional paid-in capital	Share premium and additional paid-in capital	Share capital 37	Share premium and additional paid-in capital —
<b>Increase in share capital:</b>									
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
<b>Total</b> .....	37	—	2	339,824	770	77,004	(18)	810	416,811
<i>In shares</i>									
<b>Outstanding shares at</b>									
<b>31 December 2011</b>									
Fully-paid shares.....	3,700,000		339,826		76,984,779			81,024,605	
Variations of the year.....								—	
<b>Outstanding shares at</b>									
<b>31 December 2012</b>									
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
<b>Total financial liabilities.....</b>	<b>448,419</b>	<b>383,176</b>
<i>Of which non-current financial liabilities.....</i>	<i>419,180</i>	<i>344,128</i>
<i>Of which current financial liabilities .....</i>	<i>29,239</i>	<i>39,048</i>

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
<b>Opening position</b>	<b>383,176</b>
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)
<b>Closing position</b>	<b>448,419</b>

#### 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	—	—	—	—
<b>Total financial liabilities</b>	<b>448,419</b>	<b>29,304</b>	<b>13,067</b>	<b>10,753</b>	<b>6,449</b>	<b>388,846</b>

(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	—	—
<b>Total financial liabilities</b>	<b>383,176</b>	<b>39,044</b>	<b>210,332</b>	<b>133,799</b>

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
<b>Total bonds and notes</b>	<b>387,797</b>	<b>389,444</b>	<b>(4,309)</b>	<b>(319)</b>	<b>(14,328)</b>	<b>4,548</b>	<b>12,761</b>

(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
<b>Total bonds and notes</b>	<b>79,099</b>	<b>71,571</b>	<b>(4,309)</b>	<b>—</b>	<b>(319)</b>	<b>9,341</b>	<b>2,816</b>

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:

(In thousands of euro)	Total	Fixed rate 31 December 2013	Floating rate 31 December 2013	Total	Fixed rate 31 December 2012	Floating rate 31 December 2012
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	
<b>Total financial liabilities .....</b>	<b>448,419</b>	<b>443,814</b>	<b>4,605</b>	<b>383,176</b>	<b>127,680</b>	<b>255,495</b>

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
<b>Total employee benefits .....</b>	<b>5,079</b>	<b>4,380</b>
<i>Of which:</i>		
<i>Employee benefit obligations .....</i>	<i>5,618</i>	<i>4,932</i>
<i>Plan assets .....</i>	<i>(478)</i>	<i>(552)</i>

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
<b>Defined benefit obligation at 1 January</b> .....	<b>4,380</b>	<b>3,861</b>
<i>Current service cost</i> .....	268	217
<i>Interest cost</i> .....	137	146
<b>Current service cost and interest cost</b> .....	<b>405</b>	<b>364</b>
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)
<b>Defined benefit obligation at closing date</b> .....	<b>4,495</b>	<b>4,380</b>

### 6.23.2 Net income (expense) recognised in profit or loss

(In thousands of euro)

	31 December 2013	31 December 2012
<i>Current services costs</i> .....	(268)	(217)
<i>Interest cost</i> .....	(137)	(146)
<b>Current service cost and interest cost</b> .....	<b>(405)</b>	<b>(364)</b>
Financial income from plan assets .....	21	12
Curtailments and settlements system .....	221	77
<b>Income (Expense) recognised in profit or loss</b> .....	<b>(163)</b>	<b>(275)</b>

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.

	Management	Other employees	Management	Other employees
	31 December 2013		31 December 2012	
<b>Discount rate at 31 December</b> .....	3.25%		3.00%	
<b>Expected return on plan assets at 1 January</b> .....			3.50%	
<b>Salary increase rate</b>				
- 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%
<b>Employer contributions</b> .....	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%
<b>Retirement age</b> .....	65 years	62 years	65 years	62 years
<b>Mortality table</b> .....	INSEE		INSEE	
	F 2008 - 2010		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
<b>Non-current provisions....</b>	<b>3,795</b>	<b>247</b>	<b>765</b>	<b>(226)</b>	<b>(56)</b>	<b>4,525</b>
Provisions for litigation .....	617	(106)	—	(87)	—	424
Provisions for restructuring .....	—	—	—	—	—	—
Other provisions.....	243	(25)	—	(18)	55	255
<b>Current provisions .....</b>	<b>860</b>	<b>(131)</b>	<b>—</b>	<b>(105)</b>	<b>55</b>	<b>679</b>

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
<b>Total other non-current liabilities .....</b>	<b>4,147</b>	<b>4,608</b>

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
<b>Total trade and other payables .....</b>	<b>40,440</b>	<b>43,322</b>

## 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
<b>Total other current liabilities .....</b>	<b>33,592</b>	<b>37,187</b>

## 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	< 3 months	3 to 6 months	6 months to 1 year	More than 1 year	Overdue and depreciated
					Overdue and undepreciated		
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	—	—	—
<b>Total receivables, gross.....</b>	<b>59,006</b>	<b>55,032</b>	<b>1,306</b>	<b>63</b>	<b>148</b>	<b>2,457</b>

(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		
<b>Total receivables, gross.....</b>	<b>71,124</b>	<b>65,847</b>	<b>5,277</b>	<b>—</b>

#### 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	Up to 1 year	1 to 5 years	Over 5 years
			Breakdown of contractual cash flows		
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	—	—	—	—
<b>Total .....</b>	<b>429,054</b>	<b>656,218</b>	<b>35,712</b>	<b>94,405</b>	<b>526,101</b>
IFRS restatement on convertible bonds and H-YIELD bond .....	(14,328)				
IFRS restatement on other borrowings .....	—				
Finance lease liabilities.....	33,693				
<b>Total .....</b>	<b>448,419</b>				

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:

	Exchange rate at 31 December	Average rate at 31 December 2013	Exchange rate at 31 December	Average rate at 31 December 2012
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	Fair value 31 December 2013	Fair value 31 December 2012
<b>Pay fixed-rate swap</b>				
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)
<b>Total pay fixed-rate swap .....</b>		<b>292,962</b>	<b>(898)</b>	<b>(4,563)</b>
<b>A-month Euribor pay</b>				
<b>Swap + Margin for 3-month Euribor</b>				
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)
<b>Total pay floating-rate swap .....</b>		<b>200,000</b>		<b>(1,920)</b>
<b>Total derivative instruments .....</b>			<b>(898)</b>	<b>(6,483)</b>

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:

(In thousands of euro)	Assets at fair value through profit or loss	Loans and receivables	Fair value 31 December 2013	Assets at fair value through profit or loss	Loans and receivables	Fair value 31 December 2012
<b>Non-current</b>						
Other non-current assets		1,797	1,797		2,916	2,916
<b>Current</b>						
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
<b>Financial assets .....</b>	<b>10,067</b>	<b>119,205</b>	<b>129,272</b>		<b>108,744</b>	<b>108,744</b>

(In thousands of euro)	Derivative instruments at fair value through profit or loss	Liabilities measured at amortised cost	Fair value 31 December 2013	Derivative instruments at fair value through profit or loss	Liabilities measured at amortised cost	Fair value 31 December 2012
<b>Non-current</b>						
Non-current financial liabilities .....		419,180	419,180		344,128	344,128
Other non-current liabilities .....		4,147	4,147		4,608	4,608
<b>Current</b>						
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
<b>Financial liabilities .....</b>	<b>898</b>	<b>525,700</b>	<b>526,598</b>	<b>6,483</b>	<b>461,810</b>	<b>468,293</b>

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)	Level 1	Level 2	Level 3	Total
	Breakdown by category			
<b>At 31 December 2013</b>				
Liabilities				
Cash equivalents .....	63,764			63,764
Derivative instruments .....		898		898
<b>Total financial liabilities .....</b>	<b>63,764</b>	<b>898</b>	<b>—</b>	<b>64,662</b>
<b>At 31 December 2012</b>				
Liabilities				
Cash equivalents .....	38,937			38,937
Derivative instruments .....		6,483		6,483
<b>Total financial liabilities .....</b>	<b>38,937</b>	<b>6,483</b>	<b>—</b>	<b>45,420</b>

### 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
<b>Total .....</b>	<b>16,893</b>	<b>3,425</b>	<b>11,848</b>	<b>1,620</b>

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
<b>Cerba European Lab</b> ..... <b>(formerly Financière Gaillon 12)</b>	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	
<b>CEFID</b> .....	Mortgages and pledges	60,146	
<b>CERBA</b> .....	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	
<b>BARC NV</b> .....	Mortgages and pledges	128,062	50,938
<b>CRI</b> .....	Mortgages and pledges	70,707	70,706
<b>BARC Finance</b> .....	Pledge of bank accounts		5,957
	Pledge of intra-group loans		3,702
<b>LBS</b> .....	Pledge of LLAM SA securities (formerly LLAM Project)		31,221
	Mortgages and pledges	37,856	
<b>LLAM SA</b> .....	Guarantees	163	
	Commitments under no-cancellable leases	4,693	
	Mortgages and pledges	2,026	
	Others	1,778	
<b>NOTRE DAME</b> .....	Pledge parts of SELARL LABO ND		1,158
<b>BIOTOP</b> .....	Guarantees	6,515	
	Commitments under no-cancellable leases	5,178	
<b>BIOLILLE</b> .....	Commitments under no-cancellable leases	1,677	
	Mortgages and pledges	1,419	
<b>BIOREUNION</b> .....	Commitments under no-cancellable leases	2,832	
<b>CBCV</b> .....	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
<b>Group CEL</b> .....	Acquisition credit facility		45,000
	Others	50,000	
<b>CERBA</b> .....	Revolving credit facility		10,000
	Acquisition credit facility		50,000
	Guarantees	3,097	
<b>BIOPYRENEES</b> .....	Guarantees	1,188	
<b>BIOREUNION</b> .....	Guarantees	358	
<b>BIOTOP</b> .....	Guarantees	4,894	
<b>CBCV</b> .....	Guarantees	408	
<b>LLAM SA</b> .....	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
<b>Consolidated statement of Financial Position</b>				
Other current assets..	<i>Cash advances</i>	<i>Cerberus Nightingale 2</i>	<b>5,820</b>	0
Current financial liabilities .....	<i>Shareholder loans</i>	<i>Cerberus Nightingale 2</i>	<b>4,876</b>	6,876
Non-current financial liabilities and equity .....	<i>Convertible bonds including equity instruments</i>	<i>Cerberus Nightingale 2</i>	<b>11,076</b>	10,056
Non-current financial liabilities .....	<i>Other bond issues</i>	<i>BIOPART</i>	<b>10,691</b>	10,627

(In thousands of euro)	Nature	Partners	31 December 2013	31 December 2012
<b>Income statement</b>				
Other financial income .....	<i>Related to cash advances</i>	<i>MGCI</i>		16
Cost of net debt.....	<i>Related to shareholder loans</i>	<i>Cerberus Nightingale 2</i>	<b>(555)</b>	(1,045)

Cost of net debt.....	<i>Related to shareholder loans</i>	<i>Cerberus Nightingale 2</i>	<b>0</b>	(682)
Cost of net debt.....	<i>Related to convertible bonds</i>	<i>Cerberus Nightingale 2</i>	<b>(1,574)</b>	(14,728)
Cost of net debt.....	<i>Related to other bond issues</i>	<i>BIOPART</i>	<b>(1,181)</b>	(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.



# **Cerba European Lab**

## **Consolidated financial statements**

**for the year ended 31 December 2012**

**Cerba European Lab**

**French simplified joint-stock company (*société par actions simplifiée*)**

**with share capital of €810,246.05**

**ZI Les Béthunes**

**7/11 rue de l'Equerre**

**95310 Saint-Ouen-l'Aumône**

*This report contains 52 pages*

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## **Cerba European Lab**

### **Statutory auditors' report on the consolidated financial statements**

#### **Year ended December 31, 2012**

*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, 2012

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, 2012, 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, 2012 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, 2012 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, 2012 based on the methods described in the note 6.6 "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 note to the consolidated financial statements provides 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 26, 2013

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 euros)

	Notes	31 December 2012	31 December 2011 restated(1)
<b>Assets</b>			
Goodwill .....	6.6	561,526	579,099
Intangible assets .....	6.7	118,717	127,256
Property, plant and equipment .....	6.8	42,914	38,092
Equity-accounted associates .....		—	—
Non-current tax assets .....		2,585	1,377
Other non-current assets .....	6.9	2,916	1,667
Deferred tax assets .....	6.10	1,282	913
<b>Non-current assets</b> .....		<b>729,940</b>	<b>748,404</b>
Inventories .....	6.11	5,554	4,883
Trade receivables .....	6.12	58,735	53,140
Current tax assets .....		700	663
Other current assets .....	6.13	8,156	11,304
Cash and cash equivalents .....	6.14	38,937	26,537
<b>Current assets</b> .....		<b>112,082</b>	<b>96,528</b>
<b>Total assets</b> .....		<b>842,022</b>	<b>844,931</b>
<b>Equity and Liabilities</b>			
<i>Share capital</i> .....	6.15	810	807
<i>Share premium</i> .....	6.15	416,811	249,774
<i>Retained earnings</i> .....		(27,919)	46,856
<i>Profit (loss) for the period, attributable to owners of the Company</i> .....		(80,493)	(26,878)
<i>Foreign currency translation reserve</i> .....		(348)	(291)
Equity attributable to owners of the company .....		308,861	270,268
<i>Non-controlling interests—reserves</i> .....		7,956	2,181
<i>Non-controlling interests—profit (loss)</i> .....		1,866	2,989
Non-controlling interests .....		9,822	5,170
<b>Total equity</b> .....	<b>4</b>	<b>318,683</b>	<b>275,439</b>
Non-current financial liabilities .....	6.16	344,128	400,568
Employee benefits .....	6.17	4,932	3,861
Non current provisions .....	6.18	3,795	4,044
Deferred tax liabilities .....	6.10	38,267	58,162
Other non current liabilities .....	6.19	4,608	5,088
<b>Non-current liabilities</b> .....		<b>395,730</b>	<b>471,723</b>
Current financial liabilities .....	6.16	39,048	21,890
Current provisions .....	6.18	860	650
Trade payables .....	6.20	43,322	36,346
Current tax liabilities .....		7,193	2,485
Other current liabilities .....	6.21	37,187	36,398
<b>Current liabilities</b> .....		<b>127,609</b>	<b>97,769</b>
<b>Total equity and liabilities</b> .....		<b>842,022</b>	<b>844,931</b>

- (1) Amounts at 31 December 2011 have been adjusted in accordance with IAS 8—Accounting Policies, Changes in Accounting Estimates and Errors. See Note 6.29

**2 Consolidated income statement**  
(In thousands of euros)

		2011	2011
	Notes	2012	(12 months)(1)
		(18 months)(1)	(18 months)(1)
<b>Net sales</b> .....	<b>6.22</b>	<b>325,750</b>	<b>278,662</b>
Consumption of materials and supplies .....		(72,285)	(66,806)
Other purchases and external expenses.....		(78,441)	(62,759)
Taxes and duties .....		(7,632)	(5,520)
Personnel expenses .....	6.24	(108,074)	(89,365)
Net change in depreciation and amortisation .....		(23,918)	(21,257)
Other income .....	6.23	5,054	6,146
Other expenses.....	6.23	(1,135)	(3,050)
Goodwill impairment.....	6.6	(48,500)	—
<b>Operating income (loss)</b> .....		<b>(9,181)</b>	<b>36,050</b>
Cost of net debt.....		(53,809)	(38,716)
Other financial income.....		625	603
Other financial expenses.....		(518)	(809)
<b>Financial income (expense)</b> .....	<b>6.25</b>	<b>(53,702)</b>	<b>(38,922)</b>
<b>Pretax income (expense)</b> .....		<b>(62,884)</b>	<b>(2,872)</b>
Income tax .....	6.26.1	(15,744)	(7,334)
<b>Profit (loss)</b> .....		<b>(78,628)</b>	<b>(10,206)</b>
<i>C to owners of the Company</i> .....		<i>(80,493)</i>	<i>(12,446)</i>
<i>Attributable to non-controlling interests</i> .....		<i>1,866</i>	<i>2,240</i>

Historical data relating to the 12-month period ended 31 December 2011 have been presented for comparison purposes only.

- (1) Amounts at 31 December 2011 have been adjusted in accordance with IAS 8—Accounting Policies, Changes in Accounting Estimates and Errors. See Note 6.29.



**3 Consolidated statement of comprehensive income**  
(in thousands of euros)

		2011	2011
	Notes	2012	(12 months)(1)
		(18 months)(1)	(18 months)(1)
<b>Profit (loss)</b> .....	<b>2</b>	<b>(78,628)</b>	<b>(10,206)</b>
<i>Foreign currency translation differences</i> .....		<i>(135)</i>	<i>(410)</i>
<i>Actuarial gains and losses on defined benefit obligations</i> .....		<i>(250)</i>	<i>284</i>
<i>Tax impacts on actuarial gains and losses on defined benefit obligations</i> .....		<i>83</i>	
<b>Gain and losses recognised directly in equity</b> ....		<b>(301)</b>	<b>(126)</b>
<b>Total comprehensive income (expense) for the period</b> .....	<b>4</b>	<b>(78,929)</b>	<b>(10,332)</b>
<i>Attributable to owners of the Company</i> .....		<i>(80,717)</i>	<i>(12,414)</i>
<i>Attributable to non-controlling interests</i> .....		<i>1,788</i>	<i>2,082</i>

Historical data relating to the 12-month period ended 31 December 2011 have been presented for comparison purposes only.

- (1) Amounts at 31 December 2011 have been adjusted in accordance with IAS 8—Accounting Policies, Changes in Accounting Estimates and Errors. See Note 6.29.

**4 Consolidated statement of changes in equity**  
(In thousands of euros)

	Share capital	Share premium	Retained earnings	Actuarial differences	Translation differences	Total	Non- controlling interests	Total equity
<b>Opening position at</b>								
<b>15 July 2010 .....</b>	<b>37</b>		<b>(5)</b>			<b>32</b>		<b>32</b>
<b>Total comprehensive</b>								
<b>income for the period</b>								
Profit (loss) for the period...			(26,878)			(26,878)	2,989	(23,889)
Total other comprehensive								
income .....			(37)	284	(291)	(44)	(94)	(138)
<b>Total comprehensive</b>								
<b>income (expense) for</b>								
<b>the period .....</b>	<b>—</b>	<b>—</b>	<b>(26,915)</b>	<b>284</b>	<b>(291)</b>	<b>(26,922)</b>	<b>2,895</b>	<b>(24,027)</b>
<b>Transactions with owners</b>								
<b>of the Company,</b>								
<b>recognised directly in</b>								
<b>equity .....</b>						—		—
<b>Contributions by and</b>								
<b>distributions to owners</b>								
<b>of the Company .....</b>						—		—
Issue of ordinary shares .....	770	249,774				250,544		250,544
Issue of convertible bonds ..			45,519			45,519		45,519
Dividends .....						—	(1,579)	(1,579)
Other .....			—			—	(4)	(4)
<b>Total contributions by</b>								
<b>and distribution to</b>								
<b>owners of the Company</b>	<b>770</b>	<b>249,774</b>	<b>46,615</b>	<b>—</b>	<b>—</b>	<b>297,159</b>	<b>(1,583)</b>	<b>295,576</b>
<b>Changes in ownership</b>								
<b>interests in subsidiaries</b>								
Non-controlling interests at								
acquisition of the								
subsidiary .....						—	3,858	3,858
<b>Total transactions with</b>								
<b>owners of the Company</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,858</b>	<b>3,858</b>
<b>Closing position at</b>								
<b>31 December 2011 .....</b>	<b>807</b>	<b>249,774</b>	<b>19,695</b>	<b>284</b>	<b>(291)</b>	<b>270,269</b>	<b>5,170</b>	<b>275,439</b>
	Share capital	Share premium	Retained earnings	Actuarial differences	Translation differences	Total	Non- controlling interests	Total equity
<b>Opening position at</b>								
<b>1 January 2012</b>								
<b>restated .....</b>	<b>807</b>	<b>249,774</b>	<b>19,695</b>	<b>284</b>	<b>(291)</b>	<b>270,269</b>	<b>5,170</b>	<b>275,439</b>
<b>Total comprehensive</b>								
<b>income for the period</b>								
Profit (loss) for the period..			(80,493)			(80,493)	1,866	(78,628)
Total other								
comprehensive income ..				(167)	(57)	(224)	(78)	(301)
<b>Total comprehensive</b>								
<b>income (expense) for</b>								
<b>the period .....</b>	<b>—</b>	<b>—</b>	<b>(80,493)</b>	<b>(167)</b>	<b>(57)</b>	<b>(80,717)</b>	<b>1,788</b>	<b>(78,929)</b>
<b>Transactions with</b>								
<b>owners of the</b>								
<b>Company, recognised</b>								
<b>directly in equity .....</b>						—		—

<b>Contributions by and distributions to owners of the Company</b> .....									
Changes in scope .....			704			—			—
Issue of ordinary shares .....	2	172				704	1,231	1,935	
Issue of convertible bonds .	1	166,865	(48,819)			174	2,375	2,549	
Dividends.....						118,047		118,047	
Others.....			384			—	(1,198)	(1,198)	
						384	(37)	347	
<b>Total contributions by and distribution to owners of the Company</b> .....									
	<u>3</u>	<u>167,037</u>	<u>(47,731)</u>	<u>—</u>	<u>—</u>	<u>119,309</u>	<u>2,371</u>	<u>121,680</u>	
<b>Changes in ownership interests in subsidiaries</b> .....									
Non-controlling interests at acquisition of the subsidiary.....						—		—	
						—	492	492	
<b>Total transactions with owners of the Company</b> .....									
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>492</u>	<u>492</u>	
<b>Closing position at 31 December 2012</b> .....									
	<u>810</u>	<u>416,811</u>	<u>(108,529)</u>	<u>117</u>	<u>(348)</u>	<u>308,861</u>	<u>9,822</u>	<u>318,683</u>	

**5 Consolidated cash flow statement**  
(in thousands of euros)

		2011	2011
	Notes	2012	(12 months)(1)
			(18 months)(1)
Profit (loss) for the period.....	2	(78,628)	(10,206)
Amortisation, depreciation and impairment.....		68,620	17,655
Income tax .....	6.26.1	15,744	7,333
Financial income (expense) .....	6.25	53,702	38,922
Items classified as cash flows from investing activities.....		(1,675)	—
Change in working capital .....		(7,242)	458
Income tax paid.....		(12,928)	(10,273)
<b>Net cash provided by operating activities .....</b>		<b>37,592</b>	<b>43,889</b>
Acquisition of property, plant and equipment and intangible assets .....		(10,230)	(9,292)
Disposals of property, plant and equipment and intangible assets .....		316	629
Change in loans and other financial assets.....		2,371	(2,593)
Effect of changes in consolidation scope.....	6.6	(20,414)	(137,988)
Interest received.....		33	2
Change in short-term investments .....		—	1,157
Other changes related to investing activities.....		165	250
<b>Net cash used in investing activities .....</b>		<b>(27,758)</b>	<b>(147,835)</b>
Dividends paid to non-controlling interests .....		(1,199)	(1,582)
Increase in share capital.....		174	30,430
Increase in share capital by non-controlling interests .....		2,376	417
Proceeds from issuance of borrowings .....		29,233	106,118
Repayment of borrowings.....		(12,322)	(13,934)
Finance costs paid.....		(19,401)	(19,308)
Other financial expenses paid .....		—	(278)
<b>Net cash provided by (used in) financing activities .....</b>		<b>(1,139)</b>	<b>101,863</b>
Effect of exchange rate fluctuations on cash and cash equivalents .....		69	(184)
<b>Net increase (decrease) in cash and cash equivalents .....</b>		<b>8,765</b>	<b>(2,267)</b>
<i>Cash and cash equivalents at beginning of period.....</i>	6.14	24,706	26,973
<i>Cash and cash equivalents at end of period .....</i>	6.14	33,471	24,706

## 6 Notes to the consolidated financial statements

### 6.1 Reporting entity

Financière Gaillon 12 SAS merged with Cerba European Lab on 27 June 2012. The merger was backdated to 1 January 2012 and the new entity was renamed Cerba European Lab on 2 July 2012.

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 Company’s first financial reporting period began on 8 June 2010 and ended on 14 July 2010. Its second reporting period was an extraordinary seventeen-and-a-half-month period, from 15 July 2010 to 31 December 2011.

The Group is a leading European player in medical biology with strong positions in first intention healing and highly specialised tests including central laboratory facilities for clinical trials.

Cerberus Nightingale 2 SA holds a 76.66% stake in the Company.

### 6.2 Significant events

The Group continued its policy of external growth. It acquired the following interests during the year (see Note 6.6):

- Laboratoire LABM de Larrard (85.37%) on 1 April 2012; further to the acquisition date, the Group raised its interest in LABM de Larrard to 90.1%;
- Laboratoire GD BIO (100%) on 30 June 2012;
- Laboratoire Petite Ile (100%) on 1 January 2012;
- Laboratoire MedicAnalyses (100%) on 1 July 2012;
- Laboratoire Notre-Dame (51%) on 18 October 2012;
- Laboratoire L Lorient (100%) on 10 December 2012;
- Laboratoire Plaine des Cafres (70%) on 10 December 2012.

The Group also acquired various business premises, the largest of which for €3.1 million based in Dénain, France.

The Group was also reorganised during the year.

The following were transferred onto the books of other entities:

- Biolec and Labo des Fêtes into Centre Biologique du Chemin Vert (CBCV);
- Medicanalyses into Laboratoire de Larrard;
- Alphabio into Biopyrénées;
- Eurolab and Vignoli into Biotop;
- Douaisis and Biometropole into Biolille;
- Financière Bruno Flechet into Cerba;
- Laboratoire du Centre into Bioreunion;
- Labo Technical Equipment into Llam.

- Laboratoire LABM de Larrard was merged into Bioadour under the simplified merger procedure (*fusion simplifiée*).

The Group obtained a new €70 million credit facility for its external growth operations. No amounts had been drawn down under this facility during the year, and the entire amount remains available as of 31 December 2012.

Through Cerba European Lab (formerly Financière Gaillon 12), the Group received an initial advance from Cerberus Nightingale 2 in the amount of €10 million on 6 January 2012, a second advance of €3 million on 21 September 2012 and a third advance of €2 million on 23 December 2012. A total of €8.1 million of this advance was converted into equity on 11 December 2012.

This remaining advance of €6.9 million is repayable in March 2013. If the advances are not fully repaid at the planned date, the terms and conditions applicable will be identical to those applied to the €12 million convertible bonds issued on 21 July 2010 and which mature on 21 July 2025.

On 11 December 2012, the Group undertook a €158.1 million capital increase through the conversion into equity of the bulk of the convertible bonds. The outstanding convertible bonds amount to €9.7 million, breaking down as €4.3 million in equity and €5.4 million in debt.

Laboratoire Cerba set up a factoring contract without credit insurance for its trade receivables with effect from 24 February 2012 (see section 6.4.2.1).

On 31 January 2013, the Group completed a successful issue of €365 million worth of high-yield bonds (see Note 6.31, Subsequent events) which it used to refinance debt issued in July 2010 (senior bank loan and mezzanine debt) and unwind the swap. In accordance with IAS 39, the costs relating to the July 2010 debt issuance are amortised over the term of the loan using the effective interest method.

As of 31 December 2012, the Group considered that the refinancing transaction described above was probable. Accordingly, the new maturity date of the bonds, used for the purposes of calculating the effective interest rate, was set at 31 January 2013. This new assumption led the Group to recognise an additional pre-tax charge of €11.6 million in 2012 (€10.4 million after tax), corresponding to the unamortised portion of the initial issuance costs. These costs had no impact on the consolidated statement of cash flows.

## 6.3 Basis of preparation

### 6.3.1 Statement of compliance

The Group's consolidated financial statements for the year ended 31 December 2012 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the IASB, as approved by the European Union at 31 December 2012. A detailed presentation of these standards is available on the European Commission's website: [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

#### ***Revised standards, amendments and interpretations applicable for accounting periods beginning on or after 1 January 2012***

The new accounting standards and interpretations listed below, applied by the Group for the first time in the consolidated financial statements for the year ended 31 December 2012, had no impact on the consolidated financial statements.

- Amendments to IFRS 7—Financial Instruments: Disclosures—Offsetting Financial Assets and Financial Liabilities, concerning disclosures in connection with the transfer of assets, applicable for accounting periods beginning on or after 1 July 2011. These amendments did not have a material impact on the Group's consolidated financial statements at 31 December 2012.

#### ***New standards, amendments and interpretations published by the IASB but not yet applicable or not early-adopted by the Group:***

- Amendments to IAS 12—Income Taxes—Deferred Tax: Recovery of Underlying Assets, applicable for accounting periods beginning on or after 1 January 2012.
- Amendments to IAS 1—Presentation of Financial Statements—Presentation of Items of Other Comprehensive Income (OCI).
- Amendments to IAS 19—Employee Benefits—Defined Benefit Plans.

- IFRS 9—Financial Instruments—Phase I: Classification and Measurement.
- IFRS 10—Consolidated Financial Statements.
- IFRS 11—Joint Arrangements.
- IFRS 12—Disclosure of Interests in Other Entities.
- IFRS 13—Fair Value Measurement.
- Revised IAS 27—Separate Financial Statements.
- IAS 28—Investments in Associates and Joint Ventures.
- The IFRS annual improvements 2009-2011 cycle.
- Amendments to transition guidance for IFRS 10, IFRS 11 and IFRS 12.

The Group is currently analysing the impact on its consolidated financial statements of the standards published by the IASB at 31 December 2012 but not yet adopted by the EU, however 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 2012 are identical to those used for the consolidated statements at 31 December 2011 with the following exception: since 1 January 2012, the French tax on value added (*contribution sur la valeur ajoutée*—CVAE) has been recognised as income tax expense in application of IAS 12 (see 6.4.14). This tax was previously recorded as an operating expense.

Certain changes have also been made to the manner in which financial instruments are presented and the Group has restated prior periods for comparability in accordance with IAS 8—Accounting Policies, Changes in Accounting Estimates and Errors (see Note 6.29).

### **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 judgements**

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.

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 mainly concern:

- the measurement of the recoverable amount of goodwill (the related assumptions are presented in notes 6.4.3.1 and 6.6);
- obligations under defined benefit plans (assumptions presented in Note 6.17);
- the measurement of deferred tax assets (see Note 6.10).

## 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 2012. All of the subsidiaries close their accounts on 31 December, except for LBS (31 October) and CRI (30 November).

#### 6.4.1.1 Business combinations

Business combinations 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; plus
- the recognised 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 recognised amount (generally the fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised 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.

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.

#### 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.



#### **6.4.1.4 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. 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 Non-derivative financial assets**

The Group initially recognises loans and receivables on the date they originated. All other financial assets are recognised initially on the transaction date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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 and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their value, and which are used by the Group in the management of its short-term commitments.

#### **6.4.2.2 Non-derivative financial liabilities**

The Group initially recognises debt securities and subordinated liabilities on the date they originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the transaction date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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.

#### **6.4.2.3 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 (i) the exercise price and the expected life of the option; (ii) the price of the underlying stock at the grant date; (iii) the expected volatility in the share price; (iv) forecast dividends; and (v) 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.

#### **6.4.2.4 Derivative 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.

#### ***6.4.2.5 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 trial 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.

#### **6.4.3.3 Other 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)	<u>4 years</u>

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**

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.

#### **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	<u>5 - 10 years</u>

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate.

#### **6.4.5 Leased assets**

Leases under which 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.

The asset is subsequently accounted for in accordance with the accounting policy applicable to this type of asset.

Other leases are operating leases and are not recognised as such in the consolidated statement of financial position.

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.

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.

#### **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).

#### **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.

Calculations are performed annually by a qualified actuary using the projected unit credit method. The Group recognises all actuarial gains and losses arising from defined benefit plans 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 recognised immediately in profit or 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 (i) approved a detailed and formal restructuring plan, and (ii) 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.

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 Government grants**

The French government subsidises screening for Bovine spongiform encephalopathy (BSE). It has contributed €8 per test for tests performed since 1 January 2011.

This subsidy is recognised as other income once the Group is eligible to receive it (when the tests have been performed).

#### 6.4.12 Other income and expenses

Other income and other expenses include both recurring and non-recurring income and expenses. Non-recurring items comprise non-recurring income and expenses, which due to their nature, amount or frequency generally correspond to major one-off or unusual events.

#### 6.4.13 Financial income and 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.

#### 6.4.14 Income tax

Income tax comprises current and deferred tax. Current tax and deferred tax are recognised in profit or 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 (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 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.

The French Finance Act of 2010 eliminated business tax (*taxe professionnelle*) as of 2010 and replaced it with two new taxes: the property business tax (*cotisation des entreprises*—CFE) and the French tax on value added (CVAE). In accordance with the CNC opinion dated 14 January 2010, the Group has concluded that French tax on value added falls within the scope of IAS 12 and is therefore recognised as income tax. A deferred tax liability related to the CVAE has been recognised.



## 6.5 Scope of consolidation

Consolidated companies	Consolidation method	% control 31 December 2012	% interest	Consolidation method	% control 31 December 2011	% interest	Address	Country
<b>Cerba European Lab SAS (formerly Financière Gaillon 12) .....</b>	<b>Parent company</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>Parent company</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>Saint-Ouen-l'Aumône</b>	<b>France</b>
BARC Australia .....	FC	100.00 %	100.00 %	FC	100.00 %	99.99%	Kogarah	Australia
BARC Finance .....	FC	100.00 %	100.00 %	FC	99.99%	99.98%	Zwijnarde	Belgium
BARC NV .....	FC	100.00 %	100.00 %	FC	99.99%	99.99%	Zwijnarde	Belgium
BARC RSA .....	FC	50.10%	50.10%	FC	50.01%	50.00%	Richmond area, Johannesburg	South Africa
BARC USA .....	FC	100.00 %	100.00 %	FC	100.00 %	99.99%	Lake Success, New York	United States
Biopyrénées .....	FC	48.76%	90.10%	FC	49.00%	93.82%	Tarbes	France
Biocreat SELAS .....	FC	100.00 %	97.72%	FC	49.00%	89.88%	Paris	France
Biolille .....	FC	48.90%	71.27%	FC	49.90%	72.58%	Lille	France
Biotop Développement .....	FC	25.00%	74.67%	FC	25.00%	74.53%	Marseille	France
Biotop Place Boulot .....	FC	45.65%	74.53%	FC	45.65%	74.39%	Bagnols-sur-Cèze	France
Biotop SCM .....	FC	100.00 %	74.67%	FC	100.00 %	74.53%	Marseille	France
Cefid .....	FC	100.00 %	100.00 %	FC	99.99%	99.99%	Saint-Ouen-l'Aumône	France
Centre Biologique du Chemin Vert (CBCV) SELAS .....	FC	49.00%	97.72%	FC	49.00%	99.65%	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	99.99%	99.99%	Zwijnarde	Belgium
GD Bio .....	FC	100.00 %	97.72%	FC	100.00 %		Paris	France
Gendrault Mancy Tollobre .....	FC	100.00 %	97.72%	FC	100.00 %	99.65%	Paris	France
Laboraco .....	FC	100.00 %	100.00 %	FC	100.00 %	99.99%	Vorst	Belgium
Laboratoire Cerba .....	FC	25.00%	99.85%	FC	25.00%	99.84%	Saint-Ouen-l'Aumône	France
Laboratoire Petite Ile .....	FC	90.00%	67.66%	FC	100.00 %		Petite Ile, La Réunion	France
LBS .....	FC	100.00 %	100.00 %	FC	100.00 %	99.98%	Brussels	Belgium
LLAM SA .....	FC	100.00 %	100.00 %	FC	100.00 %	99.98%	Esch-sur-Alzette	Luxembourg
Sel De La Baie Selas .....	FC	49.00%	73.70%	FC	49.00%	78.68%	Plérin	France
VGS La Réunion Selas .....	FC	44.22%	75.18%	FC	49.00%	73.57%	Le Port, La Réunion	France
Laboratoire Notre Dame .....	FC	49.00%	50.92%	FC			Amiens	France
LABM de la plaine des CAFRES .....	FC	70.00%	52.62%	FC			La plaine des Cafres	France
Laboratoire L Lorient .....	FC	100.00 %	50.92%	FC			Amiens	France

FC: Fully Consolidated

TUP: Transmission Universelle de Patrimoine (merger by dissolution without liquidation and subsequent transfer of all assets and liabilities)

Merger by dissolution without liquidation (TUP)	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Comments
		31 December 2011			31 December 2012		
Cerba European Lab SAS..				FC	100.00%	100.00%	Merged into Cerba European Lab in 2012
Alphabio SELAS .....				FC	100.00%	93.82%	Merged into Bioadour in 2012
Biolec.....				FC	49.00%	99.65%	Merged into Centre Biologique du Chemdans Vert in 2012
Biometropole Ouest Selarl...				FC	100.00%	72.58%	Merged into Biolille in 2012
Douaisis .....				FC	48.70%	72.58%	Merged into Biolille in 2012
Eurolab Selarl .....				FC	100.00%	74.53%	Merged into Biotop Developpement in 2012
Financière Bruno Fléchet...				FC	100.00%	99.84%	Merged into Biolille in 2012
Labo Des Fêtes .....				FC	49.00%	99.65%	Merged into Centre Biologique du Chemdans Vert in 2012
Labo Technical Equipment Sa Lux.....				FC	100.00%	99.98%	Merged into LLAM in 2012
Laboratoire Du Centre Sarl				FC	100.00%	73.57%	Merged into VGS La Réunion in 2012
Laboratoire de Larrard.....				FC			Merged into Biopyrenées in 2012
Medic Analyses .....				FC			Merged into Biopyrenées in 2012
Vignoli .....				FC	49.00%	74.53%	Merged into Biotop Developpement in 2012

First-time consolidations	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Comments
		31 December 2012			31 December 2012		
GD Bio.....	FC	100.00%	97.72%				Acquired on 30 June 2012
Laboratoire de Larrard .....	FC	100.00%	90.10%				Acquired on 1 April 2012
Laboratoire Petite Ile	FC	90.00%	67.66%				Consolidated on 1 January 2012
Medic Analyses .....	FC	100.00%	90.10%				Acquired on 1 July 2012
Laboratoire Notre Dame.....	FC	49.00%	50.92%				Acquis on 18 October 2012
LABM de la plaine des CAFRES .....	FC	70.00%	52.62%				Acquired on 10 December 2012
Laboratoire L Lorient	FC	100.00%	50.92%				Acquired 21 December 2012

FC: Fully Consolidated

TUP: Transmission Universelle de Patrimoine (merger by dissolution without liquidation and subsequent transfer of all assets and liabilities)

## 6.6 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 euros)	Goodwill recognised on acquisitions
<b>Net assets acquired</b> .....	<b>11.8</b>
Cancellation of investment grants.....	0.1
Cancellation of commercial goodwill.....	(5.8)
Provision for impairment of trade receivables.....	(0.1)
<b>Net assets acquired (liabilities assumed) restated at fair value (100%)</b> .....	<b>6.0</b>
<b>Share of the fair value of net assets acquired</b> .....	<b>5.7</b>
<b>Acquisition price</b> .....	<b>31.0</b>
<b>Goodwill</b> .....	<b>25.3</b>

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 euros)	31 December 2012
Acquisition price.....	31.0
Cash and cash equivalents acquired.....	(4.6)
Debt on acquisitions .....	(4.1)
Share contribution.....	(1.9)
<b>Net cash outflow on acquisitions</b> .....	<b>20.4</b>

The table below presents the net sales and related profit (loss) of newly-acquired entities between 1 January 2012 and the acquisition date. It was prepared from unaudited data available at the acquisition date.

Acquisition date (in thousands of euros)	2012	Petite Ile 01/07/201	LABM de Larrard 01/04/201	GD BIO 30/06/201	MedicAnalyze 01/07/2012	Laboratoire Notre Dame 18/10/2012	LABM de la plaine des CAFRES 10/12/201	Laboratoire Loriot 21/12/2012	2012 Pro forma (12 months)
<b>Net sales</b> .....	<b>325,75</b>								
	0	538	1,385	832	991	4,242	32	2,276	336,047
<b>Profit (loss)</b> .....	<b>(78,628)</b>								
	)	28	347	102	316	343	(7)	346	(77,154)

Changes in the gross value and carrying amount of goodwill can be broken down as follows:

(In thousands of euros)	2012
Gross value at 1 January .....	579,099
Change in consolidation scope .....	25,279
Reclassifications .....	5,648
<b>Gross value at 31 December</b> .....	<b>610,026</b>
Impairment at 1 January .....	—
Impairment for the period.....	(48,500)
<b>Impairment at 31 December</b> .....	<b>(48,500)</b>
Net value at 1 January.....	579,099
<b>Net value at 31 December</b> .....	<b>561,526</b>

The €25.3 million increase in the gross value of goodwill includes goodwill on new acquisitions (€22 million) and business goodwill relating to the acquisition of Dénain by Biolille for €3.1 million.

In accordance with IAS 8, the carrying amount at 31 December 2011 was adjusted in an amount of €10.7 million in order to reflect:

- the recognition of a CVAE deferred tax liability for €1.2 million (see Note 6.10); and
- the reclassification of existing business goodwill for €9.5 million, which was previously included in “other intangible assets” (see Note 6.7).

Goodwill broken down by CGU is as follows:

(In millions of euros)	Carrying amount at 31 December 2011	Change in scope	Other	Impairment	Carrying amount at 31 December 2012
Specialised clinical pathology CGU .....	172.3			(48.5)	123.8
France clinical laboratory testing CGU .....	138.1	25.3	3.3		166.6
Belux clinical laboratory testing CGU .....	193.8		2.4		196.2
Clinical trial CGU .....	74.9				74.9
<b>Total .....</b>	<b>579.1</b>	<b>25.3</b>	<b>5.6</b>	<b>(48.5)</b>	<b>561.5</b>

In accordance with IAS 36, goodwill was tested for impairment at 30 June 2012 and at 31 December 2012, further to an indication of impairment having been identified for one CGU. The impairment tests were based on the value in use of each CGU calculated using the discounted cash flow method.

The main assumptions used to calculate the recoverable amount of the CGUs as of 31 December 2012 were the following:

Cash generating units	Cash flow projection period	Discount rate	Long-term growth rate
Specialised clinical pathology CGU .....	6 years	8.00%	2.00%
France clinical laboratory testing CGU .....	6 years	8.00%	2.50%
Belux clinical laboratory testing CGU .....	6 years	8.00%	2.50%
Clinical trial CGU .....	6 years	10.00%	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.

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 in December 2012.

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.

A sensitivity analysis has been performed on the clinical trials CGU—the CGU most exposed to a risk of impairment—and the terminal value is equal to the sum of goodwill values discounted using a rate of 10.75%, or a long-term growth rate of 2.48%.

## 6.7 Other intangible assets

Other intangible assets include customer contractual relationships and order books identified when the Group was acquired by Cerba European Lab (formerly Financière Gaillon 12).

Changes in gross values, accumulated amortisation and impairment of intangible assets break down as follows:

Gross value (in thousands of euros)	31 December 2011 restated	Change in scope	Acquisitions	Disposals	Reclassification	31 December 2012
Concessions, patents and similar rights .....	8,581	325	1,949	(141)	455	11,169
Other intangible assets .....	6,373	(1,381)	3,322	—	(5,088)	3,225
Order book .....	5,958	—	—	—	—	5,958
Customer relationships .....	126,809	—	—	—	—	126,809
Amount paid on intangible assets .....	350	—	—	—	(338)	12
<b>Intangible assets—Gross value .....</b>	<b>148,071</b>	<b>(1,056)</b>	<b>5,271</b>	<b>(141)</b>	<b>(4,971)</b>	<b>147,173</b>
Depreciation and amortisation (in thousands of euros)	31 December 2011 restated	Change in scope	Additions	Reversals	Reclassification	31 December 2012
Concessions, patents and similar rights .....	(7,125)	(318)	(971)	155	(114)	(8,373)
Other intangible assets .....	(1,880)	—	(2,086)	1,650	165	(2,150)
Order book .....	(2,155)	—	(1,118)	—	—	(3,273)
Customer relationships .....	(9,655)	—	(5,006)	—	—	(14,661)
<b>Intangible assets—Accumulated amortisation and impairment .....</b>	<b>(20,815)</b>	<b>(318)</b>	<b>(9,180)</b>	<b>1,805</b>	<b>51</b>	<b>(28,456)</b>
<b>Intangible assets—Net value .....</b>	<b>127,256</b>	<b>(1,374)</b>	<b>(3,909)</b>	<b>1,664</b>	<b>(4,920)</b>	<b>118,717</b>

In accordance with IAS 8, the gross value of the other intangible assets at 31 December 2011 has been adjusted following the reclassification in goodwill of business goodwill acquired in prior periods (see Note 6.6).

## 6.8 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 euros)	31 December 2011 restated	Change in scope	Acquisitions	Disposals	Reclassifications	Foreign currency translation differences	31 December 2012
Land .....	823	81	—	—	—	(12)	891
Buildings .....	25,717	2,499	764	(76)	1,297	(102)	30,099
Technical plant, equipment and machinery .....	48,409	1,503	3,214	(1,173)	(2,874)	(69)	49,009
Other property, plant and equipment .....	27,440	1,558	7,233	(799)	2,706	(39)	38,100
Property, plant and equipment in progress .....	315	17	1,046	—	(784)	(0)	593
Advances and downpayments on property, plant and equipment .....	118	—	44	—	(158)	—	4

<b>Property, Plant and equipment—gross .....</b>	<b>102,821</b>	<b>5,658</b>	<b>12,301</b>	<b>(2,048)</b>	<b>187</b>	<b>(222)</b>	<b>118,697</b>
<b>Accumulated depreciation (in thousands of euros)</b>	<b>31 December 2011 restated</b>	<b>Change in scope</b>	<b>Additions</b>	<b>Reversals</b>	<b>Reclassifications</b>	<b>Foreign currency translation differences</b>	<b>31 December 2012</b>
Buildings.....	(8,571)	(1,185)	(1,670)	28	(1,432)	12	(12,819)
Technical plant, equipment and machinery .....	(38,188)	(1,110)	(4,863)	1,013	3,609	43	(39,496)
Other property, plant and equipment.....	(17,925)	(1,131)	(4,353)	593	(679)	29	(23,466)
Property, plant and equipment in progress.....	(44)	—	(1)	—	44	—	(1)
<b>Property, plant and equipment—accumulated depreciation .....</b>	<b>(64,728)</b>	<b>(3,426)</b>	<b>(10,888)</b>	<b>1,634</b>	<b>1,542</b>	<b>84</b>	<b>(75,783)</b>
<b>Property, plant and equipment—net .....</b>	<b>38,092</b>	<b>2,232</b>	<b>1,413</b>	<b>(414)</b>	<b>1,729</b>	<b>(138)</b>	<b>42,914</b>

The Group has entered into a number of leases for equipment, technical plant and headquarters buildings,

At 31 December 2012, the breakdown of fixed assets held under leases was as follows:

<b>Gross value (in thousands of euros)</b>	<b>31 December 2012</b>
Land .....	622
Buildings.....	18,539
Technical plant, equipment and machinery .....	15,317
Other property, plant and equipment .....	7,990
<b>Property, plant and equipment under lease—gross.....</b>	<b>42,468</b>

<b>Property, plant and equipment under lease—depreciation (in thousands of euros)</b>	<b>31 December 2012</b>
Buildings.....	(6,830)
Technical plant, equipment and machinery .....	(9,661)
Other property, plant and equipment .....	(4,040)
<b>Property, plant and equipment under lease—accumulated depreciation.....</b>	<b>(20,531)</b>
<b>Property, plant and equipment under lease—net .....</b>	<b>21,937</b>

## 6.9 Other non-current assets

<b>(In thousands of euros)</b>	<b>31 December 2012</b>	<b>31 December 2011 restated</b>
Equity affiliates.....	194	—
Other loans to affiliates.....	255	85
Long-term investments .....	20	24
Loans and deposits.....	2,430	1,537
Prepaid expenses.....	10	—
Other assets .....	7	21
<b>Total .....</b>	<b>2,916</b>	<b>1,667</b>

## 6.10 Deferred tax assets and liabilities

(In thousands of euros)	31 December 2011 restated	Other comprehensive income	Reclassification	Change in consolidation scope	Conversion of convertible bonds	Impact in profit and loss	31 December 2012
Recognition of unused tax loss carryforwards .....	7,589					(4,511)	3,078
Recognition of securities transaction costs .....	2,754					(2,784)	(30)
Provisions for retirement benefits .	1,050	83				365	1,497
Employee profit sharing .....	487					109	596
Deferred tax on "CVAE" .....	(1,152)					66	(1,087)
Other non-deductible provisions.....	319					(278)	41
Organic revenue-based tax ..	96					17	113
Difference between accounting and taxable asset values	(706)			788		(492)	(410)
Restatement of finance leases .....	(186)					244	58
Cancellation of regulated provisions.....	(1,545)					(92)	(1,637)
Measurement to fair value of financial assets and liabilities .....	(25,680)				21,323	3,231	(1,126)
Measurement to fair value of intangible assets, net of amortisation .....	(40,336)					2,294	(38,042)
Other items .....	61		(104)			6	(37)
<b>Net deferred tax .....</b>	<b>(57,249)</b>	<b>83</b>	<b>(104)</b>	<b>788</b>	<b>21,323</b>	<b>(1,825)</b>	<b>(36,985)</b>
<i>Of which deferred tax assets.....</i>	<i>913</i>	<i>83</i>	<i>(227)</i>		<i>21,323</i>	<i>(20,809)</i>	<i>1,282</i>
<i>Of which deferred tax liabilities .....</i>	<i>(58,162)</i>		<i>123</i>	<i>788</i>		<i>18,984</i>	<i>(38,267)</i>

In accordance with IAS 8, deferred tax liabilities were adjusted as follows as at 31 December 2011:

- the recognition of a CVAE deferred tax liability for €1.1 million; and
- an impact regarding deferred tax on non-material adjustments related to the application of the effective interest rate for €0.1 million.

Given the uncertainty over future taxable profits, unrecognised tax loss carry-forwards amounted to €68.4 million at 31 December 2012.

The tax loss carry-forwards originate from the BARC NV tax group and from the holding company tax group, which includes CEL, CEFID and CSS.

## 6.11 Inventories

The Group's inventories comprise reagents and consumables.

(In thousands of euros)	31 December 2012	31 December 2011 restated
-------------------------	------------------	------------------------------

Raw materials .....	5,482	4,910
Merchandise .....	136	—
<b>Inventories, gross .....</b>	<b>5,618</b>	<b>4,910</b>
<b>Provision for impairment of inventories .....</b>	<b>(64)</b>	<b>(27)</b>
<b>Inventories, net .....</b>	<b>5,554</b>	<b>4,883</b>

## 6.12 Trade receivables

(In thousands of euros)	31 December 2012	31 December 2011 restated
Trade receivables .....	62,477	56,765
Provision for impairment of trade receivables .....	(3,742)	(3,624)
<b>Carrying amount .....</b>	<b>58,735</b>	<b>53,140</b>

Changes in accumulated provisions for impairment of trade receivables break down as follows:

(In thousands of euros)	2012
<b>Provision for impairment of trade receivables—Opening .....</b>	<b>(3,624)</b>
Additions .....	(3,593)
Reversals .....	3,482
Reclassification .....	9
Change in consolidation scope .....	(16)
<b>Provision for impairment of trade receivables—Closing .....</b>	<b>(3,742)</b>

As of 31 December 2012, receivables transferred to third parties under factoring agreements amount to €13.9 million.

## 6.13 Other current assets

(In thousands of euros)	31 December 2012	31 December 2011 restated
Social security receivables .....	475	183
Tax receivables .....	2,015	871
Other receivables .....	182	3,936
Advances and downpayments .....	1,231	217
Prepaid expenses .....	4,254	6,097
<b>Total other current assets .....</b>	<b>8,156</b>	<b>11,304</b>

Prepaid expenses at 31 December 2012 included €1.7 million in commissions related to the issue of high-yield bonds in late January 2013 (see Note 6.31).

In accordance with IAS 8, other current assets were adjusted at 31 December 2011 as follows:

- reclassifications from other current assets to current tax receivables for €0.7 million, and to non-current tax receivables for €1.4 million; and
- the reclassification of the amortised portion of the expenses related to the €10 million revolving credit facility for €0.2 million.

## 6.14 Cash and cash equivalents

(In thousands of euros)	31 December 2012	31 December 2011 restated
Marketable securities .....	192	—
Cash .....	38,745	26,537
<b>Total .....</b>	<b>38,937</b>	<b>26,537</b>
Factoring debt .....	(3,859)	—
Bank overdrafts .....	(1,607)	(1,831)
<b>Total net cash .....</b>	<b>33,471</b>	<b>24,706</b>



## 6.15 Share capital

At 31 December 2012, 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)	Share capital	Share premium A shares	Share capital	Share premium B shares	Share capital	Share premium and additional paid-in capital Ordinary shares	Fees	Share capital	Share premium and additional paid-in capital Total
On incorporation.....	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
<b>Total</b> .....	<b>37</b>	<b>—</b>	<b>2</b>	<b>339,824</b>	<b>770</b>	<b>77,004</b>	<b>(18)</b>	<b>810</b>	<b>416,811</b>
Outstanding shares at 31 December 2011									
<b>Fully-paid up shares</b> .....	<b>3,700,000</b>		<b>172,961</b>		<b>76,810,454</b>			<b>80,683,415</b>	
Change for the year.....				166,865		174,325			341,190
Outstanding shares at 31 December 2012									
<b>Fully-paid up shares</b> .....	<b>3,700,000</b>		<b>172,961</b>		<b>76,984,779</b>			<b>81,024,605</b>	

See Note 6.2 concerning the December 2012 capital increase.

### 6.15.1 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.

### 6.15.2 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.

### 6.15.3 Shares with 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.

## 6.16 Financial liabilities

(In thousands of euros)	31 December 2012	31 December 2011 restated
Convertible bonds.....	5,428	80,846
Bonds with warrants .....	60,941	55,799
Other bonds.....	12,731	11,576
Bank loans .....	266,154	249,684
Finance lease liabilities.....	23,836	22,702
Other borrowings.....	8,621	21
Factoring debt.....	3,859	—
Bank overdrafts.....	1,607	1,830
<b>Total financial liabilities.....</b>	<b>383,176</b>	<b>422,458</b>
<i>Of which non-current financial liabilities.....</i>	<i>344,128</i>	<i>400,568</i>
<i>Of which current financial liabilities.....</i>	<i>39,048</i>	<i>21,890</i>

In accordance with IAS 8, financial liabilities were restated at 31 December 2011 in order to take into account the non-material adjustments on the application of the effective interest rate to the various bank borrowing facilities (impact of €0.8 million).

The factoring debt comprises the liability flow with Factor Natixis under the factoring agreement dated 24 February 2012 (see notes 6.4.2.1 and 6.27.2).

Changes in financial liabilities over the period may be analysed as follows:

(In thousands of euros)	2012
<b>At 1 January.....</b>	<b>422,458</b>
Proceeds from issuance of borrowings.....	29,233
Repayment of borrowings .....	(12,322)
Change in factoring debt .....	3,859
Change in bank overdrafts.....	(224)
Change in fair value of financial instruments.....	11,711
New finance lease contracts .....	3,835
Finance costs .....	40,079
Finance costs paid .....	(19,401)
Reclassifications.....	(98,717)
Change in consolidation scope .....	2,635

Translation differences .....	29
Other .....	
<b>At 31 December .....</b>	<b>383,176</b>

Following the conversion of the majority of the convertible bonds in December 2012, the debt component of these compound financial instruments, amounting to €87.97 million, has been derecognised and reclassified in equity. No gain or loss was recognised in profit or loss on conversion.

#### 6.16.1 Debt repayment schedule and terms

(In thousands of euros)	31 December 2012	Less than 1 year	1 to 5 years	More than 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
Factoring debt .....	3,859	3,859		
Bank overdrafts .....	1,607	1,607		
<b>Total financial liabilities .....</b>	<b>383,176</b>	<b>39,044</b>	<b>210,332</b>	<b>133,799</b>

(In thousands of euros)	31 December 2011 restated	Less than 1 year	1 to 5 years	More than 5 years
Bonds and notes .....	148,221	489	—	147,732
Bank loans .....	249,684	15,480	62,334	171,870
Finance lease liabilities .....	22,702	4,070	9,632	9,000
Other borrowings .....	21	21	—	—
Factoring debt .....	—	—	—	—
Bank overdrafts .....	1,830	1,830	—	—
<b>Total financial liabilities .....</b>	<b>422,458</b>	<b>21,890</b>	<b>71,966</b>	<b>328,602</b>

(In thousands of euros)	31 December 2012	Face value	Equity instruments	IFRS restatements	Capitalised interest	Accrued interest
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
<b>Total bonds and notes .....</b>	<b>79,099</b>	<b>71,571</b>	<b>(4,309)</b>	<b>(319)</b>	<b>9,341</b>	<b>2,816</b>

(In thousands of euros)	31 December 2011 restated	Face value	Equity instruments	IFRS restatements	Capitalised interest	Accrued interest
Convertible bonds .....	80,846	134,940	(68,278)	(4,329)	12,010	6,503
Bonds with warrants .	55,799	52,000		(1,719)	3,549	1,969
Other bonds .....	11,576	11,000				576
<b>Total bonds and notes .....</b>	<b>148,221</b>	<b>197,940</b>	<b>(68,278)</b>	<b>(6,048)</b>	<b>15,559</b>	<b>9,047</b>

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. Interest is 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.
- A bond with warrants (mezzanine) expiring on 31 July 2018. This bond has a fixed interest rate portion (6.75%) and a floating rate portion (4.75% plus 12-month Euribor). Interest from the fixed-rate portion is capitalised, while floating-rate interest is paid quarterly.
- Two tranches of floating rate bank loans. Interest is paid monthly. The first tranche (A) is repayable based on half-yearly repayments until maturity in 31 January 2017, with the outstanding amount under the loan at

31 December 2012 (€86,172 thousand) bearing interest at a floating rate of 1-month Euribor plus a margin of 4.5%. The second tranche (B) is repayable in full on 31 January 2018, with the outstanding amount under the loan at 31 December 2012 (€101,008 thousand) bearing interest at floating rate of 1-month Euribor plus a margin of 5%.

- The Group also has a €70 million capex facility, €58,903 thousand of which had been drawn down at 31 December 2012, which bears interest at a floating rate. This facility is repayable in seven half-yearly instalments, the first of which is due in July 2014. The undrawn portion is subject to a 1.80% commitment fee.
- The Group has a second €70 million capex facility, which has not been drawn down and is subject to a 1.80% commitment fee.
- The Group also has a €10 million revolving credit facility, which has not been drawn down and is subject to a 1.80% commitment fee.

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 euros)	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate
			31 December 2012			31 December 2011 restated
Bonds and notes .....	79,099	79,099		148,221	148,221	
Bank loans .....	266,154	19,163	246,991	249,684	18,229	231,455
Finance lease liabilities .....	23,836	15,332	8,504	22,702	12,489	10,213
Other borrowings .....	8,621	8,621	—	21	21	
Factoring debt .....	3,859	3,859		—	—	
Bank overdrafts .....	1,607	1,607	—	1,830	1,830	
<b>Total financial liabilities .....</b>	<b>383,176</b>	<b>127,680</b>	<b>255,495</b>	<b>422,458</b>	<b>180,790</b>	<b>241,668</b>

This analysis does not take account of interest rate hedging instruments.

#### 6.16.2 Debt 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, the debt covenants relating to the Group's borrowings were no longer applicable (see notes 6.2, 6.16.1 and 6.31).

Further to the January 2013 bond issue, the company must comply with three new consolidated debt covenants (on a proforma basis): a net debt ratio and interest coverage ratio on its high-yield bonds and interest expense.

#### 6.17 Employee benefits

(In thousands of euros)	31 December 2012
Defined benefits plan .....	3,845
Long-service bonuses .....	535
<b>Total employee benefits .....</b>	<b>4,380</b>
<i>Of which</i>	
<i>Employee benefit obligations .....</i>	<i>4,932</i>
<i>Plan assets .....</i>	<i>(552)</i>

##### 6.17.1 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 retirement benefits totalling €552 thousand as of 31 December 2012.

(In thousands of euros)	31 December 2012
-------------------------	------------------

<b>Defined benefit obligation at 1 January</b> .....	<b>3,861</b>
Current service cost and interest cost .....	364
Change in consolidation scope .....	36
Curtailments and settlements .....	(77)
Actuarial (gains) and losses .....	250
Contributions paid .....	(42)
Expected return on plan assets .....	(12)
<b>Defined benefit obligation at 31 December</b> .....	<b>4,380</b>

#### 6.17.2 Net income (expense) recognised in profit or loss

	<b>31 December 2012</b>	<b>31 December 2011 (18 months) restated</b>
(In thousands of euros)		
Current service cost and interest cost .....	(364)	(469)
Expected return on plan assets .....	12	15
Utilisation of provision .....	77	68
<b>Income (expense) recognised in profit or loss</b> .....	<b>(275)</b>	<b>(386)</b>

This impact is recognised in full in profit or loss from operations under “Personnel expenses”.

#### 6.17.3 Actuarial assumptions

	<b>Management</b>	<b>Other employees</b>	<b>Management</b>	<b>Other employees</b>
	<b>31 December 2012</b>		<b>31 December 2011 restated</b>	
<b>Discount rate at 31 December</b> .....	3.00%		3.80%	
<b>Expected return on plan assets at 1 January</b> .....	3.50%		3.50%	
<b>Salary increase rate</b>				
Less than 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%
<b>Employer contributions</b> .....	58.00%	52.00%	67.05%	54.50%
<b>Turnover rate</b>				
Less than 29 years .....	10.00%	10.00%	10.00%	10.00%
30 - 39 years .....	7.00%	7.00%	5.00%	5.00%
40 - 49 years .....	5.00%	5.00%	2.50%	2.50%
50 - 59 years .....	2.00%	2.00%	2.00%	2.00%
60 and over .....	0.00%	0.00%	0.00%	0.00%
<b>Retirement age</b> .....	65 years	62 years	65 years	62 years
<b>Mortality table</b> .....	INSEE F 2004 - 2006		INSEE F 2004 - 2006	

Employer contributions comprise tax contributions, including payroll taxes at 12.08% for management personnel and 9.03% for other employees.

#### 6.18 Provisions

	<b>31 December 2011 restated</b>	<b>Change in consolidation scope</b>	<b>Additions</b>	<b>Provisions (utilised)</b>	<b>Reclassification</b>	<b>31 December 2012</b>
(In thousands of euros)						
Provision for litigation .....	146	8	164	(374)	21	(35)
Provision for restructuring .....	—	—	—	—	—	—
Other provisions .....	3,898	—	1	—	(69)	3,830
<b>Non-current provisions</b> .....	<b>4,044</b>	<b>8</b>	<b>165</b>	<b>(374)</b>	<b>(48)</b>	<b>3,795</b>
Provision for litigation .....	581	—	82	(25)	(21)	617

Provision for restructuring.....	—	—	—	—	—	—
Other provisions.....	69	160	—	(55)	69	243
<b>Current provisions.....</b>	<b>650</b>	<b>160</b>	<b>82</b>	<b>(80)</b>	<b>48</b>	<b>860</b>

Provisions mostly comprise an estimated potential tax risk in one of the Group's subsidiaries for an amount of €3,898 thousand. Provisions for litigation comprise in particular provisions for the risk of employee disputes.

## 6.19 Other non-current liabilities

(In thousands of euros)	31 December 2012	31 December 2011 restated
Deferred income .....	4,539	5,001
Other liabilities .....	69	87
<b>Total other non-current liabilities .....</b>	<b>4,608</b>	<b>5,088</b>

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 8.

## 6.20 Trade and other payables

(In thousands of euros)	31 December 2012	31 December 2011 restated
Trade payables .....	36,806	34,752
Payables to fixed asset suppliers.....	6,516	1,594
<b>Total Trade payables .....</b>	<b>43,322</b>	<b>36,346</b>

## 6.21 Other current liabilities

(In thousands of euros)	31 December 2012	31 December 2011 restated
Social security payables.....	19,389	17,251
Tax payables .....	3,654	6,115
Advances and downpayments received .....	4,932	4,514
Derivative instruments.....	6,483	4,431
Other current liabilities .....	2,169	3,622
Deferred income—current .....	560	466
<b>Total other current liabilities .....</b>	<b>37,187</b>	<b>36,398</b>

In accordance with IAS 8, other current liabilities were adjusted at 31 December 2011 as follows:

- the separate presentation of current tax payables amounting to €2.3 million; and
- the reclassification of the non-current portion of deferred income for €5.1 million (see Note 6.19).

## 6.22 Net sales

(In thousands of euros)	31 December 2012	31 December 2011 (12 months)(1)	31 December 2011 (18 months)(1)
Sales of services.....	324,278	276,709	402,624
Sales of goods .....	1,472	1,953	2,302
<b>Net sales .....</b>	<b>325,750</b>	<b>278,662</b>	<b>404,926</b>

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.

### **6.23 Other income and expenses**

The following most significant items are included under these headings:

Other income:

- €1.65 million in reversals of depreciation;
- €1.1 million in investment subsidies received by Cerba at 31 December 2012;
- the balance of €2.3 million corresponds to various individually non-material amounts.

Other expenses in the amount of €1.3 million correspond to various individually non-material amounts.

## 6.24 Personnel expenses

(In thousands of euros)	2012	2011 (12 months)(1)	2011 (18 months)(1)
Wages and salaries including social charges .....	(106,118)	(87,717)	(123,594)
Post-employment benefits and other long-term benefits .....	(275)	(260)	(386)
Employee profit sharing.....	(1,681)	(1,388)	(1,388)
<b>Personnel expenses</b> .....	<b>(108,074)</b>	<b>(89,365)</b>	<b>(125,368)</b>

## 6.25 Net financial income (expense)

Net financial income (expense) is directly attributable to the financing arrangements in respect of acquisitions. It includes capitalised interest on convertible bonds and convertible bonds with warrants.

(In thousands of euros)	31 December 2012	31 December 2011 (12 months)(1)	31 December 2011 (18 months)(1)
<i>Income from cash equivalents</i> .....	18	56	212
Financial income.....	18	56	212
<i>Interest on bonds</i> .....	(23,545)	(20,447)	(24,680)
<i>Interest on bank loans</i> .....	(24,694)	(14,457)	(18,954)
<i>Interest on derivatives</i> .....	(4,832)	(3,308)	(1,017)
<i>Other interest</i> .....	(757)	(560)	(9,562)
Finance cost .....	(53,828)	(38,772)	(54,212)
<b>Net cost of debt</b> .....	<b>(53,809)</b>	<b>(38,716)</b>	<b>(54,000)</b>
Other financial income.....	625	603	
Other financial expenses.....	(518)	(809)	(216)
<b>Net financial income (loss)</b> .....	<b>(53,702)</b>	<b>(38,922)</b>	<b>(54,216)</b>

## 6.26 Income tax

### 6.26.1 Breakdown between current and deferred tax

(In thousands of euros)	2012	2011 (12 months)(1)	2011 (18 months)(1)
Current tax expense .....	(13,918)	(14,310)	(17,718)
Deferred tax expense .....	(1,826)	6,976	8,888
<b>Income tax</b> .....	<b>(15,744)</b>	<b>(7,334)</b>	<b>(8,830)</b>

### 6.26.2 Reconciliation between theoretical income tax and effective income tax

(In thousands of euros)	2012	2011 (12 months) restated	2011 (18 months) restated
<b>Tax rate</b> .....	<b>33.33%</b>	<b>34.43%</b>	<b>34.43%</b>
<b>Consolidated profit (loss) after tax</b> .....	<b>(78,628)</b>	<b>(10,206)</b>	<b>(23,889)</b>
Income tax .....	(15,744)	(7,334)	(8,830)
<b>Consolidated profit (loss) before tax</b> .....	<b>(62,884)</b>	<b>(2,872)</b>	<b>(15,059)</b>
Theoretical current tax expense (applying rate of the consolidating company) .....	20,959	989	5,185
Tax rate differences .....	347	323	271
Permanent differences between accounting income and taxable income .....	(63)	(6,374)	(9,769)
Unrecognised tax losses.....	(10,403)	(1,344)	(2,680)
Non-deductible interest.....	(2,973)		
Taxable portion of dividends received and withholding at source.....	(338)		
Other deferred taxes without a related basis .....	(5,741)	(791)	(791)
Carrybacks .....		630	630



Differences based on equity .....		(595)	(595)
Tax credits .....	288	131	131
Goodwill impairment .....	(16,167)		
French value added tax (CVAE) .....	(1,098)	(946)	(1,235)
Other items .....	(554)	643	23
<b>Effective tax expense .....</b>	<b>(15,744)</b>	<b>(7,334)</b>	<b>(8,830)</b>

## 6.27 Financial instruments

### 6.27.1 Financial risk management

#### 6.27.1.1 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.

#### 6.27.1.2 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.

#### 6.27.2 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 put in place a factoring agreement in February 2012. 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 €59 million at 31 December 2012, and include €13.9 million transferred to the third party factor.

The carrying amount of loans and receivables represents the maximum exposure to credit risk at the reporting date.

(In thousands of euros)	31 December 2012	Not past due and not impaired	< 3 months	3 to 6 months Past due and not impaired	6 months to 1 year	> 1 year	Past due and impaired
Trade receivables .....	62,477	35,546	7,114	3,982	4,582	6,941	4,312

(In thousands of euros)	31 December 2012	Less than 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 deposits.....	2,430	—	2,430	
Other assets.....	7		7	
Trade receivables.....	62,477	62,477		
Current tax assets.....	700	700		
Social security receivables.....	475	475		
Tax receivables.....	2,015	2,015		
Other receivables.....	182	182		
<b>Total receivables, gross.....</b>	<b>68,540</b>	<b>65,847</b>	<b>2,692</b>	<b>—</b>

(In thousands of euros)	31 December 2011 restated	Less than 1 year	1 to 5 years	More than 5 years
Non-current tax assets.....	1,377		1,377	
Other loans to affiliates.....	85		85	
Loans and deposits.....	1,537	—	1,537	
Other assets.....	21		21	
Trade receivables.....	56,765	56,765		
Current tax assets.....	663	663		
Social security receivables.....	183	183		
Tax receivables.....	871	871		
Other receivables.....	3,936	2,400	463	1,073
<b>Total receivables, gross.....</b>	<b>64,060</b>	<b>60,882</b>	<b>2,106</b>	<b>1,073</b>

#### 6.27.2.1 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.

#### 6.27.2.2 Impairment losses

At 31 December 2012, impairment allowances on trade and other receivables amounted to €3,742 thousand, broadly in line with the end-2011 amount of €3,624 thousand. Provisions for impairment are mainly related to Cerba's operations.

#### 6.27.3 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 euros)	31 December 2012(1)	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
<b>Breakdown of contractual cash flows</b>					
Convertible bonds.....	10,056	30,940	—	—	30,940
Bonds with warrants .....	60,941	103,977	2,896	14,543	86,538
Other bonds.....	12,731	41,459	—	—	41,459
Bank loans .....	266,154	345,158	32,596	197,098	115,464
Other borrowings .....	8,620	18,569	1,356	3,987	13,226
Factoring debt .....	3,859	3,859	3,859	—	—

Bank overdrafts .....	1,607	6,149	5,593	556	—
<b>Total nominal and interest .....</b>	<b>363,967</b>	<b>550,111</b>	<b>46,299</b>	<b>216,184</b>	<b>287,628</b>
IFRS restatement on convertible bonds and bonds with warrants .....	(4,628)				
IFRS restatement on other borrowings .....	—				
Finance lease liabilities .....	23,837				
<b>Total carrying amount .....</b>	<b>383,176</b>				

(1) The first column refers to the carrying amount

For loans and borrowings at floating rates, interest payments were calculated on the basis of floating rates at the reporting date, i.e., margin plus+ 1-month Euribor at 0.109% for 2012 and margin plus+ 1-month Euribor at 1.197% for 2011.

#### 6.27.4 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.

##### 6.27.4.1 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:

	Exchange rate at 31 December 2012	Average rate 31 December 2012	Exchange rate at 31 December 2011	Average rate from 1 January to 31 December 2011
AUD Australian Dollar .....	1.2712	1.2413	1.2723	1.3482
USD US Dollar .....	1.3194	1.2856	1.2939	1.3917
ZAR Rand .....	11.1727	10.5545	10.483	10.093

##### 6.27.4.2 Interest rate risk

Some of the loans taken out by the Group bear interest at floating rates.

The Group contracts interest rate swaps to hedge against interest rate risk. This only concerns Laboratoire Cerba and Cerba European Lab.

The Group is exposed to interest rate fluctuations on its floating interest rate bank loans. At 31 December 2012, the Group hedged €304 million of its floating-rate loans with pay fixed-rate swaps (versus €301 million at 31 December 2011).

The carrying amount of the derivative financial instruments used to hedge interest rate risk is presented below:

(In thousands of euros)	Expiry date	Nominal	31 December 2012 Fair value	31 December 2011 restated Fair value
<b>Pay fixed-rate swap</b>				
3-month Euribor—2.1975% .....	1/5/2012	11,000	—	(18)
3-month Euribor—1.9790% .....	9/30/2013	50,000	(913)	(856)
3-month Euribor—1.60% .....	9/30/2013	190,000	(2,047)	(1,919)
3-month Euribor—1.25% .....	9/30/2013	40,000	(325)	(158)
3-month Euribor—4.16% (finance lease) .....	1/11/2019	10,886	(1,143)	(958)
3-month Euribor—2.195% (finance lease) .....	7/27/2023	2,076	(135)	(26)
<b>Total pay fixed-rate swap .....</b>		<b>303,962</b>	<b>(4,563)</b>	<b>(3,935)</b>
<b>Euribor pay Swap + Margin for 3-month Euribor</b>				
1-month Euribor + 0.36% against 3m Euribor .....	9/30/2014	100,000	(1,028)	
1-month Euribor + 1.2850% against 3m Euribor .....	9/30/2014	100,000	(892)	

1-month Euribor + 0.1730% against 3m Euribor.....	3/31/2012	100,000	(328)
1-month Euribor + 0.1725% against 3m Euribor.....	3/31/2012	100,000	(57)
1-month Euribor + 0.23% against 3m Euribor.....	3/31/2012	36,000	(111)
<b>Total pay floating-rate swap .....</b>		<b>436,000</b>	<b>(1,920)</b>
<b>Total derivative instruments .....</b>			<b>(6,483)</b>
			<b>(4,431)</b>

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.

## 6.27.5 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.

## 6.27.6 Carrying amounts and fair values

### 6.27.6.1 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:

(In thousands of euros)	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
			31 December 2012			31 December 2011 restated
<b>Non-current</b>						
Other non-current assets .....		2,916	2,916		1,667	1,667
<b>Current</b>						
Trade receivables ....		58,735	58,735		53,140	53,140
Other current assets .....		8,156	8,156		11,304	11,304
Cash and cash equivalents .....		38,937	38,937		26,537	26,537
<b>Financial assets .....</b>	<b>—</b>	<b>108,744</b>	<b>108,744</b>		<b>92,648</b>	<b>92,648</b>

(In thousands of euros)	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
			31 December 2012			31 December 2011 restated
<b>Non-current</b>						
Non-current financial liabilities .....		344,128	344,128		400,568	400,568
Other non-current liabilities .....		4,608	4,608		5,088	5,088
<b>Current</b>						
Current financial liabilities .....		39,048	39,048		21,890	21,890
Trade payables .....		43,322	43,322		36,346	36,346
Other current liabilities ..	6,483	30,704	37,187	4,431	31,968	36,398
<b>Financial liabilities .....</b>	<b>6,483</b>	<b>461,810</b>	<b>468,293</b>	<b>4,431</b>	<b>495,860</b>	<b>500,290</b>

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.

#### 6.27.6.2 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 euros)	Level 1	Level 2	Level 3	Total
	Breakdown by category			
<b>At 31 December 2012</b>				
Liabilities				
Cash equivalents .....	38,937			38,937
Derivative instruments .....		6,483		6,483
<b>Total financial liabilities .....</b>	<b>38,937</b>	<b>6,483</b>	<b>—</b>	<b>45,420</b>
<b>At 31 December 2011 restated</b>				
Liabilities				
Cash equivalents .....	26,537			26,537
Derivative instruments .....		4,431		4,431
<b>Total financial liabilities .....</b>	<b>26,537</b>	<b>4,431</b>	<b>—</b>	<b>30,968</b>

#### 6.27.7 Operating leases

Operating leases are entered into at the market rate and are not reported as assets on inception.

### 6.28 Off-balance sheet commitments

#### 6.28.1 Commitments given

Entities (in thousands of euros)	Nature	Value at 31 December 2012	Value at 31 December 2011 (restated)
<b>Cerba European Lab</b> .....	Pledge of CEL securities		334,899
<b>(formerly Financière Gaillon 12)</b> .....	Pledge of intra-group loans	81,654	80,944
	Pledge of Cefid securities	119,072	
	Pledge of BARC NV securities	158,605	
	Pledge of CRI securities	1	
	Pledge of CSS securities	10	
<b>CEFID</b> .....	Pledge of Cerba securities		18,042
	Pledge of Biotop securities		16,247
	Pledge of bank accounts		162
	Pledge of intra-group loans		2,091
<b>CERBA</b> .....	Pledge of bank accounts	16,509	6,455
	Pledge of Biolille securities	22,283	16,394
	Pledge of Chemin Vert securities	12,965	11,937
	Pledge of Bioreunion securities (formerly V.G.S.)	14,530	14,258
	Pledge of Bioadour securities	31,651	17,315

	Pledge of Notre Dame securities	2,649	
	Pledge of Sel De La Baie securities	4,242	
	Pledge of intra-group loans	1,701	2,513
<b>BARC NV</b> .....	Pledge on BARC Finance securities		0
	Pledge of CRI securities		2
	Pledge of bank accounts	233	35
	Pledge of intra-group loans	50,705	57,705
<b>CRI</b> .....	Pledge of bank accounts	263	1,311
	Pledge of LBS securities	70,443	65,243
<b>BARC Finance</b> .....	Pledge of bank accounts	5,957	5,352
	Pledge of intra-group loans	3,702	10,001
<b>LBS</b> .....	Pledge of LLAM SA securities (formerly LLAM Project)	31,221	31,221
<b>LLAM SA</b> .....	Pledge of bank accounts		1,101
	Pledge of receivables		4,569
<b>NOTRE DAME</b> .....	Pledge of units in SELARL LABO ND	1,158	

## 6.28.2 Commitments received

The table below shows available undrawn credit lines at 31 December 2012 and 2011.

(In thousands of euros)	Nature	Value at 31 December 2012	Value at 31 December 2011 (restated)
<b>Group CEL</b> .....	Acquisition credit facility	45,000	28,411
<b>CERBA</b> .....	Revolving credit facility	10,000	10,000
	Acquisition credit facility	50,000	
	<b>Total</b>	<b>105,000</b>	<b>38,411</b>

### 6.28.2.1 Commitments received by Laboratoire Cerba

As part of the acquisition of an interest in Centre Biologique du Chemin Vert: joint and several bank guarantees received in July 2010 for €1,478,138. This amount was reduced to €739,069 from 1 April 2011 and until 30 June 2013, when the guarantees expired.

As part of the acquisition of an interest in Biolille: (i) joint and several bank guarantees for €80,000; and (ii) first-rank pledge of Biolille A and B shares for €3,000,000. These guarantees expired on 31 March 2012.

As part of the acquisition of an interest in L.B.M. Verrougstraete (since renamed Bioreunion): (i) bank guarantee received in January 2011 for €700,163.85. This amount was reduced to €350,081.92 on 30 December 2012, (ii) first-rank pledge of Bioreunion shares received on January 2011, and (iii) pledge in December 2011 by one of the vendors of shares held in Managers Group Cerba Investments (MGCI), up to a limit of €700,163.85. These guarantees expire on 30 January 2014.

As part of the acquisition of an interest in Bioadour (since renamed Biopyrenees): joint and several bank guarantees received in June 2011 for €576,143.45. This amount was reduced to €288,071.75 from 1 July 2012 and until 30 June 2014, when the guarantees expired.

As part of the acquisition of an interest in Sel de la Baie: standalone bank guarantee received in July 2011 for €449,241. This guarantee expires on 30 June 2014.

As part of the acquisition of an interest in Laboratoire de Notre Dame: joint and several bank guarantee received in October 2012 for €250,000. This amount will be reduced to €167,500 from 1 January 2014 and until 31 December 2014, then to €82,500 from 1 January 2015 and until 31 December 2015, when the guarantee expires.

### 6.28.2.2 Commitments received by Centre Biologique du Chemin Vert, a Cerba company

As part of the acquisition of an interest in Labm des Fetes: assignment of life insurance for €210,000 given on 1 July 2011. This guarantee decreases gradually each year by €70,000 and expires on 30 April 2014.

As part of the acquisition of an interest in Biocreat: joint and several bank guarantees received in September 2011 for €2,255,000 until 30 June 2012, and then €1,127,000 until 30 June 2013, when the guarantees expire.

As part of the acquisition of an interest in Bio-Lec: escrow agreement for €215,000. This guarantee expires on 30 June 2013.

As part of the acquisition of an interest in Laboratoire Gendrault Tallobre Mancy: agreement from the vendors to provide joint and several bank guarantees for €188,000, expiring on 31 December 2014.

As part of the acquisition of an interest in GD-BIO: joint and several bank guarantees for a maximum of: €220,000 until 31 December 2013; then €150,000 until 31 December 2014; and then €80,000 until 31 December 2015, when these guarantees expire.

#### 6.28.2.3 Commitments received by Bioadour (since renamed Biopyrenees), a Cerba company

As part of the acquisition of an interest in Alpha-Bio: bank guarantee by three of the vendors received in September 2011, for: €75,000 until 30 June 2012; then €50,000 until 30 June 2013; and then €25,000 until 30 June 2014, when these guarantees expire.

As part of the acquisition of an interest in Labm de Larrard et Associés: joint and several bank guarantees received in April 2012, for a maximum of: €1,008,000 until 31 December 2013; then €665,000 until 31 December 2014; and then €332,000 until 31 December 2015, when these guarantees expire.

#### 6.28.2.4 Commitments received by Bioreunion, a Cerba company

As part of the acquisition of an interest in Laboratoire du Centre: bank guarantee for €200,000 received in January 2012. This guarantee expires on 31 December 2014.

As part of the acquisition of an interest in Labm de Petite Ile: agreement from the vendor to grant a bank guarantee expiring on 31 December 2014, for up to 10% of the purchase price.

As part of the acquisition of an interest in Labm de la Plaine des Cafres: bank guarantee for €35,000. This guarantee expires on 31 December 2015.

#### 6.28.2.5 Commitments received by CEFID

As part of the acquisition of an interest in Biotop Developpement: first-rank pledge of Biotop Developpement shares. This guarantee expires on 20 January 2013.

### 6.29 Change in accounting policies and presentation of financial statements

As set out in Note 6.3.2, the Group has made changes in accounting policies relating to the French tax on value added (CVAE) as well as changes in presentation. In accordance with IAS 8, the impact of these changes and reclassifications on the statement of financial position at 31 December 2011 breaks down as follows:

(In thousand of euros)	31 December 2011 published	Change in accounting policy— CVAE	Adjustment on IFRS restatement of financial debt	Adjustment on amortisation of revolving credit facility	Reclassifications	31 December 2011 restated
<b>Assets</b>						
Goodwill .....	568,364	1,247	—	—	9,488	579,099
Intangible assets .....	136,746	—	—	—	(9,490)	127,256
Property, plant and equipment .....	38,092	—	—	—	(0)	38,092
Non-current tax assets....	—	—	—	—	1,377	1,377
Other non-current assets	1,680	—	—	—	(13)	1,667
Deferred tax assets .....	913	—	—	—	(0)	913
<b>Non-current assets .....</b>	<b>745,795</b>	<b>1,247</b>	<b>—</b>	<b>—</b>	<b>1,362</b>	<b>748,404</b>
Inventories .....	4,883	—	—	—	—	4,883
Trade receivables .....	53,140	—	—	—	(0)	53,140
Current tax assets .....	—	—	—	—	663	663
Other current assets.....	13,202	—	—	185	(2,083)	11,304
Cash and cash equivalents .....	26,537	—	—	—	—	26,537
<b>Current assets .....</b>	<b>97,762</b>	<b>—</b>	<b>—</b>	<b>185</b>	<b>(1,420)</b>	<b>96,528</b>

<b>Total assets</b> .....	<b>843,557</b>	<b>1,247</b>	<b>—</b>	<b>185</b>	<b>(58)</b>	<b>844,931</b>
<b>Equity and liabilities</b>						
Equity attributable to owners of the company.....	270,703	95	(436)	(108)	14	270,268
Non-controlling interests	5,175	—	—	—	(4)	5,170
<b>Total equity</b> .....	<b>275,878</b>	<b>95</b>	<b>(436)</b>	<b>(108)</b>	<b>9</b>	<b>275,439</b>
Non-current financial liabilities .....	399,746	—	473	350	(1)	400,568
Employee benefits .....	3,861	—	—	—	—	3,861
Non current provisions...	4,044	—	—	—	—	4,044
Deferred tax liabilities ...	57,114	1,152	(37)	(57)	(10)	58,162
Other non current liabilities .....	—	—	—	—	5,088	5,088
<b>Non-current liabilities</b> ..	<b>464,765</b>	<b>1,152</b>	<b>436</b>	<b>293</b>	<b>5,077</b>	<b>471,723</b>
Current financial liabilities .....	21,891	—	—	—	(1)	21,890
Current provisions .....	650	—	—	—	—	650
Trade payables .....	36,346	—	—	—	—	36,346
Current tax liabilities .....	—	227	—	—	2,258	2,485
Other current liabilities ..	44,026	(227)	—	—	(7,402)	36,398
<b>Current liabilities</b> .....	<b>102,914</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(5,144)</b>	<b>97,769</b>
<b>Total equity and liabilities</b> .....	<b>843,557</b>	<b>1,247</b>	<b>—</b>	<b>185</b>	<b>(58)</b>	<b>844,931</b>

### 6.30 Related parties

The main related parties are associates and Group management.

#### 6.30.1 Parent company and the Group reporting entity

Related parties identified by the Group are as follows:

- MGCI, management company with an interest in Cerba European Lab (formerly Financière Gaillon 12);
- Biopart, whose General Manager also manages one of the Group's subsidiaries;
- Cerberus Nightingale 2, parent company of Cerba European Lab (formerly Financière Gaillon 12).

A breakdown of the balances and transactions between Group companies and associates is presented below:

(In thousands of euros)	Partners	31 December 2012	31 December 2011 restated
<b>Statement of financial position</b>			
Cash advances.....	MGCI	—	1,018
Shareholder loans.....	Cerberus Nightingale 2	6,876	
Shareholder loans.....	Cerberus Nightingale 2	—	7,145
Convertible bonds including equity instruments.....	Cerberus Nightingale 2	10,056	146,308
Other bond issues.....	BIOPART	10,627	10,569

(In thousands of euros)	Partners	31 December 2012	31 December 2011
<b>Income statement</b>			
Other financial income.....	MGCI	16	4
Cost of net debt.....	Cerberus Nightingale 2	1,045	
Cost of net debt.....	Cerberus Nightingale 2	(682)	(490)
Cost of net debt.....	Cerberus Nightingale 2	(14,728)	(9,312)
Cost of net debt.....	BIOPART	(1,075)	(314)



### **6.30.2 Executive management compensation**

Given the Group's structure, key management compensation has not been disclosed as it would mean revealing individual salaries.

### **6.31 Subsequent events**

The Group pressed ahead with its strategy of restructuring its operations through the transfer of the entire assets and liabilities of Biocreat and Gendrault (GMT) to CBCV effective 1 January 2013.

On 31 January 2013, the Group successfully negotiated a "super senior" revolving line of credit of €50 million and paid commissions amounting to €1.9 million.

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 for the operation totalled €5.5 million.

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 shareholder loans onto the books of its wholly-owned subsidiary, Financière Gaillon 13 SAS.

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# **CERBA EUROPEAN LAB**

## **Consolidated Financial Statements**

**31 December 2011**

**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**

*This report contains 54 pages*

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## **Financiere Gaillon 12**

### **Statutory auditors' report on the consolidated financial statements**

#### **For the period from July 15, 2010 to December 31, 2011**

*This is a free translation into English of the statutory auditors' report issued in French and 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 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 captions or on information taken outside of the consolidated financial statements.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## **Financiere Gaillon 12**

### **Statutory auditors' report on the consolidated financial statements**

For the period from July 15, 2010 to December 31, 2011

To the Shareholders

In compliance with the assignment entrusted to us by your articles of association and your Shareholders' meeting, we hereby report to you, for the period from July 15, 2010 to December 31, 2011, on:

- the audit of the accompanying consolidated financial statements of **FINANCIÈRE GAILLON 12**;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

#### **I—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 as at 31 December 2011 and of the results of its operations for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

#### **II—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 estimates***

In preparing its financial statements, your company makes estimates and assumptions concerning the value of certain assets, liabilities, incomes and charges. These estimates are used in the preparation of the consolidated financial statements as of December 31, 2011 as described in Note 6.2.4 "Use of estimates and judgements" to the consolidated financial statements.

Specifically, your company carried out impairment tests on goodwill in accordance with the methods described in Note 6.10 "Goodwill" to the consolidated financial statements. We reviewed the methods applied to implement these impairment tests and also the assumptions and estimates applied by the company to determine the values in use, and verified that the above-mentioned note 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.

#### **III—Specific verification**

As required by law, we have also verified in accordance with professional standards applicable in France 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.

Neuilly-sur-Seine and Paris, on 3 May 2012

The statutory auditors

PricewaterhouseCoopers Audit

Marie-Cécile Dang Tran

Jacques Lévi

Grant  
Thornton  
Michel  
Cohen



# 1 Consolidated statement of financial position

## Consolidated statement of financial position at 31 December 2011

(In thousands of euro)

	Note	At 31 Dec. 2011
<b>Goodwill</b> .....	Note 10	<b>568,364</b>
<b>Other intangible assets</b> .....	Note 11	<b>136,746</b>
<i>Research and development costs</i> .....		
<i>Concessions, patents and similar rights</i> .....		1,456
<i>Amount paid on intangible assets</i> .....		350
<i>Customer relationships</i> .....		117,154
<i>Order book</i> .....		3,803
<i>Other</i> .....		13,982
<b>Property, plant and equipment</b> .....	Note 12	<b>38,092</b>
<i>Land</i> .....		823
<i>Buildings</i> .....		17,146
<i>Technical plant, equipment and machinery</i> .....		10,220
<i>Other property, plant and equipment</i> .....		9,515
<i>Work in progress</i> .....		271
<i>Amount paid on property, plant and equipment</i> .....		118
Equity-accounted associates.....		
Other non-current assets.....		1,680
Deferred tax assets.....	Note 14	913
<b>Non-current assets</b> .....		<b>745,795</b>
Inventories.....	Note 15	4,883
Trade and other receivables.....	Note 16	53,140
Other current assets.....	Note 16	13,202
Cash and cash equivalents.....	Note 17	26,537
<b>Current assets</b> .....		<b>97,762</b>
<b>Total assets</b> .....		<b>843,557</b>
<b>Equity attributable to owners of the Company</b> .....		<b>270,703</b>
<i>Share capital</i> .....	Note 18	807
<i>Share premium</i> .....	Note 18	249,774
<i>Retained earnings</i> .....		46,855
<i>Foreign currency translation reserve</i> .....		(291)
<i>Profit (loss) for the period, attributable to owners of the Company</i> .....		(26,442)
<b>Non-controlling interests</b> .....		<b>5,175</b>
<i>Non-controlling interests—reserves</i> .....		2,185
<i>Non-controlling interests—profit (loss)</i> .....		2,990
<b>Total equity</b> .....		<b>275,878</b>
Non-current financial liabilities.....	Note 19	399,746
Employee benefits.....	Note 20	3,861
Provisions for contingencies and liabilities.....	Note 21	4,044
Deferred tax liabilities.....	Note 14	57,114
<b>Non-current liabilities</b> .....		<b>464,765</b>
Current financial liabilities.....	Note 19	21,891
Provisions for contingencies and liabilities.....	Note 21	650
Trade and other payables.....	Note 22	36,346
Other current liabilities.....	Note 23	44,026
<b>Current liabilities</b> .....		<b>102,913</b>
<b>Total equity and liabilities</b> .....		<b>843,557</b>

## 2 Consolidated income statement

### Consolidated income statement 2010 - 2011

(In thousands of euro)

		From 15 July 2010 to 31 December 2011	Pro forma 12 months 2011
<b>Net sales</b> .....	Note 6	<b>400,122</b>	<b>278,662</b>
Other income .....		6,577	3,513
Cost of sales .....		(90,016)	(66,806)
Other purchases and external expenses .....		(111,497)	(62,643)
Taxes and duties .....		(9,877)	(6,961)
Personnel expenses .....	Note 8	(125,368)	(89,365)
Net change in depreciation, amortisation and impairment .....		(28,403)	(21,258)
Other operating income and expenses .....		(4,480)	(355)
<b>Profit from recurring operations</b> .....		<b>37,058</b>	<b>34,788</b>
Gain or loss on disposal of consolidated investments .....		137	137
Other operating income and expenses .....		242	(200)
<b>Operating income</b> .....		<b>37,437</b>	<b>34,725</b>
Finance income .....	Note 9	212	173
Finance costs .....	Note 9	(51,112)	(35,752)
<b>Net finance costs</b> .....		<b>(50,900)</b>	<b>(35,579)</b>
Other financial income and expense .....	Note 9	(2,839)	(3,030)
<b>Financial income (expense)</b> .....		<b>(53,739)</b>	<b>(38,609)</b>
<b>Pretax income (expense)</b> .....		<b>(16,302)</b>	<b>(3,885)</b>
Income tax .....	Note 14	(7,152)	(6,612)
<b>Profit (loss)</b> .....		<b>(23,454)</b>	<b>(10,497)</b>
<i>Attributable to owners of the Company</i> .....		<i>(26,442)</i>	<i>(12,736)</i>
<i>Attributable to non-controlling interests</i> .....		<i>2,989</i>	<i>2,240</i>

The pro forma 12 months 2011 column reflects the income statement for the period from 1 January to 31 December 2011.

### 3 Consolidated statement of comprehensive income

(In thousands of euro)

	From 15 July 2010 to 31 December 2011	Pro forma 12 months 2011
<b>Profit (loss) for the period</b> .....	<b>(23,454)</b>	<b>(10,497)</b>
<b>Other comprehensive income (loss) for the period,</b>		
<b>net of tax</b> .....	<b>(138)</b>	<b>(126)</b>
<i>Foreign currency translation differences</i> .....	<i>(422)</i>	<i>(410)</i>
<i>Actuarial gains and losses on defined benefit obligations</i> .....	<i>284</i>	<i>284</i>
<b>Total comprehensive income for the period</b> .....	<b>(23,592)</b>	<b>(10,623)</b>
<i>Attributable to owners of the Company</i> .....	<i>(26,487)</i>	<i>(12,706)</i>
<i>Attributable to non-controlling interests</i> .....	<i>2,894</i>	<i>2,082</i>

#### 4 Consolidated statement of changes in equity

(In thousands of euro)

	Share capital	Share premium	Translation reserve	Retained earnings	Total	Non- controlling interests	Total equity
Balance at 15 July 2010 .....	37			(5)	32		32
<b>Total comprehensive income for the period</b>							
Profit (loss) for the period.....				(26,444)	(26,444)	2,990	(23,454)
Total other comprehensive income .....			(292)	248	(44)	(94)	(138)
<b>Total comprehensive income for the period.....</b>			<b>(292)</b>	<b>(26,196)</b>	<b>(26,488)</b>	<b>2,896</b>	<b>(23,592)</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>							
<b>Contributions by and distributions to owners of the Company</b>							
Changes in scope .....				1,096	1,096		1,096
Issue of ordinary shares .....	770	249,774			250,544		250,544
Issue of convertible bonds(1)				45,519	45,519		45,519
Own shares sold							
Dividends .....						(1,579)	(1,579)
<b>Total contributions by and distribution to owners of the Company .....</b>	<b>770</b>	<b>249,774</b>		<b>46,615</b>	<b>297,159</b>	<b>(1,579)</b>	<b>295,580</b>
<b>Changes in ownership interests in subsidiaries</b>							
Non-controlling interests at acquisition of the subsidiary .....						3,858	3,858
<b>Total transactions with owners of the Company ..</b>						<b>3,858</b>	<b>3,858</b>
<b>Balance at 31 December 2011 .....</b>	<b>807</b>	<b>249,774</b>	<b>(292)</b>	<b>20,414</b>	<b>270,703</b>	<b>5,175</b>	<b>275,878</b>

(1) Equity component relating to the restatement of convertible bonds:

Gross amount of convertible bonds: €68,278 thousand

Deferred tax: €22,759 thousand

Net amount of convertible bonds: €45,519 thousand

## 5 Consolidated cash flow statement

### Consolidated cash flow statement

	From 15 July 2010 to 31 December 2011	Pro forma 12 months 2011
Profit (loss) for the year .....	(23,453)	(10,496)
Adjustments for:		
Amortisation, depreciation and impairment.....	28,403	21,258
Change in deferred tax.....	(8,770)	(6,257)
Net (gain) loss on disposals of assets.....	447	(250)
<b>Operating cash flow before change in working capital .....</b>	<b>(3,373)</b>	<b>4,255</b>
Change in working capital .....	451	2,868
<b>Net cash provided by (used in) operating activities .....</b>	<b>(2,922)</b>	<b>7,123</b>
Acquisition of property, plant and equipment and intangible assets.....	(26,724)	(20,888)
Disposals of property, plant and equipment and intangible assets.....	924	838
Effect of change in consolidation scope .....	(407,925)	(98,026)
Change in short-term investments .....	2,586	1,266
<b>Net cash provided by (used in) investing activities .....</b>	<b>(431,139)</b>	<b>(116,810)</b>
Dividends paid to non-controlling interests .....	(1,581)	(1,581)
Increase (decrease) in share capital.....	250,543	30,428
Proceeds from issuance of borrowings .....	446,405	95,341
Repayment of borrowings.....	(236,421)	(16,584)
<b>Net cash provided by (used in) financing activities .....</b>	<b>458,945</b>	<b>107,603</b>
Effect of exchange rate fluctuations on cash held.....	(215)	(184)
Impact of change in accounting policy .....		
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<b>24,669</b>	<b>(2,268)</b>
<i>Cash and cash equivalents at beginning of period .....</i>	<i>37</i>	<i>26,973</i>
<i>Cash and cash equivalents at end of period .....</i>	<i>24,706</i>	<i>24,706</i>

## 6 Notes to the consolidated financial statements

### 6.1 Reporting entity

Financière Gaillon 12 is a French private limited liability company (*Société par Actions Simplifiée*) with a Management Board and Supervisory Board, domiciled in France. The address of the Company's registered office is 7/11 Rue de l'Equerre 95310-Saint Ouen l'Aumône.

Financière Gaillon 12 SAS (hereinafter referred to as "the Company") was created on 8 June 2010 in connection with the takeover of Cerba European Lab.

The Company's first financial reporting period began on 8 June 2010 and ended on 14 July 2010.

The consolidated financial statements of the Company at and for the year ended 31 December 2011 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is a leading European player in medical biology, with a market positioning in clinical laboratory testing, specialised clinical pathology and clinical trials.

The Group's first consolidated financial statements are based on an extraordinary seventeen-and-a-half-month period, from 15 July 2010 to 31 December 2011. Consequently, no comparative financial statements are presented.

Cerberus Nightingale 2 S.A. holds an 81.53% stake in the Company.

### 6.2 Basis of preparation

#### 6.2.1 Statement of compliance

The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the IASB, as approved by the European Union at 31 December 2011. A detailed presentation is available on the following website: [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm).

As the Group is not concerned by the European Union's exclusion of IAS 39 on Financial Instruments: Recognition and Measurement, these consolidated financial statements are also compliant with the IFRS issued by the IASB.

#### **IFRS revisions, amendments and interpretations applicable as of 1 January 2011:**

The new standards and interpretations applicable as of 1 January 2011 as well as improvements to IFRS issued in May 2010 (listed below) were applied by the Group in its first consolidated financial statements for the year ended 31 December 2011, but had no impact on the latter:

- Revised version of IAS 24 "Related Party Disclosures"—State- Controlled Entities and the Definition of a Related Party;
- Amendments to IAS 32 "Financial Instruments: Presentation"—Classification of Rights Issues";
- Amendments to IFRIC 14 "IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"—Prepayments of a Minimum Funding Requirement;
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments";
- Improvements to IFRS published in May 2010.

#### **New IFRS, revisions of IFRS and interpretations published by the IASB but not yet applicable or not applied early by the Group:**

- Amendments to IAS 1 "Presentation of Financial Statements"—Presentation of Items of Other Comprehensive Income;
- Amendments to IAS 12 "Income taxes"—Deferred Tax: Recovery of Underlying Assets;
- Amendments to IAS 19 "Employee Benefits"—Defined Benefit Plans;

- Amendments to IFRS 7 “Financial Instruments—Disclosures”—Transfers of Financial Assets;
- Amendments to IAS 32 “Financial Instruments—Presentation” and IFRS 7 “Financial Instruments—Disclosures”—Offsetting Financial Assets and Financial Liabilities;
- IFRS 9 “Financial Instruments”—Classification and Measurement of Financial Assets and Liabilities;
- IFRS 10 “Consolidated Financial Statements”;
- IFRS 11 “Joint Arrangements”;
- IFRS 12 “Disclosure of Interests in Other Entities”;
- IFRS 13 “Fair Value Measurement”;
- Revised IAS 27 “Consolidated and Separate Financial Statements”;
- Revised IAS 28 “Interests in Associates and Joint Ventures”;
- IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine”.

The Group is currently evaluating the impact of the first-time adoption of these new texts.

The consolidated financial statements were authorised for issue by the Supervisory Board on 6 April 2012.

They will be submitted for approval at the Shareholders’ Annual General Meeting on **29 June 2012**.

#### **6.2.2 Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments, which are measured at fair value.

#### **6.2.3 Functional and presentation currency**

The consolidated financial statements are presented in euros, which is the Company’s functional currency. All financial information presented in euros has been rounded to the nearest thousand, except where otherwise specified.

#### **6.2.4 Use of estimates and judgements**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimates mainly concern:

- The measurement of the recoverable amount of goodwill (assumptions described in paragraph “6.4 Goodwill”;
- The measurement of obligations related to defined benefit plans (assumptions described in paragraph “6.20 Employee Benefits”;
- The measurement of deferred tax assets (see Note 6.14.3).

### **6.3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements, and have been applied systematically by all Group entities.

### **6.3.1 Basis of consolidation**

The Group's consolidated financial statements include those of the parent company and all its subsidiaries at and for the year ended 31 December 2011. The reporting date for all subsidiaries is 31 December.

#### **6.3.1.1 Business combinations**

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.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised 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 acquire, less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised 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 remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

#### **6.3.1.2 Acquisitions of non-controlling interests**

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

#### **6.3.1.3 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 over 50% of voting rights at Shareholders' Annual General Meetings. In strict compliance with these regulatory constraints, the Group has set up a capital structure to meet these obligations and hold the majority of the economic interests. Moreover, specific clauses, namely with regard to governance, are included in the articles of association and shareholder 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 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.

#### **6.3.1.4 Loss of control**

On the 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 the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. 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.



### **6.3.1.5 Transactions eliminated on consolidation**

Intra-group balances and transactions, and any income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

### **6.3.1.6 Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currencies of the respective Group entities at the exchange rates effective at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted into the functional currency using the exchange rate effective at that date.

Foreign currency translation differences are recognised in profit or loss.

### **6.3.1.7 Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euros using the exchange rate effective at the reporting date. The income and expenses of foreign operations are translated into euros using the average exchange rates for the financial year.

Foreign currency translation differences are recognised in other items of comprehensive income, and are presented in the foreign currency translation reserve in equity. When a foreign operation is sold and there is a loss of control, the cumulative amount in the translation reserve related to the foreign operation is reclassified to profit or loss.

## **6.3.2 Financial instruments**

### **6.3.2.1 Non-derivative financial assets**

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the transaction date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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 such 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*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured 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 and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and which are used by the Group in the management of its short-term commitments.

### **6.3.2.2 Non-derivative financial liabilities**

The Group initially recognises debt securities and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured 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 for the purposes of the statement of cash flows.

### **6.3.2.3 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 effects.

#### *Preference shares*

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are deducted directly from equity after approval by the Company's shareholders at their general meeting.

All 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. The shares with warrants were granted to senior executives and some Group employees.

The issues were recognised in accordance with IFRS 2 as equity-settled share-based payment transactions. In accordance with IFRS 2 "Share-based Payment" the warrants were measured at fair value on the grant date.

The fair value measurement of stock options takes into account the exercise price and the expected life of the option, the price of the underlying stock at the grant date, the expected volatility of the stock price, the expected dividends on the stock and the risk-free interest rate over the life of the option.

This method makes it possible to determine a fair value of warrants that is equal to their issue price. The shares with warrants are therefore 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.

### **6.3.2.4 Compound financial instruments**

Compound financial instruments issued by the Group comprise convertible bonds denominated in euros that can be converted into a fixed number of shares at the option of the holder.

The liability component of a compound 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 based on a market rate. The equity component is recognised initially as the difference between the proceeds from the issuance 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.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound 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. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

### **6.3.2.5 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 recognised in profit or loss.

### **6.3.3 Property, plant and equipment**

#### ***6.3.3.1 Recognition and measurement***

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.

### 6.3.3.2 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.

### 6.3.3.3 Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss 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 are ready for use, or in respect 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	<u>5 - 10 years</u>

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted where appropriate.

## 6.3.4 Intangible assets and goodwill

### 6.3.4.1 Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see Notes 6.5 and 6.10.

#### *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:

- Specialised clinical pathology CGU: this involves performing 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 trial CGU: this involves conducting clinical trials (logistics, analyses, results) for pharmaceutical companies and biotechnology firms during the drug development phase.

### 6.3.4.2 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 insofar as the criteria for recognition as an intangible asset, defined by IAS 38, are not met.

#### **6.3.4.3 Other intangible assets**

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

They include customer relationships and order books identified when business combinations were concluded during the year.

#### **6.3.4.4 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.

#### **6.3.4.5 Amortisation**

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

- Patents and trademarks 10 years
- Software 1 to 3 years
- Customer relationships (Specialised clinical pathology CGU) 19 years
- Order book (Clinical trials CGU) 4 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and are adjusted where appropriate.

#### **6.3.5 Leased assets**

Leases under which 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.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

##### *Lease payments*

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 of rental expense over the term of the lease.

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 during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### **6.3.6 Inventories**

Finished goods inventories, mainly comprising reagents and consumables, are recognised at their acquisition-date 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.

### **6.3.7 Impairment**

#### **6.3.7.1 Non-derivative financial assets**

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and the loss event(s) have 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 for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level.

The high volumes and low unit values of the invoices issued by the Group 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 specialised 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, the Group uses historical trends of the probability of default, the timing of collection and the amount of loss incurred, adjusted based on management's judgement 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 amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows. Losses are recognised in profit or loss under "Net change in amortisation and impairment" and are recorded in an allowance account for loans and receivables. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### **6.3.7.2 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. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not 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.

### **6.3.8 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).

#### **6.3.8.1 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 benefit that employees have vested in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Any unrecognised 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 recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

#### **6.3.8.2 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.

#### **6.3.8.3 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.

### **6.3.9 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.

#### **6.3.9.1 Restructuring**

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provisioned.

### **6.3.10 Revenue**

#### **6.3.10.1 Services**

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.

Specialised clinical pathology and private clinical testing operations are carried out via clinical laboratories. Revenue related to analyses/tests carried out is recognised when the report is validated by the clinical pathologist (date results are handed over to the client).

Clinical trials are governed by contractual agreements providing for specific invoicing at each stage. Revenue is recognised using the percentage-of-completion method. Percentage of completion is measured on the basis of work performed.

#### **6.3.11 Government grants**

The French government subsidises screening for Bovine spongiform encephalopathy (BSE). It contributed €5 for each test until 31 December 2010 and has contributed €8 for tests performed since 1 January 2011.

This grant is recognised as other income once the Group is eligible to receive it (when the tests have been performed).

### 6.3.12 Finance income and finance costs

Net finance costs comprise:

- gross finance costs, including interest expense and gains and losses on interest-rate derivatives allocated to gross financial debt when they qualify for hedge accounting;
- income from cash and cash equivalents, which comprises the return on cash investments and cash equivalents.

Other financial income and expense mainly comprise foreign exchange gains and losses and changes in fair value of derivatives that do not qualify for hedge accounting.

### 6.3.13 Income tax

Income tax comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss unless it relates 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 year, 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 of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. 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 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 reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes 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 liabilities and assets 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 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 are reduced to the extent that it is no longer probable that taxable profit will be realised.

The Group found that the tax changes introduced by the 2010 French Finance Law mainly consist of changes to the way French regional tax is calculated, without affecting the nature of the tax. The Group therefore found that there is no reason to apply a different accounting treatment from that used for business tax (*taxe professionnelle*) to the French value added business tax (CVAE) and property business tax (CFE). Consequently, these two taxes are classified under operating expenses.



## 6.4 Consolidation scope

Company	At 31 December 2011		
	Consolidation Method	% Control	% Interests
Financière Gaillon 12 SAS .....	Parent company	100.00%	100.00%
Cerba European Lab SAS .....	FC	100.00%	100.00%
Cerba Specimen Services SAS .....	FC	100.00%	100.00%
Cefid .....	FC	99.99%	99.99%
Biotop Développement .....	FC	25.00%	74.53%
Biotop Place Boulot .....	FC	45.65%	74.39%
Eurolab Selarl .....	FC	100.00%	74.53%
Adibio .....	Tup*	Tup*	Tup*
Georges Galet de Santerre Selarl .....	Tup*	Tup*	Tup*
Cecile et Pesquie .....	Tup*	Tup*	Tup*
Vignoli .....	FC	49.00%	74.53%
Biotop SCM .....	FC	100.00%	74.53%
Laboratoire Cerba .....	FC	25.00%	99.84%
Genazur .....	Tup*	Tup*	Tup*
Biolille .....	FC	49.90%	72.58%
Bioanalyse .....	Tup*	Tup*	Tup*
Latour .....	Tup*	Tup*	Tup*
Douaisis .....	FC	48.70%	72.58%
Biometropole Ouest Selarl .....	FC	100.00%	72.58%
Financière Bruno Fléchet .....	FC	100.00%	99.84%
CBCV Selas .....	FC	49.00%	99.65%
BARC Australie .....	FC	100.00%	99.99%
BARC Finance .....	FC	99.99%	99.98%
BARC NV .....	FC	99.99%	99.99%
BARC RSA (South Africa) .....	FC	50.01%	50.00%
BARC USA .....	FC	100.00%	99.99%
Biolec .....	FC	49.00%	99.65%
Labo Des Fêtes .....	FC	49.00%	99.65%
Biocreat Selas .....	FC	49.00%	89.88%
Gendrault Mancy Tollobre .....	FC	100.00%	99.65%
VGS La Réunion Selas .....	FC	49.00%	73.57%
Labaustral Selarl .....	Tup*	Tup*	Tup*
Laboratoire Du Centre Sarl .....	FC	100.00%	73.57%
Bioadour .....	FC	49.00%	93.82%
Alphabio Selas .....	FC	100.00%	93.82%
Sel De La Baie Selas .....	FC	49.00%	78.68%
Laboraco .....	FC	100.00%	99.99%
CRI .....	FC	99.99%	99.99%
Medic Lab .....	Tup*	Tup*	Tup*
LBS .....	FC	100.00%	99.98%
Llam Project Renommée Llam Sa .....	FC	100.00%	99.98%
Llam Sa .....	Tup*	Tup*	Tup*
Labo Technical Equipment Sa Lux .....	FC	100.00%	99.98%

\* *Transmission Universelle de Patrimoine* (merger by dissolution, without liquidation, and transfer of all assets and liabilities)

Companies acquired in 2011 through the transfer of assets and liabilities and dissolution without liquidation have been presented in the consolidation scope as they were acquired during the financial year, with the exception of Genazur, Bioanalyse and Latour.

## 6.5 Change in consolidation scope

On 21 July 2010 Financière Gaillon 12 (FG12) fully acquired Cerba European Lab (CEL). CEL is a leading European player in medical biology, with a market positioning in private clinical testing, specialised clinical pathology and clinical trials.

Goodwill was recognised as follows on the purchase of the CEL Group:

(In millions of euro)	CEL
<b>Net assets acquired (liabilities assumed)</b> .....	<b>(360.4)</b>
Order book .....	6.0
Customer relationships .....	126.8
Deferred tax on customer relationships .....	(43.7)
Derivative instruments .....	(0.9)
<b>Net assets acquired (liabilities assumed) restated at fair value</b> .....	<b>(272.3)</b>
% interests .....	100.00%
<b>Fair value of net assets acquired (liabilities assumed)</b> .....	<b>(272.3)</b>
<b>Acquisition price</b> .....	<b>137.3</b>
<b>Goodwill</b> .....	<b>409.6</b>

Customer relationships have been recognised for the specialised clinical pathology activity and the order book relating to the clinical trials activity has been measured.

The fair value of customer relationships and the order book acquired in the business combination was determined using the multiple-period excess earnings method.

Under this approach, the excess earnings attributable to assets are measured by calculating the following:

- Operating margin after tax attributable to the assets or EBIT;
- Capital expense on intangible assets and plant, property and equipment required for operations (working capital requirement, pre-existing plant, property and equipment, intangible assets and human capital).

Expenses in respect of this takeover were recognised in operating expenses and amounted to €10.7 million.

#### 6.5.1 Acquisition of the entire share capital of the LLAM group

On 30 June 2011, Financière Gaillon 12 (FG12) fully acquired the private laboratory LLAM—Laboratoire Luxembourgeois d'Analyses Médicales.

Goodwill was recognised as follows on the purchase of the LLAM Group:

(In millions of euro)	LLAM
<b>Net assets acquired</b> .....	<b>1.2</b>
Cancellation of commercial goodwill .....	(2.6)
<b>Net assets acquired (liabilities assumed) restated at fair value</b> .....	<b>(1.4)</b>
% interests .....	100.00%
<b>Fair value of net assets acquired (liabilities assumed)</b> .....	<b>(1.4)</b>
<b>Acquisition price</b> .....	<b>62.5</b>
<b>Goodwill</b> .....	<b>63.9</b>

LLAM Group's contribution to CEL Group revenue and profit for the year was €14.1 million and €3.3 million respectively.

#### 6.5.2 Other acquisitions of controlling interests

The Group's other acquisitions of controlling interests for the period concerned private clinical laboratories in France and Belux. The takeovers, taken individually, had no material impact.

The breakdown of goodwill related to these acquisitions is presented in Note 6.10.

### 6.6 Net sales

Net sales (in thousands of euro)	31 December 2011 (18 months)
Sales of services .....	397,820
Sales of goods .....	2,302
<b>Total</b> .....	<b>400,122</b>

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.

## 6.7 Other operating income

Other operating income includes €1.6 million in operating grants received by Cerba.

## 6.8 Personnel expenses

Personnel expenses (in thousands of euro)	31 December 2011 (18 months)
Wages and salaries.....	(94,138)
Compulsory social security contributions.....	(29,456)
Post-employment benefits and other long-term benefits .....	(386)
Employee profit sharing.....	(1,388)
<b>Total .....</b>	<b>(125,368)</b>

## 6.9 Finance income and finance costs

Net financial income (expense) is directly attributable to the financing arrangements in respect of acquisitions. It includes capitalised interest on convertible bonds and convertible bonds with warrants.

Net financial income (expense) (in thousands of euro)	31 December 2011 (18 months)
Income from cash and cash equivalents.....	212
<b>Finance income.....</b>	<b>212</b>
Interest and related expenses .....	(51,112)
Interest on bonds.....	(24,680)
Interest on bank loans .....	(18,954)
Commitment fees.....	(2,263)
Swap-related finance costs.....	(1,017)
Accrued interest and related expenses .....	(4,199)
<b>Finance costs .....</b>	<b>(51,112)</b>
<b>Net finance costs.....</b>	<b>(50,900)</b>
Other financial income and expense .....	(2,839)
Swap-related financial income.....	108
Other financial income and expense .....	(2,947)
<b>Net financial income (expense) .....</b>	<b>(53,739)</b>

## 6.10 Goodwill

Goodwill arising from acquisitions of controlling interests during the period was as follows:

Company	Gross	At 31 December 2011 Impairment	Net
Cerba European Lab SAS .....	409,589	—	409,589
Financière Bruno Fléchet.....	2,930	—	2,930
CBCV Selas.....	10,931	—	10,931
Biolec.....	2,333	—	2,333
VGS La Réunion Selas .....	13,781	—	13,781
Vignoli .....	699	—	699
Biotop Développement .....	9,968	—	9,968
EuroLab SelarL .....	6,466	—	6,466
Bioadour .....	11,242	—	11,242
SEL de La Baie Selas .....	4,457	—	4,457
Alphabio Selas.....	5,777	—	5,777
Biometropole Ouest SelarL.....	390	—	390
Labo Des Fêtes .....	2,197	—	2,197
Biocreat Selas .....	2,560	—	2,560
Gendrault Mancy Tollobre.....	1,221	—	1,221
Biotop Place Boulot.....	376	—	376

Biotop SCM.....	(37)	—	(37)
Laboratoire du Centre SARL.....	1,486	—	1,486
CRI .....	18,040	—	18,040
Llam Project .....	63,959	—	63,959
<b>TOTAL .....</b>	<b>568,364</b>	<b>—</b>	<b>568,364</b>

The allocation of goodwill to CGUs was as follows:

	Goodwill at 15 July 2010	Change in consolidation scope	Impairment	Goodwill at 31 December 2011
<b>Cash generating units</b>				
Specialised clinical pathology CGU ...		171.1		171.1
France clinical laboratory testing CGU.....		128.5		128.5
Belux clinical laboratory testing CGU		193.8		193.8
Clinical trial CGU.....		74.9		74.9
		<b>568.3</b>		<b>568.3</b>

Impairment tests performed in accordance with IAS 36 were based on the value in use of each CGU calculated using the Discounted Cash Flow method.

The main assumptions used to calculate the recoverable amount of the CGUs were as follows:

	Cash flow projection period	Discount rate	Long-term growth rate
<b>Cash generating units</b>			
Specialised clinical pathology CGU .....	6 years	9.00%	2.50%
France clinical laboratory testing CGU .....	6 years	9.00%	2.50%
Belux clinical laboratory testing CGU.....	6 years	9.40%	2.50%
Clinical trial CGU.....	6 years	10.50%	3.50%

Cash flows were discounted based on the weighted average cost of capital (WACC), calculated on the basis of expected return and market risk for each CGU.

The impairment tests performed cover the goodwill presented in this note as well as all operating assets allocated to the CGUs (intangible assets, property, plant and equipment and components of working capital, net of deferred tax liabilities).

At year end 2011, the tests showed no impairment loss.

The impairment tests showed that globally the carrying amounts of the tested assets reflect their recoverable value. The CGU with the lowest ratio of carrying amounts equal to recoverable value is specialised clinical pathology. The recoverable amount of this CGU would be identical to its carrying amount if the long-term growth rate were 2% and the discount rate 9.2%.

## 6.11 Intangible assets

(In thousands of euro)	15 July 2010				31 December 2011
	Newly consolidated	Foreign currency translation differences	Acquisitions	Disposals	Year end
<b>Other intangible assets, gross</b>					
Concessions, patents and similar rights .....	7,456		1,386	(261)	8,581
Other intangible fixed assets.....	8,260		14,807	(696)	22,371
Order book.....	5,958				5,958
Customer relationships .....	126,809				126,809
Amount paid on intangible assets.....	199		189	(38)	350
<b>Total .....</b>	<b>148,682</b>		<b>16,382</b>	<b>(995)</b>	<b>164,069</b>
		Foreign currency translation differences	Additions	Reversals	Year end
<b>Accumulated amortisation of other intangible fixed assets</b>	Newly consolidated				

Concessions, patents and similar rights .....	6,043	1,281	(199)	7,125
Other intangible fixed assets .....	8,260	128		8,388
Customer relationships .....		9,655		9,655
Order book .....		2,155		2,155
<b>Total .....</b>	<b>14,303</b>	<b>13,219</b>	<b>(199)</b>	<b>27,323</b>
<b>Other intangible assets .....</b>	<b>134,379</b>	<b>3,163</b>	<b>(796)</b>	<b>136,746</b>

## 6.12 Property, plant and equipment

	Opening	Newly consolidated	Foreign currency translation differences	Acquisition	Disposal	Year end
Gross property, plant and equipment						
Land .....		846	(23)			823
Buildings .....		23,289	(189)	2,981	(364)	25,717
Technical plant, equipment and machinery .....		43,083	(92)	7,054	(1,637)	48,409
Other property, plant and equipment .....		24,865	(70)	3,416	(772)	27,440
Work in progress .....			(9)	326	(2)	315
Amount paid on property, plant and equipment .....		938		122	(942)	118
<b>Total .....</b>	<b>—</b>	<b>93,021</b>	<b>(382)</b>	<b>13,899</b>	<b>(3,717)</b>	<b>102,821</b>

			Foreign currency translation differences			
Accumulated depreciation of property, plant and equipment	Opening	Newly consolidated		Addition	Disposal	Year end
Buildings.....		7,098	(22)	1,688	(193)	8,571
Technical plant, equipment and machinery .....		33,828	(36)	5,585	(1,189)	38,188
Other property, plant and equipment		15,324	(38)	3,302	(663)	17,925
Work in progress.....			(0)	44		44
<b>Total .....</b>	<b>—</b>	<b>56,250</b>	<b>(97)</b>	<b>10,620</b>	<b>(2,045)</b>	<b>64,728</b>
<b>Property, plant and equipment.....</b>	<b>—</b>	<b>36,771</b>	<b>(285)</b>	<b>3,279</b>	<b>(1,672)</b>	<b>38,092</b>

The Group has entered into a number of finance leases for equipment, technical plant and two building complexes.

At 31 December 2011, the breakdown of fixed assets held under finance leases was as follows:

In thousands of euro		15 July 2010			31 December 2011
	Opening	Newly consolidated	Acquisition	Disposal	Year end
Leased property, plant and equipment—gross					
Land.....		622			622
Buildings.....		10,678	2,152		12,830
Technical plant, equipment and machinery .....		8,657	4,137		12,794
Other property, plant and equipment ....		1,090	421	(12)	1,499
<b>Total .....</b>	<b>—</b>	<b>21,047</b>	<b>6,710</b>	<b>(12)</b>	<b>27,745</b>

Accumulated depreciation of property, plant and equipment held under finance leases	Opening	Newly consolidated	Additions	Reversals	Year end
Buildings.....		1,736	962		2,698
Technical plant, equipment and machinery .....		5,908	2,272		8,180
Other property, plant and equipment .....		164	420	(5)	579
<b>Total .....</b>	<b>—</b>	<b>7,808</b>	<b>3,654</b>	<b>(5)</b>	<b>11,457</b>
<b>Property, plant and equipment held under finance leases .....</b>	<b>—</b>	<b>13,239</b>	<b>3,056</b>	<b>(7)</b>	<b>16,288</b>

### 6.13 Other non-current assets

Other non-current assets mainly comprise security deposits.

### 6.14 Tax

#### 6.14.1 Income tax

Income tax	31 December 2011 (18 months)
(In thousands of euro)	
Current tax expense .....	(15,929)
Deferred tax expense .....	8,777
<b>Total .....</b>	<b>(7,152)</b>

#### 6.14.2 Reconciliation between the effective tax rate and the applicable tax rate

Tax proof	15 July 2010 to 31 December 2011	Pro forma 12 months 2011
(In thousands of euro)		
Tax rate.....	34.43%	34.43%
Consolidated profit (loss), net of tax—attributable to owners of the Company .	(26,439)	(12,733)
Consolidated profit, net of tax—attributable to non-controlling interests .....	2,991	2,242
Adjustment of the contribution to consolidated profit or loss of affiliates .....	0	0
<b>Consolidated profit (loss), net of tax .....</b>	<b>(23,448)</b>	<b>(10,491)</b>
Income tax .....	(15,929)	(12,877)

Deferred tax expense .....	8,777	6,264
<b>Consolidated pretax income (expense)</b> .....	<b>(16,295)</b>	<b>(3,878)</b>
Theoretical tax expense (at the rate of the consolidating company) .....	5,610	1,335
Effective tax expense .....	(7,142)	(6,603)
<b>Difference between theoretical tax expense and effective tax expense</b> .....	<b>(12,753)</b>	<b>(7,938)</b>
Tax rate differences .....	271	323
Permanent differences between accounting profit and taxable profit .....	(9,769)	(6,374)
Unrecognised tax losses .....	(2,680)	(1,344)
Other deferred taxes without a related basis .....	(791)	(791)
Carrybacks .....	630	630
Differences based on equity .....	(595)	(595)
Tax credits .....	131	131
Other items .....	50	82
<b>Total items</b> .....	<b>(12,753)</b>	<b>(7,939)</b>

### 6.14.3 Recognised deferred tax assets and liabilities

<b>Breakdown of deferred tax by nature</b>	
<b>(In thousands of euro)</b>	<b>31 December 2011</b>
Recognition of unused tax loss carryforwards .....	7,589
Recognition of securities transaction costs .....	2,754
Provisions for retirement benefits .....	1,050
Employee profit sharing .....	487
Other non-deductible provisions .....	319
Organic revenue-based tax .....	96
Difference between accounting and taxable asset values .....	(706)
Restatement of finance leases .....	(186)
Cancellation of regulated provisions .....	(1,545)
Measurement to fair value of financial assets and liabilities .....	(25,740)
Measurement to fair value of intangible assets, net of amortisation .....	(40,336)
Other items .....	8
<b>Total net deferred tax liabilities</b> .....	<b>(56,208)</b>

At 31 December 2011, unrecognised tax loss carry-forwards amounted to €23.8 million, given the lack of reliable prospects of future taxable profit.

### 6.15 Inventories

The Group's inventories comprise reagents and consumables.

<b>Inventories</b>	
<b>(In thousands of euro)</b>	<b>31 December 2011</b>
Raw materials .....	4,910
Gross value .....	4,910
Provision for impairment of inventories .....	(27)
<b>Carrying amount</b> .....	<b>4,883</b>

### 6.16 Trade and other receivables

<b>Trade receivables</b>	
<b>(In thousands of euro)</b>	<b>31 December 2011</b>
Trade receivables .....	56,765
Provision for impairment of trade receivables .....	(3,624)
<b>Carrying amount</b> .....	<b>53,140</b>

<b>Other current assets</b>	
<b>(In thousands of euro)</b>	<b>31 December 2011</b>
Social security receivables .....	183
Tax receivables .....	2,967
Other receivables .....	3,936
Impairment of other receivables .....	(13)

Advances and downpayments.....	217
Prepaid expenses.....	5,912
<b>Total.....</b>	<b>13,202</b>

## 6.17 Cash and cash equivalents

<b>Cash and cash equivalents</b>		<b>31 December 2011</b>
<b>(In thousands of euro)</b>		
Cash .....		26,537
<b>Total.....</b>		<b>26,537</b>
Bank overdrafts.....		(1,831)
<b>Total net cash .....</b>		<b>24,706</b>

## 6.18 Capital and reserves

	Series A Shares		Series B Shares		Ordinary shares		Total	
	Share capital	Share premium	Share capital	Share premium	Share capital	Additional paid-in capital	Share capital	Additional paid-in capital
<b>(In thousands of euro)</b>								
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.....			0	7,808	36	3,531	36	11,339
12 May 2011 .....			0	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.....			0	4,675	16	1,543	16	6,218
21 and 27 December 2012 ...					3	342	3	342
Share capital increase fees ...								(18)
<b>Total.....</b>	<b>37</b>	<b>—</b>	<b>2</b>	<b>172,959</b>	<b>768</b>	<b>76,832</b>	<b>807</b>	<b>249,774</b>
Outstanding shares at								
31 December .....	3,700,000		172,961		76,810,454		80,683,415	

### 6.18.1 Preference shares

The Series A and B preference shares issued by FG12 in July 2010 have the following features:

- No voting rights (Art. 19.4 of the articles of association);
- No rights to profit (except for the preference dividend), company assets, reserves, distributions and liquidating dividends (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.

### 6.18.2 Ordinary shares

Each ordinary share carries one voting right at the general meetings of shareholders. Each share entitles its owner to receive a share of profit, company assets, reserves, distributions and liquidating dividends.

### 6.18.3 Warrants

On 21 July 2010, FG12 issued 16 million shares with warrants for an aggregate nominal value of €160 thousand. Share premium amounted to €15,840 thousand and warrants to €790 thousand.



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. The warrants were measured at the grant-date fair value, which corresponds to their issue price. Since the issue price is equal to the grant-date fair value, no expense was recognised under IFRS 2.

#### 6.18.4 Dividends

While all subsidiaries have a 12-month financial year ending on 31 December, FG12's first financial period lasted for 18 months. Consequently, the dividends paid by the subsidiaries in 2011 from profit for financial year 2010 were eliminated, but have been recognised in the income statement for the 18-month period from 15 July 2010 to 31 December 2011.

#### 6.19 Financial liabilities

Financial liabilities	31 December 2011
Convertible bonds.....	80,846
Bond with warrants—non-current portion.....	55,310
Bond with warrants—current portion.....	489
Other bonds.....	11,576
Non-current portion of bank loans.....	233,383
Current portion of bank loans.....	15,480
Finance lease liabilities.....	22,701
Other borrowings.....	21
Bank overdrafts.....	1,831
<b>Total</b> .....	<b>421,637</b>

##### 6.19.1 Debt repayment schedule and terms

Financial liabilities	31 December 2011	Up to 1 year	1 to 5 years	Over 5 years
Bonds and notes.....	148,221	489		147,732
Bank loans.....	248,863	15,480	61,512	171,870
Finance lease liabilities.....	22,701	4,070	9,632	9,000
Other borrowings.....	21	21		
Bank overdrafts and other cash positions.....	1,831	1,831		
<b>Total</b> .....	<b>421,637</b>	<b>21,891</b>	<b>71,144</b>	<b>328,602</b>

Bonds and notes	31 December 2011	Nominal amount	Capitalised interest	Accrued interest
Convertible bonds.....	80,846	66,662	12,706	1,479
Bonds with warrants.....	55,799	52,000	3,310	489
Other bonds and notes.....	11,576	11,000	576	
<b>Total</b> .....	<b>148,221</b>	<b>129,662</b>	<b>16,592</b>	<b>1,968</b>

The financing set up when the Group was created was as follows:

- convertible and non-convertible bonds, most of which bear interest at 10%, expiring on 21 July 2025. Interest is capitalised annually.
- a bond with warrants (mezzanine) expiring on 31 July 2018. This bond has a fixed interest rate portion (6.75%) and a floating rate portion (4.75% + 12-month Euribor). Interest from the fixed-rate portion is capitalised, while floating rate interest is paid quarterly.
- Two tranches of floating rate bank loans. Interest payments are due monthly. The first tranche (A) is repaid based on a half-yearly repayment schedule until 31 January 2017. The second tranche (B) is repayable in full on 31 January 2018.
- The Group also has a Capex facility of €70 million, €41,589 thousand of which had been used at 31 December 2011, bearing interest at a variable rate. This credit facility is repayable in seven half-yearly instalments, the first of which is due on 31 January 2014. It bears interest at a floating rate. The non-utilised portion is subject to a 1.80% commitment fee.

- The Group also has a revolving credit facility of €10 million, which has not been used and is subject to a 1.80% commitment fee.

The Group's subsidiaries have local medium-term credit facilities.

The fixed and floating interest rates applied to loans and borrowings are as follows:

Loans and borrowings	31 December 2011	Fixed rate	Variable rate	31 December 2010
Bonds and notes .....	148,221	92,422	55,799	178,064
Bank loans .....	248,863	17,408	231,455	180,083
Finance lease liabilities .....	22,701	22,701		17,974
Other borrowings .....	21	21		2,929
Bank overdrafts and other cash positions .....	1,831	1,831		
<b>Total .....</b>	<b>421,637</b>	<b>134,383</b>	<b>287,254</b>	<b>379,050</b>

This analysis does not take into account interest rate hedging instruments.

### 6.19.2 Debt covenants

At 31 December 2011, the Group was in compliance in the debt covenants included in the bank contracts of 21 July 2010.

### 6.19.3 Convertible bonds

During the financial year, the Group issued four convertible bonds with the following characteristics:

(In thousands of euro)		Convertible bonds	Nominal	Issue date	Maturity	Interest	Conversion ratio
OCA							
OCA 1 .....	Convertible bond	1	112,000	21/07/2010	21/07/2025	10% capitalised	1 convertible
OCA 2 .....	Convertible bond	2	6,459	16/12/2010	21/07/2025	and payable at	bond =
OCA 3 .....	Convertible bond	3	12,845	21/05/2011	21/07/2025	redemption or	1 Series B
OCA 4 .....	Convertible bond	4	3,636	15/12/2011	21/07/2025	conversion date	preference share
<b>Total .....</b>	<b>Total</b>		<b>134,940</b>				

The values of the debt and equity components were determined at the issue date based on a market interest rate of 14.6% to 15.5%:

	31 December 2011
Nominal amount of the convertible bonds at issuance .....	134,940
Equity component .....	(68,278)
<b>Carrying amount of the debt component at issuance .....</b>	<b>66,662</b>
Effect of the effective interest rate method .....	(4,329)
Accrued and capitalised interest .....	18,513
<b>Carrying amount of the debt component at year end .....</b>	<b>80,846</b>

## 6.20 Employee benefits

### 6.20.1 Analysis of employee benefits

	31 December 2011 (18 months)
Defined benefit plan .....	3,325
Long-service bonuses .....	536
<b>Total—employee benefits .....</b>	<b>3,861</b>
Of which:	
<b>Employee benefit obligations .....</b>	<b>4,260</b>
<b>Plan assets .....</b>	<b>(399)</b>

## 6.20.2 Change in the present value of the defined benefit obligation

<b>Defined benefit obligation at 1 January</b> .....	<b>2,502</b>
Current service costs .....	272
Interest on obligation .....	197
Change in consolidation scope .....	689
Benefits paid by the plan .....	(61)
Actuarial (gains) losses .....	284
Contributions paid into the plan .....	(7)
Expected return on plan assets .....	(15)
<b>Defined benefit obligation at 31 December</b> .....	<b>3,861</b>

## 6.20.3 Expense recognised in profit or loss

	<b>31 December 2011 (18 months)</b>
<b>Retirement benefit obligations</b>	
Current service cost .....	(272)
Interest cost .....	(197)
Curtailment gain .....	68
Expected return on plan assets .....	15
<b>Total</b> .....	<b>(386)</b>

The expense is fully recognised in profit from recurring operations (see Note 6.3.8).

## 6.20.4 Actuarial gains and losses recognised in other comprehensive income

Actuarial gains and losses in respect of defined employee benefit obligations recognised for the financial year ended 31 December 2011 amounted to €284 thousand.

## 6.20.5 Actuarial assumptions

### Actuarial assumptions at 31 December 2011

Discount rate at 31 December .....	3.80%	
Expected return on plan assets at 1 January .....	3.50%	
<i>Salary increase rate</i>	<b>Management</b>	<b>Other employees</b>
- 29 years .....	5.00%	3.00%
30 - 39 years .....	4.00%	2.50%
40 - 49 years .....	3.00%	2.50%
50 - 59 years .....	2.00%	2.00%
60 and over .....	2.00%	2.00%
<i>Employer contributions</i> .....	67.05%	54.50%
<i>Turnover rate</i>	<b>Management</b>	<b>Other employees</b>
- 29 years .....	10.00%	10.00%
30 - 39 years .....	5.00%	5.00%
40 - 49 years .....	2.50%	2.50%
50 - 59 years .....	2.00%	2.00%
60 and over .....	0.00%	0.00%
Retirement age .....	65 years	62 years
Mortality table .....	INSEE F 2004 - 2006	

Employer contributions comprise tax contributions, including payroll taxes at 12.08% for management personnel and 9.03% for other employees.

## 6.21 Provisions

### Provisions for contingencies and liabilities

	<b>15 July 2010</b>			<b>31 December 2011</b>		
(In thousands of euro)	Newly consolidated	Additions	Provisions used	Year end	Current portion (< 1 year)	Non-current portion (> 1 year)
Provision for litigation .....	380	794	(447)	727	581	146
Provision for restructuring .....	412		(412)			

Provisions for contingencies and liabilities.....	18	4,008	(59)	3,967	69	3,898
<b>Total .....</b>	<b>810</b>	<b>4,802</b>	<b>(918)</b>	<b>4,694</b>	<b>650</b>	<b>4,044</b>

At 31 December 2011, provisions amounting to €3,898 thousand were recognised under provisions for contingencies and liabilities for a potential tax risk in one of the Group's subsidiaries.

Provisions for litigation cover in particular the risk of industrial tribunal disputes.

## 6.22 Trade and other payables

<b>Trade and other payables</b>		
<b>(In thousands of euro)</b>		<b>31 December 2011</b>
Trade payables .....		34,752
Payables to fixed asset suppliers .....		1,594
<b>Total .....</b>		<b>36,346</b>

## 6.23 Other current liabilities

<b>Other current liabilities</b>		
<b>(In thousands of euro)</b>		<b>31 December 2011</b>
Social security .....		17,251
Tax payables .....		8,656
Advances and downpayments received .....		4,514
Derivative instruments .....		4,431
Other current liabilities .....		3,708
Deferred income .....		5,467
<b>Total .....</b>		<b>44,026</b>

## 6.24 Financial instruments

### 6.24.1 Financial risk management

#### 6.24.1.1 Introduction

The Group has exposure to the following risks arising from 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 the Group's objectives, policies and procedures for measuring and managing risk, along with capital management.

#### 6.24.1.2 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 established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to 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 stringent and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees management's implementation of the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

## 6.24.2 Credit risk

Credit risk is managed at Group level.

Credit risk concerns cash and cash equivalents, derivative financial instruments, deposits with banks and financial institutions, as well as exposure to customer credit risk, including outstanding receivables.

The carrying amount of loans and receivables represents the maximum exposure to credit risk at the reporting date.

The high volumes and low unit values of invoices issued by the Group 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 specialised clinical pathology laboratories, the collection of receivables from direct patients more than 35 days overdue is handled by a debt collection company acting solely as a collection agent on behalf of Cerba.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

<b>Maturities of receivables</b> (In thousands of euro)	<b>31 December 2011</b>	<b>&lt; 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>
Trade receivables .....	56,765	53,141	3,624	0
Social security receivables .....	183	183	0	0
Tax receivables .....	2,967	2,967	0	0
Other receivables .....	3,936	2,400	463	1,073
Advances and downpayments paid .....	217	217	0	0
Deferred tax assets .....	913	913	0	0
Prepaid expenses .....	5,912	5,912	0	0
<b>Gross total .....</b>	<b>70,893</b>	<b>65,733</b>	<b>4,087</b>	<b>1,073</b>

### 6.24.2.1 Trade and other receivables

The maximum exposure to credit risk for trade and other receivables at the reporting date was low. The Group's customers are mainly located in Europe. Provisions for impairment mainly concerned Cerba's operations.

### 6.24.2.2 Impairment losses

The movement in impairment of trade and other receivables has been very slight since 30 June 2010 (€3,624 thousand at 31 December 2011 compared with €3,046 thousand at 30 June 2010). There is no provision for the impairment of other receivables.

## 6.24.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the undiscounted contractual cash flows in respect of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

<b>Financial liabilities</b> (In thousands of euro)	<b>31 December 2011</b>	<b>Contractual cash flows</b>	<b>2012</b>	<b>2013 to 2015</b>	<b>2016 and beyond</b>
Convertible bonds .....	153,454	563,815			563,815
Option-free bonds .....	11,576	42,049			42,049
Bond with warrants .....	57,517	118,857	3,575	12,092	103,190
Bank loans .....	238,910	309,180	24,767	111,670	172,743
Overdrafts .....	1,831	1,831	1,831		0
	<b>463,288</b>	<b>1,035,731</b>	<b>30,173</b>	<b>123,762</b>	<b>881,796</b>
IFRS restatement of convertible bonds .....	(74,326)				
IFRS restatement—effective interest rate .....	(10,914)				
Other loans contracted by the divisions .....	20,888				

Finance lease liabilities .....	22,701				
<b>Total</b> .....	<b>421,637</b>				

#### 6.24.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity instrument prices will affect the Group's profit or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

##### 6.24.4.1 Currency risk

The Group's financial performance is not materially influenced by exchange rate fluctuations since a significant portion of operations takes place within the euro-zone and costs and income are generally denominated in the same currency.

The following exchange rates were applied during the year for the main currencies:

	Exchange rate at 31 December	Average rate
AUD Australian dollar.....	1.2723	1.34816
USD United States dollar.....	1.2939	1.39171
ZAR South African rand.....	10.483	10.093

##### 6.24.4.2 Interest rate risk

Some of the loans taken out by the Group bear interest at floating rates.

The Group enters into interest rate swaps to hedge against the variability of cash flows attributable to interest rate risk.

At 31 December 2011, the FG12 Group was exposed to interest rate fluctuations on its floating interest rate bank loans and bonds with warrants. At 31 December 2011, the Group hedged €280 million of its floating rate loans and borrowings with pay fixed-rate swaps.

The carrying amount of the derivative financial instruments used for interest rate risk management is presented below:

	Notional principal	Termination date	Fair value at 31 December 2011
<b>Pay fixed-rate swap</b>			
3-month Euribor—2.1975% .....	11,000	05/01/2012	(18)
3-month Euribor—1.9790% .....	50,000	30/09/2013	(856)
3-month Euribor—1.6% .....	190,000	30/09/2013	(1,919)
3-month Euribor—1.25% .....	40,000	30/09/2013	(158)
3-month Euribor—4.16% .....	8,078	11/01/2019	(958)
3-month Euribor—2.195% .....	2,076	26/07/2023	(26)
<b>Total pay fixed-rate swap.....</b>	<b>301,154</b>		<b>(3,935)</b>
<b>1-month Euribor pay swap + margin for 3-month Euribor</b>			
1-month Euribor + 0.1730% for 3-month Euribor .....	100,000	31/03/2012	(327)
1-month Euribor + 0.1725% for 3-month Euribor .....	100,000	31/03/2012	(57)
1-month Euribor + 0.23% for 3-month Euribor .....	36,000	31/03/2012	(111)
<b>Total pay floating-rate swap .....</b>	<b>236,000</b>		<b>(495)</b>
<b>Total derivative instruments.....</b>			<b>(4,430)</b>

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.

Cash flow sensitivity analysis for floating rate instruments;

An increase of 100 basis points in interest rates at the reporting date would have increased interest expense by less than €200 thousand.

#### 6.24.5 Capital management

The Group's policy is to maintain a strong capital base so as 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.

## 6.24.6 Carrying amounts and fair values

### 6.24.6.1 Fair values versus carrying amounts

The fair values of financial assets and liabilities, and the carrying amounts reported in the statement of financial position, are as follows:

(In thousands of euro)	Categories— balance sheet values		31 December 2011
	Assets at fair value through profit or loss	Loans and receivables	Fair value
<b>Non-current</b>			
Other non-current assets .....		1,680	1,680
<b>Current</b>			
Trade and other receivables .....		53,140	53,140
Other current assets.....		13,202	13,202
Cash and cash equivalents .....		26,537	26,537
<b>Financial assets</b> .....		<b>94,559</b>	<b>94,559</b>
	Derivative instruments at fair value through profit or loss	Liabilities measured at amortised cost	Fair value
<b>Non-current</b>			
Long-term loans and financial debt			
<b>Current</b>			
Current loans and financial debt			
Trade and other payables .....		36,346	36,346
Other current debt and liabilities.....	4,431	39,595	44,026
<b>Financial liabilities</b> .....	<b>4,431</b>	<b>75,941</b>	<b>80,372</b>

The fair value of trade receivables and trade payables is the amount reported in the balance sheet, 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.

### 6.24.6.2 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: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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. derived from prices).
- Level 3: 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
<b>Liabilities</b>				
Derivative instruments.....		4,431		4,431
<b>Total financial liabilities</b> .....	<b>0</b>	<b>4,431</b>	<b>0</b>	<b>4,431</b>

## 6.25 Operating leases

Operating leases are entered into at the market rate and are not reported as assets at present. The Group intends to implement procedures in 2012 to enable it to allocate future minimum lease payments.

Lease expenses amounted to €695 thousand at 31 December 2011.



## 6.26 Auditors' Fees

(In thousands of euro)	2011					
	Grant Thornton	%	PWC	%	Other	%
<b>Audit</b>						
<b>Statutory audit, certification, audit of separate and consolidated financial statements</b>						
Financière Gaillon 12.....	112	28.50%	110	61.45%		
Fully-consolidated subsidiaries.....	263	66.92%	51	28.49%	200	100.00%
<b>Other audit-related work and services</b>						
Financière Gaillon 12.....	18	4.58%	18	10.06%		
Fully-consolidated subsidiaries.....						
<b>Sub-total .....</b>	<b>393</b>	<b>100.00%</b>	<b>179</b>	<b>100.00%</b>	<b>200</b>	<b>100.00%</b>
<b>Other services rendered by the audit networks to fully-consolidated subsidiaries</b>						
Legal, tax, payroll-related						
Other .....	328				39	100.00%
<b>Sub-total .....</b>	<b>328</b>				<b>39</b>	<b>100.00%</b>
<b>Total .....</b>	<b>721</b>		<b>179</b>		<b>239</b>	

## 6.27 Off-balance sheet commitments

### 6.27.1 Commitments given

Entities (in thousands of euro)	Nature	Value at 31 Dec. 2011
<b>FG 12</b> .....	Pledge of CEL securities	334,899
	Pledge of intra-group loans	80,944
<b>CEL</b> .....	Pledge of Cefid securities	119,072
	Pledge of BARC NV securities	146,605
	Pledge of bank accounts	36
	Pledge of intra-group loans	18,199
<b>CEFID</b> .....	Pledge of Cerba securities	18,042
	Pledge of Biotop securities	16,247
	Pledge of bank accounts	162
	Pledge of intra-group loans	2,091
<b>CERBA</b> .....	Pledge of bank accounts	6,455
	Pledge of Genazur securities	0
	Pledge of Biolille securities	16,394
	Pledge of Chemin Vert securities	11,937
	Pledge of Bioreunion securities (formerly V.G.S.)	14,258
	Pledge of Bioadour securities	17,315
	Pledge of intra-group loans	2,513
<b>BARC NV</b> .....	Pledge on BARC Finance securities	0
	Pledge of CRI securities	2
	Pledge of bank accounts	35
	Pledge of intra-group loans	57,705
<b>CRI</b> .....	Pledge of bank accounts	1,311
	Pledge of LBS securities	65,243
	Pledge of intra-group loans	0
<b>BARC Finance</b> .....	Pledge of bank accounts	5,352
	Pledge of intra-group loans	10,001
<b>LBS</b> .....	Pledge of LLAM SA securities (formerly LLAM Project)	31,221
<b>LLAM SA</b> .....	Pledge of bank accounts	1,101
	Pledge of trade receivables	4,569

### 6.27.2 Commitments received

The table below shows available undrawn credit lines at the reporting date.

Entities (in thousands of euro)	Nature	Value at 31 Dec. 2011
CEL Group	Acquisition credit facility .....	28,411
Cerba	Revolving credit facility .....	10,000
	<b>Total</b> .....	<b>38,411</b>

#### 6.27.2.1 Commitments received by Laboratoire Cerba

When acquiring an interest in Centre Biologique du Chemin Vert: joint and several bank guarantee amounting to €1,478,138. This guarantee expires on 31 March 2012.

When acquiring an interest in Biolille: (i) Bank surety of €800 thousand, (ii) first-rank pledge of Series A and B Biolille shares not exceeding €3 million. These guarantees expire on 31 March 2012.

When acquiring an interest in L.B.M. Verrougstraete (which became “Bioreunion”): (i) Bank surety amounting to 5% of the acquisition price (€14,003,277), then 2.5% at 30 December 2012, (ii) first-rank pledge of Bioreunion shares, (iii) pledge in December 2011 by one of the vendors of shares held in Managers Group Cerba Investments (MGCI), not exceeding 5% of the acquisition price. These guarantees expire on 30 January 2014.

When acquiring an interest in Bioadour: joint and several bank sureties amounting to 5% of the provisional acquisition price (€11,522,869), then 2.5% of the acquisition price between 1 July 2012 and 30 June 2014, the date these guarantees expire.

When acquiring an interest in Sel de la Baie: autonomous bank guarantee amounting to €449,241. This guarantee expires on 30 June 2014.

#### **6.27.2.2 Commitments received by Centre Biologique du Chemin Vert, a Cerba company**

When acquiring an interest in LABM des Fêtes: life insurance assignment covering €210 thousand, with a declining balance and annual tranche payments of €70 thousand (guarantee given on 1 July 2011). This guarantee expires on 30 April 2014.

When acquiring an interest in Biocreat: joint and several bank sureties amounting to 10% of the final acquisition price (€2,254,915) up to 30 June 2012, then 5% up to 30 June 2013, the date these guarantees expire.

When acquiring an interest in Bio-Lec: escrow agreement for €215 thousand. This guarantee expires on 30 June 2013.

When acquiring an interest in Laboratoire Gendault Tallobre Mancy: joint and several bank sureties amounting to 10% of the acquisition price (€ 1,880 thousand). These guarantees expire on 31 December 2014.

#### **6.27.2.3 Commitments received by Bioreunion, a Cerba company**

When acquiring an interest in Laboratoire du Centre: joint and several bank sureties of an aggregate amount equal to 10% of the acquisition price (€ 1,927 thousand). These guarantees expire on 30 June 2013.

#### **6.27.2.4 Commitments received by CEFID**

When acquiring an interest in Biotop Développement: first-rank pledge of Biotop Développement shares. This guarantee expires on 20 January 2013.

### **6.28 Related parties**

#### **6.28.1 Parent company and Group reporting entity**

Related parties identified by the Group are as follows:

- MGCI, management company with an interest in FG12;
- Biopart, whose General Manager also manages one of the Group's subsidiaries;
- Cerberus Nightingale 2, parent company of FG12.

A cash advance agreement was entered into by MGCI and FG12, bearing interest at 5% with a renewable one-year maturity.

Entities	Nature	Principal at 31 December	Accrued interest at 31 December 2011	Carrying amount at 31 December 2011	Interest expense at 31 December 2011
<b>ASSETS</b>					
MGCI.....	Cash advance	1,000	18	1,018	18
	<b>Total</b>	<b>1,000</b>	<b>18</b>	<b>1,018</b>	<b>18</b>
<b>LIABILITIES</b>					
Cerberus Nightingale 2 .....	Shareholder loan	6,459	686	7,145	686
Cerberus Nightingale 2 .....	Convertible bonds	128,481	17,827	146,308	17,827
Biopart .....	Option-free bonds	10,000	569	10,569	569
	<b>Total</b>	<b>144,940</b>	<b>19,083</b>	<b>164,023</b>	<b>19,083</b>

#### **6.28.2 Key management personnel compensation**

Given the Group's structure, this information has not been disclosed as it would mean revealing individual salaries.

### **6.29 Subsequent events**

- The Group received a shareholder loan of €10 million in early January 2012.

- The Group obtained a new credit line of €70 million to finance its external growth operations.
- The Group is pursuing its strategy to acquire laboratories in France and other European countries.

# **Novescia**

**Limited liability company**

**Statutory auditor's review report on the**

**consolidated condensed financial statements**

**Nine-month period from 1 January to 30 September 2014**

**Novescia**

**Limited liability company**

**73/77, Rue de Sèvres - 92100 Boulogne-Billancourt**

*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.*

*This report contains 3 pages*

*Reference: FC-151-005*

**Novescia**  
**Limited liability company**  
**Registered office: 73/77 Rue de Sèvres - 92100 Boulogne-Billancourt**  
**Share capital: €144,919,015**

**Statutory auditor's review report on the consolidated condensed financial statements**  
Nine-month period from 1 January to 30 September 2014

To the Chairman,

As statutory auditors of Novescia SAS and following your request in connection with the ongoing process to sell the group, we conducted a review of the accompanying consolidated financial statements of your company for the nine-month period from 1 January to 30 September 2014 ("Consolidated Financial Statements").

These Consolidated Financial Statements have been prepared under the responsibility of the Chairman. Our responsibility is to express a conclusion on the Consolidated Financial Statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review consists primarily of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less comprehensive in scope than an audit conducted in accordance with professional standards applicable in France. Consequently, it does not enable us to obtain the same level of assurance that the consolidated financial statements taken as a whole are free of material misstatements.

Based on our review, no matters have come to our attention that would cause us to believe that the accompanying consolidated financial statements have not been prepared, in all material respects, in accordance with the accounting policies set out in the notes to the financial statements.

Without calling into question our conclusion expressed above, we draw your attention to:

- the introduction to the notes specifying that the Consolidated Financial Statements are established in the context of sale process of the group and, consequently are not prepared in accordance with IAS 34 - the International Financial Reporting Standard adopted by the European Union for interim financial reporting;
- note 2.3.5 to the explanatory notes specifying the impact of adjustments made following the leases and instruments agreements' analysis.

The information contained in this report applies to the context described above and may not be used or disclosed for other purposes. We decline all responsibility with regard to any third parties to whom the information herein may be disclosed or communicated.

This report is governed by French law. French courts are solely competent to rule on any dispute, claim or litigation which may result from our engagement letter or this report, or on any matters pertaining thereto. Both parties hereby waive all rights to object to any legal proceedings brought before a French court or to claim that the courts in question do not have jurisdiction over such proceedings.

Paris La Défense, 23 January 2015

KPMG Audit  
*Department of KPMG S.A.*

François Caubrière  
*Partner*

# **NOVESCIA**

## **Interim Condensed Consolidated Financial Statements**

**For the Nine-Month Period from 1 January to 30 September 2014**

## Consolidated balance sheet

(In millions of euros)

	30 Sept. 2014
Goodwill .....	139.3
Other intangible assets .....	28.3
Property, plant and equipment .....	13.8
Investments in associates .....	0.0
Non-current financial assets .....	2.2
Deferred tax assets .....	10.8
<b>Non-current assets</b> .....	<b>194.4</b>
Inventories .....	1.5
Trade receivables .....	15.6
Other operating receivables .....	3.7
Other current assets .....	0.7
Current tax assets .....	1.3
Current financial assets .....	0.0
Cash and cash equivalents .....	12.7
Assets held for sale .....	0.0
<b>Current assets</b> .....	<b>35.5</b>
<b>Total assets</b> .....	<b>229.9</b>
Share capital .....	145.0
Additional paid-in capital .....	4.0
Consolidated reserves .....	(21.9)
Profit (loss) for the year attributable to owners of the parent company .....	3.8
<b>Shareholders' equity attributable to owners of the parent company</b> .....	<b>130.9</b>
Non-controlling interests .....	0.0
<b>Total shareholders' equity</b> .....	<b>130.9</b>
Non-current financial liabilities .....	38.1
Non-current provisions .....	6.9
Other non-current liabilities .....	0.0
Deferred tax liabilities .....	9.2
<b>Non-current liabilities</b> .....	<b>54.2</b>
Current provisions .....	0.0
Trade payables .....	16.9
Other operating payables .....	13.1
Other current liabilities .....	1.2
Current tax liabilities .....	1.2
Current financial liabilities .....	11.1
Bank overdrafts .....	1.3
Liabilities associated with assets held for sale .....	0.0
<b>Current liabilities</b> .....	<b>44.8</b>
<b>Total shareholders' equity and liabilities</b> .....	<b>229.9</b>



## Consolidated income statement

(In millions of euros)

	30 Sept. 2014
<b>Net sales</b> .....	<b>112.6</b>
Cost of medical supplies .....	(14.4)
Subcontracting—specialized laboratories .....	(3.5)
<b>Gross profit</b> .....	<b>94.7</b>
Other income .....	
Personnel costs .....	(49.3)
Other operating expenses .....	(17.9)
Tax and duties .....	(4.1)
Leases .....	(5.5)
<b>Profit from recurring operations before amortization and depreciation</b> .....	<b>17.8</b>
Asset amortization and depreciation .....	(6.6)
<b>Profit from recurring operations</b> .....	<b>11.2</b>
Income from disposals .....	(0.1)
Asset impairment .....	0.0
Restructuring costs .....	(4.2)
<b>Other non-recurring income and expenses</b> .....	<b>(4.3)</b>
<b>Operating profit (loss)</b> .....	<b>7.0</b>
Finance costs .....	(1.2)
Income from cash and cash equivalents	
<b>Net finance costs</b> .....	<b>(1.2)</b>
Other financial income .....	0.0
Other financial expense .....	(0.1)
<b>Other financial income and expenses</b> .....	<b>(0.1)</b>
Income tax .....	(1.9)
Profit from investments in associates .....	0.0
<b>Consolidated profit (loss)</b> .....	<b>3.8</b>
<i>attributable to owners of the parent company</i> .....	3.8
<i>non-controlling interests</i> .....	0.0

# Statement of comprehensive income

(In millions of euros)

	30 Sept. 2014
<b>Consolidated profit (loss)</b> .....	<b>3.8</b>
Actuarial gains and losses relating to retirement benefits .....	
Change in fair value of hedging instruments .....	0.2
Tax effect of income and expenses .....	(0.1)
<b>Gains and losses recognized directly in equity</b> .....	<b>0.1</b>
<b>Total comprehensive income (loss)</b> .....	<b>3.9</b>
<i>attributable to owners of the parent company</i> .....	3.9
<i>non-controlling interests</i> .....	0.0

**Consolidated statement of cash flows**  
(In millions of euros)

	<u>30 Sept. 2014</u>
Consolidated profit (loss).....	3.8
<i>Adjustments for:</i>	
Amortization and depreciation.....	6.6
Other income and expenses .....	4.2
Share of profit from associates .....	0.0
Other financial income and expenses .....	0.1
Net finance costs.....	1.2
Income tax .....	1.9
<b>Profit from recurring operations before amortization and depreciation.....</b>	<b>17.8</b>
Non-cash items .....	(0.2)
Restructuring costs (cash).....	(1.7)
Change in other receivables and payables .....	(0.1)
<b>Cash flow before finance costs and tax .....</b>	<b>15.8</b>
Tax paid .....	(5.9)
Change in working capital .....	(0.0)
<b>Net cash provided by operating activities.....</b>	<b>9.9</b>
Acquisition of property, plant and equipment .....	(2.9)
Proceeds from sale of property, plant and equipment and intangible assets .....	0.0
Acquisition of investments after deduction of net cash acquired.....	(2.5)
Disposal of investments after deduction of net cash disposed .....	9.5
Change in other financial assets.....	0.0
Net cash from acquisitions & disposals of subsidiaries .....	1.1
<b>Net cash provided by (used in) investing activities .....</b>	<b>5.2</b>
Proceeds from issue of share capital .....	0.1
Dividends paid to shareholders.....	0.0
Net finance costs.....	(1.2)
<b>Net cash before borrowings .....</b>	<b>14.1</b>
Increase in borrowings.....	1.4
Repayment of borrowings.....	(11.1)
<b>Net cash provided by (used in) financing activities.....</b>	<b>(10.8)</b>
Effect of changes in accounting principles .....	0.0
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS .....</b>	<b>4.3</b>
Cash and cash equivalents at beginning of period .....	7.1
Cash and cash equivalents at end of period .....	11.4

## CHANGE IN CONSOLIDATED NET DEBT

<b>Net debt at beginning of period .....</b>	<b>46.0</b>
Net cash before borrowings .....	(14.1)
Capitalized finance leases .....	0.0
Fair value of hedging instruments .....	
Change in scope and other .....	5.3
<b>Net debt at end of period .....</b>	<b>37.2</b>

**Consolidated statement of changes in shareholders' equity**  
(In millions of euros)

	Note	Share capital	Additional paid-in capital	Reserves	Gains and losses directly recognized in equity	Profit (loss) for the period	Shareholders' equity attributable to owners of the parent company	Non-controlling interests	Shareholders' equity
<b>Shareholders' equity at 31 Dec. 2012.....</b>		<b>144.8</b>	<b>4.0</b>	<b>(17.3)</b>	<b>(1.7)</b>	<b>(5.8)</b>	<b>124.0</b>	<b>0.3</b>	<b>124.3</b>
Profit (loss) for the year						3.4	3.4	0.0	3.4
Other items of comprehensive income .....					1.4		1.4	0.0	1.4
<b>Comprehensive income .....</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>1.4</b>	<b>3.4</b>	<b>4.8</b>	<b>0.0</b>	<b>4.8</b>
Issuance of share capital.....	CFS	0.1					0.1		0.1
Appropriation of prior year profit.....				(5.8)		5.8	0.0		0.0
Effect of acquisitions and disposals on non-controlling interests prior to takeover .....	CFS			(2.0)			(2.0)	0.2	(1.8)
Change in scope and other .....				0.0			0.0	(0.5)	(0.5)
<b>Shareholders' equity at 31 Dec. 2013.....</b>		<b>144.9</b>	<b>4.0</b>	<b>(25.0)</b>	<b>(0.3)</b>	<b>3.4</b>	<b>126.9</b>	<b>0.0</b>	<b>127.0</b>
Profit (loss) for the period.....						3.8	3.8	0.0	3.8
Other items of comprehensive income .....					0.1		0.1	0.0	0.1
<b>Comprehensive income .....</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>0.1</b>	<b>3.8</b>	<b>3.9</b>	<b>0.0</b>	<b>3.9</b>
Issuance of share capital.....	CFS	0.1					0.1		0.1
Appropriation of prior year profit.....				3.4		(3.4)	0.0		0.0
Effect of acquisitions and disposals on non-controlling interests prior to takeover .....	CFS			0.0			0.0	0.0	0.0
Change in scope and other .....				0.0			0.0	0.0	0.0
<b>Shareholders' equity at 30 Sept. 2014 .....</b>		<b>145.0</b>	<b>4.0</b>	<b>(21.6)</b>	<b>(0.2)</b>	<b>3.8</b>	<b>130.9</b>	<b>0.0</b>	<b>131.0</b>

## **Explanatory notes**

## **1.1. General information and significant events**

### **Introduction**

These financial statements were prepared in the context of the ongoing disposal process of Novescia's group.

The interim condensed consolidated financial statements comprise a consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity, and explanatory notes and are only related to the period from 1 January to 30 September 2014.

These interim condensed consolidated financial statements do not include all the disclosures required by IAS 34 "Interim Financial Reporting", one of the International Financial Reporting Standards (IFRS) adopted by the European Union.

### **1.1. General information**

Novescia is a limited liability company incorporated in France. Its registered office is located at 73-77 rue de Sèvres - 92100 Boulogne Billancourt.

Novescia's interim condensed consolidated financial statements reflect the financial position of Novescia SAS and its subsidiaries, hereinafter referred to as "the Group", together with its investments in associates for the period from 1 January to 30 September 2014.

Novescia SAS's business purpose covers all financial activities performed directly or via third parties, for itself or on behalf of third parties. It is the parent company of a group which operates in the field of medical diagnostics (clinical laboratory testing) in France and abroad.

### **1.2. Significant events**

On 30 January 2014, the Group sold Novescia Côte d'Azur for €9.5 million, generating a capital loss of €0.1 million.

The Group acquired Michelet on 15 July 2014 for €1.2 million, generating goodwill of €0.1 million. Michelet merged with Novescia Loire on 1 September 2014.

## **2. Accounting policies**

### **2.1. Basis of preparation and accounting standards of interim consolidated financial statements**

The Group has prepared the interim condensed consolidated financial statements in accordance with the measurement and recognition principles described in the consolidated financial statements of the company for the year ended 31 December 2013, except elements presented in the note 2.3.5 of this document.

The standards applicable for periods beginning on or after 1 January 2014 and that will be applied in the consolidated financial statements for the year ended 31 December 2014 prepared in accordance with the international accounting standards adopted by the European Union will not have significant impact on these consolidated financial statements and would be without any significant impact on these interim condensed consolidated financial statements, especially taken into consideration the fact that IFRS 10, 11 and 12 are applied by the Group since the year ended 31 December 2012.

The consolidated financial statements are presented in millions of euros after rounding.

### **2.2. Basis of consolidation**

Companies that the Group controls exclusively, directly or indirectly, are fully consolidated.

Acquisitions or disposals during the period are accounted for in the consolidated financial statements from the date that significant influence or exclusive control commences until the date that significant influence or exclusive control ceases. Consolidation is based on the financial statements prepared at 30 September 2014.

## **2.3. Measurement policies and methods**

The interim condensed consolidated financial statements have been prepared in accordance with accounting and valuation principles presented in the consolidated financial statements of the company for the year ended 31 December 2013, except elements presented in the note 2.3.6 of this document.

The preparation of consolidated financial statements requires the Group's and subsidiaries' management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the consolidated balance sheet, expense and income in the income statement and information in the notes.

The Group's management makes these estimates and assessments continuously on the basis of past experience and various other factors considered reasonable. Amounts reported in future financial statements may differ from these estimates due to changes in assumptions or circumstances.

The main accounting estimates and judgments made by management in preparing the consolidated financial statements are those used to measure items including goodwill, intangible assets, property, plant and equipment, deferred taxes, provisions for retirement obligations and provisions for litigation.

### **2.3.1. Business combinations**

The revised version of IFRS 3 requires the application of the purchase method for business combinations, which entails measuring the assets, liabilities and contingent (non-controlling) interests of the acquiree at fair value.

Goodwill represents the fair value of the consideration transferred (including the fair value of any previously held interests in the acquiree) less the net recognized amount of identifiable assets acquired and liabilities assumed.

The acquisition cost is the sum of the consideration transferred, measured at the acquisition-date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer has to decide how to measure the portion of the target not acquired, either at fair value or at the amount of its proportionate share of revalued equity. Acquisition costs are expensed in the period (under "restructuring costs") during which the related services are rendered.

Two types of intangible assets have been identified and measured at fair value, namely, lease rights and preferred service agreements with private health care facilities (clinic contracts).

Negative goodwill is recognized directly in the income statement.

Goodwill is not amortized. The Group performs impairment tests at least once a year at the reporting date and whenever there is an indication of impairment. When special circumstances (major, structural changes in the technical, regulatory or market environment, insufficient profitability, etc.) call for it, goodwill impairment is recognized in accordance with the methodology described below. Such impairment is not reversible.

### **2.3.2. Impairment**

Indefinite-lived assets are not amortized but are tested for impairment at least once a year at the reporting date and whenever there is an indication of impairment.

Amortized assets are tested for impairment whenever, due to events or circumstances, the recoverability of their carrying amount is called into question.

Non-current assets other than goodwill that have been impaired are tested for possible reversal of impairment at each reporting date.

Goodwill is tested for impairment, which may lead, where appropriate, to writing down the carrying amount to recoverable value, which is the higher of fair value less costs to sell and value in use. The impairment loss is recognized in "Other non-recurring income and expenses" under "Goodwill impairment."

Value in use is the present value of the sum of future cash flows before tax and financial items from continuing use of an asset or CGU and the cash generated by ultimate disposal of the asset.

The discount rate reflects current market assessments of the time value of money and risks specific to the asset or group of assets.



The asset is assessed in its current condition, regardless of the cash flows that may be generated by investments to improve performance or capacity.

### 2.3.3. Intangible assets

Intangible assets comprise clinic contracts and lease rights resulting from the fair value measurement of company assets when first consolidated.

The value of clinic contracts in each region was determined using the excess earnings method.

The value of the lease rights of each laboratory was determined using the rental cost method.

Clinic contracts are amortized over a period of 17 years (estimated life of the contracts) and leasehold rights over a period of 10 to 18 years depending on their capitalization period. Intangible assets also include software, which is amortized over a period of 3 years.

### 2.3.4. Property, plant and equipment

The Group does not own any real estate. Consequently, it leases the buildings it uses for business purposes. Depreciation is calculated on a straight-line basis over the expected useful life of each asset according to the following schedule:

• Fixtures and fittings	8 years
• Furniture	8 years
• Equipment and machinery	5 years
• IT equipment	<u>3 years</u>

### 2.3.5. Leases

In accordance with IAS 17 “finance leases”, assets held under leases are capitalized with an offsetting entry under financial liabilities, when the leases effectively transfer substantially all the risks and rewards of ownership of the assets to the Group.

Leases that do not transfer risks and rewards to the Group are classified as operating leases. Operating lease payments are expensed on a straight-line basis over the term of the lease.

In the first half of 2014, the group analyzed its equipment leases and changed the accounting treatment for:

- leases previously accounted for as operating leases, which have been treated as finance leases in this condensed consolidated financial statements;
- medical equipment lease arrangements, which do not have the legal form of a lease but must be accounted for as such in accordance with IFRIC 4. The analysis involved separating the portion of lease payments due for equipment use from payments due for any other aspects of the arrangement. It also involved determining, in accordance with IAS 17 criteria, whether the equipment lease part of the arrangement should be accounted for as an operating or finance lease.

As a result of the analysis, the medical equipment lease arrangements have been restated as “finance leases”.

The main effects of the restatement entries on the interim consolidated financial statements are as follows:

- In the income statement, a decrease in the cost of medical purchases (€0.5 million) and lease expenses (€1.3 million) and an increase in asset amortization and depreciation (€1.6 million) and financial expense (€0.1 million).
- In the balance sheet, an increase in property, plant and equipment (€5.2 million) and non-current financial liabilities (€ 5.2 million).

In the consolidated financial statements for the year ended 31 December 2014, the company plans to take into consideration these restatements on the comparative figures for 2013 and the opening balance sheet at 1 January 2013.

### 2.3.6. Other non-current financial assets and liabilities

Other non-current financial assets and liabilities mainly comprise capital subscribed and not called up, bank loans, current account assets and liabilities and the non-current portion of security deposits received and given.

### **2.3.7. Inventories**

Inventories primarily comprise consumables and reagents. At the reporting date, they were measured based on the latest purchase price.

### **2.3.8. Trade receivables and other operating receivables**

Receivables and payables in euros are measured at face value.

Trade receivables are written down based on the risk of non-collection, which is estimated entity by entity. The risk is measured based on the following analyses:

- a review of the statement of unpaid amounts generated by each laboratory's IT system,
- a review of specific events and circumstances at each laboratory.

### **2.3.9. Other current assets and liabilities**

Other current assets and liabilities include receivables and payables on disposals of assets, income receivable and accrued expenses in connection with dividend payments.

### **2.3.10. Other current financial assets and liabilities**

Other current financial assets and liabilities correspond to the current portion (less than one year) of financial assets and liabilities.

### **2.3.11. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, bank accounts, term deposits of three months or less and marketable securities.

Accrued interest on term deposits is recognized under financial income.

### **2.3.12. Current and non-current loans and borrowings**

Loans and borrowings are recognized at amortized cost less directly-related transaction costs in accordance with IAS 39. Transaction costs are progressively amortized in profit and loss until the debt has been paid off.

### **2.3.13. Current and non-current provisions**

A provision is recognized when the Group has a legal or constructive obligation to a third party and it is likely or certain to result in an outflow of resources to the third party.

Current and non-current provisions are recognized essentially for administrative and industrial tribunal/employee disputes and proceedings and retirement obligations. Provisions that inherently involve reorganizing and restructuring operations are classified as restructuring provisions.

### **2.3.14. Provision for retirement benefits**

Provisions for retirement benefits are measured based on vested rights, which reflect all the Group's obligations vis-à-vis its employees in terms of retirement benefits. The rights are defined by the collective bargaining agreements concerning the Group.

They are measured using the projected unit credit method in accordance with IAS 19.

The provision for retirement benefits is re-measured annually, based on effective rights schedules, changes in the calculation base, turnover and mortality assumptions and the discount rate.

The provisions (or assets) recognized correspond to the present value of the obligation less the fair value of plan assets and past service cost and unrecognized actuarial gains and losses. The discount rates are set based on the average risk-free interest rate over a 5-year period.

Actuarial gains and losses are fully recognized in equity in the year they are measured (SORIE method).

At 30 September 2014, 75% of the estimated expense was recognized for financial year 2014.

### **2.3.15. Net sales**

Novescia's net sales are primarily generated by services covered by social security, private health insurance and patients' payments, based on tariffs set annually by the French government.

### **2.3.16. Profit from recurring operations before amortization and depreciation and other non-recurring income and expenses**

#### ***2.3.16.1. Profit from recurring operations before amortization and depreciation***

Profit from recurring operations before amortization and depreciation corresponds to the Group's profit from recurring operations (excluding income and expenses relating to reorganizing and restructuring operations, which are classified as other non-recurring income and expenses), before amortization and depreciation. In accordance with IAS 1 (presentation of financial statements), expenses and provisions included in this income statement line item are disclosed according to their nature.

The main operating expenses include:

- Medical and other purchases essentially comprising reagents and disposable consumables;
- Personnel costs, which primarily comprise salaries and wages, biologists' fees, non-salaried workers' pay, social security contributions and other personnel costs such as profit sharing and incentive bonuses, less the tax credit to encourage competitiveness and employment (CICE);
- Other operating expenses primarily comprise professional fees (auditors, lawyers etc.) and subcontracting costs;
- Taxes and duties essentially comprise business property tax (CFE—a component of previous business tax) and payroll taxes;
- Other operating income and expenses comprise net provisions (trade and related receivables, inventories, employee disputes, retirement benefits etc.) and allowances for doubtful debt (share attributable to patients etc.);
- Property and equipment lease payments not subject to restatement under IAS 17, which mainly include payments for business premises and heavy machinery (robots etc.).

#### ***2.3.16.2. Other non-recurring income and expenses***

When income and expense items are material and relevant to explaining performance during the period, the company should disclose their nature and amount separately. These items are aggregated under the line item "other non-recurring income and expenses".

As the Group is reorganizing its business activities around regional technical platforms, the costs of restructuring were recognized under non-recurring expenses. Pooling resources to generate synergies through regional platforms effectively constitutes restructuring (contract transfers for certain employees, transfer of PPE etc.). The expenses and provisions classified by nature as relating to restructuring essentially comprise professional fees, costs related to employees not wishing to be transferred from one site to another, significant contract termination costs and impairment losses for fixed assets that could not be transferred.

To enhance understanding of profit from recurring operations before amortization and depreciation, make Group profit comparable over several periods (avoid mixing several operations/acquisition business models) and present profit from recurring operations before amortization and depreciation based on the "operator" business model, all acquisition-related transaction costs have been recognized under other non-recurring expenses.

Generally, other non-current expenses and provisions include non-recurring costs such as the cost of terminating biologists' contracts and costs relating to the company's redundancy plan.

### 2.3.17. Net finance costs

Net finance costs essentially comprise interest expense paid to banks in connection with loans taken out to fund the Group's acquisitions, less income from investments and cash and cash equivalents.

### 2.3.18. Other financial income and expenses

Other financial income and expenses mainly comprise dividends received from companies that were not consolidated.

### 2.3.19. Income tax

Income tax expense comprises current and deferred taxes recognized by each of the Group's consolidated tax entities.

Deferred taxes arise from temporary differences in the carrying amount of assets and liabilities and their tax base, together with tax losses, under the liability method.

Deferred tax assets are only recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date. Deferred tax assets and deferred tax liabilities can be offset if offsetting is legally possible, if the deferred taxes are levied by the same tax authority and if the Group has the intention to settle current tax amounts on a net basis.

Tax expense is recognized in the income statement unless it concerns items that were directly recognized in shareholders' equity. In this case, it is recognized in shareholders' equity.

There is no tax consolidation in the Group.

At 30 September 2014, income tax was calculated by applying a 34.43% rate to consolidated profit before tax.

## 3. CONSOLIDATION SCOPE

At 30 September 2014, the consolidation scope comprised 21 companies compared with 22 at 31 December 2013, as presented in the note 8 of the consolidated financial statements for the year ended 31 December 2013:

Consolidation method	31 Dec. 2013	Acquisitions	Change in method	Disposals, Mergers, Transfers*	30 Sept. 2014
Full consolidation .....	22	1	—	2	21
<b>TOTAL .....</b>	<b>22</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>21</b>

The change in consolidation scope was due to the disposal of Novescia Côte d'Azur, and the acquisition of Michelet and its subsequent merger with Novescia Loire.

# **Novescia**

**Limited liability company**

**Statutory auditors' report on the consolidated financial statements**

**For the year ended 31 December 2013**

**Novescia**

**Limited liability company**

**73/77, Rue de Sèvres - 92100 Boulogne-Billancourt**

*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.*

*This report contains 38 pages*

*Reference: FC-142-329*

**Novescia**  
**Limited liability company**  
**Registered office: 73/77 Rue de Sèvres - 92100 Boulogne-Billancourt**  
**Share capital: €144,919,015**

**Statutory auditors' report on the consolidated financial statements**  
Year ended 31 December 2013

To the Shareholders,

In compliance with the assignment entrusted to us at your annual general meeting, we hereby report to you, for the year ended 31 December 2013, on:

- the audit of the accompanying consolidated financial statements of Novescia SAS;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Chairman. Our role is to express an opinion on the 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 as at 31 December 2013 and of the results of its operations for the year then ended, in accordance with the International Financial Reporting Standards 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, we draw your attention to the following matters:

At each year end, goodwill is tested for impairment in accordance with IAS 36 "Impairment of Assets" using the methods described in note 2.4.2 to the consolidated financial statements. We examined the methods used for the impairment tests, along with the cash flow forecasts and assumptions and we verified that note 5.1 to the consolidated financial statements provides appropriate disclosures thereon.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion expressed in the first part of this report.

### **3 Specific verifications**

As required by law, we have also verified the information presented in the Group's management report, in accordance with professional standards applicable in France.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The statutory auditors

Paris La Défense and Paris, 6 November 2014

KPMG Audit  
*Department of KPMG S.A.*

Aplitec

François Caubrière  
*Partner*

Margaret Marti  
*Partner*

Stéphane Lambert  
*Partner*

**Consolidated balance sheet**  
**(In millions of euros)**

	Note	31 Dec. 2013	31 Dec. 2012
Goodwill .....	5.1	137.7	158.0
Other intangible assets .....	5.2.1	29.8	33.4
Property, plant and equipment .....	5.2.2	11.3	15.0
Investments in associates .....		0.0	0.0
Non-current financial assets .....	5.3	2.2	3.5
Deferred tax assets .....	4.8.3	9.0	11.3
<b>Non-current assets</b> .....		<b>190.1</b>	<b>221.2</b>
Inventories .....	5.7	1.3	1.4
Trade receivables .....	5.7	17.4	18.1
Other operating receivables .....	5.7	3.0	1.7
Other current assets .....	5.8	0.3	1.3
Current tax assets .....	4.8.4	0.6	1.5
Current financial assets .....	5.9	0.0	0.0
Cash and cash equivalents .....	5.5	7.2	11.2
Assets held for sale .....	5.10	17.4	0.0
<b>Current assets</b> .....		<b>47.3</b>	<b>35.2</b>
<b>Total assets</b> .....		<b>237.4</b>	<b>256.4</b>
Share capital .....	5.4.1	144.8	144.8
Additional paid-in capital .....	5.4.1	4.1	4.0
Consolidated reserves .....	5.4.2	(25.4)	(19.0)
Profit (loss) for the year attributable to owners of the parent company .....	IS	3.4	(5.8)
<b>Shareholders' equity attributable to owners of the parent company</b> .....		<b>126.9</b>	<b>124.0</b>
Non-controlling interests .....	SE	(0.0)	0.3
<b>Total shareholders' equity</b> .....		<b>126.9</b>	<b>124.3</b>
Non-current financial liabilities .....	5.9	42.3	6.8
Non-current provisions .....	5.6	5.4	11.2
Other non-current liabilities .....		0.0	0.0
Deferred tax liabilities .....	4.8.3	9.7	10.8
<b>Non-current liabilities</b> .....		<b>57.4</b>	<b>28.8</b>
Current provisions .....	5.6	0.0	0.0
Trade payables .....	5.7	16.4	17.9
Other operating payables .....	5.7	13.9	15.6
Other current liabilities .....	5.8	1.2	1.0
Current tax liabilities .....	4.8.4	2.1	1.3
Current financial liabilities .....	5.9	11.1	67.1
Bank overdrafts .....	5.5	0.1	0.4
Liabilities associated with assets held for sale .....	5.10	8.1	0.0
<b>Current liabilities</b> .....		<b>53.1</b>	<b>103.3</b>
<b>Total shareholders' equity and liabilities</b> .....		<b>237.4</b>	<b>256.4</b>



**Consolidated income statement**  
**(In millions of euros)**

	Note	31 Dec. 2013	31 Dec. 2012
<b>Net sales</b> .....	4.1	<b>162.4</b>	<b>164.7</b>
Cost of medical supplies .....		(22.1)	(23.7)
Subcontracting—specialized laboratories .....		(5.0)	(5.2)
<b>Gross profit</b> .....		<b>135.3</b>	<b>135.8</b>
Other income .....	4.1	0.1	0.0
Personnel costs .....	4.2	(72.7)	(78.4)
Other operating expenses .....	4.3	(26.9)	(28.5)
Tax and duties .....		(5.7)	(6.3)
Leases .....	4.4	(10.3)	(10.8)
<b>Profit from recurring operations before amortization and depreciation</b> .....		<b>19.7</b>	<b>11.8</b>
Asset amortization and depreciation .....		(7.9)	(7.7)
<b>Profit from recurring operations</b> .....		<b>11.8</b>	<b>4.1</b>
Income from disposals .....		1.2	1.8
Asset impairment .....		(4.1)	0.0
Restructuring costs .....		(3.6)	(6.3)
<b>Other non-recurring income and expenses</b> .....	4.5	<b>(6.5)</b>	<b>(4.5)</b>
<b>Operating profit (loss)</b> .....		<b>5.3</b>	<b>(0.4)</b>
Finance costs .....		(2.0)	(2.3)
Income from cash and cash equivalents .....			0.1
<b>Net finance costs</b> .....	4.6	<b>(2.0)</b>	<b>(2.2)</b>
Other financial income .....		0.1	0.0
Other financial expense .....		(0.5)	(0.1)
<b>Other financial income and expenses</b> .....	4.7	<b>(0.4)</b>	<b>(0.1)</b>
Income tax .....	4.8	0.5	(2.9)
Profit from investments in associates .....		0.0	0.0
<b>Consolidated profit (loss)</b> .....		<b>3.4</b>	<b>(5.6)</b>
<i>attributable to owners of the parent company</i> .....		3.4	(5.8)
<i>non-controlling interests</i> .....		(0.0)	0.2

**Consolidated statement of comprehensive income**  
(In millions of euros)

	Note	31 Dec. 2013	31 Dec. 2012
<b>Consolidated profit (loss)</b> .....		<b>3.4</b>	<b>(5.6)</b>
Actuarial gains and losses relating to retirement benefits .....		1.5	(0.7)
Change in fair value of hedging instruments .....		0.7	(1.0)
Tax effect of income and expenses .....		(0.7)	0.6
<b>Gains and losses recognized directly in equity</b> .....		<b>1.4</b>	<b>(1.1)</b>
<b>Total comprehensive income (loss)</b> .....		<b>4.8</b>	<b>(6.7)</b>
<i>attributable to owners of the parent company</i> .....		4.8	(6.9)
<i>non-controlling interests</i> .....		(0.0)	0.2

**Consolidated statement of cash flows**  
(In millions of euros)

	Note	31 Dec. 2013	31 Dec. 2012
Consolidated profit (loss).....		3.4	(5.6)
<i>Adjustments for:</i>			
Amortization and depreciation.....		7.9	7.7
Other income and expenses .....		6.5	4.5
Share of profit from associates .....		0.0	0.0
Other financial income and expenses .....		0.4	0.1
Net finance costs.....		2.0	2.2
Income tax .....		(0.5)	2.9
<b>Profit from recurring operations before amortization and depreciation .....</b>	Income statement	<b>19.7</b>	<b>11.8</b>
Non-cash items .....		1.8	0.1
Restructuring costs (cash).....	4.5	(4.3)	(5.5)
Change in other receivables and payables .....		0.9	(0.5)
<b>Cash flow before finance costs and tax .....</b>		<b>18.1</b>	<b>5.9</b>
Tax paid .....		(2.9)	(1.1)
Change in working capital .....	5.7	(2.1)	(0.4)
<b>Net cash provided by operating activities .....</b>		<b>13.1</b>	<b>4.4</b>
Acquisition of property, plant and equipment .....	5.2	(3.7)	(5.2)
Proceeds from sale of property, plant and equipment and intangible assets .....		0.6	1.5
Acquisition of investments .....		(1.8)	(5.6)
Disposal of investments .....		7.4	0.0
Change in other financial assets.....		0.3	(0.1)
Net cash from acquisitions & disposals of subsidiaries .....		(0.5)	
<b>Net cash provided by (used in) investing activities .....</b>		<b>2.5</b>	<b>(9.4)</b>
Proceeds from issue of share capital .....		0.1	9.2
Dividends paid to shareholders .....		0.0	0.0
Net finance costs.....	4.6	(2.0)	(2.2)
<b>Net cash before borrowings .....</b>		<b>13.7</b>	<b>2.0</b>
Increase in borrowings.....		0.0	11.5
Repayment of borrowings.....	5.5.2	(16.9)	(13.9)
<b>Net cash provided by (used in) financing activities .....</b>		<b>(18.8)</b>	<b>4.6</b>
Effect of IFRS 5 .....		(0.5)	
<b>Net increase (decrease) in cash and cash equivalents .....</b>		<b>(3.7)</b>	<b>(0.4)</b>
<i>Cash and cash equivalents at beginning of year.....</i>		10.8	11.2
<i>Cash and cash equivalents at end of year.....</i>		7.1	10.8

**Changes in consolidated net debt**  
**(In millions of euros)**

	<u>Note</u>	<u>31 Dec. 2013</u>	<u>31 Dec. 2012</u>
<b>Net debt at beginning of year</b> .....		<b>62.5</b>	<b>61.8</b>
Net cash before borrowings .....		(13.7)	(2.0)
Capitalized finance leases .....		0.5	1.8
Fair value of hedging instruments .....		0.4	1.0
Change in scope and other .....		(3.8)	(0.1)
<b>Net debt at end of year</b> .....	<u>5.5.2</u>	<u><b>45.9</b></u>	<u><b>62.5</b></u>

**Consolidated statement of changes in shareholders' equity**  
(In millions of euros)

							Shareholders' equity attributable to owners of the parent company	Non-controlling interests	Shareholders' equity
	Note	Share capital	Additional paid-in capital	Reserves	Gains and losses directly recognized in equity	Profit (loss) for the period			
Shareholders' equity at 31 Dec. 2011.....		144.8	4.0	(12.7)	(0.6)	(4.5)	131.0	0.1	131.1
Profit (loss) for the year						(5.8)	(5.8)	0.2	(5.6)
Other items of comprehensive income .....					(1.1)		(1.1)		(1.1)
Comprehensive income .....		—	—	—	(1.1)	(5.8)	(6.9)	0.2	(6.7)
Issuance of share capital.....	CFS	0.0					0.0		0.0
Appropriation of prior year profit.....				(4.5)		4.5	0.0		0.0
Dividends paid.....	CFS								0.0
Change in scope and other .....				(0.1)			(0.1)	0.0	(0.1)
							Shareholders' equity attributable to owners of the parent company	Non-controlling interests	Shareholders' equity
	Note	Share capital	Additional paid-in capital	Reserves	Gains and losses directly recognized in equity	Profit (loss) for the period			
Shareholders' equity at 31 Dec. 2012.....		144.8	4.0	(17.3)	(1.7)	(5.8)	124.0	0.3	124.3
Profit (loss) for the year						3.4	3.4	(0.0)	3.3
Other items of comprehensive income .....					1.4		1.4	0.0	1.4
		—	—	—	1.4	3.4	4.8	(0.0)	4.8
Issuance of share capital.....	CFS	0.1					0.1		0.1
Appropriation of prior year profit.....				(5.8)		5.8	0.0		0.0
Effect of acquisitions and disposals on non-controlling interests prior to takeover .....	CFS			(2.0)			(2.0)	0.2	(1.7)
Change in scope and other .....				0.0			0.0	(0.5)	(0.5)
Shareholders' equity at 31 Dec. 2013.....		144.9	4.0	(25.0)	(0.3)	3.4	126.9	0.0	126.9

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**Notes to the consolidated financial statements**  
**At 31 December 2013**

**1. General information and significant events**

**1.1. General information**

Novescia is a limited liability company incorporated in France. Its registered office is located at 73-77 rue de Sèvres - 92100 Boulogne-Billancourt.

Novescia's consolidated financial statements reflect the financial position of Novescia SAS and its subsidiaries, hereinafter referred to as "the Group", together with its investments in associates. The reporting date of the twelve-month financial period was 31 December 2013.

Novescia SAS's business purpose covers all financial activities performed directly or via third parties, for itself or on behalf of third parties. It is the parent company of a group which operates in the field of medical diagnostics (clinical laboratory testing) in France and abroad.

The chairman reviewed and approved the financial statements on 6 May 2014. These financial statements shall be submitted for approval by shareholders at their annual general meeting on 26 June 2014, at which point they could be modified.

**1.2. Significant events**

In February 2013, the Group sold its business operations in the Bordeaux region, Novescia Aquitaine. The sale price was €7.1 million and the transaction generated consolidated capital gains of €1.3 million. The Group also decided to dispose of its subsidiary, Novescia Côte d'Azur. The sale was completed on 30 January 2014 and resulted in an impairment loss of €4.1 million.

The associated assets and liabilities are presented as specific items in the consolidated balance sheet (assets and liabilities held for sale) in accordance with IFRS 5.

Both sales reflect the Group's policy of divesting certain non-strategic assets or assets with poor growth potential.

The financial year was marked by the Group's return to profitability, as a result of streamlining, reorganizing and resource pooling implemented since late 2011. The Group also began insourcing certain specialties for which domestic volume warranted the investment, such as Down's Syndrome and molecular biology.

The improvement in Group profitability resulted in compliance with its bank covenants, none of which were breached.

Consequently, the 2012 reclassification of loans of €53.9 million as current liabilities was no longer required in 2013 (see § 5.3).

The tax credit to encourage competitiveness and employment (CICE) is presented as a deduction in personnel costs in accordance with IAS 19 and IAS 20. The amount recognized for 2013 was €1.1 million.

A tax dispute regarding intercompany share transfers has been settled and the tax authorities have withdrawn the adjustment demanded. The provision of €4 million previously recognized was fully reversed. Tax provisions now reflect the tax normally due (€0.5 million).

**2. Accounting policies**

**2.1. Basis of preparation and accounting standards**

In application of European regulations, the Group's financial statements have been prepared in accordance with international accounting standards applicable in the European Union at 31 December 2013 (IAS/IFRS).

The Group has not made any changes in the application of these standards compared with the previous financial year, nor has it opted for early adoption, except in the case of IFRS 10.

The Group is currently examining contracts that may merit a change in accounting treatment, such as leases, from operating leases to finance leases. The impact of the restatement under IAS 17 would be as follows:



- on the balance sheet, recognition of a long-term leased asset offset by a financial liability;
- on the income statement, cancellation of the related operating expense and recognition of asset depreciation allowance and a financial expense corresponding to interest on the financial liability.

The consolidated financial statements are presented in millions of euros after rounding.

## **2.2. Basis of consolidation**

Companies that the Group controls exclusively, directly or indirectly, are fully consolidated. Companies over which the Group exercises significant influence are recognized using the equity method.

Company acquisitions or disposals during the year have been accounted for in the consolidated statements from the date that exclusive control or significant influence commences until it ceases. The consolidation is based on the financial statements prepared at 31 December 2013.

The list of associates and consolidated subsidiaries is provided in Note 8 to the consolidated financial statements.

## **2.3. Measurement policies and methods**

The financial statements have been prepared under the historical cost principle, except for items for which IFRS require fair value measurement.

The preparation of financial statements requires the Group's and subsidiaries' management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the consolidated balance sheet, expense and income in the income statement and information in the notes.

The Group's management makes these estimates and assessments continuously on the basis of past experience and various other factors considered reasonable. Amounts reported in future financial statements may differ from these estimates due to changes in assumptions or circumstances.

The main accounting estimates and judgments made by management in preparing the financial statements are those used to measure items including goodwill, intangible assets, property, plant and equipment, deferred taxes, provisions for retirement obligations and provisions for litigation.

### **2.3.1. Business combinations**

The revised version of IFRS 3 requires the application of the purchase method for business combinations, which entails measuring the assets, liabilities and contingent (non-controlling) interests of the acquiree at fair value.

Goodwill represents the fair value of the consideration transferred (including the fair value of any previously held interests in the acquiree) less the net recognized amount of identifiable assets acquired and liabilities assumed.

The acquisition cost is the sum of the consideration transferred, measured at the acquisition-date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer has to decide how to measure the portion of the target not acquired, either at fair value or at the amount of its proportionate share of revalued equity. Acquisition costs are expensed in the period (under "restructuring costs") during which the related services are rendered.

Two types of intangible assets have been identified and measured at fair value, namely, lease rights and preferred service agreements with private health care facilities (clinic contracts).

Negative goodwill is recognized directly in the income statement.

Under the revised version of IAS 27, acquisitions of non-controlling interests in controlled companies and share transfers to non-controlling interests without loss of control result in the recognition of the change in equity attributable to the parent company, reflecting the difference between the cost of acquisition or disposal and the carrying amount of the non-controlling interests. For any partial or total disposal with loss of control, the Group recognizes the gain or loss on disposal in the income statement under other operating income and expenses, along with any effect of re-measuring the interest retained.

Goodwill is not amortized. The Group performs impairment tests at least once a year at the reporting date and whenever there is an indication of impairment. When special circumstances (major, structural changes in the technical, regulatory or market environment, insufficient profitability, etc.) call for it, goodwill impairment is recognized in accordance with the methodology described below. Such impairment is not reversible.

### **2.3.2. Impairment**

Indefinite-lived assets are not amortized but are tested for impairment at least once a year at the reporting date and whenever there is an indication of impairment.

Amortized assets are tested for impairment whenever, due to events or circumstances, the recoverability of their carrying amount is called into question.

Non-current assets other than goodwill that have been impaired are tested for possible reversal of impairment at each reporting date.

Goodwill is tested for impairment, which may lead, where appropriate, to writing down the carrying amount to recoverable value, which is the higher of fair value less costs to sell and value in use. The impairment loss is recognized in "Other non-recurring income and expenses" under "Goodwill impairment."

Value in use is the present value of the sum of future cash flows before tax and financial items from continuing use of an asset or CGU and the cash generated by ultimate disposal of the asset.

The discount rate reflects current market assessments of the time value of money and risks specific to the asset or group of assets.

The asset is assessed in its current condition, regardless of the cash flows that may be generated by investments to improve performance or capacity.

#### **2.3.2.1. Cash generating units**

As defined in IAS 36, a cash generating unit (CGU) is "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".

For Novescia, CGUs are generally determined by the company that operates the laboratory (-ies) (SEL). It is not possible to determine CGUs more precisely than at laboratory (operating site) level, as the operating sites comprising the laboratories (SEL) are not independent of one another in terms of cash flow.

For impairment testing purposes, goodwill is tested by aggregating the CGUs that operate in a defined region using the same technical facilities that are in service or under construction.

The aggregation of CGUs by region is justified by the significant economic dependency of the laboratories on the regional health agencies (ARS). All organizational decisions are made at this level.

#### **2.3.2.2. Groups of cash generating units**

At 31 December 2013, the Group tested nine groups of CGUs for goodwill impairment:

Novescia Grand Paris, Novescia Normandie, Novescia Nord, Novescia Midi- Pyrénées, Novescia Rhône-Alpes, Novescia Loire, Novescia Bourgogne, Novescia Provence and Novescia La Réunion.

The entities in the Paris region were aggregated in one CGU because of the high number of shared processes and activities.

Impairment testing is performed at least once a year prior to the reporting date.

Goodwill impairment of €4.1 million was recognized for Novescia Côte d'Azur due to its value on disposal at 30 January 2014.

**The other CGUs are measured according to the following assumptions:**

For this measurement, future cash flows were calculated based on forecasts for financial year 2014. The forecasts were constructed on the basis of the following two assumptions:

- a 1% increase in net sales (supported by the three-year agreement of 0.25% for the market, together with proven capacity to outperform it);
- a 1% increase in profit from recurring operations before amortization and depreciation, but this assumption may be limited if the CGU's optimum performance depends on its limitations.

To calculate the value in use of the CGU groups, the Group used a discount rate of 9.9%.

The CGUs tested for impairment on the basis of value in use did not show any impairment.

### 2.3.3. Intangible assets

Intangible assets comprise clinic contracts and lease rights resulting from the fair value measurement of company assets when first consolidated.

The value of clinic contracts in each region was determined using the excess earnings method.

The value of the lease rights of each laboratory was determined using the rental cost method.

Clinic contracts are amortized over a period of 17 years (estimated life of the contracts) and leasehold rights over a period of 10 to 18 years depending on their capitalization period. Intangible assets also include software, which is amortized over a period of 3 years.

### 2.3.4. Property, plant and equipment

The Group does not own any real estate. Consequently, it leases the buildings it uses for business purposes.

Depreciation is calculated on a straight-line basis over the expected useful life of each asset according to the following schedule:

• Fixtures and fittings	8 years
• Furniture	8 years
• Equipment and machinery	5 years
• IT equipment	<u>3 years</u>

The depreciation allowance is expensed in each financial year.

### 2.3.5. Non-current assets (or groups of assets) held for sale, discontinued operations, sold or being sold

The Group applies IFRS 5—*Non-current assets held for sale and discontinued operations*—which requires specific recognition and presentation of assets (or groups of assets) held for sale, discontinued operations, and assets sold or being sold.

Non-current assets or group of assets and associated liabilities are classified as held for sale if their carrying amount is recovered primarily through a sale transaction rather than through continuing use. To meet this definition, the asset (or group of assets) must be available for immediate sale and the sale must be highly probable. These assets are no longer amortized from the time that they are defined as assets (or group of assets) held for sale. They are presented as a separate line item on the balance sheet, without restatement of prior periods.

The loss of control of a subsidiary, or a discontinued operation, sold or being sold, is defined as a component of an entity with cash flows independent from the rest of the entity and representing a line of business or separate, major region. Profit from these activities is presented as a separate line item in the income statement.

### 2.3.6. Leases

In accordance with IAS 17 “finance leases”, assets held under leases are capitalized with an offsetting entry under financial liabilities, when the leases effectively transfer substantially all the risks and rewards of ownership of the assets to the Group.

Leases that do not transfer risks and rewards to the Group are classified as operating leases. Operating lease payments are expensed on a straight-line basis over the term of the lease.

#### **2.3.7. Other non-current financial assets and liabilities**

Other non-current financial assets and liabilities mainly comprise capital subscribed and not called up, bank loans, current account assets and liabilities and the non-current portion of security deposits received and given.

#### **2.3.8. Inventories**

Inventories primarily comprise consumables and reagents. At the reporting date, they were measured based on the latest purchase price. There are no significant differences in the measurement policies used compared with IFRS, which require inventory measurement using the FIFO or AVCO methods.

#### **2.3.9. Trade receivables and other operating receivables**

Receivables and payables in euros are measured at face value.

Trade receivables are written down based on the risk of non-collection, which is estimated entity by entity. The risk is measured based on the following analyses:

- a review of the statement of unpaid amounts generated by each laboratory's IT system,
- a review of specific events and circumstances at each laboratory.

#### **2.3.10. Other current assets and liabilities**

Other current assets and liabilities include receivables and payables on disposals of assets, income receivable and accrued expenses in connection with dividend payments.

#### **2.3.11. Other current financial assets and liabilities**

Other current financial assets and liabilities correspond to the current portion (less than one year) of financial assets and liabilities.

#### **2.3.12. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, bank accounts, term deposits of three months or less and marketable securities that meet IAS 7 criteria.

Accrued interest on term deposits is recognized under financial income.

#### **2.3.13. Current and non-current loans and borrowings**

Loans and borrowings are recognized at amortized cost less directly-related transaction costs in accordance with IAS 39. Transaction costs are progressively amortized in profit and loss until the debt has been paid off.

Borrowings are defined as the sum of:

- loans from credit institutions including accrued interest;
- finance lease liabilities including accrued interest;
- other loans and borrowings and related liabilities;
- financial receivables and liabilities on current accounts.

Net cash and cash equivalents is defined as the sum of:

- cash assets and liabilities;
- marketable securities net of provisions;

- financial receivables and liabilities on current accounts—cash pooling.

Net debt corresponds to the sum of borrowings less net cash and cash equivalents.

#### **2.3.14. Current and non-current provisions**

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognized when the Group has a legal or constructive obligation to a third party and it is likely or certain to result in an outflow of resources to the third party.

Current and non-current provisions are recognized essentially for administrative and industrial tribunal/employee disputes and proceedings and retirement obligations. Provisions that inherently involve reorganizing and restructuring operations are classified as restructuring provisions (see note 4.5 Restructuring costs).

#### **2.3.15. Provision for retirement benefits**

Provisions for retirement benefits are measured based on vested rights, which reflect all the Group’s obligations vis-à-vis its employees in terms of retirement benefits. The rights are defined by the collective bargaining agreements concerning the Group.

They are measured using the projected unit credit method in accordance with IAS 19.

The provision for retirement benefits is re-measured annually, based on effective rights schedules, changes in the calculation base, turnover and mortality assumptions and the discount rate.

The provisions (or assets) recognized correspond to the present value of the obligation less the fair value of plan assets and past service cost and unrecognized actuarial gains and losses. The discount rates are set based on the average risk-free interest rate over a 5-year period.

Actuarial gains and losses are fully recognized in equity in the year they are measured (SORIE method).

#### **2.3.16. Net sales**

Novescia’s net sales are primarily generated by services covered by social security, private health insurance and patients’ payments, based on tariffs set annually by the French government.

#### **2.3.17. Profit from recurring operations before amortization and depreciation and other non-recurring income and expenses**

##### ***2.3.17.1. Profit from recurring operations before amortization and depreciation***

Profit from recurring operations before amortization and depreciation corresponds to the Group’s profit from recurring operations (excluding income and expenses relating to reorganizing and restructuring operations, which are classified as other non-recurring income and expenses), before amortization and depreciation. In accordance with IAS 1 (presentation of financial statements), expenses and provisions included in this income statement line item are disclosed according to their nature.

The main operating expenses include:

- Medical and other purchases essentially comprising reagents and disposable consumables;
- Personnel costs, which primarily comprise salaries and wages, biologists’ fees, non-salaried workers’ pay, social security contributions and other personnel costs such as profit sharing and incentive bonuses, less the tax credit to encourage competitiveness and employment (CICE);
- Other operating expenses primarily comprise professional fees (auditors, lawyers etc.) and subcontracting costs;
- Taxes and duties essentially comprise business property tax (CFE—a component of previous business tax) and payroll taxes;
- Other operating income and expenses comprise net provisions (trade and related receivables, inventories, employee disputes, retirement benefits etc.) and allowances for doubtful debt (share attributable to patients etc.);

- Property and equipment lease payments not subject to restatement under IAS 17, which mainly include payments for business premises and heavy machinery (robots etc.).

### **2.3.17.2. Other non-recurring income and expenses**

In accordance with IAS 1 (presentation of financial statements), when income and expense items are material and relevant to explaining performance during the period, the company should disclose their nature and amount separately. These items are aggregated under the line item “other non-recurring income and expenses”.

As the Group is reorganizing its business activities around regional technical platforms, the costs of restructuring were recognized under non- recurring expenses. Pooling resources to generate synergies through regional platforms effectively constitutes restructuring (contract transfers for certain employees, transfer of PPE etc.). The expenses and provisions classified by nature as relating to restructuring essentially comprise professional fees, costs related to employees not wishing to be transferred from one site to another, significant contract termination costs and impairment losses for fixed assets that could not be transferred.

To enhance understanding of profit from recurring operations before amortization and depreciation, make Group profit comparable over several periods (avoid mixing several operations/acquisition business models) and present profit from recurring operations before amortization and depreciation based on the “operator” business model, all acquisition-related transaction costs have been recognized under other non-recurring expenses.

Generally, other non-current expenses and provisions include non- recurring costs such as the cost of terminating biologists’ contracts and costs relating to the company’s redundancy plan.

### **2.3.18. Net finance costs**

Net finance costs essentially comprise interest expense paid to banks in connection with loans taken out to fund the Group’s acquisitions, less income from investments and cash and cash equivalents.

### **2.3.19. Other financial income and expenses**

Other financial income and expenses mainly comprise dividends received from companies that were not consolidated.

### **2.3.20. Income tax**

Income tax expense comprises current and deferred taxes recognized by each of the Group’s consolidated tax entities.

In accordance with IAS 12 “Income tax”, deferred taxes arise from temporary differences in the carrying amount of assets and liabilities and their tax base, together with tax losses, under the liability method.

Deferred tax assets are only recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date. Deferred tax assets and deferred tax liabilities can be offset if offsetting is legally possible, if the deferred taxes are levied by the same tax authority and if the Group has the intention to settle current tax amounts on a net basis.

Tax expense is recognized in the income statement unless it concerns items that were directly recognized in shareholders’ equity. In this case, it is recognized in shareholders’ equity.

There is no tax consolidation in the Group.

### ***Business tax reform (French Finance Act of 2010)***

The French Finance Act of 2010 amended business tax, replacing it with a new territorial contribution (CET). It comprises two components:

- Property business tax (CFE) based on the rental value of property subject to property tax, with characteristics similar to the previous business tax. It is recognized as an operating expense.
- French value added business tax (CVAE).

As the basis for calculating value added business tax (CVAE) is a net aggregate of income and expenses, the Group has chosen to recognize CVAE as income tax under IAS 12.2.

### 3. Consolidation scope

At 31 December 2013, the consolidation scope included 22 companies representing 98 operating sites, compared with 29 companies representing 113 operating sites at 31 December 2012. The list of consolidated companies is provided in note 8.

Consolidation method	31 Dec. 2012	Acquisitions	Change in method	Disposals, Mergers, Transfers*	31 Dec. 2013
Full consolidation .....	29	—	—	7	22
<b>Total .....</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>22</b>

The main changes in the year were:

- Company mergers:
  - Merger of Sam Bio and Novescia SAS
  - Merger of Guillin and Novescia Paris Ouest
  - Merger of Translab and 3 Mares with Novescia Reunion island
  - Merger of Novescia Paris Rives Ouest and Bioquinze
- Deconsolidated companies:
  - Dissolution of Regiolabo SCI
  - Disposal of Novescia Aquitaine

#### 4. Note on main consolidated income statement items

##### 4.1. Net sales

	31 Dec. 2013	31 Dec. 2012
Net sales—Clinical biology .....	46.4	49.9
Net sales—Analyses—direct patient care .....	109.1	108.5
Net sales—Specialized laboratories .....	6.9	6.3
Net sales—Other biological products .....	0.0	—
<b>Total</b> .....	<b>162.4</b>	<b>164.7</b>

##### 4.2. Personnel costs

	31 Dec. 2013	31 Dec. 2012
Salaries and wages .....	(53.3)	(58.1)
Social security contributions .....	(17.1)	(19.5)
Retirement benefits paid .....	—	(0.1)
Employee profit-sharing .....	(0.9)	(0.4)
Interim employees .....	(0.3)	(0.3)
Other .....	(1.1)	0.0
<b>Total</b> .....	<b>(72.7)</b>	<b>(78.4)</b>

##### 4.3. Other operating income and expenses

	31 Dec. 2013	31 Dec. 2012
Other operating expenses .....	(26.9)	(28.5)
Other operating income .....	—	—
<b>Total</b> .....	<b>(26.9)</b>	<b>(28.5)</b>

##### 4.4. Leases

	31 Dec. 2013	31 Dec. 2012
Property leases	(7.3)	(7.4)
Equipment leases	(3.0)	(3.4)
<b>Total</b>	<b>(10.3)</b>	<b>(10.8)</b>

##### 4.5. Other non-recurring income and expenses



	Note	31 Dec. 2013	31 Dec. 2012
<b>Income from disposals</b> .....	<b>Income Statement</b>	<b>1.2</b>	<b>1.8</b>
<b>Asset impairment</b> .....	<b>Income Statement</b>	<b>(4.1)</b>	<b>0.0</b>
Restructuring costs.....		(3.6)	(5.5)
Other costs .....		(0.7)	—
<b>Restructuring costs (cash)</b> .....	<b>CFS</b>	<b>(4.3)</b>	<b>(5.5)</b>
Increase/reversal of provisions for restructuring .....		0.6	(0.8)
Gains on asset disposals.....		0.2	
<b>Restructuring costs (non-cash)</b> .....		<b>0.7</b>	<b>(0.8)</b>
<b>Restructuring costs</b> .....	<b>Income Statement</b>	<b>(3.6)</b>	<b>(6.3)</b>
<b>Other non-recurring income and expenses</b> .....	<b>Income Statement</b>	<b>(6.5)</b>	<b>(4.5)</b>

As for the previous year, at 31 December 2013, restructuring costs mainly comprised personnel costs arising from restructuring the head office and regional business activities.

#### 4.6. Net finance costs

	31 Dec. 2013	31 Dec. 2012
Interest income from cash and cash equivalents .....	0.0	0.1
Proceeds from sale of cash equivalents .....	0.0	0.0
<b>Sub-total income from cash and cash equivalents</b> .....	<b>0.0</b>	<b>0.1</b>
Interest on bank loans and other borrowings .....	(1.7)	(2.1)
Interest on equipment held under finance leases.....	(0.2)	(0.2)
Interest on current accounts .....	(0.0)	0.0
<b>Sub-total finance costs</b> .....	<b>(2.0)</b>	<b>(2.3)</b>
<b>Total net finance costs</b> .....	<b>(2.0)</b>	<b>(2.2)</b>

#### 4.7. Other financial income and expenses

	31 Dec. 2013	31 Dec. 2012
Dividends .....	—	—
Other financial income.....	0.1	—
<b>Sub-total other financial income</b> .....	<b>0.1</b>	<b>—</b>
Interest cost of retirement benefits.....	(0.1)	(0.1)
Other financial expenses .....	(0.3)	—
<b>Sub-total other financial expenses</b> .....	<b>(0.5)</b>	<b>(0.1)</b>
<b>Total other financial income and expenses</b> .....	<b>(0.4)</b>	<b>(0.1)</b>

#### 4.8. Income tax

##### 4.8.1. Type of income tax expense

		31 Dec. 2013	31 Dec. 2012
Current tax .....	Profit	(0.8)	(6.6)
Deferred tax .....	Profit	1.3	3.7
<b>Total</b> .....		<b>0.5</b>	<b>(2.9)</b>

##### 4.8.2. Effective tax rate

	31 Dec. 2013
<b>Pre-tax profit</b> .....	<b>2.8</b>
Tax rate applicable in France (%).....	34.4%
<b>Theoretical tax income (expense)</b> .....	<b>(1.0)</b>

Effect of goodwill amortization/impairment and reversal of negative goodwill .....	(1.4)
Other permanent differences .....	(0.1)
Differences in foreign tax rates .....	0.0
Effect of unrecognized deferred tax assets on tax loss carry-forwards and other deductible temporary differences .....	(0.9)
Non-taxed revenue .....	1.1
Annual flat-rate tax .....	(0.1)
Prior year tax expense adjustment .....	(0.2)
Reversal of unused provision for tax contingencies .....	4.0
French value added business tax (CVAE) .....	(0.8)
Other .....	(0.1)
<b>Effective tax income (expense) .....</b>	<b>0.5</b>
<b>Effective tax rate (%) .....</b>	<b>-17.4%</b>

#### 4.8.3. Deferred tax assets and liabilities

	31 Dec. 2012	Effect on profit	Other changes incl. scope	Value of assets held for sale	31 Dec. 2013
Tax losses .....	8.2	0.2	(1.3)	(1.7)	5.3
Finance leases .....	—	0.0	—	(0.0)	0.0
Non-deductible provisions .....	1.4	(0.2)	(0.3)	0.2	1.1
Retirement obligations .....	1.7	0.2	(0.6)	(0.1)	1.2
Fair value of financial instruments .....	0.3	—	(0.0)	—	0.3
Valuation differences .....	(11.1)	0.7	0.8	0.1	(9.5)
Differences in calculation of taxable profit .....	0.0	0.2	0.8	(0.4)	0.6
Other .....	0.0	0.1	0.2	(0.0)	0.3
<b>Deferred tax .....</b>	<b>0.5</b>	<b>1.3</b>	<b>(0.5)</b>	<b>(2.0)</b>	<b>(0.7)</b>

	Note	31 Dec. 2012	Effect on profit	Other changes incl. scope	Value of assets held for sale	31 Dec. 2013
Deferred tax assets .....	Balance Sheet	11.3	0.4	(0.6)	(2.1)	9.0
Deferred tax liabilities .....	Balance Sheet	10.8	(0.9)	(0.1)	(0.1)	9.7
<b>Deferred tax assets and liabilities .....</b>		<b>0.5</b>	<b>1.3</b>	<b>(0.5)</b>	<b>(2.0)</b>	<b>(0.7)</b>

#### 4.8.4. Current tax assets and liabilities

	Note	31 Dec. 2013	31 Dec. 2012
Current tax .....		(3.5)	(1.6)
French added value business (CVAE) .....		(1.3)	(1.1)
Annual flat-rate tax .....		(0.1)	0.0
Impairment of deferred tax assets .....		0.0	0.2
Reversal of provision for tax contingencies .....		4.0	0.0
Provision for tax contingencies .....		0.0	(4.0)
<b>Current tax .....</b>		<b>(0.8)</b>	<b>(6.6)</b>

### 5. Note on the main consolidated balance sheet items

#### 5.1. Goodwill

	Note	31 Dec. 2012	Acquisitions, additions	Disposals, divestments, reversals	Value of assets held for sale	31 Dec. 2013
<b>Gross value .....</b>		<b>158.0</b>		<b>(4.1)</b>	<b>(16.2)</b>	<b>137.7</b>

Impairment.....		(4.1)		4.1	0.0
<b>Net value .....</b>	<b>158.0</b>	<b>(4.1)</b>	<b>(4.1)</b>	<b>(12.1)</b>	<b>137.7</b>

#### 5.1.1. Breakdown of goodwill by region

	31 Dec. 2013	31 Dec. 2012
Novescia Greater Paris.....	62.1	62.3
Novescia Normandy .....	2.5	2.5
Novescia Nord .....	3.7	3.7
Novescia Midi-Pyrénées .....	22.5	22.7
Novescia Rhône-Alpes .....	20.1	20.1
Novescia Loire.....	5.1	5.1
Novescia Burgundy .....	4.7	4.7
Novescia Provence.....	9.7	9.7
Novescia Reunion island .....	6.1	6.1
Other regions .....	1.2	21.2
<b>Total .....</b>	<b>137.7</b>	<b>158.0</b>

## 5.2. Fixed assets

### 5.2.1. Intangible assets

	31 Dec. 2012	Acquisitions	Disposals	Increases in year	Change in scope and other	31 Dec. 2013
<b>Gross value</b>						
Clinic contracts .....	31.3	0.0	0.0		(1.3)	30.0
Software .....	5.1	0.6	(0.6)		(0.1)	5.1
Lease rights .....	6.2	0.0	0.0		(0.9)	5.4
Other .....	3.6	0.4	0.0		(0.3)	3.6
<b>Total .....</b>	<b>46.2</b>	<b>0.9</b>	<b>(0.6)</b>	<b>0.0</b>	<b>(2.5)</b>	<b>44.0</b>
<b>Amortization</b>						
Clinic contracts .....	(4.7)		0.0	(1.8)	0.2	(6.2)
Software .....	(3.6)		0.6	(1.0)	0.4	(3.7)
Lease rights .....	(1.7)			(0.4)	0.6	(1.4)
Other .....	(2.8)		0.0	(0.0)	0.0	(2.7)
<b>Total .....</b>	<b>(12.8)</b>	<b>0.0</b>	<b>0.6</b>	<b>(3.2)</b>	<b>1.2</b>	<b>(14.1)</b>
<b>Net value</b>						
Clinic contracts .....	26.6	0.0	0.0	(1.8)	(1.1)	23.7
Software .....	1.5	0.6	0.0	(1.0)	0.2	1.3
Lease rights .....	4.5	0.0	0.0	(0.4)	(0.3)	4.0
Other .....	0.8	0.4	0.0	(0.0)	(0.3)	0.8
<b>Total .....</b>	<b>33.4</b>	<b>0.9</b>	<b>(0.0)</b>	<b>(3.2)</b>	<b>(1.4)</b>	<b>29.8</b>

### 5.2.2. Property, plant and equipment

	31 Dec. 2012	Acquisitions	Disposals	Increases in year	Change in scope and other	31 Dec. 2013
<b>Gross value</b>						
Land and buildings .....	1.4	0.0	(0.1)		(0.2)	1.2
Technical plant, equipment & machinery .....	13.3	0.6	(0.5)		(2.1)	11.0
Fixtures and fittings .....	17.9	1.3	(0.4)		(2.1)	16.5
Other .....	8.2	0.9	(0.3)		(1.4)	7.7
<b>Total .....</b>	<b>40.8</b>	<b>2.8</b>	<b>(1.3)</b>	<b>0.0</b>	<b>(5.8)</b>	<b>36.4</b>
<b>Depreciation</b>						
Land and buildings .....	(0.9)		0.0	(0.1)	0.2	(0.9)
Technical plant, equipment & machinery .....	(8.6)		0.5	(1.8)	1.7	(8.0)
Fixtures and fittings .....	(10.1)		0.3	(1.7)	1.3	(10.2)
Other .....	(6.2)		0.3	(1.2)	1.1	(6.1)
<b>Total .....</b>	<b>(25.8)</b>	<b>0.0</b>	<b>1.1</b>	<b>(4.8)</b>	<b>4.2</b>	<b>(25.1)</b>
<b>Net values</b>						
Land and buildings .....	0.5	0.0	(0.1)	(0.1)	(0.0)	0.3
Technical plant, equipment & machinery .....	4.7	0.6	(0.0)	(1.8)	(0.4)	3.0
Fixtures and fittings .....	7.8	1.3	(0.1)	(1.7)	(0.8)	6.4
Other .....	2.0	0.9	(0.0)	(1.2)	(0.3)	1.6
<b>Total .....</b>	<b>15.0</b>	<b>2.8</b>	<b>(0.2)</b>	<b>(4.8)</b>	<b>(1.6)</b>	<b>11.3</b>

## 5.3. Non-current financial assets and liabilities

	31 Dec. 2012	Related to operations	Other changes incl. scope	31 Dec. 2013
Available-for-sale financial assets(1) .....	0.7	(0.0)	(0.2)	0.5
Other long-term investments .....	0.0	(0.0)	0.0	0.0
Other loans.....	0.6	(0.2)	(0.1)	0.4
Security deposits and other receivables .....	2.2	(0.6)	(0.2)	1.4
Current account assets .....	(0.0)	(0.0)	0.0	(0.0)
<b>Total non-current financial assets .....</b>	<b>3.5</b>	<b>(0.8)</b>	<b>(0.5)</b>	<b>2.2</b>
Bank loans .....	6.6	(12.1)	45.9	40.5
Security deposits received and other liabilities.....	0.0	0.0	0.0	0.0
Other loans and related liabilities .....	0.0	(1.0)	2.6	1.6
Current account liabilities.....	0.2	(1.8)	1.8	0.1
<b>Total non-current financial liabilities .....</b>	<b>6.8</b>	<b>(15.0)</b>	<b>50.4</b>	<b>42.3</b>
<b>Change in other non-current assets and liabilities .....</b>	<b>(3.3)</b>	<b>14.2</b>	<b>(50.9)</b>	<b>(40.0)</b>

- (1) At 31 December 2013, available-for-sale financial assets mainly comprised investments in Yvette clinic and Villon SCI (real estate firm).
- (2) At 31 December 2012, €53.9 million of acquisition bank loans were reclassified as current borrowings due to a breach of the bank covenants. No reclassification of this type was required at 31 December 2013, as the company was in compliance with its contractual financial ratios.

## 5.4. Shareholders' equity

### 5.4.1. Share capital and additional paid-in capital

At 31 December 2013, Novescia SA's share capital amounted to €144,919,015 comprising 144,919,015 shares with a par value of €1, fully paid up.

	31 Dec. 2013	31 Dec. 2012
Number of shares at beginning of year .....	144,919,015	144,819,015
Number of shares at end of year.....	144,919,015	144,819,015

### 5.4.2. Reserves

At 31 December 2013, consolidated reserves comprised the legal reserve and retained earnings from prior years since 2009.

### 5.4.3. Income and expenses recognized in equity

(In millions of euros)	31 Dec. 2013	31 Dec. 2012
<b>Retirement benefits</b>		
Reserves at beginning of year .....	(0.7)	(0.3)
Change in actuarial gains and losses.....	1.0	(0.4)
<b>Reserves at end of year .....</b>	<b>0.3</b>	<b>(0.7)</b>
<b>Fair value of hedging instruments</b>		
Reserves at beginning of year .....	(1.0)	(0.3)
Change in actuarial gains and losses.....	0.4	(0.7)
<b>Reserves at end of year .....</b>	<b>(0.6)</b>	<b>(1.0)</b>

### 5.4.4. Dividends

The Group did not distribute dividends on profit generated in 2010, 2011 and 2012.

## 5.5. Consolidated net debt

### 5.5.1. Borrowings: analysis of current and non-current portion

	Non-current	Current	Total	Non-current	Current	Total
			31 Dec. 2012			31 Dec. 2013
Bank loans .....	3.6	67.1	70.7	40.5	11.1	51.6
Asset acquisition liabilities .....	0.0	0.0	0.0	0.0	0.0	0.0
Finance lease liabilities .....	3.0	0.0	3.0	1.6	0.0	1.6
Current account liabilities .....	0.2	0.0	0.2	0.2	0.0	0.2
<b>Financial liabilities .....</b>	<b>6.8</b>	<b>67.1</b>	<b>73.9</b>	<b>42.3</b>	<b>11.1</b>	<b>53.4</b>
Other loans .....	(0.6)	0.0	(0.6)	(0.4)	0.0	(0.4)
Current account assets .....	0.0	0.0	0.0	0.0	0.0	0.0
<b>Financial assets .....</b>	<b>(0.6)</b>	<b>0.0</b>	<b>(0.6)</b>	<b>(0.4)</b>	<b>0.0</b>	<b>(0.3)</b>
Bank overdrafts .....	0.0	0.4	0.4	0.0	0.1	0.1
Cash and cash equivalents .....	0.0	(11.2)	(11.2)	0.0	(7.2)	(7.2)
<b>Net cash and cash equivalents .....</b>	<b>0.0</b>	<b>(10.8)</b>	<b>(10.8)</b>	<b>0.0</b>	<b>(7.1)</b>	<b>(7.1)</b>
<b>Net debt .....</b>	<b>6.2</b>	<b>56.3</b>	<b>62.5</b>	<b>41.9</b>	<b>4.0</b>	<b>45.9</b>

### 5.5.2. Borrowings: analysis of changes in the year

	31 Dec. 2012	Increase	Decrease	Change in scope and other	31 Dec. 2013
Bank loans .....	70.8	0.0	(13.2)	(5.7)	51.6
Asset acquisition liabilities .....	0.0	0.0	0.0	(0.0)	(0.0)
Finance lease liabilities .....	2.9	0.0	(1.0)	(0.4)	1.6
Current account liabilities .....	0.2	0.0	(2.8)	2.8	0.2
<b>Financial liabilities .....</b>	<b>73.9</b>	<b>0.0</b>	<b>(17.1)</b>	<b>(3.4)</b>	<b>53.4</b>
Other loans .....	(0.6)	0.0	0.2	0.1	(0.4)
Current account assets .....	0.0	0.0	0.0	0.0	0.0
<b>Financial assets .....</b>	<b>(0.6)</b>	<b>0.0</b>	<b>0.2</b>	<b>0.1</b>	<b>(0.3)</b>
Bank overdrafts .....	0.4		(0.3)	0.0	0.1
Cash and cash equivalents .....	(11.2)		3.0	0.9	(7.2)
<b>Net cash and cash equivalents .....</b>	<b>(10.8)</b>	<b>0.0</b>	<b>2.7</b>	<b>0.9</b>	<b>(7.1)</b>
<b>Net debt .....</b>	<b>62.5</b>	<b>0.0</b>	<b>(14.2)</b>	<b>(2.4)</b>	<b>45.9</b>

### 5.5.3. Bank covenants

Following the covenant breaches by certain Group subsidiaries at 31 December 2012, in 2013 the lenders (BECM, BNP Paribas and LCL) confirmed that they would waive Novescia's early loan repayment clause.

Since 2013, the financial ratio calculations have been based on the Group's consolidated financial statements and not on the regional divisions' financial statements.

### 5.5.4. Finance lease liabilities

At 31 December 2013, finance lease liabilities for real estate assets amounted to €1.6 million compared with €3 million at 31 December 2012.

## 5.6. Provisions

### 5.6.1. Analysis of changes in current and non-current provisions in the year

	31 Dec. 2012	Additions	Reversals used	Unused reversals	Other changes incl. scope	31 Dec. 2013
Retirement obligations .....	5.1	0.6	(0.1)		(1.9)	3.6
Other employee benefits ...	0.0					0.0
<b>Provisions for retirement and other employee benefits .....</b>	<b>5.1</b>	<b>0.6</b>	<b>(0.1)</b>	<b>0.0</b>	<b>(1.9)</b>	<b>3.6</b>
Provisions for litigation ....	0.2	0.7	(0.6)	(0.1)	0.2	0.5

Provisions for industrial tribunal/employee disputes .....	0.1	0.4				0.5
Provisions for restructuring.....	1.6	(0.8)			0.3	0.6
Other provisions for liabilities .....	0.4	0.9	(0.0)	(0.4)	(0.6)	0.2
Other provisions for contingencies .....	3.8	0.0	(3.8)	(0.0)	0.0	0.0
<b>Non-current provisions...</b>	<b>6.1</b>	<b>1.2</b>	<b>(4.4)</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>1.8</b>
<b>Non-current provisions...</b>	<b>11.2</b>	<b>1.7</b>	<b>(4.5)</b>	<b>(0.5)</b>	<b>(2.0)</b>	<b>5.4</b>
<b>Current provisions .....</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

#### 5.6.2. Effect of change in provisions on the income statement

	<b>31 Dec. 2012</b>	<b>Increases</b>	<b>Reversals used</b>	<b>Unused reversals</b>	<b>Other changes incl. scope</b>	<b>31 Dec. 2013</b>
Personnel costs.....	(4.8)	(0.6)	0.1		1.9	(3.4)
Other operating expenses..	(0.8)	(2.0)	0.6	0.5	0.2	(1.4)
Tax and duties.....	0.0					0.0
<b>Profit from recurring operations before amortization and depreciation .....</b>	<b>(5.6)</b>	<b>(2.5)</b>	<b>0.7</b>	<b>0.5</b>	<b>2.1</b>	<b>(4.8)</b>
Other non-recurring income and expenses ....	(1.6)	0.4	0.6	0.0	0.2	(0.5)
Other financial income and expenses .....	0.0					
Tax and duties.....	(4.0)		0.5	3.5		0.0
<b>Total non-current provisions.....</b>	<b>(11.2)</b>	<b>(2.2)</b>	<b>1.8</b>	<b>4.0</b>	<b>2.3</b>	<b>(5.3)</b>

#### 5.6.3. Retirement obligations

	<b>31 Dec. 2012</b>	<b>31 Dec. 2013</b>
<b>Present value of provision at beginning of year .....</b>	<b>4.0</b>	<b>5.1</b>
Current service cost .....	0.2	0.4
Interest cost .....	0.1	0.1
Benefits paid .....	—	(0.1)
Actuarial gains/losses .....	0.7	(1.5)
Activity to be abandoned .....		(0.3)
Other (change in scope) .....	—	(0.1)
<b>Present value of provision at end of year .....</b>	<b>5.0</b>	<b>3.6</b>

Only the French subsidiaries provisioned employee benefits and similar obligations. There is no obligation of this type in Italy under current national legislation.

The main assumptions made were as follows:

Calculation date	31 Dec. 2013	31 Dec. 2012
Inflation .....	2.00%	2.00%
Economic assumptions		
Discount rate .....	3.20%	2.75%
Salary increase rate .....	3.00%	3.00%
Employer contributions rate .....	45.00%	45.00%
Retirement rights scheme .....	CCN SYNTEC (GIE) and CCN LAMEH for the laboratories	
Social assumptions		
Retirement age		
Executives/managers .....	64 years	64 years
Other employees .....	62 years	62 years
Retirement decision .....	Voluntary	

## 5.7. Working capital

	31 Dec. 2012	Related to operations	Impairment/ Reversals	Other changes incl. scope	31 Dec. 2013
Inventories .....	1.4	0.1		(0.1)	1.3
<b>Total inventories, net</b> .....	<b>1.4</b>	<b>0.1</b>	<b>0.0</b>	<b>(0.1)</b>	<b>1.3</b>
Receivables .....	22.0	1.5		(1.1)	22.5
Allowance for doubtful accounts .....	(3.9)		(1.4)	0.2	(5.0)
<b>Total trade receivables, net</b> .....	<b>18.1</b>	<b>1.5</b>	<b>(1.4)</b>	<b>(0.9)</b>	<b>17.4</b>
Trade payables .....	17.9	1.0		(2.4)	16.4
<b>Total trade payables</b> .....	<b>17.9</b>	<b>1.0</b>	<b>0.0</b>	<b>(2.4)</b>	<b>16.4</b>
<b>WCR for operations</b> .....	<b>(1.6)</b>	<b>(0.7)</b>	<b>1.4</b>	<b>(1.4)</b>	<b>(2.4)</b>
Other operating receivables (current) .....	1.7	1.5	0.0	(0.2)	3.0
Other operating payables (current) .....	15.6	0.1	0.0	(1.8)	13.9
<b>WCR excluding operations</b> .....	<b>13.9</b>	<b>(1.4)</b>	<b>(0.0)</b>	<b>(1.5)</b>	<b>10.9</b>
<b>Change in WCR</b> .....	<b>12.3</b>	<b>(2.1)</b>	<b>1.3</b>	<b>(3.0)</b>	<b>8.6</b>

## 5.8. Other current assets and liabilities

	31 Dec. 2012	Related to operations	Impairment/ Reversals	Other changes incl. scope	31 Dec. 2013
Receivables from asset disposals .....	0.3	(0.3)		0.0	0.0
Other receivables .....	0.5	(0.3)	0.1	0.0	0.3
Income receivable (share of profit from associates/dividends) .....	0.6	0.0		(0.6)	0.0
<b>Other current assets</b> .....	<b>1.3</b>	<b>(0.5)</b>	<b>0.1</b>	<b>(0.6)</b>	<b>0.3</b>
Payables from asset acquisitions .....	0.5	0.0		(0.0)	0.5
Other payables .....	0.4	0.7		(0.4)	0.7
<b>Other current liabilities</b> .....	<b>1.0</b>	<b>0.7</b>	<b>0.0</b>	<b>(0.4)</b>	<b>1.2</b>
<b>Change in current assets and liabilities</b> .....	<b>0.3</b>	<b>(1.2)</b>	<b>0.1</b>	<b>(0.2)</b>	<b>(0.9)</b>

## 5.9. Current financial assets and liabilities

	31 Dec. 2012	Related to operations	Other changes incl. scope	31 Dec. 2013
Shareholders: unpaid called up capital .....	0.0	0.0	0.0	0.0
Accrued interest on loans and borrowings .....	0.0	0.0	0.0	0.0
<b>Total current financial assets</b> .....	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Accrued interest on loans .....	0.0	(0.0)	0.1	0.1



Other loans and borrowings .....	67.1	(2.0)	(54.0)	11.1
<b>Total current financial liabilities .....</b>	<b>67.1</b>	<b>(2.1)</b>	<b>(53.9)</b>	<b>11.1</b>
<b>Change in other current assets and liabilities .....</b>	<b>(67.1)</b>	<b>2.1</b>	<b>53.9</b>	<b>(11.1)</b>

Changes in other loans and borrowings were due to the reclassification of the non-current portion of bank loans under non- current liabilities, as the company reported compliance with bank covenants at 31 December 2013.

#### 5.10. Assets and liabilities held for sale

At 31 December 2013, assets and liabilities held for sale pertained to Novescia Côte d’Azur’s assets and liabilities. Assets and liabilities held for sale are broken down as follows:

In thousands of euros	31 Dec. 13
Goodwill, net .....	9,460
Property, plant & equipment, net .....	4,694
Deferred tax .....	2,063
Other non-current assets .....	126
Inventories .....	111
Other current assets .....	487
Cash and cash equivalents .....	453
<b>Total assets held for sale .....</b>	<b>17,394</b>
Deferred tax .....	100
Current provisions .....	479
Trade and related payables .....	716
Medium and long-term borrowings .....	5,929
Other current liabilities .....	921
Other .....	
<b>Total liabilities held for sale .....</b>	<b>8,145</b>

#### 5.11. Financial instruments

##### 5.11.1. Interest rate risk

At 31 December 2011, Novescia set up hedging instruments with its primary banking partners (LCL, BECM and BNP Paribas) in order to hedge the bank loans taken out by its laboratories (acquisition-related debt) through a floating 3-month Euribor to fixed-rate swap.

At 31 December 2013, the notional amount by maturity and market value (fair value) recorded for the interest rate hedging instruments was as follows:

(In EUR)	2014	2015	Beyond	31 Dec. 2013 Notional amount	31 Dec. 2013 Fair value
BNP .....	25,131,290	25,131,290		25,131,290	318,872
LCL .....	21,319,052	21,319,052		21,319,052	242,103
BECM .....	19,830,571	19,830,571		19,830,571	238,662
Volume of interest rate hedging transactions .....	66,280,913	66,280,913		66,280,913	799,637

The “notional amount” represents the amount covered by the interest rate hedge. “Fair value” is the amount payable or receivable when the hedges are unwound.

All interest rate transactions undertaken by the Group and listed above are hedging transactions.

In accordance with IAS 32 and IAS 39, the change in the market value of these instruments at 31 December 2013 was recognized in financial liabilities with an offsetting entry in shareholders’ equity net of deferred tax for a cumulative amount of €0.5 million.

##### 5.11.2. Breakdown of borrowings

	<1 year	From 1 to 5 years	Beyond 5 years	Total
Other loans and borrowings .....	11.1	40.5	—	51.6
Equipment finance lease liabilities .....	—	1.6	—	1.6
Other borrowings .....	0.1	(0.2)	—	(0.1)
Bank overdrafts .....	0.1	—	—	0.1
<b>Total at 31 Dec. 2013 .....</b>	<b>11.3</b>	<b>41.9</b>	<b>0.0</b>	<b>53.2</b>
Other loans and borrowings .....	67.1	3.6	—	70.7
Equipment finance lease liabilities .....	—	3.0	—	3.0
Other borrowings .....	—	—	—	—
Bank overdrafts .....	0.4	—	—	0.4
<b>Total at 31 Dec. 2012 .....</b>	<b>67.5</b>	<b>6.6</b>	<b>0.0</b>	<b>74.1</b>

### 5.11.3. Liquidity risk

Liquidity risk corresponds to the risk of the Group being unable to meet its debt obligations when they are due. The Finance Department is responsible for ensuring that the Group secures financing and liquidity at the lowest cost. Cash budgets are set periodically for this purpose.

### 5.11.4. Credit risk

The breakdown of the gross value of loans and borrowings at amortized cost, by maturity, is as follows:

Breakdown of loans and borrowings at amortized cost	31 Dec. 2013	31 Dec. 2012
Not yet due .....	1.8	2.9
< 3 months .....	—	—
From 3 months to 1 year .....	—	—
More than 1 year .....	—	—
<b>Total loans and borrowings at amortized cost .....</b>	<b>1.8</b>	<b>2.9</b>

The breakdown of the gross value of trade and other operating receivables, by maturity, is as follows:

Breakdown of operating receivables	31 Dec. 2013	31 Dec. 2012
Not yet due .....	8.5	10.6
< 3 months .....	9.8	11
From 3 months to 1 year .....	6.6	2.1
More than 1 year .....	0.4	—
<b>Total trade receivables and other operating receivables .....</b>	<b>25.3</b>	<b>23.7</b>

Provisions for doubtful accounts

Breakdown due/not due	31 Dec. 2012	DAT	Reversal with payment	Reversal without payment	Other changes incl. scope	31 Dec. 2013
Trade and other operating receivables	(3.9)	(1.3)	—	—	0.2	(5.0)
Total .....	(3.9)	(1.3)	0.0	0.0	0.2	(5.0)

### 5.11.5. Foreign exchange risk

The Group's business activities are carried out by subsidiaries operating solely in the eurozone. Consequently, the Group is not exposed to foreign exchange risk.

### 5.11.6. Information on fair value

At 31 December 2013, as for the previous year at 31 December 2012, no difference was found between the market price and balance sheet carrying amount of financial assets and liabilities.

## 6. Notes on related parties

Transactions with related parties concerned:

- Fees paid to associate biologists working for the Group's laboratories, who are minority shareholders.
- Property lease payments to associate biologists who own the property where they work.

## 7. Other notes

### 7.1. Off-balance sheet commitments

- Pledges

Issuing company	Beneficiary	Type of commitment	Comments
Amiel .....	Banque BNP and LCL	Pledge of securities	Guarantee for a loan of €6,013,397 from BNP & LCL: 7,900 NOVESCIA MIDI PYRENEES shares
Amiel .....	BNP	Pledge of securities	Guarantee for a loan of €4,100,000 from BNP: NOVESCIA PARIS OUEST 6,000 shares at €1.52
Amiel .....	BNP	Pledge of securities	Guarantee for a loan of €6,000,000 euros from BNP: 632 NOVESCIA RHONE ALPES shares at €100

### 7.2. Number of employees

#### 7.2.1. Number of employees

Breakdown of number of employees	31 Dec. 2012	31 Dec. 2013
Executives/managers .....	393	138
Other employees .....	1,063	1,113
<b>Total number of employees .....</b>	<b>1,456</b>	<b>1,251</b>

#### 7.2.2. Individual training rights

The French law of 4 May 2004 on ongoing professional training established individual training rights for all employees, regardless of their qualifications, to be used at the employee's discretion with the employer's consent. In accordance with the provisions of the law, each employee acquires 20 hours' worth of training rights each year.

The aggregate number of training hours corresponding to rights vested by the Group's employees as part of their individual training rights (DIF) was 93,802 hours at 31 December 2013 compared with 97,035 hours at 31 December 2012. The associated expense is recognized when the hours are used.

### 7.3. Group statutory audit fees

(In millions of euros)	KPMG	Aplitec 31 Dec. 2013	Other
Audit			
Statutory audit .....	0.2	0.1	0.1
<b>Sub-total .....</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>
Other services			
<b>Sub-total .....</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total .....</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>

(In millions of euros)	KPMG	Aplitec 31 Dec. 2012	Other
Audit			
Statutory audit .....	0.2	0.1	0.1
<b>Sub-total .....</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>
Other services			

<b>Sub-total</b> .....	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b> .....	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>

#### 7.4. Subsequent events

Novescia Côte d'Azur was sold on 30 January 2014.

#### 8. List of consolidated companies

	Consolidation method	% ownership interest 31 Dec. 2013	Consolidation method	% ownership interest 31 Dec. 2012
Novescia SAS .....	FC	100.00%	FC	100.00%
Gie Biologie .....	FC	100.00%	FC	100.00%
Gie Bio SI .....	FC	100.00%	FC	100.00%
Sam Bio .....	NC	0.00%	FC	100.00%
JMP Invest .....	FC	100.00%	FC	100.00%
Amiel .....	FC	100.00%	FC	100.00%
Fleminglabs .....	FC	100.00%	FC	100.00%
Novescia Paris Sud .....	FC	99.90%	FC	99.90%
Novescia Paris Rives Ouest .....	NC	0.00%	FC	98.20%
Novescia Côte d'Azur .....	FC	99.99%	FC	66.43%
Novescia Midi Pyrénées .....	FC	99.78%	FC	99.78%
Tampon .....	NC	0.00%	FC	99.50%
Novescia Rhône-Alpes .....	FC	98.67%	FC	98.67%
SCI Regiolabo .....	NC	0.00%	FC	49.99%
AMBO .....	FC	99.97%	FC	99.97%
Novescia Loire .....	FC	98.66%	FC	98.66%
Clairval .....	FC	99.73%	FC	99.73%
Bioquinze .....	FC	98.20%	FC	98.20%
Haute Vallee .....	FC	99.77%	FC	99.77%
Novescia La Réunion .....	FC	99.48%	FC	99.48%
Translab .....	NC	0.00%	FC	99.48%
Franciliens .....	FC	100.00%	FC	100.00%
Novescia Normandie .....	FC	99.80%	FC	99.80%
Novescia Nord Artois .....	FC	99.53%	FC	99.53%
RDP .....	FC	99.86%	FC	99.86%
Novescia Aquitaine (Biogam) .....	NC	0.00%	FC	99.67%
Guillin .....	NC	0.00%	FC	99.47%
Novescia Bourgogne .....	FC	99.85%	FC	99.85%
Coutanson .....	FC	99.64%	FC	99.64%

FC: Fully Consolidated

NC: Not Consolidated

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