IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") WITHIN THE MEANING OF RULE 144A ("RULE 144A") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR (2) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, A QUALIFIED INVESTOR).

IMPORTANT: You must read the following before continuing. The following applies to the preliminary offering memorandum following this notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the preliminary offering memorandum. In accessing the preliminary offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND THE SECURITIES 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 AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PRELIMINARY OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view the preliminary offering memorandum or make an investment decision with respect to the securities described therein, investors must be either (1) QIBs or (2) purchasing such securities in an offshore transaction outside the United States in reliance on Regulation S; *provided* that investors resident in a Member State of the European Economic Area are qualified investors (within the meaning of Article 2(1)(e) of Directive 2003/71/EC and any relevant implementing measure in each Member State of the European Economic Area). The preliminary offering memorandum is being sent at your request. By accepting the e-mail and accessing the preliminary offering memorandum, you shall be deemed to have represented to us that:

(1) you consent to delivery of such preliminary offering memorandum by electronic transmission,

(2) either:

  (a) you and any customers you represent are QIBs, or

  (b) the e-mail address that you gave us and to which the e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States or the District of Columbia, and

(3) if you are resident in a Member State of the European Economic Area, you are a qualified investor.

Prospective purchasers that are QIBs are hereby notified that the seller of the securities will be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act pursuant to Rule 144A.

You are reminded that the preliminary offering memorandum has been delivered to you on the basis that you are a person into whose possession the preliminary offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the preliminary offering memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the issuer in such jurisdiction.

Under no circumstances shall the preliminary offering memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The preliminary offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the initial purchasers, nor any person who controls the initial purchasers, nor any of its directors, officers, employees or agents, accepts any liability or responsibility whatsoever in respect of any difference between the preliminary offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.

Subject to Completion, dated January 11, 2011

The information in this preliminary offering memorandum is not complete and may be changed. The Notes will not be sold and offers to buy the Notes will not be accepted until a final offering memorandum is delivered. This preliminary offering memorandum is not an offer to sell the Notes and it is not soliciting an offer to buy the Notes in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY OFFERING MEMORANDUM

CONFIDENTIAL
NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES

€500,000,000

LABCO
Quality Diagnostics

Labco S.A.S.

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

% Senior Secured Notes due 2018

Guaranteed on a senior basis by certain subsidiaries

We are offering (the "Offering") €500,000,000 aggregate principal amount of our % Senior Secured Notes due 2018 (the "Notes"). We will pay interest on the Notes semi-annually in arrears on each and , commencing on , 2011. The Notes will mature on , 2018.

We may redeem some or all of the Notes on or after , 2014, at the redemption prices set forth in this offering memorandum. Prior to , 2014, we may redeem, at our option, some or all of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, plus a "make whole" premium, as described in this offering memorandum. Prior to , 2014, we may also redeem up to 35% of the aggregate principal amount of the Notes using the proceeds from certain equity offerings at the redemption price of % of the principal amount thereof, plus accrued and unpaid interest, if any. Additionally, we may redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any. Upon the occurrence of certain events constituting a change of control, we will be required to offer to repurchase all of the Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any.

The Notes will be our senior obligations and will be guaranteed on a senior basis by certain of our subsidiaries. The Notes and the guarantees will be secured on or prior to the seventh business day following the Issue Date by first-ranking liens over (i) the capital stock of certain of our subsidiaries and (ii) certain present and future intercompany loan receivables. The Notes will also be secured by the assignment of our rights under the Covenant Agreements between us and certain of our subsidiaries incorporated in France. The Notes and the guarantees will rank equally in right of payment with all of our and the Guarantors' existing and future indebtedness that is not subordinated in right of payment to the Notes or guarantees. Under the terms of the Intercreditor Agreement, upon acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of the guarantees or the security, will be required to be applied to repay indebtedness in respect of the Revolving Credit Facility and certain hedging obligations in priority to the Notes. The Notes and the guarantees will be senior in right of payment to all of our and the Guarantors' existing and future indebtedness that is subordinated in right of payment to the Notes and the guarantees. The Notes and the guarantees will be structurally subordinated to all existing and future indebtedness of our subsidiaries that do not guarantee the Notes. The laws of certain jurisdictions may limit the enforceability of certain of the guarantees and the rights to the Collateral securing the Notes and the guarantees.

There is currently no public market for the Notes. Application has been made for the Notes to be listed on the Official List of the Irish Stock Exchange and to be admitted to trading on the Global Exchange Market thereof. There is no assurance that the Notes will be listed and admitted to trading on the Global Exchange Market.

Investing in the Notes involves risks. See "*Risk Factors*" beginning on page 25.

Price: % plus accrued interest, if any, from , 2011.

The Notes and the guarantees have not been and will not 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 Offering is 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 Offering is 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 will be issued in registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be represented on issue by one or more global notes and the initial purchasers expect to deliver the Notes in book-entry form through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") on or about , 2011.

Joint Bookrunners

Credit Suisse **Deutsche Bank** **Natixis** **UBS Investment Bank**

The date of this offering memorandum is , 2011.

TABLE OF CONTENTS

You should rely only on the information contained in this offering memorandum. Neither the Issuer nor the Guarantors nor any of the initial purchasers has authorized anyone to provide you with information that is different from the information contained herein. If given, any such information should not be relied upon. Neither the Issuer nor the Guarantors nor any of the initial purchasers is making an offer of the Notes in any jurisdiction where the Offering is not permitted. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front of this offering memorandum.

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover of this offering memorandum, which is business days following the date of pricing of the Notes (this settlement cycle is referred to as "T+ "). You should note that trading of the Notes on the date of pricing or the next succeeding business day may be affected by the T+ settlement. See "*Plan of Distribution*".

IMPORTANT INFORMATION

The Issuer is offering the Notes, and the Guarantors will issue the guarantees, in reliance on exemptions from the registration requirements of the U.S. Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. The Notes and the guarantees have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the "SEC") or any other securities commission or regulatory authority, nor has the SEC or any such securities commission or authority passed upon the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense in the United States.

This offering memorandum is confidential and has been prepared by us solely for use in connection with the Offering. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this offering memorandum to any person other than the prospective investor and any person retained to advise such prospective investor with respect to the purchase of Notes is unauthorized, and any disclosure of any of the contents of this offering memorandum, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this offering memorandum, agrees to the foregoing and to make no photocopies of this offering memorandum or any documents referred to in this offering memorandum.

In making an investment decision regarding the Notes, prospective investors must rely on their own examination of our business and the terms of the Offering, including the merits and risks involved. In addition, neither the Issuer nor the initial purchasers nor any of their representatives are making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this offering memorandum as legal, business or tax advice. You should consult your own advisors as to legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this offering memorandum, and you must obtain all applicable consents and approvals; neither we nor the initial purchasers shall have any responsibility for any of the foregoing legal requirements.

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future.

The Issuer accepts responsibility for the information contained in this offering memorandum. To the best of the knowledge and belief of the Issuer, the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. However, the information set out under the headings "*Exchange Rate Information*", "*Summary*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry*" and "*Business*" includes extracts from information and data, including industry and market data, released by publicly available sources in Europe and elsewhere. While we accept responsibility for the accurate extraction and summarization of such information and data, we have not independently verified the accuracy of such information and data and we accept no further responsibility in respect thereof. In addition, 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. However, as far as the Issuer is aware, no information or data has been omitted which would render reproduced information inaccurate or misleading.

By receiving this offering memorandum, you acknowledge that you have had an opportunity to request from us for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this offering memorandum.

You also acknowledge that you have not relied on the initial purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

We reserve the right to withdraw the Offering at any time, and we and the initial purchasers reserve the right to reject all or a part of any offer to purchase the Notes, for any reason. We and the initial purchasers also reserve the right to sell less than all of the Notes offered by this offering memorandum or to sell to any purchaser less than the amount of Notes it has offered to purchase.

The distribution of this offering memorandum and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this offering memorandum or any of the Notes come must inform themselves about, and observe any restrictions on, the transfer and exchange of the Notes. See "*Transfer Restrictions*" and "*Plan of Distribution*".

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. 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. The Issuer and the initial purchasers are not responsible for your compliance with these legal requirements.

The Notes are subject to restrictions on resale and transfer as described under "*Transfer Restrictions*" and "*Plan of Distribution*". By purchasing any Notes, you will be deemed to have made certain acknowledgments, representations and agreements as described in those sections of this offering memorandum. You may be required to bear the financial risks of investing in the Notes for an indefinite period of time.

The Notes will be available in book-entry form only. We expect that the Notes sold pursuant to this offering memorandum will be issued in the form of one or more global notes in registered form without interest coupons attached, which will be deposited with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the common depositary. Beneficial interests in the global notes will be shown on, and transfers of the global notes will be effected only through, records maintained by Euroclear, Clearstream, Luxembourg, and their respective participants. After the initial issuance of the global notes, Notes in certificated form will be issued in exchange for the global notes only as set forth in the Indenture. See "*Book-Entry; Delivery and Form*".

The information set out in relation to sections of this offering memorandum describing clearing arrangements, including the section entitled "*Book-Entry; Delivery and Form*", is subject to any changes in, or reinterpretation of, the rules, regulations and procedures of Euroclear and Clearstream, Luxembourg currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, Luxembourg, we accept no further responsibility in respect of such information.

STABILIZATION

IN CONNECTION WITH THE OFFERING, CREDIT SUISSE SECURITIES (EUROPE) LIMITED (OR PERSONS ACTING ON BEHALF OF CREDIT SUISSE SECURITIES (EUROPE) LIMITED) (THE "STABILIZING MANAGER") MAY OVER-ALLOT NOTES (PROVIDED THAT THE AGGREGATE PRINCIPAL AMOUNT OF NOTES ALLOTTED DOES NOT EXCEED 105% OF THE AGGREGATE PRINCIPAL AMOUNT OF THE NOTES THAT ARE THE SUBJECT OF THE OFFERING) 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 TERMS OF THE OFFERING IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN 30 DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS OF THE OFFERING, OR NO LATER THAN 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES, WHICHEVER IS THE EARLIER.

NOTICE TO U.S. INVESTORS

Each purchaser of Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this offering memorandum under "*Transfer Restrictions*".

The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are subject to certain restrictions on transfer. Prospective purchasers are hereby notified that the seller of any Note may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of certain further restrictions on resale or transfer of the Notes, see "*Transfer Restrictions*".

THE NOTES MAY NOT BE OFFERED TO THE PUBLIC IN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS OFFERING MEMORANDUM, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY NOTE TO THE PUBLIC.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

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 (RSA 421-B) 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 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 HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, 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.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This offering memorandum has been prepared on the basis that all offers of the Notes in any Member State of the European Economic Area ("EEA") which has implemented Directive 2003/71/EC (the "Prospectus Directive") (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer in that Relevant Member State of Notes which are the subject of the Offering contemplated in this offering memorandum may only do so in circumstances in which no obligation arises for the Issuer or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the initial purchasers has authorized, nor do they authorize, the making of any offer of the Notes in circumstances in which an obligation arises for the Issuer or the initial purchasers to publish or supplement a prospectus for such offer.

NOTICE TO INVESTORS IN FRANCE

The Notes have not been and will not be offered or sold to the public in the Republic of France, and no offering or marketing materials relating to the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in the Republic of France.

The Notes may only be offered or sold in the Republic of France pursuant to article L. 411-2-II of the French *Code monétaire et financier* to (i) providers of third-party portfolio management investment services, (ii) qualified investors (*investisseurs qualifiés*) acting for their own account and/or (iii) a limited group of investors (*cercle restreint d'investisseurs*) acting for their own account, all as defined in and in accordance with articles L. 411-1, L. 411-2 and D. 411-1 to D. 411-4 of the French *Code monétaire et financier*.

Prospective investors are informed that:

(i) this offering memorandum has not been submitted for clearance to the French financial market authority (*Autorité des marchés financiers*);

(ii) individuals or entities referred to in article L. 411-2-II-2 of the French *Code monétaire et financier* may participate in the Offering for their own account, as provided under articles D 411-1, D 411-2, D 744-1, D 754-1 and D 764-1 of the French *Code monétaire et financier*; and

(iii) the direct and indirect distribution or sale to the public of 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 to L. 621-8-3 of the French *Code monétaire et financier*.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This offering memorandum is for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and 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.

AVAILABLE INFORMATION

For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and we are neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, we will furnish to any holder or beneficial owner of Notes, or to any prospective purchaser designated by any such registered holder, upon the written request of any such person, the information required to be delivered pursuant to Rule 144A(d)(4).

We are not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act. However, pursuant to the Indenture and so long as the Notes are outstanding, we will furnish periodic information to the holders of the Notes. See "*Description of the Notes—Reports*". We will also make available all reports required by the covenant described under "*Description of the Notes—Reports*" on our website.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements, including statements about our markets and our strategy, future operations, industry forecasts, expected investments and target levels of leverage and indebtedness. Forward-looking statements provide our current expectations, intentions or forecasts of future events. Forward-looking statements include statements about expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not statements of historical fact. Words or phrases such as "anticipate", "believe", "continue", "ongoing", "estimate", "expect", "intend", "may", "plan", "potential", "predict", "project", "target", "seek" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Our actual results could differ materially from those anticipated in our forward-looking statements for many reasons, including the factors described in the section entitled "*Risk Factors*" in this offering memorandum. For example, factors that could cause our actual results to vary from projected future results include, but are not limited to:

- challenges to the organization and legal structure of our French operations;
- decreases in government-controlled tariffs for clinical laboratory services;
- efforts by governments, third-party payers and health insurance companies to control healthcare spending and reimbursement levels for diagnostic testing;
- continued weakness in economic conditions;
- regulatory environments in the markets in which we operate and our ability to respond effectively to regulatory reforms;
- our compliance with appropriate quality standards for our testing services;
- our ability to execute acquisitions and effectively integrate acquired businesses into our network;
- our ability to exercise control over the SELs in which we have a minority voting interest;
- our dependence on senior management, experienced laboratory professionals and key personnel;
- the competitive environment in which we operate;
- the development of tests that can be performed by our patients or customers or the internalization of testing by hospitals or doctors;
- failure to be supplied with new tests, technologies and services;
- failure of our information technology systems;
- failure to timely or accurately bill for our services or financial difficulties of our clients or third-party payers requiring us to write off bad debts;
- compliance with environmental, health and safety laws;
- disruption to our collection and transportation networks;
- failure to comply with privacy laws and information security policies;
- extreme weather conditions in the markets in which we operate;
- adverse results in material litigation;
- the incurrence of liabilities not covered by insurance;

- variations in interest rates;
- our significant leverage, which may make it difficult to operate our businesses;
- the covenants contained in the Indenture and our Revolving Credit Facility Agreement, which limit our operating and financial flexibility; and
- the interests of our principal shareholders being inconsistent with interests of holders of Notes.

Accordingly, prospective investors should not rely on these forward-looking statements, which speak only as of the date of this offering memorandum or as otherwise indicated. We do not have any obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of such forward-looking statement or to reflect the occurrence of unanticipated events.

In addition, from time to time we and our representatives, acting in respect of information provided by us, have made or may make forward-looking statements orally or in writing. These forward-looking statements may be included in, but are not limited to, press releases (including on our website), reports to our securityholders and other communications. Although we believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The risks described in the "*Risk Factors*" section of this offering memorandum are not exhaustive. Other sections of this offering memorandum describe additional factors that could adversely affect our business, financial condition or results of operations. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risks; nor can we assess the impact of all such risks 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, prospective investors should not place undue reliance on forward-looking statements as a prediction of actual results.

CERTAIN DEFINITIONS USED IN THIS OFFERING MEMORANDUM

Unless indicated otherwise in this offering memorandum or the context requires otherwise, all references to:

- "2008 Acquisitions" are to our acquisition of the following laboratory companies and related entities in the year ended December 31, 2008: (i) in France: Schemitick Vorlet et Associés, Greil (renamed Bioval Laboratoires), Laboratoire d'Analyses de Biologie Médicale du Val d'Orne, SEL de Directeurs et Directeurs Adjoints de Laboratoires d'Analyses de Biologie Médicale Normabio, Laboratoire d'Analyses de Biologie Médicale Christine Pépin—Philippe Leluan—Patricia Sannier—Didier Guillo, Laboratoire Analyses Médicales Anabio, Buatois-Chamard (renamed Laboratoire de l'Avenue), Société d'Exercice Libéral Bio Fin et Associés, De Bisschop (renamed Laboratoire Diètre-Simon), Laboratoire de Biologie Médicale Cayrou-Gorse-Bourjeili, Laboratoire d'Analyses de Biologie Médicale Bigo Maudens (LABM Bigo Maudens) and Analyses et Biologie du Littoral-Anabiol; (ii) in Iberia: Analisis Clinicos Bioclinic S.L., Questao Em Aberto S.A. and the subgroup Sampletest, S.A.; (iii) in Germany: Labco Pflegezentrum Köln GmbH, MVZ Medizinisches Fachlabor Dillenburg GmbH, MVZ Labor Marburg GmbH, MVZ Labor Duisburg GmbH, Medizinisches Versorgungszentrum Labor Saar GmbH, MVZ Dr. med. Sinterhauf, Dr. med. Lammert Laboratoriumsmedizin, Medizinische Mikrobiologie und Infektionsepidemiologie Gesundheitsförderungs GmbH, Elgesa Laborgesellschaft GmbH & co. KG, Elgesa Laborgesellschaft Geschaftsführungsgesellschaft GmbH, and Tulab GbR; (iv) in Belgium: Labco Belgium SA, Ellipsys and Laboratoire d'analyses médicales Roman Païs; and (v) in Italy: Labco Italia S.r.l., Istituto il Baluardo S.p.A. and Baluardo Servizi Sanitari S.r.L.;
- "2009 Acquisitions" are to our acquisition of the following laboratory companies or unincorporated clinical laboratories in the year ended December 31, 2009: (i) in France: Laboratoire d'Analyses de Biologie Médicale Verneau, Laboratoire d'Analyses Médicales Ricard and Laboratoire de Biologie Médicale Froment-Fernandez-Clos Manescau-Ricard, Probio; and (ii) in Germany: AescuLabor-Karlsruhe GmbH;
- "3i" are to 3i Group plc and its subsidiaries, as the term is defined in the UK Companies Act 2006;
- "3i Investors" are to 3i Solutions II FCPR, 3i Growth (Europe) 08-10 FCPR, 3i Growth 08-10 FCPR, 3i GC Holdings Lab 1 Sàrl (since 2010) and 3i GC Holdings Lab 2 Sàrl (since 2010);
- "Cash Pooling Agreement" are to the cash pooling agreement between the Issuer and Labco Diagnostics España S.L., as original participating entities, and Labco Finance, as centralizing company, and to which other subsidiaries of the Issuer are expected to accede from time to time to participate in the group's cash pooling activities.
- "Change in Consolidation Method" are to the change in the consolidation method for our French subsidiaries in our consolidated financial statements described under "*Presentation of Financial Information—Change in Consolidation Method*";
- "Collateral" are to the rights and assets securing the Notes and the guarantees as further described in the section entitled "*Description of the Notes—Security*"; the Collateral also secures the Revolving Credit Facility and the guarantees thereof;
- "collection centers" are to facilities that collect samples, including blood samples, and ship them to a routine laboratory, technical platform or third-party laboratory for testing;
- "Covenant Agreements" are to each of the covenant agreements to be entered into on the Issue Date between the Issuer and certain of its non-guarantor subsidiaries incorporated in France pursuant to which the relevant subsidiary agrees to comply with the covenants applicable to restricted subsidiaries in the Indenture;

- "EU" are to the European Union;
- "euro", "euros", "€" or "EUR" are 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 Senior Facilities" are to the €355 million senior facilities agreement dated July 19, 2008 (as amended on July 23, 2008, October 7, 2008 and February 15, 2010) entered into among, *inter alios*, the Issuer, as borrower, Natixis and Crédit Industriel et Commercial, as mandated lead arrangers, certain lenders and Natixis, as agent and security agent, and providing for an acquisitions facility of €252 million, a capital expenditure facility of €48 million and an uncommitted capital expenditure facility of €55 million;
- "French GAAP" are to generally accepted accounting principles in France;
- "French GAAS" are to generally accepted auditing standards in France;
- "Guarantors" are to (a)(i) our French holding companies: Labco Midi, Laboratoire de Biologie Médicale Jorion, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses, Laboratoire de Biologie Médicale Delaporte; (ii) our national holding companies in Germany and Italy: Labco Deutschland GmbH and Labco Italia S.r.l.; (iii) the following subsidiaries in France: Biofrance, Biopaj, Laboratoire Goudaert-Dauchy-Leclerq-Capelle-Bourlart, Centre Biologique, SELAS Tixier-Pierfitte-Avot, anciennement Pokorny, Laboratoire Schaffner, Labco Artois, Analyses et Biologie du Littoral-Anabiol, Schemitick Vorlet et Associés, Laboratoire d'Analyses de Biologie Médicale Christine Pépin-Philippe Leluan-Patricia Sannier-Didier Guillo, Exsel Bio, Eslab, SEL de Directeurs et Directeurs Adjoints de Laboratoires d'Analyses de Biologie Médicale Normabio, Centre de Biologie Médicale Spécialisée, C.B.M.S. and Norden; (iv) the following subsidiaries in Spain: General Lab S.A., Sanilab S.A. and Sabater Analisis S.A.; (v) the following subsidiaries in Portugal: Clinica de Diagnosticos Dr. Fernando Teixeira, S.A., Laboratório Médico Dr. David Santos Pinto, Flaviano Gusmão, Lda, General Lab Portugal, S.A., and Gnóstica—Laboratório de Análises Clínicas S.A.; (vi) the following subsidiaries in Germany: AescuLabor-Karlsruhe GmbH, MVZ Dr. med. Sinterhauf, Dr. med. Lammert Laboratoriumsmedizin, Medizinische Mikrobiologie und Infektionsepidemiologie Gesundheitsförderungs GmbH, MVZ Medizinisches Fachlabor Dillenburg GmbH, Medizinisches Versorgungszentrum Labor Saar GmbH; (vii) the following subsidiaries in Belgium: Laboratoire d'Analyses Médicales Roman Paϊs and Labco Finance; and (viii) the following subsidiaries in Italy: C.A.M., Centro Analisi Monza S.p.A. and Istituto il Baluardo S.p.A as of the Issue Date (together, the "Initial Guarantors"); and (b) our national holding company in Spain, Labco Diagnostics España S.L., within six months of the Issue Date, upon its conversion into a *sociedad anónima* (the "Additional Guarantor");
- "IFRS" are to the International Financial Reporting Standards, as adopted by the European Union;
- "Indenture" are to the indenture governing the Notes as described in "*Description of the Notes*";
- "inpatients" are to patients admitted to hospitals and for whom clinical laboratory testing services (or other diagnostic services) are performed as part of their hospital care;
- "Intercreditor Agreement" are to the intercreditor agreement to be dated the Issue Date among, *inter alios*, the Issuer, the Security Agent, the lenders and agent under the Revolving Credit Agreement and the Trustee under the Indenture;
- "Issue Date" are to the date of the issuance of the Notes offered hereby;

- “Issuer” are to Labco S.A.S., and not to any of its subsidiaries, unless the context suggests otherwise;
- “Junior Mezzanine Loan” are to the €75 million junior mezzanine facility agreement dated July 23, 2008 (as amended and restated on February 15, 2010) entered into among, *inter alios*, the Issuer, as parent and guarantor, certain subsidiaries of the Issuer, as borrowers, Intermediate Capital Group plc, as junior mezzanine arranger, and certain junior mezzanine lenders; this agreement is defined as “Mezzanine 1” in our financial statements for the nine months ended September 30, 2010 included elsewhere in this offering memorandum;
- “Labco”, “we”, the “group”, “our” or “us” are to the Issuer and its subsidiaries, unless the context suggests otherwise;
- “laboratory company” are to any legal entity operating one or more clinical laboratories, directly or indirectly, through one or more subsidiaries;
- “laboratory doctor” are 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;
- “MVZ” are to a German company accredited as a *Medizinisches Versorgungszentrum*;
- “Non-Refinanced Labco Indebtedness” are to the €11.5 million of (i) outstanding indebtedness under certain bilateral bank loans between certain non-guarantor subsidiaries and certain lenders in an aggregate outstanding principal amount of €7.1 million as of September 30, 2010; (ii) amounts related to assets held under finance leases in an outstanding principal amount of €2.2 million as of September 30, 2010; and (iii) certain other financial liabilities in an outstanding principal amount of €2.1 million as of September 30, 2010, which will remain outstanding after the Refinancing;
- “outpatients” are to patients who are not admitted to a hospital and for whom clinical laboratory testing services (or other diagnostic services) are performed during a visit to their doctor (including within a hospital) or in another context such as upon a request of an employer, an insurer or upon their own initiative;
- “Priority Dividends” are to the priority dividends paid by certain of our SELs to certain laboratory doctors who sold their laboratories to us but remained shareholders of the SEL operating such laboratories. These Priority Dividends are calculated based on the performance of the SEL in which the relevant laboratory doctor works;
- “Refinanced Labco Indebtedness” are to all outstanding indebtedness, including accrued but unpaid interest, under the Existing Senior Facilities, the Senior Mezzanine Loan, the Junior Mezzanine Loan and the Repaid Bilateral Bank Loans, representing an aggregate principal amount of €446.3 million as of January 1, 2011;
- “Refinancing” are to the refinancing of the Refinanced Labco Indebtedness with the proceeds from the Offering (including prepayment fees associated therewith);
- “Repaid Bilateral Bank Loans” are to certain bilateral bank loans between the Issuer or certain of its subsidiaries and certain lenders in an aggregate outstanding principal amount of €51.9 million as of January 1, 2011;
- “Revolving Credit Facility Agreement” are to the senior term and revolving facilities agreement, to be entered into on the Issue Date, as subsequently amended, supplemented, varied, novated, extended or replaced from time to time, among, *inter alios*, the Issuer, certain subsidiaries of the Issuer and certain lenders;

- "Revolving Credit Facility" are to the revolving credit facility available pursuant to the Revolving Credit Facility Agreement;
- "Security Interests" are to first-ranking liens granted within seven business days from the Issue Date over (i) the capital stock held directly by the Issuer or the Guarantors in (a) our French holding companies: Labco Midi, Laboratoire de Biologie Médicale Jorion, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses, Laboratoire de Biologie Médicale Delaporte; (b) our national holding companies in Spain, Germany and Italy: Labco Diagnostics España S.L., Labco Deutschland GmbH and Labco Italia S.r.l.; (c) the following subsidiaries in France: Biofrance, Biopaj, Laboratoire Goudaert-Dauchy-Leclerq-Capelle-Bourlart, SELAS Tixier-Pierfitte-Avot, anciennement Pokorny, Laboratoire Schaffner, Labco Artois, Analyses et Biologie du Littoral-Anabiol, Eslab, Norden, Laboratoire d'Analyses Médicales Carron, Société d'exercice libéral de directeurs et de directeurs adjoints de laboratoires d'analyses de biologie médicale, Groupe Biologic Laboratoire d'Analyses Médicales, Laboratoire de l'Avenue, LaboCentre, Laboratoire d'Analyses de Biologie Médicale Aubert H., Laboratoire d'Isle and Bio Sambre; (d) the following subsidiary in Spain: Laboser S.L.; (e) the following subsidiaries in Portugal: Laboratório Médico Dr. David Santos Pinto, Flaviano Gusmão, Lda, General Lab Portugal, S.A., Gnóstica—Laboratório de Análises Clínicas S.A. and Délio Morgado Limitada; (f) the following subsidiary in Germany: Labco Pflegezentrum Köln GmbH; (g) the following subsidiary in Belgium: Labco Finance; and (h) the following subsidiaries in Italy: C.A.M., Centro Analisi Monza S.p.A., Labco Lombardia S.r.l. and Istituto il Baluardo S.p.A.; and (ii) present and future intercompany loan receivables arising (x) under the Cash Pooling Agreement or (y) under other intercompany loans with a principal amount in excess of €1.0 million, in each case, held by the Issuer, Labco Midi, Laboratoire de Biologie Médicale Jorion, Laboratoire de Biologie Médicale Delaporte, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses, Labco Deutschland GmbH and Labco Finance; in addition, the Security Interests will also include first-ranking liens over the following assets of our national holding company in Spain, Labco Diagnostics España S.L., to be granted within six months of the Issue Date, upon its conversion into a *sociedad anónima*: the capital stock of Ellipsys, General Lab S.A., Laboser S.L. and LABCO DIAGNOSTICS SWEDEN AB, the capital stock owned by Labco Diagnostics España S.L. in Laboratoire d'Analyses Médicales Roman Païs (which constitutes approximately 55% of its capital stock) and its present and future intercompany loan receivables arising under the Cash Pooling Agreement for any amount and arising under intercompany loans for an amount in excess of €1.0 million;
- "SEL" are to a French company incorporated as a *société d'exercice libéral*, including its sub-forms. See "*Regulation—France*";
- "Senior Mezzanine Loan" are to the €45 million senior mezzanine facility agreement dated July 23, 2008 (as amended and restated on February 15, 2010) entered into among, *inter alios*, the Issuer, as parent and guarantor, certain subsidiaries of the Issuer, Intermediate Capital Group plc, as senior mezzanine arranger, and certain senior mezzanine lenders; this agreement is defined as "Mezzanine 2" in our financial statements for the nine months ended September 30, 2010 included elsewhere in this offering memorandum;
- "subsidiary" are to each of Labco's subsidiaries in which (i) Labco holds a majority of the voting rights or (ii) Labco holds a minority of the voting rights and which is fully consolidated into Labco's consolidated financial statements;
- "United States" or "U.S." are 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.$" or "$" are to the lawful currency of the United States;
- "U.S. GAAP" are to generally accepted accounting principles in the United States; and
- "U.S. GAAS" are to generally accepted auditing standards in the United States.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Financial Statements

This offering memorandum contains:

- our audited historical consolidated financial statements and the notes thereto, prepared in accordance with French GAAP, as of and for the years ended December 31, 2007, 2008 and 2009;
- our unaudited historical consolidated interim financial statements and the notes thereto, prepared in accordance with French GAAP, as of and for the nine months ended September 30, 2010 (the "Q3 Financial Statements"); and
- our unaudited pro forma consolidated income statement for the year ended December 31, 2008 that gives effect to (i) the consolidation, in accordance with the full consolidation method, of the SELs in which we owned, in such year, directly or indirectly, 25% or less of the share capital and voting rights, on the basis of a controlling interest of approximately 100% (the "Change in Consolidation Method") as if the Change in Consolidation Method had been applicable since January 1, 2008 and (ii) the 2008 Acquisitions as if such acquisitions had each occurred on January 1, 2008 (the "2008 Unaudited Pro Forma Income Statement").

IFRS differs in significant respects from French GAAP. The primary differences, as they relate to us, include:

(i) the absence of amortization of goodwill in lieu of amortizing goodwill over a period to be determined by the company (15 years in our case) under French GAAP;

(ii) qualifying certain lease contracts relating to testing equipment as capital lease contracts and recording the value of such testing equipment as an asset amortized over five years and the related financial liability, in lieu of expensing such contracts under French GAAP;

(iii) qualifying Priority Dividends as personnel costs in lieu of treating them as dividends under French GAAP;

(iv) deducting capitalized debt issuance costs from the debt to which they relate in lieu of recording such capitalized issuance costs as assets under French GAAP;

(v) evaluating hedging derivatives and share-based payment instruments at fair value in lieu of treating them as off-balance sheet items under French GAAP; and

(vi) expensing acquisition costs as we incur them in lieu of capitalizing them under French GAAP.

See "*Annex A: Summary of Certain Differences between IFRS and French GAAP*".

The preparation of financial statements in conformity with French GAAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant, are disclosed in the financial statements. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates*".

Our financial statements have been prepared on the basis of a calendar year. They are presented in euro rounded to the nearest thousand and, therefore, discrepancies between totals and the sums of the amounts listed may occur due to such rounding.

In making an investment decision, you must rely upon your own examination of the terms of the Offering and the financial information contained in this offering memorandum.

Change in Consolidation Method

Our audited historical consolidated financial statements for the years ended December 31, 2007, 2008 and 2009 and our Q3 Financial Statements included elsewhere in this offering memorandum include investments in all of the Issuer's subsidiaries, associates and joint ventures.

Pursuant to French GAAP, the companies over which we exercise exclusive control (including *de facto* control) are consolidated according to the full consolidation method. Control over a company is, in general but not exclusively, deemed to exist when the parent owns, directly or indirectly, more than half of the voting power of such company.

Pursuant to French GAAP, associates are accounted for using the equity method. These are companies over which we exert significant influence but do not exercise exclusive control. Under French GAAP, significant influence is the power to affect financial and operating decisions of a company and is deemed to exist when an investor holds 20% or more of the share capital of a company. Pursuant to the equity method, we recognize the net assets and goodwill of these companies, if applicable, under the line item "Interests in associates" on our consolidated balance sheet and reflect the net profit or loss attributable to associates on our consolidated income statement under the line item "Share of associates earnings attributable to the group", in each case only in proportion to our ownership interest in their capital.

Until June 30, 2008, our direct and indirect subsidiaries (each organized as a *société d'exercice libéral* or *SEL*) through which we owned clinical laboratories in France were accounted for in our financial statements using the equity method under French GAAP because we were not deemed to exercise control over them given our direct or indirect ownership of less than 25% of their share capital. However, as a result of certain amendments to the articles of association of these SELs and of GIE Labco Gestion, an economic interest grouping among almost all of our laboratory companies, both effective as of July 1, 2008, we were deemed to exercise exclusive control over these companies for the purposes of our consolidated financial statements. Accordingly, we have consolidated these SELs in our financial statements in accordance with the full consolidation method, on the basis of a controlling interest of approximately 100%, since July 1, 2008.

As a result of this change:

- the assets and liabilities of these SELs were fully consolidated into our balance sheet as of July 1, 2008 instead of being recognized in proportion to our ownership interest in their capital; and
- approximately 100% of the earnings of these SELs for any period subsequent to June 30, 2008 were fully consolidated into our income statement for such period, instead of being accounted for in proportion to our ownership interest in their capital under the line item "Share of associates earnings attributable to the group".

Our audited historical consolidated financial statements for the year ended December 31, 2009 are not directly comparable to our audited historical consolidated financial statements for the year ended December 31, 2008, and our audited historical consolidated financial statements for the year ended December 31, 2008 are not directly comparable to our audited historical consolidated financial statements for the year ended December 31, 2007, in each case, as a result of the Change in Consolidation Method.

For more information, see our audited historical consolidated financial statements for the year ended December 31, 2008 contained elsewhere in this offering memorandum.

Changes in presentation

With effect as of January 1, 2009, we reclassified certain expenses in our income statement in preparation for the transition to IFRS, which we plan to apply to our consolidated financial statements beginning with the year ended December 31, 2010, including: (i) expenses for certain outside personnel, which we reclassified from "Cost of purchases incurred and consumed" to "Personnel expense"; and (ii) proceeds from the disposal of securities and long term financial assets, which we reclassified from "Extraordinary income" to "Financial income" (collectively, the "IFRS Income Statement Presentation Changes"). These changes in presentation have no impact on our revenue, profits from operations or total consolidated net result.

With effect as of January 1, 2009, we computed cash flows from EBITDA and not from "Total consolidated net result" and also reclassified "Net financial result" from "Cash flow from financing activities" to "Cash flow from (used in) operating activities" (collectively, the "IFRS Cash Flow Statement Presentation Changes" and together with the IFRS Income Statement Presentation Changes, the "IFRS Presentation Changes").

In our audited historical consolidated financial statements for the year ended December 31, 2009, we include comparative information for the year ended December 31, 2008 as presented in our audited historical consolidated financial statements for the year ended December, 31 2008 adjusted for the IFRS Presentation Changes. See our consolidated income statement for the year ended December 31, 2009 for a reconciliation of our income statement for the year ended December 31, 2008 as presented in our audited historical consolidated financial statements for the year ended December 31, 2008 adjusted for the IFRS Presentation Changes. See our consolidated cash flow statement for the year ended December 31, 2009 for the presentation of our cash flow statement for the year ended December 31, 2008 adjusted for the IFRS Cash Flow Statement Presentation Changes.

Other Financial Measures

We present in this offering memorandum EBITDA, Adjusted EBITDA, Estimated Further Adjusted EBITDA and the related ratios. EBITDA and Adjusted EBITDA are derived from consolidated income statement line items calculated in accordance with French GAAP. Estimated Further Adjusted EBITDA and the related ratios are based on our Adjusted EBITDA and on estimates of Adjusted EBITDA for entities acquired during the twelve months ended September 30, 2010. Such estimates are derived from the audited historical annual financial statements of such entities for the year ended December 31, 2009 prepared under relevant local generally accepted accounting principles or, in the absence of audited financial statements, unaudited financial statements, tax returns or unaudited internal management accounts and adjustments and estimates from management (which may differ from French GAAP). EBITDA, Adjusted EBITDA, Estimated Further Adjusted EBITDA and the related ratios are used by management as an indicator of our operating performance.

EBITDA represents profit from operations, less depreciation, amortization and provision expense, net.

Adjusted EBITDA represents EBITDA, less the amount of the Priority Dividends. We consider these Priority Dividends to be compensation that should be treated as a personnel expense and therefore be deducted from EBITDA.

Estimated Further Adjusted EBITDA for the twelve months ended September 30, 2010 has been derived from our Adjusted EBITDA, further adjusted to reflect estimates of Adjusted EBITDA for the twelve months ended September 30, 2010 arising from the acquisition of the remaining 80% of C.A.M., Centro Analisi Monza S.p.A., one of our Italian subsidiaries, and seven acquisitions of laboratory companies and one unincorporated medical laboratory, at different dates during such twelve-month period.

For a reconciliation of EBITDA, Adjusted EBITDA and Estimated Further Adjusted EBITDA to profit from operations, see "*Summary Historical Consolidated Financial Information and Other Data*".

These measures as presented in this offering memorandum are not measures of financial performance under French GAAP 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 French GAAP. The definitions of these measures may differ from similarly titled measures used by other companies. They have not been prepared in accordance with SEC requirements, French GAAP or the accounting standards of any other jurisdiction. The financial information included 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.

In making an investment decision, investors should rely upon their own examination of the terms of the Offering and the financial information contained in this offering memorandum.

Pro Forma Financial Information

This offering memorandum contains unaudited pro forma consolidated financial information for the year ended December 31, 2008 in the form of the 2008 Unaudited Pro Forma Income Statement. The 2008 Unaudited Pro Forma Income Statement is based on our consolidated income statement for the year ended December 31, 2008 as adjusted for the IFRS Income Statement Presentation Changes and gives effect to (i) the Change in Consolidation Method as if it had been applicable since January 1, 2008 and (ii) the 2008 Acquisitions as if such acquisitions had each occurred on January 1, 2008. The 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 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 2008 Unaudited Pro Forma Income Statement is provided as a basis for comparing our results of operations in the year ended December 31, 2009 with our results of operations in the year ended December 31, 2008 in a meaningful way. We believe a comparison of our historical audited consolidated financial statements for the year ended December 31, 2009 with our audited historical consolidated financial statements for the year ended December 31, 2008 would not be a meaningful comparison of our year-on-year results of operations because the Change in Consolidation Method was effective on July 1, 2008 and the 2008 Acquisitions occurred at several dates throughout 2008 and, consequently, the consolidated results of operations of Labco and the acquired businesses were only partially reflected in our audited historical consolidated financial statements for the year ended December 31, 2008. **Nevertheless, the 2008 Unaudited Pro Forma Income Statement is for informational purposes only, and is not necessarily indicative of what our financial performance would have been had the Change in Consolidation Method been applicable and the 2008 Acquisitions occurred, in each case on January 1, 2008, nor does it purport to represent our results of operations for future periods.**

Transition to IFRS

Historically, we have prepared consolidated financial statements in accordance with French GAAP. The audited historical consolidated financial statements and Q3 Financial Statements included elsewhere in this offering memorandum have been prepared in accordance with French GAAP. We have not presented a reconciliation of our financial statements to IFRS in this offering memorandum. We plan to adopt IFRS for our consolidated financial statements beginning with the year ended December 31, 2010 (which will include comparative data for the year ended December 31, 2009). The financial terms in the covenants under the Indenture will be based on French GAAP as in effect on the date of the relevant calculation or determination (until we adopt IFRS). Upon our adoption of IFRS, the Indenture will require us to report according to such standards, and the covenant calculations will be based on such standards. Because there are significant differences between French GAAP and IFRS, if we were to prepare our financial statements on the basis of IFRS instead of French GAAP, there could be substantial differences in our results of operations, cash flows and financial position, including levels of indebtedness. In particular, our profit from operations could be materially lower under IFRS. See "*Annex A: Summary of Certain Differences between IFRS and French GAAP*" and "*Risk Factors—Risks Related to Our Business—We have not included IFRS financial information in this offering memorandum, and there may be certain significant differences between our financial position and the results of operations prepared in accordance with French GAAP and IFRS*".

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods set forth below, the period end, average, high and low exchange rates as published by Bloomberg, expressed as dollars per €1.00.

	U.S. dollars per €1.00			
Year	**High**	**Low**	**Average(1)**	**Period End**
2006	1.3327	1.1860	1.2563	1.3197
2007	1.4862	1.2904	1.3705	1.4603
2008	1.6010	1.2446	1.4726	1.3919
2009	1.5100	1.2557	1.3936	1.4332
2010	1.4510	1.1952	1.3211	1.3366
Month	**High**	**Low**	**Average(2)**	**Period End**
July 2010	1.3079	1.2527	1.2803	1.3052
August 2010	1.3280	1.2627	1.2898	1.2680
September 2010	1.3634	1.2679	1.3093	1.3634
October 2010	1.4084	1.3685	1.3900	1.3947
November 2010	1.4207	1.2983	1.3641	1.2983
December 2010	1.3412	1.3087	1.3220	1.3366
January 2011 (through January 7, 2011)	1.3375	1.2925	1.3165	1.2925

(1) The average of the exchange rates on the last business day of each month during the relevant period.

(2) The average of the exchange rates for each business day during the relevant period.

The exchange rate of the euro on January 7, 2010 was U.S.$1.2925 = €1.00.

Our inclusion of these exchange rates is not meant to suggest that the euro amounts actually represent such dollar amounts or that such amounts could have been converted into 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 historical consolidated financial statements and Q3 Financial Statements and the notes thereto included elsewhere in this offering memorandum.

Our Company

We are one of the leading groups in the European clinical laboratory services market. We are the market leader in France for routine testing, and in Spain and Portugal for both routine and specialty testing, in each case based on 2009 revenue. We also have a significant foothold in Germany, Belgium and Italy. We provide our services through our network of over 230 laboratories in six European countries. In addition, we have recently formed a joint venture to deliver laboratory outsourcing services to hospitals and other healthcare organizations in the United Kingdom.

The map below provides information about our pan-European network of laboratories, setting out the number of laboratories as of September 30, 2010 and revenues for the year ended December 31, 2009.

France	
2009 revenue	€206.6m
2009 % of revenue	48.7%
# laboratories*	145

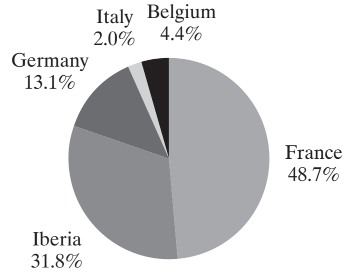
Iberia	
2009 revenue	€134.9m
2009 % of revenue	31.8%
# laboratories* (Spain)	48
# laboratories* (Portugal)	31

Germany	
2009 revenue	€55.7m
2009 % of revenue	13.1%
# laboratories*	7

Belgium	
2009 revenue	€18.6m
2009 % of revenue	4.4%
# laboratories*	3

Italy	
2009 revenue	€8.7m
2009 % of revenue	2.0%
# laboratories*	5

* primarily includes routine laboratories, essential services laboratories and technical platforms



We offer a range of over 2,500 routine and specialty tests used by medical professionals for patient diagnostic purposes, as well as the monitoring and treatment of disease. The most frequently utilized routine tests include blood chemistry analyses, urinalyses, blood cell counts, thyroid tests, microbiology cultures and procedures, HIV tests, and alcohol and other substance-abuse tests. In most of the countries in which we operate, we also provide a broad range of specialty testing services, such as oncology testing, allergy testing, HIV genotyping and phenotyping, infectious disease testing, diagnostic genetics and paternity testing. Most of our tests are conducted in connection with outpatient care.

We conduct clinical tests, generally using automated testing equipment, deliver results to prescribing doctors and patients, and offer assistance with the interpretation of such results through our laboratory doctors. In certain countries, some of our laboratories are also responsible for the collection and delivery of samples to our testing facilities.

As of September 30, 2010, we employed approximately 4,000 people, including approximately 490 laboratory doctors. Approximately 150 of the laboratory doctors we employ are also shareholders of the Issuer and together own, directly or indirectly, approximately 30% of our capital. In 2009, we performed approximately 500,000 tests daily and served over 15 million patients. In addition to the patients who visit our clinical laboratories, our clients include doctors, hospitals, insurance companies and corporate employers.

Since our founding in 2003, we have mainly developed our network by selectively acquiring small and medium-sized clinical laboratories. However, in 2007 and 2008, we established our presence in Spain and Portugal through the acquisition of two large laboratory companies, General Lab S.A. and Sampletest, S.A.

For the year ended December 31, 2009 and the nine months ended September 30, 2010, we recorded revenues of €424.5 million and €332.1 million, respectively, and generated Adjusted EBITDA of €82.7 million and €61.3 million, respectively. See "—*Summary Historical Consolidated Financial Information and Other Data*".

The Issuer is a *société par actions simplifiée* incorporated under the laws of France, and its registered office is located at 60-62, rue d'Hauteville, 75010 Paris, France.

Our Competitive Strengths

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

Leading position in the European clinical laboratory services market. Since 2007, we have significantly expanded our operations and now benefit from a pan-European network of clinical laboratories in six countries. We are the market leader in France for routine testing, and in Spain and Portugal for both routine and specialty testing, in each case based on 2009 revenue. In 2009, we generated 80.4% of our sales in France, Spain and Portugal. Our network generates economies of scale that enable us to better absorb pricing pressures and withstand the effects of the economic downturn compared to our smaller competitors. The size of our network has also allowed us to negotiate more-advantageous purchasing conditions with our suppliers. We believe that smaller laboratory companies that cannot compete as effectively may be forced to pursue mergers or consolidate, presenting us with opportunities to increase our market share and further expand our network.

We believe that our pan-European presence diversifies our sources of income and reduces country-specific operational risks. It also enables us to apply best practices identified in some markets to our other markets. For example, we have capitalized on the expertise in hospital laboratory outsourcing developed in Spain by launching outsourcing activities in Portugal, where we now provide laboratory testing services to a public hospital in Cascais, and also intend to apply this expertise to the joint venture we recently formed in the United Kingdom.

Resilient and growing market with high barriers to entry and growth opportunities. The European clinical laboratory services market is characterized by resilient growth and high barriers to entry. The market has proven resilient to economic cycles and is expected to continue benefiting from favorable demographic factors. For example, the aging of the population, the increased frequency of long-term illnesses requiring recurring tests, and increased levels of disposable income tend to support greater healthcare expenditure. Testing volumes have also increased as the medical profession increasingly focuses on the prevention, early detection and treatment of chronic and severe illnesses and relies on clinical testing for more-accurate diagnoses. Most of the European clinical laboratory services markets in which we operate have regulatory and market-specific characteristics which create a barrier to potential entrants who lack the market knowledge, specific competencies, experience and critical size that we have developed. Accordingly, we believe that large established players like our group are in a better position to benefit from consolidation opportunities anywhere in the European market.

Proven consolidation strategy with a structured approach to acquisitions. Significant portions of the European clinical laboratory services market, including the French, Spanish, Portuguese and Italian markets, remain fragmented. These markets present opportunities for consolidation and growth, and 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. We are a leading consolidator in the European clinical laboratory services market based on the number of acquisitions that we have completed in France, Spain, Portugal, Germany, Belgium and Italy, and believe we are well positioned to capitalize on additional opportunities in our existing markets as well as in potential new markets. We have a dedicated team 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 management and local laboratory doctors. Since we were founded in 2003, we have built a network across six European countries of over 230 laboratories primarily through acquisitions. In 2007, 2008 and 2009, we completed 11, 28 and five acquisitions, respectively. In 2010, we completed 14 acquisitions and signed sale and purchase agreements for an additional nine acquisitions which we expect to close in 2011. We typically acquire small- and medium-sized laboratory companies but have also acquired large regional groups of laboratories in the past, such as General Lab S.A. in 2007, which comprised 44 laboratories in Spain, and Sampletest, S.A. in 2008, which comprised 39 laboratories in Portugal and Spain to establish our footprint in new markets.

We believe that the fragmentation of the French clinical laboratory market in particular 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 across our network.

Unique "partnership" ownership model. Our shareholders include our founding shareholders, certain laboratory doctors, senior management and financial investors. Approximately 150 of our laboratory doctors and their affiliates together hold approximately 30% of our equity. Laboratory doctors from whom we acquire laboratories often become shareholders in our group by reinvesting a portion of the purchase price and they retain management responsibilities over the day-to-day operations of their laboratories. We believe the combination of an ownership stake and operational management aligns the interests of these laboratory doctors with those of our group with respect to the performance of both individual laboratories and of the group. In addition, we believe our structure also fosters a medical culture which reinforces the quality of our services, appeals to laboratory doctors and may attract laboratory companies interested in joining our group. The local expertise provided by laboratory doctors and companies already part of our network helps us to identify potential acquisitions and facilitates the integration of new businesses as they join the group. In addition, since 2008, we have benefited from the investment experience and support of 3i. 3i Investors, our largest shareholder, owns approximately 18% of our share capital.

High-margin and limited capital intensity business. For the years ended December 31, 2008 and 2009, we generated an average Adjusted EBITDA margin of 17.9%. Our business benefits from relatively low capital expenditure requirements, excluding acquisitions. For the years ended December 31, 2008 and 2009, our capital expenditures, excluding acquisitions, were €11.9 million and €13.2 million, respectively. As a percentage of our revenue, capital expenditure (excluding acquisitions) amounted to 3.1% for the year ended December 31, 2009. We have developed and are implementing numerous initiatives that allow us to further control our costs by optimizing our relationships with our suppliers, our logistics operations and our information technology systems. In particular, a significant amount of testing equipment is made available to us by our reagent suppliers in exchange for an exclusive commitment to purchase reagents from them, allowing us to limit our investments in such equipment.

Strong management team at group and local level. We benefit from the experience and industry know-how of our current senior management team, which has recently been strengthened by the appointment of Mr. Philippe Charrier as Chief Executive Officer. Our shareholders appointed Mr. Charrier as our new Chief Executive Officer for a three-year term starting January 1, 2011. Prior to joining our group, Mr. Charrier acted as managing director and vice-president of Laboratoire Oenobiol, a leader in nutritional, health and beauty supplements in France from 2006 to 2010, and as chief executive officer and vice-president of Procter & Gamble France from 1999 to 2006. Mr. Andreas Gaddum, Chairman of our group, served as our interim Chief Executive Officer prior to Mr. Charrier's appointment. A majority of the members of our senior management team have extensive experience in the healthcare industry. One of our co-founders, Stéphane Chassaing, is an experienced laboratory doctor who also holds a senior management position as Vice-Chairman and Managing Director, thereby providing additional industry knowledge to the group's leadership team. At the local level, our partnership model allows us to benefit from the experience and relationships of the more than 150 laboratory doctors who invested in the group after we had acquired their clinical laboratories. We believe our management team provides us with the skills necessary for managing disparate medical and regulatory cultures through a common corporate infrastructure and facilitates the implementation of best practices across our network, as well as the penetration of current and potential new markets. The support and investment experience of 3i supplements the leadership and knowledge of our management and laboratory doctors.

Our Strategy

Our strategy is to become the leading provider of clinical laboratory services in Europe by delivering high quality services at high margins. The key elements of our strategy are:

Drive organic volume growth by increasing our customer base. We are undertaking a range of initiatives to increase our sales by attracting new customers. We have recently restructured our sales force in Germany and Spain and are currently launching a program to increase its productivity. In addition, we are implementing a client relationship management software program aimed at further developing relationships with the primary prescribers of our tests and are pursuing an initiative to provide "value-added" services to patients, doctors and hospitals in each of the countries in which we operate. For example, we are currently developing a new software program for the computerized publication of test results based on two pilot programs we conducted in France and Spain that we intend to introduce across our entire network in the future.

Develop new sources of revenue. We are committed to developing new revenue streams and have identified opportunities for growth such as hospital outsourcing and optimization of our testing services offering. As a result of budgetary constraints, hospitals have increasingly been outsourcing the management and operation of their laboratories. We believe the outsourcing of hospital laboratories produces significant value for our customers and creates long-term and stable revenue streams for us. We currently provide laboratory outsourcing services to over 40 hospitals in Spain, Portugal, Germany and France. Integrated Pathology Partnerships, our joint venture with Sodexo, was established to provide outsourced clinical laboratory and anatomical pathology services to hospitals in the United Kingdom. We also intend to develop services in anatomical pathology testing, the diagnosis and monitoring of disease through the testing of histologic and cytologic samples such as organs, tissues or cells in our other markets. In France, we plan to capitalize on recent regulatory changes to perform specialty tests that historically we have outsourced and have developed a three-year program to progressively conduct most of these tests ourselves. In addition, we plan to expand our range of non-prescription tests, such as nutrition and migraine testing.

Deliver operating efficiencies. We intend to continue to take advantage of the economies of scale provided by our network by streamlining our laboratory operations and administrative functions and controlling costs through the ongoing development of our corporate structure and the integration of our clinical laboratories. At a group level, we will expand our existing program for automating our testing services, and continue improving and developing shared services solutions and finance processes. Our goal is to improve the utility and timeliness of financial reporting by introducing improved software platforms, common information technology architecture and support and centralizing certain back office functions such as treasury and finance. We are also aiming to reduce our costs by further centralizing procurement activities. In France, we have started taking advantage of regulatory changes that have lessened outsourcing restrictions which previously required that at least one-third of routine tests be performed at the location where samples are collected. We are now developing our technical platforms and logistics operations in order to consolidate our smaller laboratories into larger and more-efficient production platforms.

Selectively pursue acquisitions and expansion to new markets. The European clinical laboratory services market, except in Germany and Belgium, remains fragmented, and we believe there are attractive opportunities for consolidation, especially in France and Italy. In 2010, we completed 14 acquisitions and signed sale and purchase agreements for an additional nine acquisitions which we expect to close in 2011. We intend to further expand our network by continuing to selectively acquire small and medium-sized laboratory companies in each of the markets where we are currently present and to explore opportunities to purchase larger laboratory networks in other European countries. In the past, we relied largely on strategic acquisitions to gain critical mass and geographical coverage. We are currently primarily focused on accretive acquisitions of smaller clinical laboratories in close proximity to existing laboratories in our network that we can quickly restructure and integrate into the group.

Sources and Uses

We estimate that the gross proceeds of the Offering will be €500 million. The following table sets forth our expected estimated sources and uses of funds from the issuance of the Notes, the consummation of the Refinancing and the payment of fees and expenses in connection with the Offering and the Refinancing. Actual amounts may vary from estimated amounts depending on several factors, including differences between estimated and actual fees and expenses.

Sources of Funds	Amount	Uses of Funds	Amount
	(millions of euros)		(millions of euros)
Proceeds from the Offering	500.0	Prepayment of Existing Senior Facilities(1)	273.4
		Prepayment of Senior Mezzanine Loan(2)	49.2
		Prepayment of Junior Mezzanine Loan(3)	71.5
		Prepayment of Repaid Bilateral Bank Loans(4)	52.1
		Prepayment and break-up fees(5)	8.9
		Fees and transaction costs(6)	22.4
		Cash	22.5
Total Sources	500.0	**Total Uses**	500.0

(1) Represents the prepayment in full of the principal amount outstanding under the Existing Senior Facilities on December 31, 2010, plus expected accrued and unpaid interest from January 1, 2011 until the Issue Date. The Existing Senior Facilities mature partly in 2014 and partly in 2015 and bear interest at a rate equal to EURIBOR plus the applicable margins of between 2.5% and 3.0%.

(2) Represents the prepayment in full of the principal amount outstanding under the Senior Mezzanine Loan on December 31, 2010, plus expected accrued and unpaid interest from January 1, 2011 until the Issue Date. The Senior Mezzanine Loan matures in 2017 and bears interest at a rate equal to EURIBOR plus a margin of 4.0%.

(3) Represents the prepayment in full of the principal amount outstanding under the Junior Mezzanine Loan on December 31, 2010, plus expected accrued and unpaid interest from January 1, 2011 until the Issue Date. The Junior Mezzanine Loan matures partly in 2018 and partly in 2019 and bears interest at a rate of EURIBOR plus a margin of 5.5%.

(4) Represents the prepayment in full of the estimated principal amount outstanding under 173 bilateral bank loans on December 31, 2010, plus expected accrued and unpaid interest until the Issue Date. We expect to prepay such loans within approximately 100 days of the Issue Date. The Repaid Bilateral Bank Loans have maturities ranging from 2011 to 2018 and applicable interest rates ranging from 1.9% to 7.5%.

(5) Represents estimated break-up and prepayment fees of (i) €0.3 million in connection with the Existing Senior Facilities, (ii) €2.5 million in connection with the Senior Mezzanine Loan, (iii) €5.7 million in connection with the Junior Mezzanine Loan, and (iv) €0.5 million in connection with the Repaid Bilateral Bank Loans.

(6) Represents estimated fees and expenses associated with the Offering and the Refinancing, including commitment, placement, financial advisory, professional and initial purchasers' fees and other transaction costs.

Any amounts not used for the Refinancing and related fees and transaction costs will be used for general corporate purposes, which may include repayment of additional indebtedness, acquisitions and investments.

Our Principal Shareholders

The shares of the Issuer, our group's parent company, are held by four different categories of shareholders: certain laboratory doctors from whom we acquired clinical laboratories and certain of their family members and estate planning entities; our founding shareholders; financial investors; and others consisting primarily of our management.

Approximately 150 laboratory doctors or their affiliates together hold approximately 30% of the Issuer's share capital. These laboratory doctors became shareholders of the Issuer by reinvesting into our group a portion of the purchase price we paid to acquire their laboratories.

The founding shareholders of our group are Eric Souêtre, Stéphane Chassaing, Luis Vieira and the shareholders from whom we acquired General Lab S.A. in 2007. Together (directly or through their estate planning entities), they hold approximately 20% of the Issuer's share capital.

Financial investors hold approximately 42% of the Issuer's share capital. To date the 3i Investors, which together are our largest shareholder, have invested €110 million and own approximately 18% of our share capital. 3i is an international investor focused on private equity, infrastructure and debt management, with investments in Europe, Asia and North America. 3i Group plc is listed on the London Stock Exchange as a FTSE 100 company. Currently, 3i has an investment portfolio of 117 core investments and approximately €14.9 billion of assets under management. Since April 2001, 3i and 3i-managed funds have invested €1.8 billion in 38 healthcare companies. Andreas Gaddum, Antoine Faguer and Denis Ribon have been nominated by the 3i Investors to act as non-executive members of the Issuer's Strategic Committee. Pursuant to a shareholders' agreement entered into on July 23, 2008 between the Issuer, certain of its financial investors and certain other shareholders, the 3i Investors have a veto right over certain material decisions of the Issuer's Strategic Committee. See "*Principal Shareholders—Shareholders' Agreement*". Another financial investor, PROGX, which owns approximately 12.6% of our share capital through two classes of shares, is controlled by Viking Limited, a private equity firm that invested in Labco in 2004 and by certain laboratory doctors who contributed their shares in the Issuer to PROGX. Other financial investors include CIC, TCR Capital and Nixen.

The remaining 8% of the Issuer's share capital is held primarily by our senior management.

Recent Developments

Recent Management Changes

The Issuer's senior management team has recently been strengthened by the appointment of Mr. Philippe Charrier as the Issuer's Chief Executive Officer for a term of three years starting on January 1, 2011.

Acquisitions

In the three months ended December 31, 2010, we acquired four laboratory companies in France (Bonnici Pouget, Crequy & Machet, Lespinas & Digeon and Nadeau), one laboratory company in Spain (Lallemand) and one laboratory company in Portugal (GDPN), for an aggregate purchase price of approximately €12.3 million.

Disposals

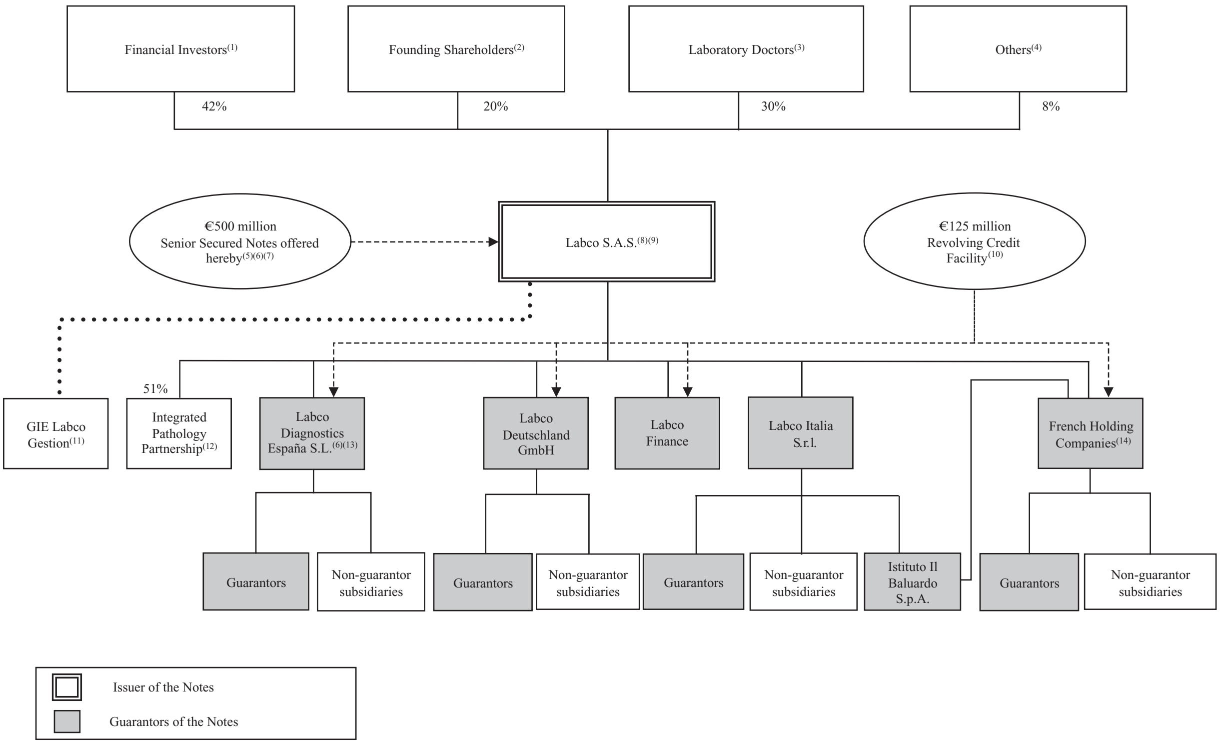
On November 26, 2010, we signed a sale and purchase agreement pursuant to which we agreed to sell Laboratoire Central for a sale price of €1.8 million. We expect completion of the sale to occur by January 31, 2011. Laboratoire Central operates routine laboratories in the city of Chaumont in France.

Transition to IFRS

We plan to apply IFRS to our consolidated financial statements beginning with the year ended December 31, 2010 (which will include comparative data for the year ended December 31, 2009). See "*Annex A: Summary of Certain Differences between French GAAP and IFRS*".

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following diagram summarizes our corporate structure and principal outstanding financing arrangements after giving effect to the Offering. The ownership structure for the French holding companies and their subsidiaries are explained in note (14). See “*Description of the Notes*” and “*Description of Other Indebtedness*” for more information.



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(1) The financial investors in Labco S.A.S. consist of 3i Investors, PROGX, TCR Capital, CIC, Nixen and certain other financial investors owning together less than 3% of our share capital. See “*Principal Shareholders*”.

(2) The founding shareholder investors in Labco S.A.S. consist of the founders of Labco (Messrs. Stéphane Chassaing and Eric Souêtre, directly or through their estate planning entities), the former CEO of Sampletest, S.A. (Mr. Luis Vieira) and the shareholders from whom we acquired General Lab S.A. in 2007.

(3) The laboratory doctor investors in Labco S.A.S. consist of approximately 150 laboratory doctors, their relatives and related estate planning entities.

(4) The other investors in Labco S.A.S. consist primarily of senior management.

(5) On the Issue Date, the Notes will be guaranteed on a senior basis by (i) our French holding companies: Labco Midi, Laboratoire de Biologie Médicale Jorion, Bioval, Biologistes Associés Regroupant des Laboratoires d’Analyses, Laboratoire de Biologie Médicale Delaporte; (ii) our national holding companies in Germany and Italy: Labco Deutschland GmbH and Labco Italia S.r.l.; (iii) the following subsidiaries in France: Biofrance, Biopaj, Laboratoire Goudaert-Dauchy-Leclerq-Capelle-Bourlart, Centre Biologique, SELAS Tixier-Pierfitte-Avot, anciennement Pokorny, Laboratoire Schaffner, Labco Artois, Analyses et Biologie du Littoral-Anabiol, Schemitick Vorlet et Associés, Laboratoire d’Analyses de Biologie Médicale Christine Pépin-Philippe Leluan-Patricia Sannier-Didier Guillo, Exsel Bio, Eslab, SEL de Directeurs et Directeurs Adjoints de Laboratoires d’Analyses de Biologie Médicale Normabio, Centre de Biologie Médicale Spécialisée, C.B.M.S. and Norden; (iv) the following subsidiaries in Spain: General Lab S.A., Sanilab S.A. and Sabater Analisis S.A.; (v) the following subsidiaries in Portugal: Clinica de Diagnosticos Dr. Fernando Teixeira, S.A., Laboratório Médico Dr. David Santos Pinto, Flaviano Gusmão, Lda, General Lab Portugal, S.A., and Gnóstica-Laboratório de Análises Clínicas S.A.; (vi) the following subsidiaries in Germany: AescuLabor-Karlsruhe GmbH, MVZ Dr. med. Sinterhauf, Dr. med. Lammert Laboratoriumsmedizin, Medizinische Mikrobiologie und Infektionsepidemiologie Gesundheitsförderungs GmbH, MVZ Medizinisches Fachlabor Dillenburg GmbH, Medizinisches Versorgungszentrum Labor Saar GmbH; (vii) the following

subsidiaries in Belgium: Laboratoire d'Analyses Médicales Roman Païs and Labco Finance; and (viii) the following subsidiaries in Italy: C.A.M., Centro Analisi Monza S.p.A. and Istituto il Baluardo S.p.A. The guarantees will be subject to contractual limitations and limitations under applicable laws and may be released under certain circumstances. See "*Description of the Notes—The Guarantees*", "*Unaudited Supplemental Information on the Guarantors*" and "*Risk Factors—Risks Related to Our Indebtedness and the Notes*".

(6) The Issuer has agreed to cause our national holding company in Spain, Labco Diagnostics España S.L., to guarantee the Notes on a senior basis within six months of the Issue Date. Under Spanish law, Labco Diagnostics España S.L. will be required to convert its corporate form to *sociedad anónima* to guarantee the Notes. The guarantee by Labco Diagnostics España S.L. will be subject to contractual limitations and limitations under applicable laws and may be released under certain circumstances. Assuming Labco Diagnostics España S.L. converts its corporate form to *sociedad anónima* and guarantees the Notes, during the twelve months ended September 30, 2010, the Issuer and the Guarantors represented 70% of our revenue and 72.7% of our EBITDA and as of September 30, 2010 represented 65.1% of our total assets. See "*Description of the Notes—The Guarantees*", "*Unaudited Supplemental Information on the Guarantors*" and "*Risk Factors—Risks Related to Our Indebtedness and the Notes*".

(7) Within seven business days following the Issue Date, the Notes will be secured by first-ranking liens over (i) the capital stock held directly by the Issuer and/or the Guarantors in (a) our French holding companies: Labco Midi, Laboratoire de Biologie Médicale Jorion, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses, Laboratoire de Biologie Médicale Delaporte; (b) our national holding companies in Spain, Germany and Italy: Labco Diagnostics España S.L., Labco Deutschland GmbH and Labco Italia S.r.l.; (c) the following subsidiaries in France: Biofrance, Biopaj, Laboratoire Goudaert-Dauchy-Leclerq-Capelle-Bourlart, SELAS Tixier-Pierfitte-Avot, anciennement Pokorny, Laboratoire Schaffner, Labco Artois, Analyses et Biologie du Littoral-Anabiol, Eslab, Norden, Laboratoire d'Analyses Médicales Carron, Société d'exercice libéral de directeurs et de directeurs adjoints de laboratoires d'analyses de biologie médicale, Groupe Biologic Laboratoire d'Analyses Médicales, Laboratoire de l'Avenue, LaboCentre, Laboratoire d'Analyses de Biologie Médicale Aubert H., Laboratoire d'Isle and Bio Sambre; (d) the following subsidiary in Spain: Laboser S.L.; (e) the following subsidiaries in Portugal: Laboratório Médico Dr. David Santos Pinto, Flaviano Gusmão, Lda, General Lab Portugal, S.A., Gnóstica—Laboratório de Análises Clínicas S.A. and Délio Morgado Limitada; (f) the following subsidiary in Germany: Labco Pflegezentrum Köln GmbH; (g) the following subsidiary in Belgium: Labco Finance; and (h) the following subsidiaries in Italy: C.A.M., Centro Analisi Monza S.p.A., Labco Lombardia S.r.l. and Istituto il Baluardo S.p.A.; and (ii) present and future intercompany loan receivables arising (x) under the Cash Pooling Agreement or (y) under other intercompany loans with a principal amount in excess of €1.0 million held by the Issuer, Labco Midi, Laboratoire de Biologie Médicale Jorion, Laboratoire de Biologie Médicale Delaporte, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses, Labco Deutschland GmbH and Labco Finance. In addition, the Notes will also be secured by the assignment of the Issuer's rights under the Covenant Agreements. The Security Interests will be subject to contractual limitations and limitations under applicable laws and may be released under certain circumstances. See "*Risk Factors—Risks Related to Our Indebtedness and the Notes*" and "*Description of the Notes—Security*".

(8) In implementing the Refinancing, the Issuer will initially loan proceeds of the issuance of the Notes, pursuant to intercompany loans:

- approximately €114.1 million of proceeds from the issuance of the Notes to its subsidiaries in France. Approximately €48.2 million of this amount will be loaned to French Guarantors;
- approximately €246.4 million of proceeds from the issuance of the Notes to its subsidiaries in Spain. Approximately €244.6 million of this amount will be loaned to Labco Diagnostics España S.L. and approximately €1.9 million of this amount will be loaned to other Spanish Guarantors;
- approximately €0.4 million of proceeds from the issuance of the Notes to its subsidiaries in Portugal. All of this amount will be loaned to Portuguese Guarantors;
- approximately €75.3 million of proceeds from the issuance of the Notes to its subsidiaries in Germany. Approximately €43.1 million of this amount will be loaned to German Guarantors;
- approximately €11.2 million of proceeds from the issuance of the Notes to its subsidiaries in Italy. All of this amount will be loaned to Italian Guarantors; and
- approximately €10.2 million of proceeds from the issuance of the Notes to its subsidiaries in Belgium. Approximately €10.0 million of this amount will be loaned to Belgian Guarantors.

(9) Certain of our subsidiaries have minority shareholders. Certain of these minority interests are significant. For more details, see the list of our subsidiaries included in the scope of consolidation section in our unaudited historical consolidated interim financial statements as of and for the nine months ended September 30, 2010, included elsewhere in this offering memorandum.

(10) The Revolving Credit Facility will initially provide for up to €125 million of revolving credit borrowings to be drawn by Labco Deutschland GmbH, Labco Diagnostics España S.L., Labco Midi, Laboratoire de Biologie Médicale Jorion, Laboratoire de Biologie Médicale Delaporte, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses and Labco Finance. The Revolving Credit Facility may be increased to €135 million. The final maturity date of the Revolving Credit Facility will be the sixth anniversary of the Issue Date. The obligations of the borrowers under the Revolving Credit Facility will be guaranteed on a senior basis by the same Guarantors that guarantee the Notes and be secured by the same Collateral as the Notes. In addition, Labco Diagnostics España S.L. will guarantee the Revolving Credit Facility on a senior basis from the Issue Date and grant first-ranking liens over the capital stock it holds in certain of its subsidiaries and its intercompany loans receivables within seven business days of the Issue Date. Upon the conversion of Labco Diagnostics España S.L. into a *sociedad anónima*, such Collateral will also secure the Notes. Pursuant to the Intercreditor Agreement, in the event of acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of guarantees and the Security Interest, are required to be turned over to the Security Agent and, subject to the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and Security Agent, paid by the Security Agent to the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations in priority to the holders of the Notes. The Revolving Credit Facility will not be drawn on the Issue Date.

(11) GIE Labco Gestion (the "GIE") is an economic interest grouping among almost all of our French laboratory companies, our German laboratory companies, General Lab S.A. (which holds approximately 35 laboratories in Spain and Portugal), Laboratoire d'Analyses Médicales Roman Païs (which is a laboratory company in Belgium) and Istituto il Baluardo S.p.A. (which is one of our Italian laboratory companies). The GIE supports the corporate functions of our clinical laboratories, including procurement, quality management, legal, information technology, communications, marketing and human resources. Labco S.A.S. is the sole director of GIE Labco Gestion. See "*Business—Our Corporate Structure*".

(12) Integrated Pathology Partnerships ("iPP") is our joint venture with Sodexo, a leading provider of hospital outsourcing services, to bid for National Health Service contracts to provide outsourcing services to hospitals in the United Kingdom. We hold a 51% equity stake in iPP and Sodexo holds the remaining 49%. Sodexo and we each control 50% of the voting rights in iPP.

(13) The Issuer has agreed to cause Labco Diagnostics España S.L. to secure the Notes within six months of the Issue Date with first-ranking liens over (i) the capital stock it holds in Ellipsys, General Lab S.A., Laboser S.L. and LABCO DIAGNOSTICS SWEDEN AB and the capital stock it holds in Laboratoire d'Analyses Médicales Roman Païs (which constitutes approximately 55% of its capital stock) and (ii) certain present and future intercompany loan receivables. Under Spanish law, Labco Diagnostics España S.L. will be required to convert its corporate form to *sociedad anónima* to secure the Notes. The security interests granted by Labco Diagnostics España S.L. will be subject to contractual limitations and limitations under applicable laws and may be released under certain circumstances. See "*Description of the Notes—Security*" and "*Risk Factors—Risks Related to Our Indebtedness and the Notes*".

(14) The French holding companies are Labco Midi, Laboratoire de Biologie Médicale Jorion, Laboratoire de Biologie Médicale Delaporte, Bioval and Biologistes Associés Regroupant des Laboratoire d'Analyses. Bioval is a wholly owned subsidiary of Labco S.A.S. Due to regulatory constraints, Labco S.A.S. holds up to 99.9% of the remaining French holding companies directly and indirectly through Istituto il Baluardo S.p.A. The remaining share capital is held by laboratory doctors operating these companies. The articles of association of our French laboratory companies, including the French holding companies, grant such laboratory doctors a majority of the shareholder voting rights in such companies. Pursuant to corporate governance, contractual and organizational arrangements, Labco S.A.S. holds substantially all of the economic rights in such companies and exercises control, within the French regulatory framework, over such companies and fully consolidates them and their respective subsidiaries into its financial statements. See "*Risk Factors—Risks Related to our Business—French self-regulatory or regulatory bodies may challenge the legal structure of our French operations and any such challenge, if successful, could have a material adverse effect on our financial condition and results of operations*" and "*Regulation—France*".

THE OFFERING

The summary below describes the principal terms of the Notes, the guarantees, the Intercreditor Agreement and the Collateral. 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 Notes" and "Description of Other Indebtedness—Intercreditor Agreement" sections of this offering memorandum for more detailed descriptions of the terms and conditions of the Notes and the Intercreditor Agreement.

Issuer	Labco S.A.S.
Notes Offered	€500,000,000 aggregate principal amount of % Senior Secured Notes due 2018.
Issue Price	% plus accrued interest, if any, from the Issue Date.
Maturity Date	, 2018.
Interest Rate and Payment Dates	The interest rate on the Notes will be % per annum, payable semi-annually in arrears on and of each year, commencing on , 2011. Interest on the Notes will accrue from the Issue Date.
Denominations	Minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof.
Guarantees	The Notes will be guaranteed on a senior basis on the Issue Date by (i) our French holding companies: Labco Midi, Laboratoire de Biologie Médicale Jorion, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses, Laboratoire de Biologie Médicale Delaporte; (ii) our national holding companies in Germany and Italy: Labco Deutschland GmbH and Labco Italia S.r.l.; (iii) the following subsidiaries in France: Biofrance, Biopaj, Laboratoire Goudaert-Dauchy-Leclerq-Capelle-Bourlart, Centre Biologique, SELAS Tixier-Pierfitte-Avot, anciennement Pokorny, Laboratoire Schaffner, Labco Artois, Analyses et Biologie du Littoral-Anabiol, Schemitick Vorlet et Associés, Laboratoire d'Analyses de Biologie Médicale Christine Pépin-Philippe Leluan-Patricia Sannier-Didier Guillo, Exsel Bio, Eslab, SEL de Directeurs et Directeurs Adjoints de Laboratoires d'Analyses de Biologie Médicale Normabio, Centre de Biologie Médicale Spécialisée, C.B.M.S. and Norden; (iv) the following subsidiaries in Spain: General Lab, S.A., Sanilab S.A. and Sabater Analisis S.A.; (v) the following subsidiaries in Portugal: Clinica de Diagnosticos Dr. Fernando Teixeira, S.A., Laboratório Médico Dr. David Santos Pinto, Flaviano Gusmão, Lda, General Lab Portugal, S.A., and Gnóstica—Laboratório de Análises Clínicas S.A.; (vi) the following subsidiaries in Germany: AescuLabor-Karlsruhe GmbH, MVZ Dr. med. Sinterhauf, Dr. med. Lammert Laboratoriumsmedizin, Medizinische Mikrobiologie und Infektionsepidemiologie Gesundheitsförderungs GmbH, MVZ Medizinisches Fachlabor Dillenburg GmbH, Medizinisches Versorgungszentrum Labor Saar GmbH; (vii) the following subsidiaries in Belgium: Laboratoire d'Analyses Médicales Roman Païs and Labco Finance; and (viii) the following subsidiaries in

Italy: C.A.M., Centro Analisi Monza S.p.A. and Istituto il Baluardo S.p.A. (together, the "Initial Guarantors"). The Issuer has agreed to cause our national holding company in Spain, Labco Diagnostics España S.L. (the "Additional Guarantor" and, together with the Initial Guarantors, the "Guarantors"), to guarantee the Notes on a senior basis within six months of the Issue Date. Under Spanish law, Labco Diagnostics España S.L. will be required to convert its corporate form to *sociedad anónima* to guarantee the Notes. If we cannot make payments on the Notes when they are due, the Guarantors must make them instead. The obligations of the Guarantors will be contractually limited under the applicable 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 respective shareholders and directors. See "*Description of the Notes—The Guarantees*" and "*Risk Factors—Risks Related to Our Indebtedness and the Notes—The guarantees may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability*".

Ranking of the Notes and Guarantees . . . . Assuming Labco Diagnostics España S.L. converts its corporate form to *sociedad anónima* and guarantees the Notes on a senior basis, the Notes and guarantees will:

- rank *pari passu* in right of payment with all of our and the Guarantors' existing and future indebtedness that is not subordinated in right of payment to the Notes;
- rank senior in right of payment to all of our and the Guarantors' existing and future indebtedness that is subordinated in right of payment to the Notes and the guarantees; and
- be effectively subordinated to all existing and future indebtedness of our subsidiaries that do not guarantee the Notes.

Under the terms of the Intercreditor Agreement, in the event of acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of guarantees or Security Interests, are required to be turned over to the Security Agent and, subject to the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and Security Agent, paid by the Security Agent to the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations in priority to the holders of the Notes.

As of September 30, 2010, on a *pro forma* basis after giving effect to the issuance of the Notes and application of the proceeds therefrom, we would have had, in addition to the Notes, no indebtedness outstanding under the Revolving Credit Facility with €125 million of revolving credit available which may be increased to €135 million. In addition, assuming Labco Diagnostics España S.L. converts its corporate form to *sociedad anónima* and guarantees the

Notes, our non-guarantor subsidiaries would have had as of such date approximately €19.3 million of indebtedness outstanding, including trade payables but excluding intercompany obligations.

Collateral . . . . Subject to the terms of the security documents, the Notes and the guarantees will be secured by liens ranking equally with all secured debt outstanding under the Revolving Credit Facility and certain hedging obligations. The Indenture requires that such liens be granted on or prior to the seventh business day following the Issue Date. When granted, the liens will constitute first-priority liens on the capital stock in certain of our subsidiaries and present and future intercompany loan receivables arising (x) under the Cash Pooling Agreement or (y) under other intercompany loans with a principal amount in excess of €1.0 million, held by the Issuer, Labco Midi, Laboratoire de Biologie Médicale Jorion, Laboratoire d'Analyses de Biologie Médicale Delaporte, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses, Labco Deutschland GmbH and Labco Finance. The Issuer has agreed to cause Labco Diagnostics España S.L. to grant first-priority liens securing the Notes and the guarantees on the capital stock of certain of its subsidiaries within six months of the Issue Date. Under Spanish law, Labco Diagnostics España S.L. will be required to convert its corporate form to *sociedad anónima* to secure the Notes. The Notes will also be secured on the Issue Date by the assignment of the Issuer's rights under the Covenant Agreements. See "*Description of the Notes—Security*" and "*Description of the Notes—Covenant Agreements*".

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

Intercreditor Agreement . . . . . . Pursuant to the Intercreditor Agreement, the liens securing the Notes will be first-priority liens over the Collateral that rank equally with the liens that secure (i) obligations under the Revolving Credit Facility, (ii) certain other future indebtedness permitted to be incurred under the Indenture and (iii) certain obligations under hedging arrangements. Such liens will be evidenced by security documents for the benefit of (whether directly or through the Security Agent) the holders of the Notes, the lenders under the Revolving Credit Facility and the holders of certain other future indebtedness and obligations. Under the terms of the Intercreditor Agreement, in the event of acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of guarantees or Security Interests, are required to be turned over to the Security Agent and, subject to the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and Security Agent, paid by the Security Agent to the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations in priority to the holders of the Notes.

	The Security Agent may refrain from enforcing the security unless instructed by the agent under the Revolving Credit Facility (as instructed by two-thirds of the lenders under the Revolving Credit Facility) or the Trustee for the Notes (as instructed by holders of a majority in principal amount of the Notes) in accordance with the provisions of the Intercreditor Agreement. Each of the agents under the Revolving Credit Facility (as instructed by two-thirds of the lenders under the Revolving Credit Facility) or the Trustee for the Notes (as instructed by holders of a majority in principal amount of the Notes) will be entitled to instruct the Security Agent to enforce the security. In the event of conflicting instructions, the Intercreditor Agreement contains provisions as to which set of instructions will prevail. See "*Description of Other Indebtedness—Intercreditor Agreement*".
Optional Redemption	At any time on or after , 2014, we may redeem some or all of the Notes at the redemption prices set forth in "*Description of the Notes—Optional Redemption*". At any time prior to , 2014, we may redeem, at our option, some or all of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest, if any, to the applicable redemption dates plus the applicable "make whole" premium set forth in "*Description of the Notes—Optional Redemption*". At any time prior to , 2014, we may redeem up to 35% of the aggregate principal amount of the Notes using the proceeds of certain equity offerings, at the redemption price of % of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. See "*Description of the Notes—Optional Redemption*".
Change of Control	If a change of control occurs, we must give holders of the Notes an opportunity to sell us their Notes at a purchase price of 101% of the principal amount of such Notes, plus accrued and unpaid interest, if any, to the date of purchase. See "*Description of the Notes—Change of Control*".
Redemption for Taxation Reasons	If certain changes in the law of any relevant taxing jurisdiction impose certain withholding taxes or other deductions on the payments on the Notes, we may redeem the Notes in whole, but not in part, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. See "*Description of the Notes—Redemption for Changes in Taxes*".
Additional Amounts	Except as provided in "*Description of the Notes*," all payments we make with respect to the Notes, or any Guarantor with respect to its guarantee, will be made without withholding or deduction for, or on account of, any present or future taxes in any relevant taxing jurisdiction unless required by applicable law. If withholding or

	deduction for such taxes is required to be made with respect to a payment on the Notes or the guarantees, subject to certain exceptions, we or the Guarantors, as the case may be, will pay the additional amounts necessary so that the net amount received by the holders of Notes after the withholding or deduction is not less than the amount that they would have received in the absence of the withholding or deduction. See "*Description of the Notes—Additional Amounts*".
Certain Covenants	The Indenture and the Covenant Agreements between the Issuer and certain of its restricted subsidiaries (as described below) will contain covenants that, among other things, will limit the Issuer's ability and the ability of its restricted subsidiaries to: • incur or guarantee additional indebtedness and issue certain preferred stock; • make restricted payments, including dividends or other distributions; • create or permit to exist certain liens; • sell assets; • create restrictions on the ability of our restricted subsidiaries to pay dividends or make other payments to us; • merge or consolidate with other entities or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis; • guarantee additional debt without also guaranteeing the Notes; • engage in transactions with affiliates; • create unrestricted subsidiaries; and • impair the security interests for the benefit of the holders of the Notes. These covenants are subject to a number of important limitations and exceptions as described under "*Description of the Notes—Certain Covenants*".
Covenant Agreements	Pursuant to the Covenant Agreements, on the Issue Date, certain of our subsidiaries incorporated in France will agree with the Issuer to comply with the covenants applicable to restricted subsidiaries in the Indenture. The Issuer will assign all of its rights under the Covenant Agreements in favor of the holders of the Notes. See "*Description of the Notes—Covenant Agreements*".
Original Issue Discount	The Notes may be issued with original issue discount ("OID"). U.S. holders will generally be required to include such OID in gross income for U.S. Federal income tax purposes as it accrues (regardless of their regular method of accounting), possibly in advance of the receipt of cash attributable to such income. For a discussion of the U.S. Federal income tax consequences of an investment in the Notes, see "*Certain Tax Considerations—Material*

	United States Federal Income Tax Considerations". You should consult with your own tax advisor to determine the U.S. Federal, state, local and other tax consequences of an investment in the Notes.
Transfer Restrictions	The Notes and the guarantees have not been and will not be 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 will use the net proceeds from the issuance and sale of the Notes for the Refinancing (including prepayment fees and related fees and expenses).
No Established Market	The 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 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 Notes will develop or be maintained.
Listing	Application has been made for listing particulars to be approved by the Irish Stock Exchange and for the Notes to be listed on the Official List of the Irish Stock Exchange and to be admitted to trading on the Global Exchange Market thereof.
Governing Law of the Indenture, the Guarantees, the Covenant Agreements and the Notes	The State of New York.
Governing Law of the Security Documents	Each share pledge will be governed by the laws of the jurisdiction of incorporation of the company that issued the shares that are subject to such security document, i.e., France, Belgium, Germany, Italy, Portugal, Spain or Sweden, as applicable. The pledges of certain present and future intercompany loan receivables constituting part of the Collateral will be governed by the laws of France, Germany, Spain and Belgium. The assignment of the Issuer's rights under the Covenant Agreements is subject to New York law.
Governing Law of the Intercreditor Agreement	England and Wales.
Trustee	Deutsche Trustee Company Limited.
Security Agent	Deutsche Bank AG, London Branch.
Paying Agent and Transfer Agent	Deutsche Bank AG, London Branch.
Registrar	Deutsche Bank Luxembourg S.A.
Listing Agent	Dillon Eustace Solicitors.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The following tables present summary historical consolidated financial information and other data for Labco for the periods ended and as of the dates indicated below.

Our financial data as of and for each of the years ended December 31, 2007, 2008 and 2009 included within the summary historical consolidated financial information have been derived from the audited historical consolidated financial statements as of and for each of the years ended December 31, 2007, 2008 and 2009 included elsewhere in this offering memorandum.

Our financial data as of and for each of the nine months ended September 30, 2009 and 2010 included within the summary consolidated financial information have been derived from the Q3 Financial Statements included elsewhere in this offering memorandum.

The summary unaudited historical consolidated financial data as of and for the twelve months ended September 30, 2010 included within the summary historical consolidated financial information have been derived by adding the consolidated financial data of Labco as of and for the year ended December 31, 2009 to the consolidated financial data of Labco as of and for the nine months ended September 30, 2010 and subtracting the consolidated financial data of Labco as of and for the nine months ended September 30, 2009. The financial data for the twelve months ended September 30, 2010 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date. Such compilation has not been audited or reviewed.

The financial statements contained herein were prepared in accordance with French GAAP. IFRS differs in significant respects from French GAAP. The primary differences, as they relate to Labco, include:

(i) the absence of amortization of goodwill in lieu of amortizing goodwill over a period to be determined by the company (15 years in our case) under French GAAP;

(ii) qualifying certain lease contracts relating to testing equipment as capital lease contracts and recording the value of such testing equipment as an asset amortized over five years and the related financial liability, in lieu of expensing such contracts under French GAAP;

(iii) qualifying Priority Dividends as personnel costs in lieu of treating them as dividends under French GAAP;

(iv) deducting capitalized debt issuance costs from the debt to which they relate in lieu of recording such capitalized issuance costs as assets under French GAAP;

(v) evaluating hedging derivatives and share-based payment instruments at fair value in lieu of treating them as off-balance sheet items under French GAAP; and

(vi) expensing acquisition costs as we incur them in lieu of capitalizing them under French GAAP.

See "*Annex A: Summary of Certain Differences between IFRS and French GAAP*".

The following tables should be read in conjunction with "*Use of Proceeds*", "*Capitalization*", "*Selected Historical Consolidated Financial Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Description of the Notes*" and our financial statements and the notes related thereto included elsewhere in this offering memorandum. Historical results are not necessarily indicative of future expected results. In addition, our results for the nine months ended September 30, 2010 should not be regarded as indicative of our expected results for the year ended December 31, 2010.

Consolidated Income Statement Data

	Year ended December 31,				Nine months ended September 30,		Twelve months ended September 30,
	2007*	2008**	Pro forma 2008*** (unaudited)	2009****	2009 (unaudited)	2010 (unaudited)	2010 (unaudited)
	(thousands of euros)						
Revenue	2,206	235,634	402,049	424,453	313,832	332,063	442,684
Cost of purchases incurred and consumed	(3,648)	(87,538)	(148,498)	(166,337)	(121,773)	(129,777)	(174,341)
Personnel expense	(1,457)	(99,889)	(160,705)	(166,996)	(122,705)	(134,961)	(179,252)
Other taxes	(36)	(4,615)	(5,267)	(3,763)	(2,539)	(2,289)	(3,513)
Depreciation, amortization and provision expense, net	(116)	(8,278)	(12,604)	(15,033)	(9,932)	(11,553)	(16,654)
Other operating income and expense	405	(1,338)	(1,850)	(297)	(2,163)	(375)	1,491
Profit from operations	(2,644)	33,977	73,125	72,026	54,720	53,108	70,414
Financial expense	(243)	(15,595)		(30,598)	(23,099)	(23,527)	(31,026)
Financial income	1,692	2,787		1,453	763	402	1,092
Net financial result	1,449	(12,808)	(29,160)	(29,145)	(22,337)	(23,125)	(29,933)
Profit on ordinary activities from consolidated companies	(1,195)	21,169	43,966	42,881	32,383	29,983	40,481
Extraordinary expense	(9)	(11,191)		(8,810)	(4,457)	(6,415)	(10,768)
Extraordinary income	121	8,389		2,647	2,038	1,342	1,951
Extraordinary profit (loss)	112	(2,801)	(3,729)	(6,163)	(2,419)	(5,073)	(8,817)
Income tax	(62)	(3,396)	(15,220)	(18,302)	(12,367)	(12,166)	(18,101)
Net profit from consolidated companies	(1,145)	14,971	25,017	18,415	17,598	12,745	13,562
Net goodwill amortization expense	(482)	(12,958)	(26,340)	(39,418)	(29,144)	(31,198)	(41,472)
Share of associates earnings attributable to the group	7,355	4,261	724	838	675	385	548
Total consolidated net result	5,728	6,274	(599)	(20,165)	(10,872)	(18,068)	(27,361)
Minority interests	0	4,678	4,678	4,734	3,453	3,589	4,870
Net profit (loss)—Group share	**5,727**	**1,596**	**(5,277)**	**(24,899)**	**(14,325)**	**(21,657)**	**(32,231)**

* Our summary historical consolidated income statement data for the year ended December 31, 2007 are not directly comparable to what we present above as our summary historical consolidated income statement data for the year ended December 31, 2008 as a result of the Change in Consolidation Method, the effect of the 2008 Acquisitions and the IFRS Income Statement Presentation Changes.

** Our summary historical consolidated income statement data for the year ended December 31, 2008 are adjusted to reflect the IFRS Income Statement Presentation Changes and are not presented in the same manner as our audited historical consolidated financial statements for the year ended December 31, 2008. The IFRS Income Statement Presentation Changes pertain to (i) €12.0 million payments to certain external medical personnel which we reclassified from "Cost of purchases incurred and consumed" to "Personnel expense" so as to regroup in one single line item all personnel costs and (ii) €0.6 million, net, related to the disposal of securities and long-term financial assets which we reclassified from "Extraordinary income" to "Financial income". See the consolidated income statement in our audited historical consolidated financial statements for the year ended December 31, 2009 included elsewhere in this offering memorandum.

*** Our summary 2008 unaudited pro forma income statement data are based on our consolidated income statement for the year ended December 31, 2008 as adjusted for the IFRS Income Statement Presentation Changes and give effect to (i) the

Change in Consolidation Method as if it had been applicable since January 1, 2008 and (ii) the 2008 Acquisitions as if each acquisition had occurred on January 1, 2008.

**** Our summary historical consolidated income statement data for the year ended December 31, 2009 are not directly comparable to what we present as our summary historical consolidated income statement data for the year ended December 31, 2008 as a result of the 2009 Acquisitions, the full-year effect of the 2008 Acquisitions and the Change in Consolidation Method. Our summary historical consolidated income statement data for the year ended December 31, 2009 are not directly comparable to our summary 2008 unaudited pro forma income statement as a result of the 2009 Acquisitions.

Consolidated Balance Sheet Data

	As at December 31,			As at September 30,
	2007*	2008	2009**	2010 (unaudited)
		(thousands of euros)		
Goodwill	60,416	526,786	525,788	529,438
Intangible assets	905	3,438	5,050	5,135
Property, plant and equipment	7,581	36,166	35,529	36,257
Long-term financial assets	49,502	2,785	3,394	4,730
Interest in associates	9,568	2,740	2,964	2,043
Fixed assets	127,972	571,914	572,724	577,603
Inventory and work in progress	1,342	7,730	7,070	8,149
Trade receivables	17,431	66,736	69,539	76,693
Other receivables and accruals	3,403	38,912	35,223	39,869
Marketable securities	—	41,278	20,098	22,876
Cash and cash equivalents	2,293	58,062	70,217	65,072
Current assets	24,469	212,718	202,148	212,659
Total assets	**152,442**	**784,632**	**774,872**	**790,262**
Shareholders' equity	81,308	228,307	239,515	217,842
Minority interests	197	2,969	3,478	4,833
Provisions for contingencies and losses	127	11,138	8,477	11,658
Borrowings and other financial liabilities	44,972	399,968	424,688	460,717
Trade payables and related accounts	12,499	40,344	38,092	42,322
Other payables and accruals	13,339	101,906	60,622	52,890
Debts	70,810	542,218	523,402	555,929
Total liabilities	**152,442**	**784,632**	**774,872**	**790,262**

* Our summary historical consolidated balance sheet data as at and for the year ended December 31, 2007 are not directly comparable to our summary historical consolidated balance sheet data as at and for the year ended December 31, 2008 as a result of the Change in Consolidation Method and the effect of the 2008 Acquisitions.

** Our summary historical consolidated balance sheet data as at and for the year ended December 31, 2009 are not directly comparable to our summary historical consolidated balance sheet data as at and for the year ended December 31, 2008 as a result of the 2009 Acquisitions.

Consolidated Cash Flow Statement Data

	Year ended December 31,			Nine months ended September 30,	
	2007*	2008**	2009	2009 (unaudited)	2010 (unaudited)
	(thousands of euros)				
Cash flow from (used in) operating activities (A)	6,541	14,438	35,368	25,381	26,146
Cash flow from investing activities (B)	(44,050)	(270,227)	(93,893)	(83,637)	(51,911)
Cash flow from financing activities (C)	35,015	343,501	56,921	65,516	24,098
Total cash flows (A + B + C)	(2,493)	87,712	(1,604)	7,260	(1,667)
Cash and cash equivalents at the beginning of the period	2,241	(252)	87,460	87,460	85,856
Cash and cash equivalents at the end of the period	(252)	87,460	85,856	94,720	84,189
Net increase (decrease) in cash and cash equivalents	(2,493)	87,712	(1,604)	7,260	(1,667)

* Our summary historical consolidated cash flow statement data for the year ended December 31, 2007 are not directly comparable to our summary historical consolidated cash flow statement data for the year ended December 31, 2008 as a result of the 2008 Acquisitions and the IFRS Cash Flow Statement Presentation Changes.

** Our summary historical consolidated cash flow statement data for the year ended December 31, 2008 are adjusted to reflect the IRFS Cash Flow Presentation Changes and are not presented in the same manner as our audited historical consolidated financial statements for the year ended December 31, 2008, cash flows are computed from EBITDA (see "*—Other Financial Data*") and not from "Total consolidated net result". The only adjustment with a cash impact is that €3.5 million of "Net financial result" was reclassified from "Cash flow from financing activities" to "Cash flow from (used in) operating activities".

Other Financial Data

	Year ended December 31,				Nine months ended September 30,		Twelve months ended September 30,
	2007 (unaudited)	2008 (unaudited)*	Pro Forma 2008 (unaudited)	2009 (unaudited)*	2009 (unaudited)	2010 (unaudited)	2010 (unaudited)
	(thousands of euros)						
Other data							
EBITDA(1)	(2,528)	42,254	85,729	87,059	64,652	64,661	87,068
Adjusted EBITDA(2)	(5,664)	38,232	81,707	82,724	61,574	61,288	82,438
Adjusted EBITDA margin(3)		16.2%	20.3%	19.5%	19.6%	18.5%	18.6%
Estimated Further Adjusted EBITDA(4)							87,819
Pro forma data							
Pro forma net financial debt(5)							404,216
Ratio of pro forma net financial debt to Estimated Further Adjusted EBITDA(4)							4.60x

* Historical EBITDA for the years ended December 31, 2008 and 2009 is audited.

(1) EBITDA represents profit from operations plus depreciation, amortization and provision expense, net. EBITDA as presented here differs from the definition of "Consolidated EBITDA" contained in the Indenture. EBITDA is not a measure of financial performance under French GAAP, and you should not consider EBITDA as an alternative to profit from operations or any other measure of performance derived in accordance with French GAAP.

The reconciliation of our profit from operations to EBITDA is as follows:

	Year ended December 31,				Nine months ended September 30,		Twelve months ended September 30,
	2007	2008	Pro Forma 2008 (unaudited)	2009	2009 (unaudited)	2010 (unaudited)	2010 (unaudited)
	(thousands of euros)						
Profit from operations	(2,644)	33,977	73,125	72,026	54,720	53,108	70,414
Depreciation, amortization and provision expense, net	116	8,278	12,604	15,033	9,932	11,553	16,654
EBITDA	(2,528)	42,254	85,729	87,059	64,652	64,661	87,068

(2) Adjusted EBITDA represents EBITDA minus the amount of the Priority Dividends, which we consider to be a personnel expense and therefore should be deducted from EBITDA.

The reconciliation of our EBITDA to our Adjusted EBITDA is as follows:

	Year ended December 31,				Nine months ended September 30,		Twelve months ended September 30,
	2007 (unaudited)	2008 (unaudited)*	Pro Forma 2008 (unaudited)	2009 (unaudited)*	2009 (unaudited)	2010 (unaudited)	2010 (unaudited)
	(thousands of euros)						
EBITDA	(2,528)	42,254	85,729	87,059	64,652	64,661	87,068
Priority Dividends	(3,136)	(4,022)	(4,022)	(4,335)	(3,078)	(3,373)	(4,630)
Adjusted EBITDA	(5,664)	38,232	81,707	82,724	61,574	61,288	82,438

* Historical EBITDA for the years ended December 31, 2008 and 2009 is audited.

(3) Adjusted EBITDA margin, expressed as a percentage, represents Adjusted EBITDA divided by revenue.

(4) Estimated Further Adjusted EBITDA for the twelve months ended September 30, 2010 has been derived from our Adjusted EBITDA for the same period and further adjusted to reflect the estimates described below in order to give effect to our acquisition of the remaining 80% of C.A.M., Centro Analisi Monza S.p.A., one of our Italian subsidiaries, seven separate laboratory companies and one unincorporated medical laboratory (the "Acquired Entities") at different dates during the twelve months ended September 30, 2010, as if they had each occurred on October 1, 2009.

The reconciliation of our Adjusted EBITDA to our Estimated Further Adjusted EBITDA is as follows:

	Twelve months ended September 30, 2010 (unaudited)
	(thousands of euros)
Adjusted EBITDA	82,438
Less Adjusted EBITDA of the Acquired Entities between their respective dates of acquisition and September 30, 2010	1,578
Plus Estimated Adjusted EBITDA of the Acquired Entities for the twelve months ended September 30, 2010*	6,959
Estimated Further Adjusted EBITDA of Labco	87,819

* Estimated Adjusted EBITDA of the Acquired Entities represents the aggregate estimated Adjusted EBITDA of each of such entities for the period from October 1, 2009 to September 30, 2010. These amounts are estimates in part because (i) historical income statement information was generally not available for any of these entities for the twelve months ended September 30, 2010, and (ii) such information has been converted and adjusted by us as described below.

We have estimated the EBITDA of the entities acquired between October 1, 2009 and September 30, 2010 using the following methodology:

- we have generally assumed that the Adjusted EBITDA of each acquired entity for the twelve months ended September 30, 2010 was equal to the Adjusted EBITDA of such entity for the year ended December 31, 2009;
- EBITDA of each acquired entity for the year ended December 31, 2009 was calculated on the basis of the audited historical annual financial statements of such entity, prepared under relevant local generally accepted accounting principles or, in the absence of audited financial statements, on the basis of unaudited financial statements, tax returns or unaudited internal management accounts;
- EBITDA estimates of the acquired entities were then converted to Labco's accounting policies (which differ from French GAAP) by Labco management; and
- EBITDA estimates did not take into account seasonality, but were adjusted on a case-by-case basis to give pro forma effect from October 1, 2009 to documented material positive or negative changes in the acquired laboratory companies and unincorporated clinical laboratories, such as changes in the remuneration policies of laboratory doctors.

The estimated information presented herein is for informational purposes only. This information does not represent the results we would have achieved had each of the acquisitions for which an adjustment is made occurred on October 1, 2009. The calculations for Estimated Further Adjusted EBITDA are based on various assumptions, management estimates and the unaudited internal financial statements, tax returns or management accounts of the acquired businesses, some of which differ from French GAAP. The EBITDA for each acquired entity for the year ended December 31, 2009 or such other applicable period used to calculate Estimated Further Adjusted EBITDA may not be representative of what each such entity's EBITDA would have been for the twelve months ended September 30, 2010. These numbers have not been, and 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 for periods prior to their acquisition, 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. Estimated Further Adjusted EBITDA is included in this offering memorandum because we believe that it provides a useful measure of our results of operations; however, this information does not constitute a measure of financial performance under French GAAP, and you should not consider Estimated Further Adjusted EBITDA as an alternative to operating income or any other performance measure derived in accordance with French GAAP or as a measure of our results of operations or liquidity. Other companies, including those in our industry, may calculate similarly titled financial measures differently from us. Because all companies do not calculate these financial measures in the same manner, the presentation of such financial measures may not be comparable to other similarly titled measures of other companies. Funds depicted by certain of these measures may not be available for management's discretionary use due to covenant restrictions, debt service payments or other commitments.

The aggregate estimated Adjusted EBITDA of the laboratory companies and unincorporated clinical laboratories (i) we acquired at different dates between October 1, 2010 and December 31, 2010 or (ii) which we will acquire at a later date pursuant to sale and purchase agreements signed prior to December 31, 2010 amounts to approximately €3.7 million. It is calculated on the basis of the same methodology as the Estimated Adjusted EBITDA of the entities we acquired between October 1, 2009 and September 30, 2010, described in this note above and is therefore subject to and should be considered in light of the relevant limitations, risks and uncertainties set out in the preceding paragraph. There can be no assurance that the acquisition of laboratory companies for which we have signed a sale and purchase agreement prior to December 31, 2010 will be completed.

(5) Net financial debt represents borrowings and other financial liabilities, less marketable securities, cash and cash equivalents. Pro forma net financial debt give pro forma effect to the issuance of the Notes and the application of the proceeds thereof as if such issuance took place on September 30, 2010. Our Revolving Credit Facility will not be drawn on the Issue Date.

(6) Net interest costs represent net financial result. Pro forma net interest costs give pro forma effect to the issuance of the Notes and the application of the proceeds thereof as if such issuance took place on October 1, 2009.

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

French self-regulatory or regulatory bodies may challenge the legal structure of our French operations and any such challenge, if successful, could have a material adverse effect on our financial condition and results of operations.

Our French operations are subject to stringent regulations and our compliance with such regulations is monitored by the relevant health authorities in the regions in which we operate, as well as by the doctors' and pharmacists' professional associations (*Ordre des médecins* and *Ordre des pharmaciens*), which are self-regulatory bodies with disciplinary powers over our laboratory doctors and that maintain the registries of clinical laboratories and laboratory doctors allowed to operate in France (see "*Business—Our Corporate Structure*" and "*Regulation—France*").

Shortly after the inception of Labco, the *Ordre des pharmaciens* and the *Ordre des médecins* stated that they believed our organization and legal structure contravened the fundamental principle of the independence of laboratory doctors. The *Ordre des pharmaciens* and, in several instances, the *Ordre des médecins*, have raised objections about the ownership structure and proposed articles of association of SELs in our network, arguing that they did not adequately guarantee the preservation of the professional independence of laboratory doctors practicing within such SELs. In several instances, the *Ordre des pharmaciens* imposed, on the basis of such concerns, disciplinary sanctions against laboratories and laboratory doctors in the Labco network. In addition, the *Ordre des pharmaciens* has frequently disciplined us for formal and purely technical breaches of applicable regulations, such as late or incomplete filings of legal and administrative documentation or notifications. Some of these actions are still pending. We have appealed some of these decisions and have won a number of such appeals on procedural grounds. In addition to the disruptions caused by occasions on which one of our clinical laboratories or laboratory doctors has been disciplined, our relationship with, and the positions taken by, the *Ordre des pharmaciens* has been, and could continue to be, extremely time consuming and disruptive.

In March 2007, we filed a complaint against the *Ordre des pharmaciens* with the European Commission on the grounds that the *Ordre des pharmaciens* had inappropriately used the powers granted to it to impede the development of free competition and the creation of groups of laboratories in the French clinical laboratory services markets (see "*Business—Legal Proceedings*"). On December 8, 2010, the Commission found against the *Ordre des pharmaciens* and imposed a €5 million fine on the *Ordre* for anticompetitive behavior. According to the press release issued by the European Commission commenting on this decision, the Commission's ruling did not extend to an appreciation of the French laws regulating the clinical laboratories market, but was only directed at the behavior of the *Ordre des pharmaciens*. The *Ordre des pharmaciens* has since indicated it is considering appealing this decision before the General Court of the European Union (see "*Business—Legal Proceedings*"). We cannot assure you that, awaiting a decision on appeal, the *Ordre des pharmaciens* will refrain from pursuing disciplinary or other actions against our laboratory doctors or clinical laboratories in France.

If the *Ordre des pharmaciens* successfully challenges the organization or legal structure of one or more of our French laboratories, it could impose disciplinary sanctions on those of our laboratory doctors who are pharmacists, including warnings, temporary suspensions or removal from the pharmacists' register, which may lead to the revocation of the registration of our laboratories, causing a disruption of our operations. The *Ordre des médecins* could impose similar sanctions on our laboratory doctors or laboratories. In addition, if regional health agencies in France conclude that our organization and legal structure contravene applicable regulatory requirements, they could suspend or terminate our governmental authorizations. If we have to modify elements of our structure in response to regulatory challenges, we may no longer be able to fully consolidate our French operations in our financial statements, our ability to pool or dividend cash generated by our French laboratories may be impaired and we may have to weaken the control we exercise over certain aspects of the operation of our French laboratories or the integration of such laboratories into our network.

Furthermore, the *Ordre des pharmaciens* and the *Ordre des médecins* represent their respective professions in specialized governmental bodies and agencies and are involved in the preparation of laws and regulations pertaining to their professions. (See "*Regulation—France*".) As a result, they are in a position to influence the content of governmental policy and regulations and may attempt to use this influence to limit the development of groups of laboratories such as Labco.

France represented 48.7% and 47.7%, respectively, of our revenues for 2009 and for the nine months ended September 30, 2010 and is an important market for our growth strategy. As a result, any of these events could cause a significant disruption to our operations and could have a material adverse effect on our financial condition and results of operations.

The prices we may charge in certain markets are set by tariffs established by governments that are decreasing.

In many countries, our activities are governed by regulatory regimes that include tariffs, which are mandatory prices or pricing methodologies for some or all of the laboratory clinical testing services we provide. Tariffs are established by governments and we have limited influence over the levels at which they are set. Revisions of tariffs may occur at any time and recent revisions of tariffs have involved reductions. For example, in Italy, where tariffs are set on an indicative basis at the national level and subject to adjustments at the regional level, national tariffs were decreased by 20% in 2007. In Belgium, tariff reductions of between 2% and 5% were introduced in 2010. Tariffs are often reduced on the basis that productivity gains in providing the relevant tests make them cheaper. For instance, in February 2009 and January 2010, the French government implemented tariff decreases that primarily applied to tests performed with higher levels of automation. Tariff reductions also took place in 2009 and 2010 in Portugal and Germany. Decreases in regulated tariffs reduce our margins and may affect our revenue from testing services, our operating results or the economic feasibility of providing certain testing services by some or all of our laboratories.

European governments' efforts to reduce healthcare spending and reimbursement levels for diagnostic testing and recently adopted austerity measures may adversely affect our business.

In many of the markets in which we operate, our services are provided under public health programs funded partly or entirely by governments. We face efforts from government payers to reduce expenses for health programs generally, including the services we provide. Governments typically control healthcare expenditure by cutting tariffs or reimbursement levels, seeking to reduce the number of tests prescribed by doctors, and limiting the testing services covered by their health programs. For example, the French government is pressuring health professionals to limit the number of analyses they prescribe, and the German government has sought to discourage "excessive" testing by decreasing reimbursement levels after a specified number of tests have been performed. Governments' reimbursement schemes often limit the range of tests that are covered, and certain existing or innovative tests that provide higher margins for our business may be excluded from such coverage.

The recent financial crisis has caused significant adverse changes to the prices of sovereign debt and increased financing costs for certain European countries such as Spain and Portugal. As a result and in an effort to address market concerns regarding their budgetary imbalances, these countries have adopted particularly harsh austerity measures that have included reductions in healthcare spending. In addition, other European countries, including France, Germany, Italy and the United Kingdom, have announced austerity measures aimed at curbing government expenditure, including healthcare expenditure. For example, in France, the National Health Insurance Fund (*Caisse Nationale d'Assurance Maladie*) announced in 2010 its intention to achieve an overall saving of €150 million in 2011, notably by reorganizing the clinical testing tariff system, which we believe will result in decreased tariffs overall. France represented 48.7% and 47.7%, respectively, of our revenues for 2009 and for the nine months ended September 30, 2010 and the prices per test in France are among the highest of the countries in which we operate. As a result, tariff reductions in France could significantly adversely affect our overall performance. In Portugal, the "Plan for Stabilization and Growth", enacted in response to the economic downturn, is also expected to reduce national spending on healthcare. Furthermore, in early 2010, the Hessen region in Germany retroactively reduced the reimbursement levels it grants to laboratories for analyses performed since October 2009. Efforts to contain healthcare expenditures are also being undertaken in Belgium, Spain and Italy. Such measures, including those 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 the volume of tests we provide, our revenues and operating results.

Third-party payers and health insurance companies have taken steps to control the utilization and reimbursement of healthcare services, including clinical laboratory testing services, which may adversely affect our businesses.

We face efforts by non-governmental third-party payers—mainly private health insurers—to reduce utilization and reimbursement for clinical laboratory testing services.

In certain markets, we receive payment for our services from private health insurers that have gained significant bargaining power by only reimbursing healthcare services if such services are provided by pre-selected providers. Private health insurers negotiate fee structures with healthcare providers, including clinical laboratories, and certain private health insurers have insisted on discounted fee structures as a condition for pre-selection in the past and may insist on further discounted fee structures in the future. If we are not pre-selected by private insurers, or are required to accept unfavorable terms to secure such pre-selection, our results of operations may be adversely affected. For example, four private insurance customers in Spain accounted for a significant portion of our revenue in 2009. In 2009, Adeslas, a major Spanish private health insurer for which we serve as a pre-selected provider, implemented a 15% tariff cut in Madrid. Asisa, another major Spanish private health insurer, introduced the per capita model for pricing in Madrid in 2008 and expanded the model to other regions in 2009, which effectively caused a very significant decrease in prices. Under the per capita model, the insurer pays a set annual fee per patient for the laboratory network to provide all of the specified testing services of each covered patient during the relevant year up to a pre-set limit. Costs associated with testing services required by such patients below the specified limit are borne by the laboratory and therefore some of the risks associated with changes in the volume of testing services utilized by patients are transferred from the private health insurer to us.

Pressure from private health insurers may also affect us indirectly. Private health insurers have exerted pricing pressure on private hospitals which, in turn, have exerted pricing pressure on us. In 2009, USP and Quiron, both significant Spanish private hospital customers, decreased the average price per test they would pay by approximately 7.5% and 20%, respectively, at least partly in response to pressure from private insurers. Pricing pressure on private hospitals and other parties with which we conduct business reduces such parties' margins and has also caused, and may continue to cause, such parties to default on their obligations to us.

In markets where private insurance supplements public healthcare, private insurers may seek to control their costs by decreasing levels of reimbursement under their insurance plans, requiring the patient to pay any shortfall or an increased amount of shortfall.

Such efforts by third-party payers to reduce utilization of clinical laboratory testing services, or their exposure to risks associated with such utilization, and reimbursement levels on the services we provide may have a material and adverse effect on our operating results.

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

The economic downturn and volatility in connection with the recent financial crisis has increased the risk associated with conducting our business in certain countries where we have significant operations, especially in Spain and Portugal, such as the risk of default by payers on their payment obligations to us. Economic difficulties have also resulted in reduced levels of activity and higher unemployment and have led governments, private insurers and other third parties to reduce their healthcare spending, which may affect our revenue or margins.

Our customers include large corporate employers to which we provide clinical laboratory testing services for their employees. Under employment laws in Spain and Portugal, employees are entitled to a regular check-up paid for by their employer. Current economic conditions are leading to unemployment, headcount reductions, hiring freezes and financial distress for certain of these corporate customers, which reduces testing services volumes for such customers.

In addition to volume reductions or default, this economic climate has resulted in downward pressure on prices and therefore on 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. More generally, a decrease in household disposable incomes, or the perception thereof, in times of economic downturn can lead to a reduction in individuals' healthcare expenditure, including private insurance coverage and the level of such coverage, regardless of the level of reimbursements by public social security systems.

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;
- safety and health of clinical laboratory employees;
- handling, transportation and disposal of medical samples and infectious and hazardous waste;
- ownership of clinical laboratories, in particular in France;
- 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 may require us to modify our operations or impose additional compliance expenses or burdens on us. For example, recent regulatory reforms in France have introduced minimum accreditation standards for laboratories to be complied with by 2016, 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 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*). Changes in these laws and regulations may also require us to modify the organization or legal structure of our operations. Under existing French legislation, the French government may introduce by decree regulations that further restrict the ownership and control of laboratory companies by persons other than laboratory doctors practicing within such companies. Such developments are supported by certain parties in France, including the *Ordre des pharmaciens*, which view such regulations as enhancing the independence of laboratory doctors. 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, no longer be able to contract with third-party payers, 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.

In addition, changes to certain regulations or government programs that are not directly connected with the clinical laboratory testing market, such as regulations relating to doctors, health insurers and hospitals, could also affect us and impair our results of operations and our ability to expand our business. For example, a recent amendment of Portuguese regulations on retirement benefits available to doctors caused a significant number of practicing doctors to retire before such regulatory reform came into effect and reduced the number of practicing doctors and therefore the amount of referrals we received.

We are subject to numerous and complex tax regimes, and changes in such regimes could materially impact our financial condition. We have operations in many countries in Europe and are therefore liable to pay taxes in many fiscal jurisdictions. As a result, our tax burden depends on the interpretation by each of these jurisdictions of local tax regulations, bilateral or multilateral international tax treaties and administrative doctrine. Changes in these tax regimes could have an impact on our tax burden and our financial condition.

Regulations in certain markets are undergoing reform and we may not be able to respond to such changes effectively.

Certain of the markets in which we operate, such as Italy, are currently undertaking, or considering undertaking, regulatory reforms that are expected to result in increased competition and consolidation in such markets. For example, reforms that liberalized the markets in Spain and Portugal led to considerable pricing competition and pressure. Increased pricing competition may reduce our margins. While we would develop a strategy to anticipate such regulatory changes, the industry and our operating environment may not respond to these changes in the way we expect, and we may, as a result, be unable to maintain our market position and execute effectively our strategy in such markets. In addition, competitors with greater financial resources or stronger market positions than ours may be able to respond to such regulatory reforms better than we are able to. If we do not respond effectively to regulatory and market changes, it may have an adverse effect on our prospects and results of operations.

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

Our clinical testing services are intended to supply healthcare professionals with information to help them establish or support diagnoses and prescribe medication and treatment for patient care. Inaccuracies or negligence in performing our clinical testing services could lead to inaccurate diagnoses by doctors, prescriptions of inappropriate treatment or decisions not to prescribe treatment when treatment is required, which may lead to illness, harm, death or other adverse effects on patients. Errors such as misidentifying or inaccurately labeling samples, compromising the integrity of samples and errors caused by testing machines or reagents may occur. We have been sued for alleged acts or omissions of our laboratory personnel and other employees in the past. The process of defending such cases, even when we are successful in our defense, is costly and could result in substantial damage to our reputation in the medical community and with patients.

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

Our growth strategy includes acquiring laboratories and integrating them into our network. In the years ended December 31, 2008 and 2009, we completed 28 and five acquisitions, respectively. In 2010, we completed 14 acquisitions and entered into nine sale and purchase agreements in respect of acquisitions that we expect to close in 2011.

The success of our 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. Continued consolidation of the European clinical laboratory testing market may limit the opportunities for acquisitions. Our competitors, such as Sonic Healthcare Limited, Synlab GmbH & Co. KG, Unilabs Group Ltd and Amedes Holding A.G., are following similar acquisition strategies. Other operators, such as Quest Diagnostics Inc. and Laboratory Corporation of America Holdings, while not yet significantly active in Europe, may choose to commence operations in Europe. These competitors, and certain financial investors interested in entering our market, have greater financial resources available for investments or may have capacity to accept less-favorable terms than we can accept which may prevent us from acquiring the businesses that we target and reduce the number of potential acquisition targets. In addition, certain of our competitors already have, or through such acquisitions may attain, a greater geographical footprint within a particular 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.

If acquisitions are made, there can be no assurance that we will be able to maintain the customer base of businesses we acquire, generate expected margins or cash flows, or realize the anticipated benefits of such acquisitions, including growth or expected synergies. Although we analyze acquisition targets, those assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations. There can be no assurance that our assessments of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from our expectations. In most cases, acquisitions involve the integration of a separate business that was previously operated independently with different systems and processes. We may not be able to integrate acquisitions successfully into our business or such integration may require more investment 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. 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;
- loss of key customers or employees;
- 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;
- unforeseen challenges from operating in new geographic areas; and
- diversion of management's attention from our day-to-day business as a result of the need to deal with the foregoing disruptions and difficulties.

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

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

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

We have recorded a significant amount of goodwill. Total goodwill, which represents the excess of cost over the fair value of the net assets of the businesses acquired, was €529.4 million as of September 30, 2010, or approximately 67% of our total assets.

Goodwill is recorded on the date of acquisition and, in accordance with French GAAP, is amortized on a straight line basis over the estimated period of benefit (15 years in our case). In addition, goodwill may be reviewed for impairment. Under IFRS, goodwill is not amortized but 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. We recorded net goodwill amortization charges in an amount of €31.2 million for the nine months ended September 30, 2010. We did not record any charges for goodwill impairment during this period. Any future impairment of goodwill may, however, result in material reductions of our income and equity under French GAAP or IFRS.

We have not included IFRS financial information in this offering memorandum, and there may be significant differences between our financial position and the results of operations prepared in accordance with French GAAP and IFRS.

Our consolidated financial statements included in this offering memorandum are based on French GAAP, which differs in certain significant respects from IFRS. We plan to adopt IFRS for our annual consolidated financial statements for the year ended December 31, 2010 (which will include 2009 comparative data). We have not presented a reconciliation of our financial statements to IFRS in this offering memorandum. Because there are significant differences between French GAAP and IFRS, if we were to prepare our financial statements on the basis of IFRS instead of French GAAP, there could be substantial differences in our results of operations, cash flows and financial position, including levels of indebtedness. In particular, our profits for operations could be materially lower under IFRS.

When we adopt IFRS, the Indenture requires us to report according to such standards, and the covenant calculations will be based on the relevant standards. There could be significant differences in our reported results between our newly adopted standards and French GAAP. We will not be required to reconcile these differences. In addition, our covenants may become more or less restrictive from time to time, depending upon the effect of the standards we adopt. This could result in our being able to take actions that might be to your detriment, such as incurring greater amounts of debt than would otherwise have been possible, or not being able to take actions that would otherwise be to your benefit, such as making investments. See "*Annex A: Summary of Certain Differences between French GAAP and International Financial Reporting Standards*".

We may not exercise complete control over the operations of the French SELs in which we have a minority voting interest and may be dependent on the laboratory doctors who own a majority voting interest in such SELs to conduct the operations of such SELs.

In France, we are subject to regulatory constraints that restrict the ownership of the share capital and voting rights of SELs operating clinical laboratories by persons other than the laboratory doctors professionally active in such SELs, and restrict the number of SELs operating clinical laboratories that can be directly held by the same laboratory doctor or laboratory company (see "*Regulation—France*"). To comply with such regulations, we have established a specific corporate structure pursuant to which we directly and indirectly hold shares representing approximately up to 99.9% of the share capital of our SELs and the laboratory doctors operating such SELs hold the remainder. However, the articles of association of all of our SELs grant the laboratory doctors operating them a majority of the voting rights at all shareholders' general meetings. We have established a corporate governance, contractual and organizational structure that enables us to exercise control, within the French regulatory framework, over these SELs, but these mechanisms are limited by French regulatory constraints on the independence of laboratory doctors and do not confer on us the same powers we would have had if we were holding all or a majority of the voting rights (see "*—French self-regulatory or regulatory bodies may challenge the legal structure of our French operations and any such challenge, if successful, could have a material adverse effect on our financial condition and results of operations*"). As a result, we are dependent, with respect to certain matters, on the laboratory doctors who hold the majority of the voting rights in our SELs. These laboratory doctors may not necessarily share our views on the manner in which the SEL should be managed and may exercise their voting rights in a manner adverse to us. This could disrupt the operation of our French laboratories and divert our management's time and attention from the day-to-day operation of our business.

Our ownership model includes laboratory doctors who join our network but retain autonomy over the day-to-day operations of laboratories for which they are responsible. This decentralized and independent management and responsibility model is required by the regulatory framework of certain of the countries in which we operate, such as France. While this model includes incentives for laboratory doctors based on the performance of their laboratories as well as the overall group to align their interests with these of the group, we have limited control over the day-to-day management by such laboratory doctors of their laboratories, and we can provide no assurance that these incentives will ensure such laboratory doctors operate their laboratories in a manner commercially prudent or consistent with the interests of our group.

We may be unable to retain or recruit experienced laboratory doctors, which may weaken our relationship with local medical communities and adversely affect our operating results.

The success of our clinical laboratories depends on employing and retaining qualified, highly skilled and experienced laboratory doctors who can maintain and enhance our reputation by providing testing services in accordance with our standards. In the future, if competition for the services of these professionals increases, we may not be able to continue to attract and retain such laboratory doctors in our group.

Our business depends on personal relationships and the professional reputation of our laboratory doctors with patients and customers who refer patients to our laboratories, such as general practitioners and private hospitals. Departing professionals who have strong relationships with their local medical community may draw business away from us. For example, our results of operations in Germany for 2009 and 2010 were adversely affected by the departure in 2009 of a laboratory doctor from our Duisburg laboratory, which resulted in the loss of a significant contract with a blood bank.

If we lose, or fail to attract and retain, skilled laboratory professionals with positive relationships in their respective local medical communities, our revenues and earnings could be adversely affected.

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 depends in part on the continued skills, efforts and motivation of our senior management team, both at the group corporate level and in each of the countries in which we operate. 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 affect on our business, prospects, results of operations and financial condition.

Increased quality and price competition could have a material adverse impact on our net revenues and profitability.

The clinical laboratory market in each of the countries in which we operate is intensely competitive. In markets in which fee structures are regulated, competition is based mostly on the quality of services provided, including reporting and information technology systems offered and the skills of laboratory personnel. Reputation in the medical community is a key factor affecting the volume of testing service we provide in such markets, because medical practitioners are an important source of patient referral to our laboratories.

We face price competition in liberalized markets such as Spain, where price is often the determining factor for healthcare providers and third-party payers in the selection of a laboratory. Price is also a key driver in the market for hospital laboratories outsourcing, where our potential clients' main objective is cost reduction. The ongoing consolidation of the European clinical laboratory industry is expected to enable larger groups to offer lower prices as they adopt cost-efficient, large-scale automated testing. Increased cost efficiencies and lower prices are particularly likely for routine testing procedures. As a result of the size or structure of our network, we may be unable to achieve competitive levels of efficiency and may lose customers or tenders as a result. This could negatively impact our results of operations and cash flows. 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 bigger operational resources and broader geographical reach, or conduct more-effective marketing programs. In certain of our markets such as Spain, and potentially Germany, scale and geographic reach provide competitive advantages because private health insurers prefer negotiating national contracts with, and offer more favorable terms to, networks that have a substantial geographic footprint. Our ability to compete effectively may be adversely affected because we do not have an extensive network in some of the markets in which we operate.

The development of new, more cost-effective tests that can be performed by our customers or our patients, or the internalization of testing by hospitals or doctors, could negatively impact our testing volume and net revenues.

Advances in technology may lead to the development of more cost-effective tests that can be performed outside a commercial clinical laboratory such as specialty tests that can be performed by hospitals in their own laboratories, point-of-care tests that can be performed by doctors in their surgeries, or home-testing that can be performed by patients or other non-medical professionals (such as test kits that already exist for HIV testing). Manufacturers of laboratory equipment and test kits could seek to increase their sales by marketing point-of-care test equipment to doctors. The development of such technology and its use by our customers would reduce the demand for our laboratory-based testing services and negatively impact our revenues.

Some of our customers, such as hospitals and doctors, may choose to perform tests that we currently perform. If such customers were to perform such tests themselves, and if we did not offer new or alternative tests attractive to our customers and patients, the demand for our testing services would be reduced and our net revenues would be materially adversely impacted.

Failure to be supplied with new tests, technologies and services could negatively impact our testing volume and net revenues.

The clinical laboratory industry faces challenges from regularly changing technology and new product introductions. We do not develop our own tests or technologies, but rely on equipment suppliers and test developers for the introduction of new tests. Other players, including our competitors, may obtain patents, licenses or other rights that prevent, limit or interfere with our ability to provide particular tests or that increase our costs. In addition, in markets where laboratory testing prices are unregulated (such as Spain), some of our competitors could introduce new, less expensive tests that cause a decrease in the demand for our tests. Our success in continuing to introduce new tests, technology and services depends on our ability to contract with equipment suppliers and test developers on favorable terms. If we are unable to license new tests, technology and services to expand our specialty testing business, our testing methods may become outdated and our testing volumes and revenues may be adversely affected.

Failures of our information technology systems, including failures resulting from our systems conversions, could disrupt our operations and cause the loss of customers or business opportunities.

Information technology systems are used extensively in virtually all aspects of our business, including clinical testing, test reporting, billing, customer service, logistics and management of medical data. Our operations depend on the continued and uninterrupted performance of our information technology systems. Information technology 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 information technology systems may be subject to physical or electronic break-ins, computer viruses and similar disruptive problems.

Information technology problems may impact our ability to process test orders, deliver test results or perform or bill for tests in a timely manner. For example, our Duisburg laboratory in Germany suffered a shutdown of its telecommunication system for several weeks during 2009 resulting in the loss of customers and impacting the laboratory's revenue for that year. If we experience significant or recurring information technology 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 and result in a loss of other customers and revenues.

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

We bill various payers, such as patients, insurance companies, social security systems, doctors, hospitals and employers for our services. Changes in laws and regulations, the terms of applicable agreements with payers or the payment policies of payers could increase the complexity and cost of our billing process. Additionally, auditing for compliance with applicable laws and regulations as well as internal compliance policies and procedures further exacerbate the costs and complexity of the billing process.

For example, billing arrangements for clinical testing services in Spain are subject to extensive regulation and administrative requirements. As a result, the billing systems for our Spanish laboratories are complex and require significant and regular investments in technology. 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.

In countries where we directly contract with private insurance companies, such as in Spain, or where we rely on private insurance companies as third-party payers, or in the hospital laboratories outsourcing market, in which we act as a subcontractor and are therefore paid by the outsourcing client, we are exposed to the credit risk of those parties. For example, in 2009 we were required to write off €1.7 million of receivables from Nextgroup, a Spanish work medicine company, and Unimed, a Spanish medical diagnostic services company for health insurance companies, which both entered into receivership. Significant or recurring incidents of bad debts would adversely impact our financial condition and results of operations.

Failure to comply with and liabilities under environmental, health and safety laws and regulations could result in 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 regulation under EU, national and local laws and regulations relating to the protection of the environment and human and occupational health and safety, including those governing the handling, transportation and disposal of medical samples and biological, infectious and hazardous waste, as well as regulations relating to the safety and health of laboratory employees. We must meet strict requirements in all jurisdictions in which we operate for the disposal of laboratory samples at authorized facilities.

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 hepatitis B virus). 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.

Environmental, health and safety regulations 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, which could have a material adverse effect on our business. For example, in 2009, one of our small French laboratories was closed for three weeks as a result of disciplinary sanctions by the *Ordre des pharmaciens* due to a failure to maintain adequate safety and quality standards. 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.

The soil and groundwater at some of the sites we own or lease could be contaminated with hazardous materials from industrial activity that may have occurred in the past. Under certain environmental, health and safety laws and regulations, we could be required to investigate or remediate contamination at properties we own or occupy, even if the contamination was caused by persons unrelated to us. While we are not currently aware of any significant soil or groundwater contamination at our properties, the discovery of previously unknown contamination or the imposition of new obligations to investigate contamination at these or other properties in the future could result in substantial unanticipated costs to us.

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. The disruption, failure to comply with transportation requirements or the unsuitable delivery of sample transportation services could result in damage to our reputation, claims against us and the loss of customers, which would adversely affect our results of operations, financial condition and prospects.

In addition, in certain of the countries in which we operate, we have entered into outsourcing arrangements with third parties for the transportation of medical samples from a specified collection point (such as hospital sites, doctors' offices and collection centers) to our clinical laboratories. We do not control the facilities or operations of such third-party transport operators and depend on them for their sample transportation services and conducting their operations in a manner sufficient to maintain the integrity of samples. An interruption of their operations or any failure by them to deliver on their 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.

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.

Extreme weather conditions can affect our levels of activity and hence our revenues.

A significant portion of our business depends on patients—who are often ill, aged, pregnant or have limited mobility—travelling to doctors and to our laboratories or collection centers. Accordingly, unusual or inclement climatic conditions, in particular affecting ground transportation conditions, has caused and may cause in the future a decrease in demand for our testing services. We also maintain a logistics network to transport test samples from sample collection points to laboratories and between laboratories. Our logistics network significantly depends on ground transportation, which may be disrupted by factors including snow and other adverse weather conditions. Disruptions to our logistics networks restrict our ability to provide our services in affected areas and reduce our revenues.

For example, our volumes in Normandy, northern France and Germany declined significantly in the first quarter of 2010 because of substantial snowfalls.

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. 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. 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 are not covered by insurance. We maintain an amount of insurance protection that we believe is adequate, but there can be no assurance that our insurance cover will be sufficient or effective under all circumstances and against all liabilities to which we may subject. We could, for example, be subject to substantial claims for damages upon the occurrence of several events within one calendar year. In addition, our insurance costs may increase over time in response to any negative development in our claims history or due to material price increases in the insurance market in general. There can be no assurance that we will be able to maintain our current insurance coverage or do so at a reasonable cost.

Risks Related to Our Indebtedness and the Notes

The Issuer and certain 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 Notes or the guarantees.

The Issuer and certain Guarantors are holding companies with no business operations other than the equity interests they hold in each of their subsidiaries. The Issuer and such Guarantors are dependent upon the cash flow from their operating subsidiaries in the form of dividends or other distributions or payments to meet their obligations, including their obligations under the Notes or the guarantees. The amounts of dividends and distributions available to the Issuer and such Guarantors will depend on the profitability and cash flows of their subsidiaries and the ability of those subsidiaries to declare dividends under applicable law. The subsidiaries of the Issuer and such Guarantors, however, may not be able to, or may not be permitted under applicable law to, make distributions or advance upstream loans to the Issuer or such Guarantors to make payments in respect of their indebtedness, including the Notes and the guarantees. While the Indenture limits the ability of the Issuer's subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments, these limitations are subject to significant qualifications and exceptions, including exceptions for restrictions imposed by applicable law. In addition, the subsidiaries of the Issuer that do not guarantee the Notes have no obligation to make payments with respect to the Notes.

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, 2010, and as adjusted to give effect to this Offering and the application of the proceeds thereof, our pro forma net financial debt would have been €404.2 million, which reflects external interest-bearing loans and borrowings less cash and cash equivalents. In addition, our Revolving Credit Facility will not be drawn on the Issue Date and will allow for an additional €125 million in future borrowings on a committed basis, which may be increased to €135 million. Our significant leverage could have important consequences for our business and operations and for you as a holder of 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 indebtedness 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 fund our future acquisitions or other working capital expenditures.

In addition, we may be able to incur substantial additional debt in the future, including indebtedness in connection with any future acquisition. The terms of the Indenture and the Revolving Credit Facility 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 businesses.

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

French thin capitalization rules may limit our capacity to deduct, for tax purposes, the interest paid in relation to the Notes and thus reduce the cash flow available to service our indebtedness.

Under current French tax legislation, deductions of interest paid on loans granted by a related party is allowed under certain conditions but subject to limitations. Deductions for interest paid by a company to its related parties may be disallowed in the fiscal year during which they were incurred if such interest payments exceed each of the following: (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 over the relevant fiscal year; (ii) 25% of the company's earnings before tax and extraordinary items (as adjusted); and (iii) the amount of interest received by the company from related parties. Deductions may be disallowed for the portion of interest that exceeds the highest of the above three limitations if the amount of such portion exceeds €150,000.

According to the French Finance Bill for 2011, such thin capitalization rules will also apply in the future, subject to certain exclusions, to third-party debts guaranteed by a related party.

The Notes, which will be guaranteed by certain of the Issuer's subsidiaries, may therefore be considered, at least in part, as related-party debt. As a result, allowable deductions by the Issuer of interest paid on the Notes may be limited. In addition, similar thin capitalization rules could apply at the level of the Issuer's French subsidiaries for any amount of the proceeds of the Notes used to grant intragroup loans to such subsidiaries. Certain exemptions from the requirements of the French thin capitalization regime apply for intragroup transactions within tax consolidated groups. As a result of the ownership structure of our French subsidiaries, we are unable to form a tax consolidated group in respect of our operations in France and therefore we are unable to benefit from such exemptions and the limitations on the voting rights we have in such subsidiaries.

If our ability to deduct interests paid on loans from taxes we pay in France was to be limited by such rules, our tax burden could increase and therefore negatively impact our financial condition and results of operations.

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

Our Revolving Credit Facility Agreement and the Indenture will 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 expenditure;
- 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;
- issue or sell share capital of certain subsidiaries; and
- create or incur certain liens.

The Revolving Credit Facility also includes limitations on acquisitions and capital expenditures. 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.

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

Our Revolving Credit Facility Agreement and the Indenture will require us to comply with various covenants, including financial covenants in respect of the Revolving Credit Facility requiring us to maintain specified financial ratios and satisfy specified financial tests.

The Revolving Credit Facility Agreement will require us to maintain a leverage ratio of consolidated total net debt to consolidated adjusted EBITDA less than or equal to 5.50 to 1 in the first 12 months tested and 5.25 to 1, 5.00 to 1, 4.75 to 1, 4.50 to 1 and 4.25 to 1, respectively, in each of the subsequent 12 months tested, and a super senior gross leverage ratio of total super senior gross debt to consolidated adjusted EBITDA that is less than 1.75 to 1. The Revolving Credit Facility Agreement will also require us to maintain a minimum cash balance of €20 million. Our ability to meet these financial ratios and tests could be affected by deterioration in our operating results, as well as by events beyond our control, including 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 those ratios and tests. Moreover, the Revolving Credit Facility Agreement includes certain events of default (such as breach of representations and warranties and cross-payment defaults) that are in addition to the events of default set forth in the Indenture. If an event of default occurs under the Revolving Credit Facility Agreement or any other of our 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 indebtedness and our other indebtedness, 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.

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

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

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

- the creditors of the Issuer (including the holders of the Notes) and the Guarantors will have no right to proceed against the assets of such subsidiary; and
- the creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Issuer or any Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Notes and each guarantee will be structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-guarantor subsidiaries. Assuming Labco Diagnostics España S.L. converts its corporate form to *sociedad anónima* and guarantees the Notes, our subsidiaries not guaranteeing the Notes would have generated 30.0% of our consolidated revenue and 27.4% of our consolidated EBITDA for the twelve months ended September 30, 2010 and would have represented 35.0% of our consolidated total assets, excluding intercompany balances and investments in subsidiaries, as of September 30, 2010. As of September 30, 2010, after giving pro forma effect to the issuance of the Notes and the Refinancing and assuming Labco Diagnostics España S.L. converts its corporate form to *sociedad anónima* and guarantees the Notes on a senior basis, our non-guarantor subsidiaries would have had approximately €22 million of total liabilities, including trade payables but excluding intercompany balances, all of which would have ranked structurally senior to the Notes and the guarantees. Any of the debt that our non-guarantor subsidiaries incur in the future in accordance with the Indenture will rank structurally senior to the Notes and the guarantees.

The Notes are not required to be secured by the Initial Collateral until seven business days after the Issue Date and there can be no assurance that the security interests will be granted.

To comply with certain necessary formalities for the grant of valid and perfected security interests, we have agreed to grant the liens securing the Notes within seven business days following the Issue Date. Our ability to grant such security interests depends on various factors including ensuring an effective release of any Collateral that is currently securing other obligations and compliance with formalities in certain jurisdictions to ensure that valid and perfected security interests are granted in favor of the Notes. Failure by us to grant the liens over the Collateral as required under the Indenture within seven business days of the Issue Date will constitute an event of default under the Indenture and the Revolving Credit Facility Agreement.

On the Issue Date, the Notes will not be guaranteed by Labco Diagnostics España S.L. nor will the holders of the Notes be entitled to the benefits of any security interests in the assets of Labco Diagnostics España S.L. and there can be no assurance that the guarantee and security interests from Labco Diagnostics España S.L. will be delivered.

No guarantee of the Notes will be given, and no security interests will be granted in favor of the holders of the Notes, by our national holding company in Spain, Labco Diagnostics España S.L., a *sociedad limitada* under the laws of Spain, at the time the Notes are issued. Under Spanish law, a guarantee or security in connection with bonds or other debt securities may only be granted by entities that are incorporated as stock companies under the laws of Spain (*sociedades anónimas*) and may not be provided by entities which are incorporated as limited liability companies under the laws of Spain (*sociedades limitadas*). Labco Diagnostics España S.L. will, however, be a borrower under the Revolving Credit Facility and will guarantee and grant security interests in favor of the lenders under the Revolving Credit Facility as of the Issue Date.

We have agreed to cause Labco Diagnostics España S.L. to guarantee and grant security interests in favor of the Notes on the capital stock of certain of its subsidiaries and certain intercompany loan receivables that it holds within six months of the Issue Date. Under Spanish law, Labco Diagnostics España S.L. will be required to convert its corporate form to *sociedad anónima* to guarantee and grant security interests in favor of the Notes. There are certain conditions to convert the corporate form of Labco Diagnostics España S.L. and for it to guarantee and grant security interests in favor of the Notes that are outside our direct control. Failure to comply with our obligation to cause Labco Diagnostics España S.L. to guarantee and grant security interests in favor of the Notes will constitute an event of default under the Notes.

Therefore, unless and until Labco Diagnostics España S.L. converts its corporate form to *sociedad anónima* and guarantees and grants security interests in favor of the Notes, holders of the Notes will not benefit from the credit support to be provided by Labco Diagnostics España S.L. and will be structurally and effectively subordinated with respect to indebtedness of such entity, including indebtedness outstanding under the Revolving Credit Facility.

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

Our ability to make payments on or to refinance the Notes or our other debt obligations 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 debts, including the Notes. 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 any of 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 indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. 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 indebtedness, 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, 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 nor the Indenture will contain a covenant requiring us to hedge all or any portion of our floating rate debt.

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

The Indenture will require us to make an offer to repurchase the Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase if we experience certain specified change of control events. Additionally, a change of control under the Revolving Credit Facility Agreement (which includes a different definition of change of control), unless waived by the lenders, results in 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 repurchase 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 repurchases of the Notes tendered and we may not be able to secure access to enough cash to finance the required repurchases of the Notes tendered. Our failure to effect a change of control offer when required would constitute an event of default under the Indenture. Furthermore, certain important corporate events that might adversely affect the value of the Notes (including certain reorganizations, restructurings and mergers) would not constitute a "change of control" under the Indenture. For a complete description of the events that would constitute a "change of control" under the Notes, see the section entitled "*Description of the Notes—Repurchase at the Option of Holders*".

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

Our shares are held by four different categories of shareholders: our founding shareholders; financial investors; laboratory doctors practicing in our laboratories; and others, such as our management, family members and estate planning entities of our laboratory doctors. See "*Principal Shareholders*". The interests of our various shareholders could conflict with the interests of the holders of the Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due. Our shareholders could cause us to pursue acquisitions, divestitures, financings, dividend distributions or other transactions (subject to the limitations set forth in the Indenture) that, in their judgment, could enhance their equity investments, although such transactions might involve risks to holders of the Notes. Furthermore, no assurance can be given that our principal shareholders will not sell all or any part of their respective shareholdings at any time nor that they will not look to reduce their holding by means of a sale to a strategic investor, an equity offering or otherwise. Such divestitures may not trigger a change of control under the Indenture.

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

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

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

The guarantees 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, Spain, Portugal, Germany, Belgium and Italy and the enforcement of each such guarantee will be limited to the maximum amount that can be guaranteed by such Guarantor under the applicable laws of each jurisdiction, to the extent that the granting of such guarantee is not in the relevant Guarantor's corporate interests, or the burden of such guarantee exceeds the benefit to the relevant Guarantor, or such guarantee 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 to contravene their fiduciary duties and incur civil or criminal liability.

Accordingly, enforcement of any such guarantee against the relevant Guarantor would be subject to certain defenses available to guarantors generally or, in some cases, to limitations contained in the terms of the guarantees designed to ensure compliance with statutory requirements applicable to the relevant Guarantors. As a result, a Guarantor's liability under its guarantee could be materially reduced or eliminated, depending upon the law applicable to it.

It is possible that a Guarantor, or a creditor of a Guarantor, or the bankruptcy trustee in the case of a bankruptcy of a Guarantor, may contest the validity and enforceability of the Guarantor's guarantee on any of the above grounds and that the applicable court may determine that the guarantee 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, including trade payables of such Guarantor. Future guarantees may be subject to similar limitations. See "*Description of the Notes—The Guarantees*" and "*Limitations on Validity and Enforceability of Guarantees and the Security Interests and Certain Insolvency Law Considerations*".

The insolvency 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 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 Guarantors and secured by Security Interests over the Collateral. The Issuer is organized under the laws of France and the

Guarantors are organized under the laws of France, Spain, Portugal, Germany, Belgium and Italy. In addition, the Collateral will include a pledge over the shares in certain of our subsidiaries incorporated under the laws of France, Spain, Portugal, Germany, Belgium, Italy and Sweden and pledges of certain present and future intercompany loan receivables held by the Issuer and certain of its subsidiaries incorporated under the laws of France, Spain, Portugal, Germany, Belgium, Italy and Sweden.

The insolvency laws of foreign jurisdictions may not be as favorable to your interests as the laws of the United States or other jurisdictions with which you are familiar. In particular, the French bankruptcy laws and regulations are unfavorable to creditors in many respects. In the event that any one or more of the Issuer, the Guarantors or any other of the Issuer's subsidiaries 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.

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 Notes against the Issuer, the enforceability of a guarantee against a Guarantor and the enforceability of the Security Interests. The court may also in certain circumstances avoid the Security Interest or the guarantee where the company is close to or near insolvency. The following discussion of fraudulent transfer, conveyance and insolvency law, although an overview, describes generally applicable terms and principles, which are defined under the relevant jurisdiction's fraudulent transfer and insolvency statutes.

In an insolvency proceeding, it is possible that creditors of the Guarantors or the appointed insolvency administrator may challenge the guarantees and the Security Interests, and intercompany obligations generally, as fraudulent transfers or conveyances or on other grounds. If so, such laws may permit a court, if it makes certain findings, to:

- avoid or invalidate all or a portion of a Guarantor's obligations under its guarantee or the Security Interests;
- direct that holders of the Notes return any amounts paid under a guarantee or any security to the relevant Guarantor or to a fund for the benefit of the Guarantor's creditors; and
- take other action that is detrimental to you.

If we cannot satisfy our obligations under the Notes and any guarantee or Security Interest is found to be a fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Notes. In addition, the liability of each Guarantor under its guarantee or the Security Interests will be limited to the amount that will result in such guarantee or Security Interests not constituting a fraudulent conveyance or improper corporate distribution or otherwise being set aside. The amount recoverable from the Guarantors under the security documents will also be limited. However, there can be no assurance as to what standard a court would apply in making a determination of the maximum liability of each. There is also the possibility that the entire guarantee or Security Interests may be set aside, in which case the entire liability may be extinguished.

In order to initiate any of these actions under fraudulent transfer or other applicable principles, courts would, for example, need to find that, at the time the guarantees were issued or the Security Interests created, the Guarantor:

- issued such guarantee or created such Security Interest with the intent of hindering, delaying or defrauding current or future creditors or with a desire to prefer some creditors over others, or created such security after its insolvency;
- issued such guarantee or created such Security Interest in a situation where a prudent businessman as a shareholder of such Guarantor would have contributed equity to such

Guarantor or where the relevant beneficiary of the guarantee or Security Interest knew or should have known that the Guarantor was insolvent or a filing for insolvency had been made; or

- received less than reasonably equivalent value for incurring the debt represented by the guarantee or Security Interest on the basis that the guarantee or Security Interest were incurred for our benefit, and only indirectly the Guarantor's benefit, or some other basis and (i) was insolvent or rendered insolvent by reason of the issuance of the guarantee or the creation of the Security Interest, or subsequently became insolvent for other reasons; (ii) was engaged, or was about to engage, in a business transaction for which the Guarantor's assets were unreasonably small; or (iii) intended to incur, or believed it would incur, debts beyond its ability to make required payments as and when they would become due.

Different jurisdictions evaluate insolvency on various criteria, but a Guarantor generally may, in different jurisdictions, be considered insolvent at the time it issued a guarantee or created any Security Interest if:

- its liabilities exceed the fair market value of its assets;
- it cannot pay its debts as and when they become due; or
- the present salable value of its assets is less than the amount required to pay its total existing debts and liabilities, including contingent and prospective liabilities, as they mature or become absolute.

Although we believe that we are solvent, and will be so after giving effect to the Offering of the Notes, there can be no assurance which standard a court would apply in determining whether a Guarantor was "insolvent" as of the date the guarantees were issued or the Security Interests were created or that, regardless of the method of valuation, a court would not determine that a Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its guarantee was issued or the Security Interests were created, that payments to holders of the Notes constituted fraudulent transfers on other grounds.

For an overview of certain insolvency laws and enforceability issues as they relate to the guarantees and Security Interests, see "*Limitations on Validity and Enforceability of Guarantees and the Security Interests and Certain Insolvency Law Considerations*".

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

The pledges over shares of French companies may be enforced at the option of the secured creditor either by a sale of the pledged shares in a public auction (the proceeds of the sale being paid to the secured creditors), by judicial foreclosure (*attribution judiciaire*) or by contractual foreclosure (*attribution conventionnelle*) of the shares to the secured creditor, following which the secured creditor is the legal owner of the pledged shares. In a proceeding for *attribution judiciaire* or *attribution conventionnelle*, an expert is appointed to value the collateral (in this case, the pledged shares) and if the value of the collateral exceeds the amount of secured debt, the secured creditors may be required to pay the obligor a *soulte* equal to the difference between the value of the shares 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.

Consequently, in the event the lenders under the Revolving Credit Facility or the holders of the Notes decide to, and are entitled to, enforce the share pledges through a judicial or contractual foreclosure and if the value of such shares exceeds the amount of the secured debt, the lenders under the Revolving Credit Facility and the holders of the Notes may be required to pay to the relevant pledgors a *soulte* equal to the value by which such shares exceeds the amount of secured debt.

If the value of such shares 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 shares, and the remaining amount owed to such creditors will be unsecured.

If the holders of the Notes decline to request the judicial or contractual foreclosure of the shares, sale of the pledged shares could be undertaken by public auction in accordance with applicable law. Due to the French regulatory restrictions set forth in the immediately following risk factor, holders of the Notes are likely to have an incentive to enforce the pledged shares through a public auction. As 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.

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.

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, at least 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. These restrictions may limit the amount you are able to recover under the Collateral in the case of an event of default. See "*Regulation—France*".

Under the Intercreditor Agreement, the holders of the 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 Security Interests.

The Trustee under the Indenture governing the Notes will on the Issue Date enter into the Intercreditor Agreement with, among others, the agent under the Revolving Credit Facility, 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 Security Interests, the sharing in any recoveries from such enforcement and the release of the Collateral by the Security Agent. The Intercreditor Agreement provides that the Security Agent shall act upon the instructions of the class of secured creditor that first delivers a notice to the Security Agent, and the agents and representatives of certain other classes of secured creditors may also deliver such notices.

In order to deliver instructions, the creditor class must deliver to the Security Agent the proposed instructions at least 10 business days prior to the proposed date for the delivery 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 propose to provide conflicting instructions, such creditors must, subject to certain exceptions, consult with each other for a period of 30 days before any enforcement action may be taken. Although enforcement instructions given by holders of the Notes will prevail after such 30-day period, if:

- the creditors under our Revolving Credit Facility are not fully repaid and our existing hedging counterparties are not paid up to a certain amount within six months of the date enforcement instructions are proposed to be delivered the Security Agent;
- the Security Agent has not commenced any enforcement action within three months of the date enforcement instructions are proposed to be delivered the Security Agent; or
- any event of insolvency occurs,

then enforcement instructions by the lenders under our Revolving Credit Facility will prevail.

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

In addition, in certain circumstances, including acceleration of the Revolving Credit Facility or the Notes, any amounts recovered in respect of the Notes, including payments of interest or proceeds from the enforcement of guarantees or Security Interests, 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 and 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 Notes, such as proceeds from the enforcement of the Collateral, to the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations in priority to the holders of the Notes.

Our Revolving Credit Facility will provide for borrowings up to an aggregate of €125.0 million which may be increased to €135 million. In addition, the Indenture governing the Notes and our Revolving Credit Facility will permit us, in compliance with the covenants in those agreements, to incur additional indebtedness secured by liens on the Collateral. Our ability to incur additional debt in the future secured on the 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—Intercreditor Agreement*".

Enforcing your rights as a holder of the Notes or under the guarantees or the Collateral across multiple jurisdictions may prove difficult.

The Issuer is organized under the laws of France; the Guarantors are organized under the laws of France, Spain, Portugal, Germany, Belgium and Italy; the Collateral will include pledges over the shares of certain of our subsidiaries incorporated under the laws of those jurisdictions and under the laws of Sweden, and pledges of certain present and future intercompany loan receivables held by the Issuer and certain of its subsidiaries in respect of debtors in certain of these jurisdictions. In the event of bankruptcy, insolvency, administration or similar event, proceedings could be initiated in any of these jurisdictions. Your rights under the Notes, the guarantees and the Collateral are likely to be subject to insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex proceedings. In addition, the multi-jurisdictional nature of enforcement over the Collateral may limit the realizable value of the Collateral.

The insolvency, administration and other laws of the jurisdiction of organization of the Issuer and the Guarantors may be materially different from, or conflict with, each other and with the laws of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest, the duration of proceeding and preference periods. The application of these laws, and any conflict between them, could call into question whether, and to what extent, the laws of any particular jurisdiction should apply, adversely affect your ability to enforce your rights under the guarantees and the security documents in these jurisdictions or limit any amounts that you may receive.

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

The Notes will be secured only to the extent of the value of the Collateral, which will consist of first-ranking liens over the shares held by the Issuer and certain Guarantors in certain of our subsidiaries incorporated under the laws of France, Spain, Portugal, Germany, Belgium, Italy and Sweden and certain present and future intercompany loan receivables held by the Issuer and certain of its subsidiaries. See "*Description of the Notes—Collateral*". Not all of our assets secure the Notes, and the Indenture will allow the Issuer and its restricted subsidiaries to secure any future senior secured indebtedness (as defined in the Indenture) permitted to be incurred under the Indenture (which may be structurally senior to the Notes and the 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 Notes are accelerated, the Notes and the guarantees will not benefit from the assets securing such secured debt and will rank equally with the holders of other unsecured indebtedness of the Issuer and its restricted subsidiaries with respect to any property or assets that is excluded from the Collateral securing the Notes or such secured debt.

While the Indenture creates certain obligations to provide additional guarantees and grant additional security over assets, or a particular class of assets, whether as a result of the acquisition or creation of future assets or subsidiaries, the designation of an unrestricted subsidiary as a restricted subsidiary or otherwise, such obligations are subject to certain agreed security principles. The agreed security principles set forth in the Indenture set out a number of limitations on the rights of the holders of the Notes to be granted security in certain circumstances. The operation of the agreed security principles may result in, among other things, the amount recoverable under any Collateral provided being limited or security not being granted over a particular type or class of assets. Accordingly, the agreed security principles may affect the value of the security provided by the Issuer and the Guarantors.

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

The Notes will be secured by pledges over the shares held by the Issuer in certain of our subsidiaries and certain present and future intercompany loan receivables held by the Issuer and certain of its subsidiaries to certain subsidiaries. If we default on the Notes, holders of the Notes will be secured only to the extent of the value of the assets underlying the security interests granted in favor of holders of the Notes.

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

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 France, Spain, Germany and Belgium, the security interests in the Collateral that will secure the obligations of the Issuer under the Notes and the obligations of the Guarantors under the guarantees will not be granted directly to the holders of the Notes but will be granted only in favor of the Security Agent. The Indenture and the Intercreditor Agreement will provide that only the Security Agent 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, who will provide instructions (subject to the provisions of the Indenture) to the Security Agent.

The security over the Collateral in France, Germany, Belgium and Italy will also be granted in favor of the Security Agent as beneficiary of parallel debt obligations ("Parallel Debt") created to satisfy a requirement that the Security Agent, as grantee of certain types of collateral, be a creditor of the relevant Guarantor. The Parallel Debt is in the same amount and payable at the same time as the obligations of the Issuer under the Indenture and the Notes (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. The Security Agent will have, pursuant to the Parallel Debt, a claim against the Issuer for the full principal amount of the Notes. The holders of the Notes will not be entitled to enforce such security except through the Security Agent. Holders of the Notes bear some risks associated with a possible insolvency or bankruptcy of the Security Agent. The Parallel Debt obligations referred to above are contained in the Intercreditor Agreement, which is governed by English law. In Italy, the Security Interests granted over the relevant Collateral will be granted to the initial purchasers, to the Trustee for itself and as legal representative (*mandatario con rappresentanza*) of the holders of the Notes and to the Security Agent as beneficiary of the Parallel Debt. There is no assurance that such a structure will be effective before French, German, Belgian or Italian courts as there is no judicial or other guidance as to its efficacy, and therefore the ability of the Security Agent to enforce the Collateral may be restricted.

Investors' rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

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

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

Under a variety of circumstances, the Collateral securing the Notes will be released automatically, including a sale, transfer or other disposal of such Collateral in a transaction that does not violate the asset sale covenant of the Indenture, and in connection with an enforcement sale permitted under the Intercreditor Agreement. The Indenture will also permit us to designate one or more restricted subsidiaries that are Guarantors as unrestricted subsidiaries. If we designate a Guarantor as an unrestricted subsidiary for purposes of the Indenture, all the liens on the Collateral owned by such subsidiary and any guarantees of the Notes by such subsidiary will be released under the Indenture, subject to certain conditions. Designation of an unrestricted subsidiary will reduce the aggregate value of the Collateral securing the Notes to the extent of liens securing the shares of such unrestricted subsidiary or of its subsidiaries.

You may be required to recognize taxable income for U.S. Federal income tax purposes on the Notes in a taxable year in excess of cash payments made to you on the Notes.

The Notes may be issued with original issue discount for U.S. Federal income tax purposes. U.S. holders will be required to include the original issue discount in gross income on a constant yield to maturity basis in advance of the receipt of cash payment thereof regardless of such holders' method of accounting for U.S. Federal income tax purposes. See "*Certain Tax Considerations*" for a further discussion on the tax considerations with respect to the Notes.

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

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

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if an investor owns a book-entry interest, it will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear and Clearstream, Luxembourg. The procedures implemented for the granting of such proxies may not be sufficient to enable such investor to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the 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 Notes are new issues of securities for which there is currently no established trading 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 Notes, regardless of our prospects and financial performance. The initial purchasers have advised that they intend to make a market in the Notes after completing the Offering. 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.

The Notes may not become, or remain, listed on the Irish Stock Exchange.

Although the Issuer will, in the Indenture, agree to use its reasonable best efforts to have the Notes listed on the Official List of the Irish Stock Exchange and admitted to trading on its Global Exchange Market within a reasonable period after the Issue Date and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will become or remain listed. If the Issuer cannot maintain the listing on the Official List of the Irish Stock Exchange and the admission to trading on the Global Exchange Market or it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of the Irish Stock Exchange, provided that it will use reasonable best efforts to obtain and maintain the listing of the Notes on another stock exchange, although there can be no assurance that the Issuer will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List of the Irish Stock Exchange or another recognized listing exchange for comparable issuers in accordance with the Indenture, failure to be approved for listing or the delisting of the Notes from the Official List of the Irish Stock Exchange or another listing exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

USE OF PROCEEDS

We estimate that the gross proceeds of the Offering will be €500 million.

The following table sets forth our expected estimated sources and uses of funds from the issuance of the Notes, the consummation of the Refinancing and the payment of fees and expenses in connection with the Offering and the Refinancing. Actual amounts may vary from estimated amounts depending on several factors, including differences between estimated and actual fees and expenses.

Sources of Funds	Amount	Uses of Funds	Amount
	(millions of euros)		(millions of euros)
Proceeds from the Offering	500.0	Prepayment of Existing Senior Facilities[1]	273.4
		Prepayment of Senior Mezzanine Loan[2]	49.2
		Prepayment of Junior Mezzanine Loan[3]	71.5
		Prepayment of Repaid Bilateral Bank Loans[4]	52.1
		Prepayment and break-up fees[5]	8.9
		Fees and transaction costs[6]	22.4
		Cash	22.5
Total Sources	500.0	**Total Uses**	500.0

(1) Represents the prepayment in full of the principal amount outstanding under the Existing Senior Facilities on December 31, 2010, plus expected accrued and unpaid interest from January 1, 2011 until the Issue Date. The Existing Senior Facilities mature partly in 2014 and partly in 2015 and bear interest at a rate equal to EURIBOR plus the applicable margins of between 2.5% and 3.0%.

(2) Represents the prepayment in full of the principal amount outstanding under the Senior Mezzanine Loan on December 31, 2010, plus expected accrued and unpaid interest from January 1, 2011 until the Issue Date. The Senior Mezzanine Loan matures in 2017 and bears interest at a rate equal to EURIBOR plus a margin of 4.0%.

(3) Represents the prepayment in full of the principal amount outstanding under the Junior Mezzanine Loan on December 31, 2010, plus expected accrued and unpaid interest from January 1, 2011 until the Issue Date. The Junior Mezzanine Loan matures partly in 2018 and partly in 2019 and bears interest at a rate of EURIBOR plus a margin of 5.5%.

(4) Represents the prepayment in full of the estimated principal amount outstanding under 173 bilateral bank loans on December 31, 2010, plus expected accrued and unpaid interest until the Issue Date. We expect to prepay such loans within approximately 100 days of the Issue Date. The Repaid Bilateral Bank Loans have maturities ranging from 2011 to 2018 and applicable interest rates ranging from 1.9% to 7.5%.

(5) Represents estimated break-up and prepayment fees of (i) €0.3 million in connection with the Existing Senior Facilities, (ii) €2.5 million in connection with the Senior Mezzanine Loan, (iii) €5.7 million in connection with the Junior Mezzanine Loan, and (iv) €0.5 million in connection with the Repaid Bilateral Bank Loans.

(6) Represents estimated fees and expenses associated with the Offering and the Refinancing, including commitment, placement, financial advisory, professional and initial purchasers' fees and other transaction costs.

Any amounts not used for the Refinancing and related fees and transaction costs will be used for general corporate purposes, which may include repayment of additional indebtedness, acquisitions and investments.

CAPITALIZATION

The following table sets forth the cash and cash equivalents and capitalization of Labco as of September 30, 2010 on an actual consolidated basis based on the Q3 Financial Statements and on a consolidated basis and as adjusted to give effect to the Offering and the application of the net proceeds thereof, including the Refinancing, as described under "*Use of Proceeds*". The adjustments are based on available information and contain assumptions made by our management.

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 Notes*", and the financial statements and the related notes included elsewhere in this offering memorandum.

	Actual as of September 30, 2010 (unaudited)	**As Adjusted (unaudited)**
	(millions of euros)	
Cash and cash equivalents[1]	(87.9)	(107.3)
Debt[1]		
Existing Senior Facilities	228.9	—
Senior Mezzanine Loan	48.7	—
Junior Mezzanine Loan	70.6	—
Bilateral and other borrowings[2]	101.5	7.1
Assets held under finance leases	2.2	2.2
Other financial liabilities	8.7	2.1
Borrowings under the Revolving Credit Facility[3]	—	—
Notes offered hereby	—	500.0
Total debt excluding shareholder debt	460.7	511.5
Shareholder funds[4]	217.8	204.3
Total capitalization	678.5	715.8

(1) We paid aggregate consideration (including transaction costs) of approximately €12.3 million for acquisitions that closed between September 30, 2010 and December 31, 2010. We incurred additional indebtedness and used a portion of our cash and cash equivalents on hand to fund such acquisitions.

(2) Includes indebtedness under our capital expenditure facilities and our bilateral bank loans.

(3) The Revolving Credit Facility will not be drawn on the Issue Date.

(4) Adjustment to Shareholder funds reflects an estimated charge of €13.5 million for capitalized debt issuance costs related to the Refinanced Labco Indebtedness.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following tables present selected historical consolidated financial information for Labco for the periods ended and as of the dates indicated below.

Our financial data as of and for each of the years ended December 31, 2007, 2008 and 2009 included within the selected historical consolidated financial information have been derived from the audited historical consolidated financial statements as of and for each of the years ended December 31, 2007, 2008 and 2009 included elsewhere in this offering memorandum.

Our financial data as of and for each of the nine months ended September 30, 2009 and 2010 included within the selected consolidated financial information have been derived from the Q3 Financial Statements included elsewhere in this offering memorandum.

The selected unaudited historical consolidated financial data as of and for the twelve months ended September 30, 2010 included within the selected historical consolidated financial information have been derived by adding the consolidated financial data of Labco as of and for the year ended December 31, 2009 to the consolidated financial data of Labco as of and for the nine months ended September 30, 2010 and subtracting the consolidated financial data of Labco as of and for the nine months ended September 30, 2009. The financial data for the twelve months ended September 30, 2010 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date. Such compilation has not been audited or reviewed.

The financial statements contained herein were prepared in accordance with French GAAP. IFRS differs in significant respects from French GAAP. The primary differences, as they relate to Labco, include:

(i) the absence of amortization of goodwill in lieu of amortizing goodwill over a period to be determined by the company (15 years in our case) under French GAAP;

(ii) qualifying certain lease contracts relating to testing equipment as capital lease contracts, and recording the value of such testing equipment as an asset amortized over five years and the related financial liability, in lieu of expensing such contracts under French GAAP;

(iii) qualifying Priority Dividends as personnel costs in lieu of treating them as dividends under French GAAP;

(iv) deducting capitalized debt issuance costs from the debt to which they relate in lieu of recording such capitalized issuance costs as assets under French GAAP;

(v) evaluating hedging derivatives and share-based payment instruments at fair value in lieu of treating them as off-balance sheet items under French GAAP; and

(vi) expensing acquisition costs as we incur them in lieu of capitalizing them under French GAAP.

See "*Annex A: Summary of Certain Differences between IFRS and French GAAP*".

The following tables should be read in conjunction with "*Use of Proceeds*", "*Capitalization*", "*Selected Historical Consolidated Financial Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Description of the Notes*" and our financial statements and the notes related thereto included elsewhere in this offering memorandum. Historical results are not necessarily indicative of future expected results. In addition, our results for the nine months ended September 30, 2010 should not be regarded as indicative of our expected results for the year ended December 31, 2010.

Consolidated Income Statement Data

	Year ended December 31,				Nine months ended September 30,		Twelve months ended September 30,
	2007*	2008**	Pro forma 2008*** (unaudited)	2009****	2009 (unaudited)	2010 (unaudited)	2010 (unaudited)
	(thousands of euros)						
Revenue	2,206	235,634	402,049	424,453	313,832	332,063	442,684
Cost of purchases incurred and consumed	(3,648)	(87,538)	(148,498)	(166,337)	(121,773)	(129,777)	(174,341)
Personnel expense	(1,457)	(99,889)	(160,705)	(166,996)	(122,705)	(134,961)	(179,252)
Other taxes	(36)	(4,615)	(5,267)	(3,763)	(2,539)	(2,289)	(3,513)
Depreciation, amortization and provision expense, net	(116)	(8,278)	(12,604)	(15,033)	(9,932)	(11,553)	(16,654)
Other operating income and expense	405	(1,338)	(1,850)	(297)	(2,163)	(375)	1,491
Profit from operations	(2,644)	33,977	73,125	72,026	54,720	53,108	70,414
Financial expense	(243)	(15,595)		(30,598)	(23,099)	(23,527)	(31,026)
Financial income	1,692	2,787		1,453	763	402	1,092
Net financial result	1,449	(12,808)	(29,160)	(29,145)	(22,337)	(23,125)	(29,933)
Profit on ordinary activities from consolidated companies	(1,195)	21,169	43,966	42,881	32,383	29,983	40,481
Extraordinary expense	(9)	(11,191)		(8,810)	(4,457)	(6,415)	(10,768)
Extraordinary income	121	8,389		2,647	2,038	1,342	1,951
Extraordinary profit (loss)	112	(2,801)	(3,729)	(6,163)	(2,419)	(5,073)	(8,817)
Income tax	(62)	(3,396)	(15,220)	(18,302)	(12,367)	(12,166)	(18,101)
Net profit from consolidated companies	(1,145)	14,971	25,017	18,415	17,598	12,745	13,562
Net goodwill amortization expense	(482)	(12,958)	(26,340)	(39,418)	(29,144)	(31,198)	(41,472)
Share of associates earnings attributable to the group	7,355	4,261	724	838	675	385	548
Total consolidated net result	5,728	6,274	(599)	(20,165)	(10,872)	(18,068)	(27,361)
Minority interests	0	4,678	4,678	4,734	3,453	3,589	4,870
Net profit (loss)—Group share	**5,727**	**1,596**	**(5,277)**	**(24,899)**	**(14,325)**	**(21,657)**	**(32,231)**

* Our selected historical consolidated income statement data for the year ended December 31, 2007 are not directly comparable to what we present above as our selected historical consolidated income statement data for the year ended, December 31, 2008 as a result of the Change in Consolidation Method, the effect of the 2008 Acquisitions and the IFRS Income Statement Presentation Changes.

** Our selected historical consolidated income statement data for the year ended December 31, 2008 are adjusted to reflect the IFRS Income Statement Presentation Changes and are not presented in the same manner as our audited historical consolidated financial statements for the year ended December 31, 2008. The IFRS Income Statement Presentation Changes pertain to (i) €12.0 million payments to certain external medical personnel which we reclassified from "Cost of purchases incurred and consumed" to "Personnel expense" so as to regroup in one single line-item all personnel costs and (ii) €0.6 million related to the disposal of securities and long-term financial assets which we reclassified from "Extraordinary income" to "Financial income". *See* the consolidated income statement in our audited historical consolidated financial statements for the year ended December 31, 2009 included elsewhere in this offering memorandum.

*** Our selected 2008 unaudited pro forma income statement data are based on our consolidated income statement for the year ended December 31, 2008 as adjusted for the IFRS Income Statement Presentation Changes and give effect to (i) the

Change in Consolidation Method as if it had been applicable since January 1, 2008 and (ii) the 2008 Acquisitions as if each acquisition had occurred on January 1, 2008.

**** Our selected historical consolidated income statement data for the year ended December 31, 2009 are not directly comparable to what we present as our selected historical consolidated income statement data for the year ended December 31, 2008 as a result of the 2009 Acquisitions, the full-year effect of the 2008 Acquisitions and the Change in Consolidation Method. Our selected historical consolidated income statement data for the year ended December 31, 2009 are not directly comparable to our selected 2008 unaudited pro forma income statement as a result of the 2009 Acquisitions.

Consolidated Balance Sheet Data

	As at December 31,			As at September 30,
	2007*	2008	2009**	2010 (unaudited)
	(thousands of euros)			
Goodwill	60,416	526,786	525,788	529,438
Intangible assets	905	3,438	5,050	5,135
Property, plant and equipment	7,581	36,166	35,529	36,257
Long-term financial assets	49,502	2,785	3,394	4,730
Interest in associates	9,568	2,740	2,964	2,043
Fixed assets	127,972	571,914	572,724	577,603
Inventory and work in progress	1,342	7,730	7,070	8,149
Trade receivables	17,431	66,736	69,539	76,693
Other receivables and accruals	3,403	38,912	35,223	39,869
Marketable securities	—	41,278	20,098	22,876
Cash and cash equivalents	2,293	58,062	70,217	65,072
Current assets	24,469	212,718	202,148	212,659
Total assets	**152,442**	**784,632**	**774,872**	**790,262**
Shareholders' equity	81,308	228,307	239,515	217,842
Minority interests	197	2,969	3,478	4,833
Provisions for contingencies and losses	127	11,138	8,477	11,658
Borrowings and other financial liabilities	44,972	399,968	424,688	460,717
Trade payables and related accounts	12,499	40,344	38,092	42,322
Other payables and accruals	13,339	101,906	60,622	52,890
Debts	70,810	542,218	523,402	555,929
Total liabilities	**152,442**	**784,632**	**774,872**	**790,262**

* Our selected historical consolidated balance sheet data as at and for the year ended December 31, 2007 are not directly comparable to our selected historical consolidated balance sheet data as at and for the year ended December 31, 2008 as a result of the Change in Consolidation Method and the effect of the 2008 Acquisitions.

** Our selected historical consolidated balance sheet data as at and for the year ended December 31, 2009 are not directly comparable to our selected historical consolidated balance sheet data as at and for the year ended December 31, 2008 as a result of the 2009 Acquisitions.

Consolidated Cash Flow Statement Data

	Year ended December 31,			Nine months ended September 30,	
	2007*	2008**	2009	2009 (unaudited)	2010 (unaudited)
	(thousands of euros)				
Cash flow from (used in) operating activities (A)	6,541	14,438	35,368	25,381	26,146
Cash flow from investing activities (B)	(44,050)	(270,227)	(93,893)	(83,637)	(51,911)
Cash flow from financing activities (C)	35,015	343,501	56,921	65,516	24,098
Total cash flows (A + B + C)	(2,493)	87,712	(1,604)	7,260	(1,667)
Cash and cash equivalents at the beginning of the period	2,241	(252)	87,460	87,460	85,856
Cash and cash equivalents at the end of the period	(252)	87,460	85,856	94,720	84,189
Net increase (decrease) in cash and cash equivalents	(2,493)	87,712	(1,604)	7,260	(1,667)

* Our selected historical consolidated cash flow statement data for the year ended December 31, 2007 are not directly comparable to our selected historical consolidated cash flow statement data for the year ended December 31, 2008 as a result of the 2008 Acquisitions and the IFRS Cash Flow Statement Presentation Changes.

** Our selected historical consolidated cash flow statement data for the year ended December 31, 2008 are adjusted to reflect the IRFS Cash Flow Presentation Changes and are not presented in the same manner as our audited historical consolidated financial statements for the year ended December 31, 2008. "Cash flow from (used in) operating activities" is computed from EBITDA (see "*Summary—Summary Historical Consolidated Financial Information and Other Data—Other Financial Data*") and not from "Total consolidated net result". The only adjustment with a cash impact is that €3.5 million of "Net financial result" was reclassified from "Cash flow from financing activities" to "Cash flow from (used in) operating activities".

UNAUDITED SUPPLEMENTAL INFORMATION ON THE GUARANTORS

The Issuer's obligations under the Notes will be guaranteed by the Guarantors on a senior basis. The following table sets forth the revenues, EBITDA and total assets of the Guarantors and the non-guarantor subsidiaries (in absolute terms and expressed as a percentage of the consolidated revenue, EBITDA and assets of Labco) as of and for the twelve months ended September 30, 2010, along with, in each case, intercompany eliminations. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our audited historical consolidated financial statements and Q3 Financial Statements included elsewhere in this offering memorandum.

	Twelve months ended and as at September 30, 2010							
(amounts expressed in euros are in millions of euros)	**Issuer(1)**		**Guarantors(2)**		**Non-Guarantor Subsidiaries**		**Totals**	
	€	**%**	**€**	**%**	**€**	**%**	**€**	**%**
				(unaudited)				
Consolidated Revenue	—	—	309.9	70.0	132.8	30.0	442.7	100
Consolidated EBITDA	(7.6)	(8.7)	70.8	81.4	23.8	27.4	87.0	100
Consolidated total assets	21.3	2.7	492.9	62.4	276.1	35.0	790.3	100

(1) Represents revenue, EBITDA and total assets of Labco S.A.S., excluding its consolidated subsidiaries.

(2) Include Labco Diagnostics España S.L. Labco Diagnostics España S.L. will convert its corporate form to *sociedad anónima* and guarantee the Notes within six months of the Issue Date.

See "*Certain Definitions Used in this Offering Memorandum*" for a list of the Guarantors.

The guarantees will be subject to contractual limitations and limitations under applicable laws, including in certain jurisdictions by reference to the amount of proceeds on-lent to such Guarantor. See "*Description of the Notes—The Guarantees*" and "*Limitations on Validity and Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations*". In implementing the Refinancing, the Issuer will initially loan proceeds of the issuance of the Notes, pursuant to intercompany loans:

- approximately €114.1 million of proceeds from the issuance of the Notes to its subsidiaries in France. Approximately €48.2 million of this amount will be loaned to French Guarantors;
- approximately €246.4 million of proceeds from the issuance of the Notes to its subsidiaries in Spain. Approximately €244.6 million of this amount will be loaned to Labco Diagnostics España S.L. and approximately €1.9 million of this amount will be loaned to other Spanish Guarantors;
- approximately €0.4 million of proceeds from the issuance of the Notes to its subsidiaries in Portugal. All of this amount will be loaned to Portuguese Guarantors;
- approximately €75.3 million of proceeds from the issuance of the Notes to its subsidiaries in Germany. Approximately €43.1 million of this amount will be loaned to German Guarantors;
- approximately €11.2 million of proceeds from the issuance of the Notes to its subsidiaries in all of this amount will be loaned to Italian Guarantors; and
- approximately €10.2 million of proceeds from the issuance of the Notes to its subsidiaries in Belgium. Approximately €10.0 million of this amount will be loaned to Belgian Guarantors.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following should be read in conjunction with the information set forth under "Selected Historical Consolidated Financial Information" and our audited historical consolidated financial statements prepared in accordance with French GAAP and the notes thereto included elsewhere in this offering memorandum.

French GAAP differs in certain significant respects from IFRS. For a description of certain differences between French GAAP and IFRS, see "Annex A: Summary of Certain Differences between IFRS and French GAAP" to 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.

All percentages may be calculated on non-rounded figures and therefore may vary from percentages calculated on rounded figures.

Except as otherwise indicated, the following discussion is based on our audited historical consolidated financial statements for the years ended December 31, 2008 and 2009 and the Q3 Financial Statements included elsewhere in this offering memorandum.

Introduction

We are one of the leading groups in the European clinical laboratory services market. We offer a range of over 2,500 routine and specialty tests used by medical professionals for patient diagnostic purposes, as well as the monitoring and treatment of disease. We are the market leader in France for routine testing and in Spain and Portugal for both routine and specialty testing, in each case based on 2009 revenue. We also have a significant foothold in Germany, Belgium and Italy. We provide our services through our network of over 230 clinical laboratories and we employ approximately 4,000 persons, including approximately 490 laboratory doctors. In 2009, we performed approximately 500,000 tests daily and served over 15 million patients. In addition to the patients who visit our clinical laboratories, our clients include doctors, hospitals, insurance companies and corporate employers.

Since our founding in 2003, we have generally developed our network by selectively acquiring small and medium-sized clinical laboratories. However, in 2007 and 2008, we established our presence in Spain and Portugal through the acquisition of two large laboratory companies, General Lab S.A. and Sampletest, S.A.

For the year ended December 31, 2009 and the nine months ended September 30, 2010, we recorded consolidated revenues of €424.5 million and €332.1 million, respectively, and recorded consolidated Adjusted EBITDA of €82.7 million and €61.3 million, respectively. For a definition of Adjusted EBITDA, see "*—Other Financial Information (Non-French GAAP)*".

Factors that Affect Our Results of Operations

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

Expansion of Our Laboratory Network Through Acquisitions

We have expanded our network of clinical laboratories, and intend to continue to expand, through acquisitions. Major acquisitions completed since January 1, 2008 include Sampletest, S.A. in Spain and Portugal, seven laboratories in Germany, C.A.M., Centro Analisi Monza S.p.A. and Istituto il Baluardo S.p.A. in Italy and Laboratoire d'Analyses Médicales Roman Païs in Belgium. We also completed 31 acquisitions of small and medium-sized laboratories, mostly in France, over the same periods. In the years ended December 31, 2008 and 2009, we completed 28 and five acquisitions for an aggregate cash consideration (excluding earn-outs) of €297.0 million and €37.6 million, respectively. Since 2009, we have focused on acquisitions of smaller clinical laboratories that can be closed or transformed into collection centers generating significant synergies in a short time frame. We have also devoted increased resources to integrating our recent acquisitions. In the nine months ended September 30, 2009 and 2010, we completed five and eight acquisitions, respectively, for an aggregate cash purchase price (excluding earn-outs) of €37.6 million and €35.4 million, respectively. Earn-out payments with respect to our acquisitions may be significant.

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. The 2008 Acquisitions and the 2009 Acquisitions contributed approximately 35.2% and 4.5%, respectively, to our revenue as presented in our audited historical consolidated financial statements for the years ended December 31, 2008 and 2009, respectively. Clinical laboratories acquired in the nine months ended September 30, 2009 and 2010 contributed approximately 3.9% and 3.5%, respectively, to our revenue for these periods as presented in the Q3 Financial Statements. Also, our results for subsequent periods have been impacted positively by synergies in addition to the immediate impact of the inclusion of acquired business in our consolidated results. For example, acquisitions generally have generated savings on the cost of purchases incurred and consumed by allowing us to consolidate purchases from our suppliers. However, because companies are only consolidated from the date of their acquisition, the full impact of the acquired companies' results is only reflected in the subsequent financial year.

The nature of the businesses we acquire—clinical laboratories with limited tangible assets and an acquisition value frequently exceeding their book value—is such that we carry a significant amount of goodwill on our balance sheet (€529.4 million as of September 30, 2010). Under French GAAP, goodwill is recorded as an intangible fixed asset and amortized on a straight line basis over the estimated period of benefit. We amortize goodwill over 15 years. As a result, we had significant net goodwill amortization expenses during the periods under review (€13.0 million, €39.4 million, €29.1 million and €31.2 million for the years ended December 31, 2008 and 2009 and the nine months ended September 30, 2009 and 2010, respectively). In addition, we evaluate the recoverability and measure the potential impairment of goodwill annually or at interim closing dates if an impairment indicator, both internal or external, is identified and may record charges in case of impairment. We expect to continue recording significant amounts of goodwill on our balance sheet as we pursue additional acquisitions in the future. However, following our adoption of IFRS our audited consolidated financial statements for the year ended December 31, 2010, goodwill will no longer be amortized but will instead only be subject to an annual impairment test, which should have a positive impact on our financial results. We may, however, record significant charges in our income statement in case of impairment.

We intend to further expand our network by continuing to selectively acquire laboratories in each of the markets where we currently operate and explore opportunities to purchase existing laboratory networks in other European countries. In the period from October 1, 2010 until December 31, 2010, we completed six acquisitions for an aggregate cash purchase price (excluding earn-outs) of €12.6 million and signed nine binding sale and purchase agreements with respect to acquisitions that we expect to close in 2011 for an aggregate cash purchase price (excluding earn-outs) of €11.4 million.

Governmental and Third-Party Payer Tariff Reductions

In many of the markets in which we operate, our services are provided through healthcare programs funded at least in part by public authorities, which establish tariffs or a pricing methodology for some or all of the clinical laboratory testing services we provide. These tariffs vary significantly by country, with average tariffs for laboratory tests generally lower in Germany and higher in France than in the other European countries in which we operate.

During the periods under review, government payers introduced new measures to reduce expenses for healthcare generally, including the services we provide. Such measures, including those that limit or decrease the amounts we may charge for our services or that exclude coverage for certain services entirely, negatively impact the volume of tests we perform and the prices we charge for those tests, which adversely affects our revenue.

The timing of tariff cuts and other measures related to the reduction of healthcare expenditure may also affect the comparability of our financial results and the scope of the impact on a particular period.

To limit the scope of reimbursement, governments often do not extend coverage to certain specialty or innovative tests that may provide higher margins for our business. Moreover, during 2010, various European governments, including the governments of France, Spain, Portugal, Germany, Italy and the United Kingdom, implemented or announced the intention to implement austerity measures aimed at curbing government expenditure, including on healthcare. For example, in France, the National Health Insurance Fund (*Caisse Nationale d'Assurance Maladie*) announced in 2010 its intention to achieve an overall saving of €150 million in 2011, notably by reorganizing the clinical testing tariff system (BIOLAM), which should result in decreased tariffs overall. In Portugal, the "Plan for Stabilization and Growth", enacted in response to the economic downturn, is expected to result in decreased national spending on healthcare. Further, in early 2010, the Hessen region in Germany reduced retroactively the reimbursement levels it grants to laboratories for analyses performed since October 2009. Similar efforts to control health expenditures are also being made in Belgium and Italy. Governments have also sought to decrease healthcare spending by addressing testing volumes directly. For example, the French government is pressuring health professionals to limit the number of analyses they prescribe, and the German government has sought to discourage "excessive" testing by restricting the number of clinical laboratory tests for which a patient may be fully reimbursed. Specifically, once a patient exceeds the specified limit, any additional tests are reimbursed at a discount.

We also face efforts by non-governmental third-party payers—mainly private health insurers—to reduce utilization of clinical laboratory testing services and the reimbursement of related expenses. In 2009, Adeslas, a major Spanish private insurer, implemented a 15% tariff cut in Madrid. Asisa, another major Spanish private insurer, introduced the per capita model for pricing in Madrid in 2008 and implemented the model in additional regions in 2009. Under the per capita model, the insurer pays a fixed fee per patient for a laboratory network to provide all specified testing services to a patient for the year, and the introduction of this fee structure effectively causes a significant decrease in revenue per patient. Pressure from private insurers may also affect us indirectly. Private insurers may exert pricing pressure on private hospitals which in turn may seek to exert pricing pressure on us. In 2009, USP and Quiron, both significant Spanish private hospital customers, decreased the average price per test at least partially in response to pressure from private insurers. These decreases were offset by volume increases tied to the opening of new hospitals by these clients.

Synergies and Cost Reduction Plans

Synergies and cost reduction are key components of our profitability, because they allow us to compensate in part for the price pressure from government and third-party payers affecting our revenue.

Since our expansion outside France in 2007, we have increasingly focused on achieving operational efficiencies and synergies across our network. In 2008, we concentrated on achieving cost synergies through staff reductions, the integration of corporate functions, the centralization of certain procurement functions and the restructuring of our newly acquired businesses in Portugal and Spain.

In the last quarter of 2009, we launched the SPORT project (Strategic Procurement Optimization and Rationalization), an initiative to centralize procurement negotiations across our network, in an effort to reduce the cost of purchases incurred and consumed. In connection with SPORT, we have achieved savings by streamlining our supplier portfolio and negotiating better pricing terms with certain reagent suppliers as well as with certain suppliers of information technology, office supplies and post and telecommunications services. See "*Business—Our Suppliers*". The program has already resulted in cost reductions in France, Iberia and Germany. In June 2010, we also initiated Project Safe in an effort to decrease our personnel costs at the operational level through a hiring freeze and staff reductions in our clinical laboratories. In France, we have also established shared services centers for internalization and centralization of accounting functions we previously outsourced and launched our "Convergence" project to consolidate our smaller laboratories into larger and more efficient technical platforms.

Sensitivity of Our Cost Structure

Our cost base is largely fixed, with only reagent purchases and analyses outsourced (23.4% of revenue for 2009) and certain external expenses and a portion of personnel expense considered fully variable. Personnel expense, which represented 39.3% of our revenue for 2009, is mainly fixed in nature due at least in part to national labor laws limiting workforce reductions. We believe that we can reduce personnel expense through the creation of technical platforms 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 most countries in which we operate and are in the process of doing so in France, where recent regulatory changes permit us to reduce staffing levels and insource the performance of tests among clinical laboratories and technical platforms operated by the same laboratory company.

Demand for Laboratory Tests

Our revenue is directly related to the volume of tests we perform. Demographic trends, including the growing size of the sick and 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. 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, we are developing new revenue streams such as the outsourcing of hospital laboratories.

General Economic Conditions

We believe that demand for our services is affected by economic conditions in the countries in which we operate. 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 has a negative impact on our results of operations as governments and third-party payers seek to reduce healthcare expenditure and existing and potential customers face financial difficulties. In addition, 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 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.

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 restricted 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 lessened, and outsourcing of tests between clinical laboratories and technical platforms operated by the same laboratory company is no longer limited. These regulatory changes allow us to restructure our laboratory portfolio in France and to set up technical platforms which, we believe, will enable us to realize economies of scale and to increase our revenue by performing certain specialty tests in France that we previously outsourced.

In France, the establishment and operation of clinical laboratories is subject to administrative authorization issued by local health authorities and compliance with certain standards set by law. The existing authorization process will be replaced, from November 1, 2016, by a procedure of mandatory accreditation, 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 that 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 Labco.

For a detailed discussion of the regulatory risks that we are facing, see "*Risk Factors—Risks Related to Our Business—French self-regulatory or regulatory bodies may challenge the legal structure of our French operations and any such challenge, if successful, could have a material adverse effect on our financial condition and results of operations", "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*", "*Business—Legal Proceedings—Ordre des Pharmaciens and Ordre des Médecins"* and "*Regulation*".

Seasonality

We experience some seasonality in the volumes of tests we perform and, consequently, in our revenue. We have historically performed fewer tests during holiday and vacation periods, notably in July and August (with revenue lower than the annual average), and also during Easter and Christmas. Conversely, our working capital is traditionally higher between March and May.

Change in Consolidation Method

Our audited historical consolidated financial statements for the year ended December 31, 2009 are not directly comparable to those for the year ended December 31, 2008, and our audited historical consolidated financial statements for the year ended December 31, 2008 are not directly comparable to those for the year ended December 31, 2007, in each case as a result of the Change in Consolidation Method.

Until June 30, 2008, our direct and indirect subsidiaries (each organized as a *société d'exercice libéral* or *SEL*) through which we owned clinical laboratories in France were accounted for using the equity method under French GAAP because we were not deemed to exercise control over them based on our direct or indirect ownership of less than 25% of their voting rights. However, following certain amendments to the articles of association of the SELs and of GIE Labco Gestion (an economic interest grouping among almost all of our French laboratory companies), we were deemed to exercise exclusive control over these companies with effect from July 1, 2008 for the purposes of our consolidated financial statements despite the fact that we still owned directly or indirectly, at that time, no more than 25% of their voting rights.

As a result of this change:

- the assets and liabilities of these SELs were fully consolidated into our balance sheet as of July 1, 2008 instead of being recognized in proportion to our ownership interest in their capital; and
- approximately 100% of the earnings of these SELs for any period subsequent to June 30, 2008 were fully consolidated into our income statement for such period, instead of being accounted for in proportion to our ownership interest in their capital under the line item "Share of associates earnings attributable to the group".

For more information, see "*Significant events of the year—Change in Consolidation Method*" in our audited historical consolidated financial statements for the year ended December 31, 2008 included elsewhere in this offering memorandum.

Key Income Statement Items

Below is a summary description of the key elements of the line items of our income statement under French GAAP.

Revenue consists of revenue from sales of our testing services to third parties, including healthcare authorities, patients, hospitals, insurance companies and corporate employers.

Cost of purchases incurred and consumed primarily includes our costs for the reagents we purchase from suppliers and for tests outsourced to other clinical laboratories, primarily specialty tests in France. This line item also includes 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 expense principally includes wages, salaries and bonuses, social security charges, related taxes (such as, in France, the "*taxe sur les salaires*") and costs associated with the use of subcontractors and non-salaried personnel.

Other taxes principally includes local taxes (in France, for example, "*taxe professionnelle*" and "*contribution sociale de solidarité des sociétés*"). This line item does not include taxes on income (in France, "*impôt sur les bénéfices*"), which are recorded under the line item "*Income tax*".

Depreciation, amortization and provision expense, net includes regular depreciation and amortization of non-current assets such as intangible assets other than goodwill, buildings, laboratory equipment, computers and software, but excludes amortization of goodwill (which, under French GAAP, is recorded in a separate line item in the income statement) and impairment and write-downs of non-current assets (which are recorded under "*Extraordinary profit (loss)*" in our income statement). It also includes provisions for operational risks, disputes, pensions, depreciation of bad debt and overdue receivables.

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

Net financial result is the sum of financial expense and income. Financial expense primarily includes interest expense and costs incurred in relation to hedging instruments. Financial income primarily includes income on receivables and income on cash balances and short-term investments, as well as proceeds from disposals of securities and long-term financial assets.

Extraordinary profit (loss) includes material items which because of their unusual and non-recurring character are not considered inherent to the group's operations. Examples include capital gains and losses on disposals of assets, reorganization costs, impairment and write-downs of non-current assets, costs related to aborted acquisition projects judgments and costs related to major litigation.

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 "Other taxes". Our current legal structure does not allow us to benefit from tax integration in France because we own less than 95% of the voting rights in most of our French subsidiaries.

Net goodwill amortization expense represents the amortization of the difference between the cost of acquiring a business (in France, "*fonds de commerce*") or shares in a company (including any directly attributable expenses, net of tax) and the fair value of the identifiable assets and liabilities of such business or company at the date of acquisition. Goodwill is recorded as an intangible fixed asset and amortized on a straight-line basis over the estimated period of benefit under French GAAP (15 years in the case of Labco). See "*Annex A: Summary of Certain Differences Between French GAAP and IFRS*".

Other Financial Information (Non-French GAAP)

Set forth below is a brief description of the other financial information discussed in our results of operations.

EBITDA represents profit from operations less depreciation, amortization and provision expense, net. Adjusted EBITDA represents EBITDA less the amount of the Priority Dividends. Labco considers these Priority Dividends to be compensation that should be treated as a personnel expense and therefore be deducted from EBITDA. We present Adjusted EBITDA because we believe it is helpful to investors as a measure of our operating performance and ability to service our debt. These measures are not measurements of financial performance under French GAAP 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 French GAAP. The definition of these measures may differ from similarly titled measures used by other companies. For a reconciliation of EBITDA and Adjusted EBITDA to operating income under French GAAP, see "*Summary—Summary Historical Consolidated Financial Information and Other Data*".

Results of Operations

In this section, we compare our results of operations for the nine months ended September 30, 2010 and 2009, and the years ended December 31, 2009 and 2008. We are not comparing our results of operations for the years ended December 31, 2008 and 2007 because the financial information for such years is not meaningfully comparable due to the Change in Consolidation Method which became effective on July 1, 2008.

Comparison of the nine months ended September 30, 2010 and September 30, 2009

In this section we are comparing our results of operations for the nine months ended September 30, 2010 and 2009 on the basis of our unaudited historical consolidated income statements for such periods.

The following table shows certain line items from our income statement as a percentage of revenue for the nine months ended September 30, 2010 and 2009.

	Nine months ended September 30,	
	2009	**2010**
	% of revenue	
Cost of purchases incurred and consumed	38.8	39.1
Personnel expense	39.1	40.6
Other taxes	0.8	0.7
Depreciation, amortization and provision expense, net	3.2	3.5
Other operating income and expense	0.7	0.1
Net financial result	7.1	7.0
Extraordinary profit (loss)	0.8	1.5
Income tax	3.9	3.7
Net goodwill amortization expense	9.3	9.4

Revenue

Our revenue increased by €18.2 million or 5.8%, from €313.8 million for the nine months ended September 30, 2009 to €332.1 million for the nine months ended September 30, 2010. This increase was primarily due to our acquisition of the remaining 80% of C.A.M., Centro Analisi Monza S.p.A., one of our Italian subsidiaries, which resulted in the full consolidation of C.A.M., Centro Analisi Monza S.p.A. in our financial statements with effect from April 15, 2010, as well as to organic volume growth, partly offset by tariff reductions in most countries in which we operate.

The table below shows the breakdown of our revenue by country and as a percentage of revenue for the nine months ended September 30, 2009 and 2010.

	Nine months ended September 30,			
	2009		**2010**	
	(millions of euros)	%	(millions of euros)	%
France	153.3	48.9	158.4	47.7
Iberia	100.0	31.9	100.2	30.2
Germany	40.6	12.9	41.6	12.5
Belgium	13.6	4.3	14.8	4.5
Italy	6.3	2.0	17.1	5.1
Total	**313.8**	**100.0**	**332.1**	**100.0**

Revenue in France increased by €5.1 million or 3.3%, from €153.3 million for the nine months ended September 30, 2009 to €158.4 million for the nine months ended September 30, 2010, primarily due to organic volume growth, the full-period effect of the acquisitions that we completed in 2009 and, to a limited extent, the acquisitions that we completed in the nine months ended September 30, 2010. These factors were partly offset by tariff reductions imposed by the French health authorities and a temporary reduction in volumes in January and February 2010 as a result of adverse weather conditions.

Revenue in Iberia was stable at €100.2 million for the nine months ended September 30, 2010, compared to €100.0 million for the nine months ended September 30, 2009. In Spain, we managed to offset tariff cuts imposed by healthcare insurance companies and hospitals, as well as volume decreases in services to corporate clients for employee medical tests and private customers resulting from the global economic downturn, by entering into additional outsourcing contracts with hospitals. In Portugal, we managed to offset lower volumes in outpatient care resulting from pension reforms which led to a reduction in the number of doctors and pressure by the government on doctors to limit prescriptions by increasing volumes in private hospitals, notably as a result of the opening of a new hospital in Cascais by one of our customers in March 2010. We made no significant acquisitions in Iberia during the periods under review.

Revenue in Germany increased by €1.0 million, or 2.5%, from €40.6 million for the nine months ended September 30, 2009 to €41.6 million for the nine months ended September 30, 2010, primarily due to the full effect of the acquisition of AescuLabor-Karlsruhe GmbH in 2009, that was almost entirely offset by tariff cuts imposed in the Hessen region in the first six months of 2010 (these tariff cuts, which we challenged, were reversed in July 2010), tariff cuts affecting the fees we charge for the transportation of samples, the termination of a contract with a clinical laboratory acquired by one of our competitors in Giessen and the full-period impact of the loss of customers in Duisburg resulting from the failure of our clinical laboratory's telecommunication system.

Revenue in Belgium increased by €1.2 million, or 8.8%, from €13.6 million for the nine months ended September 30, 2009 to €14.8 million for the nine months ended September 30, 2010, primarily due to volume growth in our nutritional testing business and, to a lesser extent, in routine testing. We made no acquisitions in Belgium during the periods under review.

Revenue in Italy increased by €10.8 million, or 171.4%, from €6.3 million for the nine months ended September 30, 2009 to €17.1 million for the nine months ended September 30, 2010, primarily due to the acquisition of the remaining 80% of C.A.M., Centro Analisi Monza S.p.A., one of our Italian subsidiaries, which resulted in the full consolidation of C.A.M., Centro Analisi Monza S.p.A. in our financial statements with effect from April 15, 2010, as well as the organic growth of our existing Italian business. We made no additional acquisitions in Italy during the periods under review.

Cost of purchases incurred and consumed

Cost of purchases incurred and consumed increased by €8.0 million, or 6.6%, from €121.8 million for the nine months ended September 30, 2009 to €129.8 million for the nine months ended September 30, 2010. Expressed as a percentage of revenue, they represented 38.8% of our revenue for the nine months ended September 30, 2009, compared to 39.1% for the nine months ended September 30, 2010. The cost of our corporate and French headquarter functions increased by approximately €2 million, or 20%, from approximately €10 million for the nine months ended September 30, 2009 to approximately €12 million for the nine months ended September 30, 2010.

The increase in our cost of purchases incurred and consumed arose primarily from the acquisition of the remaining 80% of C.A.M., Centro Analisi Monza S.p.A., which had higher cost of purchases incurred and consumed expressed as a percentage of revenue than the rest of our operations for the periods under review. This was only partly offset by the implementation of our "SPORT" purchasing program which we launched in the fourth quarter of 2009, the use of benchmarking among our clinical laboratories to improve performance and the introduction of new information technology systems in Iberia to better manage purchasing.

Personnel expense

Personnel expense increased by €12.3 million, or 10.0%, from €122.7 million for the nine months ended September 30, 2009 to €135.0 million for the nine months ended September 30, 2010. Expressed as a percentage of revenue, personnel expense represented 39.1% of revenue for the nine months ended September 30, 2009, compared to 40.7% for the nine months ended September 30, 2010. This increase resulted primarily from the strengthening of our group and French headquarter functions (including general management, finance, legal, information technology, procurement and quality control), the full consolidation of C.A.M., Centro Analisi Monza S.p.A. in our financial statements and salary increases pursuant to applicable collective bargaining agreements, partly offset by productivity improvements that allowed for staff reductions at the operational level in France, Spain and Germany.

Other taxes

Other taxes decreased by €0.3 million, or 12.0%, from €2.5 million for the nine months ended September 30, 2009 to €2.3 million for the nine months ended September 30, 2010. This decrease was primarily due to a decrease in such taxes payable in France.

Depreciation, amortization and provision expense, net

Depreciation, amortization and provision expense, net increased by €1.6 million, or 16.2%, from €9.9 million for the nine months ended September 30, 2009 to €11.6 million for the nine months ended September 30, 2010. This increase was primarily due to the depreciation of a receivable with respect to a claim for breach of a non-compete covenant by one of the sellers of our Duisburg laboratory and the related loss of a contract with a local blood bank (€1.1 million), as well as an increase in post-employment benefit provisions as a consequence of the significant decrease in the discount rate used in the actuarial assumption for the calculation of such benefits (€1.3 million).

Other operating income and expense

Our net other operating expenses decreased by €1.8 million, or 81.8%, from €2.2 million for the nine months ended September 30, 2009 to €0.4 million for the nine months ended September 30, 2010.

Profit from operations

Our profit from operations decreased by €1.6 million, or 2.9%, from €54.7 million for the nine months ended September 30, 2009 to €53.1 million for the nine months ended September 30, 2010. This decrease was explained in part by the fact that our increase in revenues (€18.2 million) was more than offset by the increase in cost of purchases incurred and consumed (€8.0 million) and personnel expense (€12.3 million).

Net financial result

Our net financial result decreased by €0.8 million, or 3.6%, from an expense of €22.3 million for the nine months ended September 30, 2009 to an expense of €23.1 million for the nine months ended September 30, 2010. This decrease was primarily due to an increase in the principal amount of the indebtedness which we used to finance our acquisitions during the nine months ended September 30, 2010 and earn-outs and deferred purchase price payments for acquisitions completed in prior periods. We use derivatives to hedge the floating interest rate expenses on our senior credit facilities and mezzanine facilities, which are generally based on three-month EURIBOR. As a result the decrease in interest expenses during the nine months ended September 30, 2010 due to the significant fall in the three-month EURIBOR rate compared to the nine months ended September 30, 2009 was almost fully offset by the payments made in connection with our hedging instruments.

Extraordinary profit (loss)

Extraordinary loss was €5.1 million for the nine months ended September 30, 2010, compared to €2.4 million for the nine months ended September 30, 2009. Extraordinary loss for the nine months ended September 30, 2010 consisted primarily of €2.7 million in severance payments and non-recurring costs of €1.5 million incurred in connection with the preparation of the Refinancing. Extraordinary loss for the nine months ended September 30, 2009 consisted primarily of €0.6 million in severance payments and costs in connection with aborted acquisitions.

Income tax

Income tax was stable at €12.2 million for the nine months ended September 30, 2010 compared to €12.4 million for the nine months ended September 30, 2009. Our group effective tax rate increased from 41.3% as of September 30, 2009 to 48.8% as of September 30, 2010, primarily as a result of differences in intercompany loan balances and related interest payments as between the two periods. In addition, our relatively high group effective tax rate resulted from increased losses in proportion to our group taxable income generated by our French holding companies for which no deferred taxes for tax losses carried forward are recorded because tax integration is not available to our French subsidiaries.

Net goodwill amortization expense

Our goodwill amortization expense increased by €2.1 million, or 7.2%, from €29.1 million for the nine months ended September 30, 2009 to €31.2 million for the nine months ended September 30, 2010, primarily due to the full-period effect of the 2009 Acquisitions and, to a lesser extent, the acquisitions completed in 2010.

Earnings of associates attributable to the parent

Our share of the earnings of associates decreased by €0.3 million or 42.9%, from €0.7 million for the nine months ended September 30, 2009 to €0.4 million for the nine months ended September 30, 2010. This decrease was primarily due to the acquisition of the remaining 80% of C.A.M., Centro Analisi Monza S.p.A. in April 2010, which resulted in its full consolidation effective April 15, 2010.

Total consolidated net result

Our total consolidated net result decreased by €7.2 million or 66.1%, from a loss of €10.9 million for the nine months ended September 30, 2009 to a loss of €18.1 million for the nine months ended September 30, 2010, as a result of the factors described above.

Adjusted EBITDA

Our Adjusted EBITDA was stable at €61.6 million for the nine months ended September 30, 2009 and €61.3 million for the nine months ended September 30, 2010, and reflected an increase in Priority Dividends, which amounted to €3.4 million for the nine months ended September 30, 2010 compared to €3.1 million for the nine months ended September 30, 2009. Tariff reductions imposed in most countries, the increase in cost of purchases incurred and consumed and the increase in personnel expense were offset by increases in volumes and the positive impact of acquisitions.

Comparison of the years ended December 31, 2009 and December 31, 2008

In this section we are comparing our results of operations for the years ended December 31, 2009 and 2008 on the basis of our audited historical consolidated income statements for the years ended December 31, 2009 and 2008 (adjusted to reflect the IFRS Income Statement Presentation Changes, including: (i) expenses for certain outside personnel, which were reclassified from "Cost of purchases incurred and consumed" to "Personnel expense"; and (ii) proceeds from the disposal of securities and long-term financial assets, which were reclassified from "Extraordinary income" to "Financial income"). These changes in presentation have no impact on our aggregated revenue, profits from operations or total consolidated net result. See our consolidated income statement for the year ended December 31, 2009 for a reconciliation of our income statement for the year ended December 31, 2008 as presented in our audited historical consolidated financial statements for the year ended December 31, 2008 with our income statement for the year ended December 31, 2008 adjusted for the IFRS Income Statement Presentation Changes.

We are also presenting information extracted from our 2008 Unaudited Pro Forma Income Statement. Our 2008 Unaudited Pro Forma Income Statement is based on our audited historical consolidated financial statements for the *year ended December 31, 2008 adjusted for the IFRS Income Statement Presentation changes and gives effect to (i) the consolidation, in accordance with the full consolidation method, of the SELs in which we owned, directly or indirectly, 25% or less of the share capital and voting rights, on the basis of a controlling interest of approximately 100% (the "Change in Consolidation Method") as if the Change in Consolidation Method had been applicable since January 1, 2008 and (ii) the 2008 Acquisitions as if they had each occurred on January 1, 2008. The 2008 Unaudited Pro Forma Income Statement is not necessarily indicative of what our actual results of operations would have been assuming the Change in Consolidation Method would have been applicable and the 2008 Acquisitions would have occurred on January 1, 2008.*

The following table shows certain line items from our income statement as a percentage of revenue for the years ended December 31, 2008 and 2009.

	Year ended December 31,	
	2008	2009
	% of revenue	
Cost of purchases incurred and consumed	37.1	39.2
Personnel expense	42.4	39.3
Other taxes	2.0	0.9
Depreciation, amortization and provision expense, net	3.5	3.5
Other operating income and expense	0.6	0.1
Net financial result	5.4	6.9
Extraordinary profit (loss)	1.2	1.5
Income tax	1.4	4.3
Net goodwill amortization expense	5.5	9.3

Revenue

Our revenue increased by €188.8 million or 80.1%, from €235.6 million for the year ended December 31, 2008 to €424.5 million for the year ended December 31, 2009, primarily due to the acquisitions that we completed in 2008 and 2009 in France, Germany, Portugal and Italy and to the Change in Consolidation Method.

If we had implemented the Change in Consolidation Method from January 1, 2008 instead of July 1, 2008, revenue for 2008 would have been €77.4 million higher. The table below shows the breakdown of our revenue by country and as a percentage of revenue for the years ended December 31, 2008 and 2009, giving pro forma effect to the Change in Consolidation Method from January 1, 2008. The Change in Consolidation Method only affects our revenue in France for the year ended December 31, 2008 and, as a consequence, our revenue for that period.

	Year ended December 31,			
	2008		2009	
	(millions of euros)	%	(millions of euros)	%
France	174.7[(1)]	55.8	206.6	48.7
Iberia	88.8	28.4	134.9	31.8
Germany	29.9	9.6	55.7	13.1
Belgium	15.9	5.1	18.6	4.4
Italy	3.7	1.2	8.7	2.0
Total	**313.1**	**100.0**	**424.5**	**100.0**

(1) Adjusted to give pro forma effect to the Change in Consolidation Method. Our revenue from France in our audited financial statements for the year ended December 31, 2008 would have been €97.3 million. Adjusting to give pro forma effect for the Change in Consolidation Method as if it had occurred from January 1, 2008 instead of July 1, 2008, our revenue in France would have been €77.4 million higher at €174.7 million.

In addition, we completed 13 acquisitions in France, one in Italy, six in Germany, two in Iberia and one in Belgium in 2008. Had the 2008 Acquisitions been fully consolidated in our audited historical consolidated financial statements from January 1, 2008, they would have contributed €89.0 million of additional revenue in 2008.

The remaining revenue increase in 2009 over 2008 is primarily due to the impact of the acquisition of AescuLabor-Karlsruhe GmbH in Germany and four clinical laboratories in France in 2009 and to overall organic growth over the period, based on positive contributions from France, Italy and Belgium, that were partly offset by negative results in Germany and Iberia.

In France, the impact of the tariff cuts implemented in February 2009 was more than offset by volume growth, although volume growth was slower than in prior years due to pressure exercised by the French government on healthcare professionals to limit the number of analyses prescribed and general economic conditions.

In Italy, revenue increased as a result of price increases in the non-regulated market and volume increases in the regulated market, that were partly offset by the tariff decreases applicable to national health service contracts.

We also generated increased revenue in Belgium as a result of price and volume increases in the non-regulated nutrition sector and in the regulated sector. In the nutrition sector, growth resulted from a significant increase in volume, as well as substantial price increases implemented by our laboratories. In the regulated sector, we benefitted from the INAMI tariff increase implemented in January 2009.

In Spain, volume growth in the hospital outsourcing activity was more than offset by the significant tariff reductions imposed by private insurance companies and hospitals, the volume decreases and price cuts in services to corporate clients for employee medical tests and lower revenue from out-of-pocket customers, pathology and specialty activities due to decreased purchasing power of Spanish customers linked to the economic downturn.

In Portugal, revenue generated by new private hospital customers fully offset the impact of tariff cuts in the outpatient market following the government's implementation of a new price calculation method at the end of 2008.

In Germany, we generated organic growth in all clinical laboratories except Duisburg. The loss of customers in Duisburg, in connection with the failure of our clinical laboratory's telecommunication system as well as the loss of a blood bank contract, resulted, however, in an overall revenue decrease. We are currently a party to a lawsuit against one of the sellers of our Duisburg clinical laboratory in connection with the loss of the blood bank contract. See "*Business—Litigation—MVZ Duisburg*".

Cost of purchases incurred and consumed

Cost of purchases incurred and consumed increased by €78.8 million or 90.1%, from €87.5 million for the year ended December 31, 2008 to €166.3 million for the year ended December 31, 2009.

If we had implemented the Change in Consolidation Method from January 1, 2008 instead of July 1, 2008, our cost of purchases incurred and consumed for the year ended December 31, 2008 would have been €27.7 million higher. Had the 2008 Acquisitions been fully consolidated from January 1, 2008 instead of from their respective acquisition dates, our cost of purchases incurred and consumed for the year ended December 31, 2008 would have been €33.3 million higher.

After giving effect to the Change in Consolidation Method and the 2008 Acquisitions as if they had occurred on January 1, 2008 our cost of our corporate and French headquarter functions increased by approximately €5 million, or 56%, from approximately €9 million for the year ended December 31, 2008 to approximately €15 million for the year ended December 31, 2009.

The remaining increase in 2009 over 2008 resulted from the impact of our 2009 Acquisitions and the build-up of corporate and French headquarter functions, partly offset by the reduction in the number of our consumer goods and reagent suppliers and the negotiation of better pricing terms with such suppliers.

Personnel expense

Our personnel expense increased by €67.1 million or 67.2%, from €99.9 million for the year ended December 31, 2008 to €167.0 million for the year ended December 31, 2009.

If we had implemented the Change in Consolidation Method from January 1, 2008 instead of July 1, 2008, our personnel expense for the year ended December 31, 2008 would have been €28.0 million higher. Had the 2008 Acquisitions been fully consolidated from January 1, 2008 instead of from their respective acquisition dates, our personnel expense for the year ended December 31, 2008 would have been €32.8 million higher.

The remaining increase in 2009 over 2008 was primarily due to the build-up of group and French headquarter functions, salary increases pursuant to applicable collective bargaining agreements and the 2009 Acquisitions, partly offset by staff reductions.

Other taxes

Other taxes decreased by €0.9 million, or 19.6%, from €4.6 million for the year ended December 31, 2008 to €3.8 million for the year ended December 31, 2009.

If we had implemented the Change in Consolidation Method from January 1, 2008 instead of July 1, 2008, and consolidated the 2008 Acquisitions from January 1, 2008 instead of from their respective acquisition dates, our other taxes for the year ended December 31, 2008 would have been €0.6 million higher.

Depreciation, amortization and provision expense, net

Depreciation, amortization and provision expense, net increased by €6.8 million, or 81.9%, from €8.3 million for the year ended December 31, 2008 to €15.0 million for the year ended December 31, 2009.

If we had implemented the Change in Consolidation Method from January 1, 2008 instead of July 1, 2008, depreciation, amortization and provision expense, net for the year ended December 31, 2008 would have been €1.6 million higher. Had the 2008 Acquisitions been fully consolidated from January 1, 2008 instead of their respective acquisition dates, our depreciation, amortization and provision expense, net for the year ended December 31, 2008 would have been €2.7 million higher.

The remaining increase in 2009 over 2008 was primarily due to the amortization of our new laboratory and reporting software that we installed in France, an increase of €2.0 million in allowance for doubtful receivables in Iberia (2009: €2.0 million; 2008: €0.02 million) primarily related to two of our customers, Nexgroup and Unimed, an increase of post-employment benefits provisions as a consequence of the significant decrease in the discount rate used in the actuarial assumption for the calculation of such benefits and the 2009 Acquisitions.

Other operating income and expense

Our other operating expense decreased by €1.0 million, or 76.9%, from €1.3 million for the year ended December 31, 2008 to €0.3 million for the year ended December 31, 2009, primarily due to marketing income received in 2009 from a supplier of stem cell tests in Iberia.

Profit from operations

Our profit from operations increased by €38.0 million, or 111.8%, from €34.0 million for the year ended December 31, 2008 to €72.0 million for the year ended December 31, 2009, primarily due to the effect of the 2008 Acquisitions and the Change in Consolidation Method and, to a lesser extent, the 2009 Acquisitions.

If we had implemented the Change in Consolidation Method from January 1, 2008 instead of July 1, 2008, profit from operations for the year ended December 31, 2008 would have been €20.3 million higher. Had the 2008 Acquisitions been fully consolidated from January 1, 2008 instead of their respective acquisition dates, our profit from operations for the year ended December 31, 2008 would have been €18.8 million higher.

After giving effect to the Change in Consolidation Method and the 2008 Acquisitions as if they had occurred on January 1, 2008, we would have experienced a small decrease in profit of operations, primarily due to the increased costs and salaries connected to the build-up of our group and French headquarters functions.

Net financial result

Our net financial result decreased by €16.3 million, or 127.3%, from an expense of €12.8 million for the year ended December 31, 2008 to an expense of €29.1 million for the year ended December 31, 2009.

If we had implemented the Change in Consolidation Method from January 1, 2008 instead of July 1, 2008, net financial expense for the year ended December 31, 2008 would have been €3.0 million higher. Had the 2008 Acquisitions been fully consolidated from January 1, 2008 and the debt for the financing of such acquisitions been reflected from January 1, 2008 instead of their respective acquisition dates, our 2008 net financial expense would have been €13.4 million higher.

After giving effect to the Change in Consolidation Method and the 2008 Acquisitions as if they had occurred on January 1, 2008, our net financial expense would have been generally stable at €29.2 million for the year ended December 31, 2008 compared to €29.1 million for the year ended December 31, 2009. We use derivatives to hedge the floating interest rate expenses on our senior credit facilities and mezzanine facilities, which are generally based on three-month EURIBOR. As a result the decrease in interest expenses during the year ended December 31, 2009 due to the significant decrease in the three-month EURIBOR rate compared to the year ended December 31, 2008 was offset by the payments made in connection with our hedging instruments.

Extraordinary profit (loss)

Extraordinary loss was €6.2 million for the year ended December 31, 2009, compared to €2.8 million for the year ended December 31, 2008. In the year ended December 31, 2009, extraordinary loss was impacted by an expense of €2.5 million in connection with the settlement in 2009 of litigation related to the withdrawal of an offer for the acquisition of a laboratory in Leverkusen (Germany), €1.8 million of non-recurring transaction costs on other acquisition projects that were aborted in 2009 and €0.8 million in connection with GIE Labco Gestion. In 2008, extraordinary loss included €4.3 million of exceptional expenses incurred in connection with the acquisition of Sampletest, S.A., partly offset by €0.7 million of net proceeds from disposals of assets.

Income tax

Income taxes increased by €14.9 million, or 438.2%, from €3.4 million for the year ended December 31, 2008 to €18.3 million for the year ended December 31, 2009.

If we had implemented the Change in Consolidation Method from January 1, 2008 instead of July 1, 2008, income tax for the year ended December 31, 2008 would have been €6.1 million higher. Had the 2008 Acquisitions been fully consolidated from January 1, 2008 instead of their respective acquisition dates, our income tax for the year ended December 31, 2008 would have been €5.8 million higher.

The remaining increase in 2009 over 2008 was primarily due to current income tax recorded in an amount of €2.2 million by Questao em Aberto S.A. and its consolidated subsidiaries in 2009. We made no cash payments with respect to income tax in Portugal in 2009 and we utilized in that period losses carried forward incurred in prior years.

Net goodwill amortization expense

Our goodwill amortization charge increased by €26.5 million or 203.8%, from €13.0 million for the year ended December 31, 2008 to €39.4 million for the year ended December 31, 2009. This increase was primarily due to the 2008 Acquisitions and the Change in Consolidation Method.

If we had implemented the Change in Consolidation Method from January 1, 2008 instead of July 1, 2008 and consolidated the 2008 Acquisitions from January 1, 2008 instead of their respective acquisition dates, our goodwill amortization charge for the year ended December 31, 2008 would have been €13.4 million higher. The goodwill amortization charge for the year ended December 31, 2008 was also impacted by €10.0 million of badwill recorded in our income statement as a consequence of the Change in Consolidation Method. See "*Significant events of the year—Change in consolidation method*" in our audited historical consolidated financial statements for the year ended December 31, 2008.

The remaining increase in 2009 over 2008 was primarily due to the effect of the 2009 Acquisitions.

Earnings of associates attributable to the parent

Our share of the earnings of associates decreased by €3.4 million or 79.1%, from €4.3 million for the year ended December 31, 2008 to €0.8 million for the year ended December 31, 2009. This decrease was primarily due to the Change in Consolidation Method.

Total consolidated net result

Our total consolidated net result decreased by €26.4 million, from a profit of €6.3 million for the year ended December 31, 2008 to a loss of €20.2 million for the year ended December 31, 2009, as a result of the factors described above.

Adjusted EBITDA

Our Adjusted EBITDA increased by €44.5 million or 116.5%, from €38.2 million for the year ended December 31, 2008 to €82.7 million for the year ended December 31, 2009, primarily as a result of the Change in Consolidation Method and the 2008 Acquisitions.

If we had implemented the Change in Consolidation Method from January 1, 2008 instead of July 1, 2008 and if we had consolidated the 2008 Acquisitions from January 1, 2008 instead of their respective acquisition dates, Adjusted EBITDA for the year ended December 31, 2008 would have increased by €22.0 million and €21.5 million, respectively, and would have been €43.5 million higher in total.

The remaining increase in 2009 over 2008 was primarily due to our 2009 Acquisitions as well as various cost-cutting initiatives, especially in France and Spain, as well as productivity improvement measures, partly offset by expenses related to the strengthening of our headquarter functions. Priority

Dividends increased by €0.3 million, or 7.5%, from €4.0 million for the year ended December 31, 2008 to €4.3 million for the year ended December 31, 2009.

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, other commitments, contractual obligations and 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 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;
- prevailing interest rates, which affect our debt service requirements;
- 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;
- servicing our indebtedness and the indebtedness of our subsidiaries;
- operating activities;
- paying Priority Dividends; 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, such as the Notes offered hereby; and
- capital contributions from our shareholders.

Consolidated Cash Flow Statement

In this section we are comparing our cash flow for the years ended December 31, 2009 and 2008 on the basis of our audited historical statements for the years ended December 31, 2009 and 2008 (as adjusted to reflect the IFRS Cash Flow Statement Presentation Changes, including: (i) the computation of cash flows from EBITDA and not from "Total consolidated net result" and (ii) the reclassification of "Net financial result" from "Cash flow from financing activities" to "Cash flow (used in) operating activities"), and our cash flow for the nine months ended September 30, 2010 and 2009 on the basis of our Q3 Financial Statements.

The following table summarizes our consolidated cash flow statement for the years ended December 31, 2008 and 2009 and the nine months ended September 30, 2009 and 2010:

	Year ended December 31,		Nine months ended September 30,	
	2008	2009	2009 (unaudited)	2010 (unaudited)
	(millions of euros)			
Cash flow from (used in) operating activities	14.4	35.4	25.4	26.1
Cash flow from (used in) investing activities	(270.2)	(93.9)	(83.6)	(51.9)
Cash flow from (used in) financing activities	343.5	56.9	65.5	24.1
Total cash flows	87.7	(1.6)	7.3	(1.7)
Cash and cash equivalents at end of the period	87.5	85.9	94.7	84.2
Cash and cash equivalents at beginning of the period	(0.3)	87.5	87.5	85.9

Cash flow from (used in) operating activities

Cash flow from operating activities slightly increased from €25.4 million in the nine months ended September 30, 2009 to €26.1 million in the nine months ended September 30, 2010. This increase reflects a reduction in income taxes paid and an increase in cash from extraordinary profit, partly offset by a €2.0 million increase in change in working capital requirements as a result of higher receivables relating to deferred charges and lower trade payables in connection with supplier rebates.

Cash flow from operating activities increased from €14.4 million in the year ended December 31, 2008 to €35.4 million in the year ended December 31, 2009. This increase reflects the increase in operating income resulting from 2008 Acquisitions and the 2009 Acquisitions and the Change in Consolidation Method. This increase was partly offset by a €9.0 million increase in interest paid (recorded under the line item "Cash from (used in) net financial profit (loss)"), a €3.4 million increase in change in working capital requirements as a result of lower trade payables in connection with supplier rebates for the year ended December 31, 2009, and €6.6 million of exceptional items, including €2.5 million of litigation settlement costs related to the withdrawal of an offer for the acquisition of a laboratory in Leverkusen (Germany), €1.8 million of non-recurring transaction costs on other aborted acquisition projects and €0.8 million in connection with GIE Labco Gestion, primarily related to severance payments made to the former chief operating officer of our French business.

Cash flow from (used in) investing activities

Cash flow used in investing activities decreased from €83.6 million in the nine months ended September 30, 2009 to €51.9 million in the nine months ended September 30, 2010 primarily due to a decrease in earn-out payments in connection with acquisitions completed in prior years.

Cash flow used in investing activities represented €270.2 million in the year ended December 31, 2008 and €93.9 million in the year ended December 31, 2009. This decrease reflects the Change in Consolidation Method, as well as the fact that we completed fewer acquisitions in 2009 than in 2008. We completed 28 acquisitions in 2008 for an aggregate cash consideration (excluding earn-outs) of €297.0 million, compared to five acquisitions in 2009 for an aggregate cash consideration (excluding earn-outs) of €37.6 million.

Cash flow from (used in) financing activities

Cash flow from financing activities amounted to €24.1 million in the nine months ended September 30, 2010, as we borrowed €53.2 million under our existing credit facilities and bilateral bank loans, partly offset by the repayment of €26.8 million under our existing credit facilities and the existing debt of companies we acquired and the payment of €2.4 million of Priority Dividends.

Cash flow from financing activities amounted to €65.5 million in the nine months ended September 30, 2009, as we borrowed €55.1 million under our existing credit facilities and bilateral bank loans, and our shareholders, mostly 3i Investors, contributed €37.2 million to our share capital. This was partly offset by the repayment of €24.6 million under our existing credit facilities and the existing debt of companies we acquired and the payment of €2.2 million of Priority Dividends.

Cash flow from financing activities amounted to €56.9 million in the year ended December 31, 2009, as we borrowed €62.6 million under our existing credit facilities and bilateral bank loans, and our shareholders, mostly 3i Investors, contributed €37.2 million to our share capital. This was partly offset by the repayment of €39.1 million under our existing credit facilities and the existing debt of companies we acquired and the payment of €3.7 million of Priority Dividends.

Cash flow from financing activities amounted to €343.5 million in the year ended December 31, 2008, as we borrowed €275.7 million under our existing credit facilities and bilateral bank loans and our shareholders, mostly 3i Investors, contributed €141.2 million to our share capital. This was partly offset by the repayment of €71.5 million under credit facilities and the debt of companies we acquired that were financed with our existing credit facilities and the payment of €1.9 million of Priority Dividends.

Capital Expenditures

Our capital expenditures, excluding acquisitions, for the years ended December 31, 2008 and 2009 were €11.9 million and €13.2 million, respectively. This increase was primarily due to the Change in Consolidation Method, the implementation of standardized information technology systems in our clinical laboratories in France and the acquisition of new group reporting accounting software. As a percentage of revenue, capital expenditures amounted to 5.0% and 3.1% for the years ended December 31, 2008 and 2009, respectively. Historically, our capital expenditures, excluding acquisitions, have primarily related to laboratory equipment and information technology hardware and software connected to our various initiatives to provide common information technology systems across our network. Our relatively low level of capital expenditures results from the fact that a significant amount of our equipment is made available to us by our reagent suppliers in exchange for our commitment to exclusively purchase reagents from them. We expect our capital expenditures, excluding acquisitions, to be approximately €11 million in 2010 and €14 million in 2011, mostly related to information technology hardware and software, ancillary laboratory equipment and fixtures and fittings. We do not expect the implementation of our "Convergence" initiative to reorganize our smaller clinical laboratories in France into larger and more efficient technical platforms to require substantial capital expenditures. We plan to fund our future capital expenditures, excluding acquisitions, with cash from operating activities.

Capital Resources

Credit facilities have provided our main source of financing in the past. As of September 30, 2010, we had net financial debt of €372.8 million composed of our borrowings and other financial liabilities (including primarily Existing Senior Facilities, the Senior Mezzanine Loan, the Junior Mezzanine Loan and bilateral bank loans, including the Repaid Bilateral Bank Loans) of €460.7 million, partly offset by cash and cash equivalents of €65.1 million and marketable securities of €22.9 million. At December 31, 2009 and 2008, we had net financial debt of €334.4 million and €300.6 million, respectively. We define net financial debt as borrowings and other financial liabilities, less marketable securities, cash and cash equivalents.

The Existing Senior Facilities mature partly in 2014 and partly in 2015 and bear interest at a rate equal to EURIBOR plus the applicable margins of between 2.5% and 3.0%. The Senior Mezzanine Loan matures in 2017 and bears interest at a rate equal to EURIBOR plus a margin of 4.0%. The Junior Mezzanine Loan matures partly in 2018 and partly in 2019 and bears interest at a rate of EURIBOR plus a margin of 5.5%. We will refinance the Existing Senior Facilities, the Senior Mezzanine Loan, the Junior Mezzanine Loan and the Repaid Bilateral Bank Loans with the proceeds of the Offering. See "*Use of Proceeds*". Following the Refinancing, 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 our contractual obligations and commitments as of September 30, 2010, as adjusted for the Refinancing, including the issuance of the Notes in the Offering and the entry into the new Revolving Credit Facility:

Contractual obligations	Total	Less than 1 year	1-5 years	More than 5 years
		(millions of euros)		
Senior Secured Notes	500.0	—	—	500.0
Bilateral loans(1)	7.1	0.1	5.3	1.8
Finance lease obligations	2.2	0.7	1.5	—
Other financial liabilities(2)	2.1	2.1	—	—
Acquisition investment commitment (including earn-outs)(3)	10.8	10.8	—	—
Total	524.0	11.6	6.8	501.8

(1) Consist primarily of bilateral bank loans between certain non-guarantor subsidiaries of the Issuer used for equipment financing purposes, including accrued but unpaid interest.

(2) Consist primarily of obligations under our recourse factoring agreement in Portugal.

(3) Consists primarily of earn-outs due to sellers from which we acquired laboratory companies in 2008 and 2009, which are calculated based on factors including the performance of such companies following their acquisition.

We also have obligations under operating leases and towards reagent suppliers who make testing equipment available to us in exchange for exclusive purchasing commitments, including minimum purchase commitments. We do not consider these minimum purchase commitments to be material for us.

The Revolving Credit Facility will not be drawn on the Issue Date.

Off-Balance Sheet Commitments

We are a party to various customary off-balance sheet arrangements, such as purchase agreements that contain minimum purchase commitments and equity warrants plans. None of these arrangements has or is likely to have a material effect on our results of operations, financial condition or liquidity. See "*Principal Shareholders—Equity Warrants*" for a description of our equity warrants plans.

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 and as, until July 2010, we did not own any subsidiaries outside the Eurozone. When iPP, our UK joint venture with Sodexo, begins operating, we will become exposed to foreign exchange risk in respect of the British pound sterling. We may enter into hedging transactions in the future with respect to the estimated amount of dividends we may receive from iPP.

Under our current financing strategy, we are 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. For example, we have entered into interest rate derivative instruments to reduce our exposure to changes in the variable EURIBOR rates on our outstanding loan portfolio, as required under our senior credit facilities. In addition, as of September 30, 2010, we were party to interest rate swap agreements, "cap floor" agreements and other derivative instruments with a total notional amount of €316.2 million. The fair value of our interest rate derivative instruments as of September 30, 2010 was negative €6.1 million.

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 French GAAP.

Critical Accounting Policies and Estimates

French GAAP requires us to make 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.

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 and the uncertainties that could affect our financial results, financial condition and cash flows.

A more detailed description of the accounting rules and methods that we apply under French GAAP is provided in the notes to our audited historical consolidated financial statements included elsewhere in this offering memorandum.

Revenue for the services we provide is primarily recognized upon completion of the testing process. Our revenue is primarily comprised of a high volume of relatively low price transactions. Due to the nature of our business, several of our accounting policies involve significant estimates and judgments, including:

- revenue and accounts receivable associated with clinical laboratory testing;
- accounting for and recoverability of goodwill;
- deferred and income taxes;
- provisions; and
- retirement indemnities.

Revenue and accounts receivable associated with clinical laboratory testing

The process of estimating the ultimate collection of receivables associated with the clinical testing services we provide involves significant assumptions and judgments. Billings for services reimbursed by third-party payers, including social security systems, are recorded as revenue net of allowances for differences between amounts billed and the estimated receipts from such payers. Adjustments to the allowances, based on amounts actually received from the third-party payers, are recorded upon settlement as an adjustment to net revenue.

Historical collection and payer reimbursement is an integral part of the estimation process related to allowances for doubtful accounts. In addition, we regularly assess the state of our billing operations in order to identify issues which may impact the quality of receivables or allowance estimates. We believe that the collectability of our receivables is directly linked to the quality of our billing processes, most notably those relating to obtaining the correct information in order to bill effectively for the services we provide. Revisions to the allowances for doubtful accounts estimates are recorded as an adjustment to our bad debt provision.

Government payers

Payments for clinical laboratory testing services made by the government are based on fee schedules established by public governmental authorities. Collection of such receivables is normally a function of providing the complete and correct billing information within the various filing deadlines. Collection procedures vary from country to country.

Private insurers

Reimbursement by private insurers are based on negotiated fee-for-service schedules and on capitated payment rates.

Substantially all of the accounts receivable due from private insurers represent amounts billed under negotiated fee-for-service arrangements. We employ a standard approach to establish allowances for doubtful accounts for such receivables, which considers the aging of the receivables and the risks related to a payer's overall financial condition. Our approach also takes into account historical collection experience and other factors. Collection of such receivables largely depends on our ability to provide complete and correct billing information to the private insurers within the various filing deadlines.

Client payers

Client payers include physicians, hospitals, corporate employers and other commercial laboratories that may not have comparable resources or capabilities and outsource testing to us. Credit risk and ability to pay are more of a consideration for these payers than healthcare insurers and government payers. We utilize a standard approach to establish allowances for doubtful accounts for such receivables, which considers the aging of the receivables and the risks related to the payer's overall financial situation. Our approach also considers specific account reviews, historical collection experience and other factors.

Patient receivables

Patients are billed based on our patient fee schedules, subject to any limitations on fees negotiated by private healthcare insurers or physicians on behalf of their patients or imposed by public authorities. Collection of receivables due from patients is subject to credit risk and ability of the patients to pay. We utilize a standard approach to establish allowances for doubtful accounts for such receivables, which considers the aging of the receivables and results in increased allowance requirements as the aging of the related receivables increases. Our approach also considers historical collection experience and other factors.

Accounting for and recoverability of goodwill

Goodwill is our single largest asset. Under French GAAP, goodwill is recorded as an intangible fixed asset and amortized on a straight-line basis over the estimated period of benefit. We amortize goodwill over 15 years. In addition, we evaluate the recoverability and measure the potential impairment of our goodwill annually or at interim closing dates if an impairment indicator, both internal or external, is identified. To assess potential impairment, we compare our estimate of the recoverable amount of cash generating units (namely an estimate of value in use) to the carrying amounts of those cash generating units. We then determine the value in use of the cash generating units based on the income approach. Under the income approach, we calculate the value in use of a cash generating unit based on the present value of estimated future cash flows. If the carrying amount is greater than the estimated recoverable amount, an impairment loss is recognized in our income statement for the excess amount. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to such units, and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

We intend to prepare our audited historical consolidated financial statements beginning with the year ended December 31, 2010 in accordance with IFRS, under which goodwill is no longer amortized but instead is subject to an impairment test similar to the methodology we currently use to assess impairment. See "*Annex A: Summary of Certain Differences between IFRS and French GAAP*" to this offering memorandum.

Deferred taxes and income taxes

As of September 30, 2010 and September 30, 2009, our income tax charges have been calculated at the level of each country in which we operate based on estimated tax results and normalized, when necessary, with the effective tax rate expected at year end.

Temporary difference between accounting profits and taxable profits give rise to deferred taxes, using the liability method.

We record deferred tax assets and liabilities based on the differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax assets are also recognized for the estimated future effects of tax losses carried forward. We periodically review the deferred tax assets in the different jurisdictions in which we operate to assess the possibility of realizing such assets based on projected taxable profit, the expected timing of the reversals of existing temporary differences, the carry-forward period of temporary differences and tax losses carried forward. Deferred tax assets arising on these tax losses are not recognized under certain circumstances specific to each entity or the company tax consolidation group, and particularly where:

- entities cannot assess the probability of the tax loss carry-forwards being set off against future taxable profits, due to forecast horizons and uncertainties in the economic environment;
- entities have not yet begun to use the tax loss carry-forwards or do not expect to use the losses within the time frame allowed by tax regulations.

The amount of net deferred tax assets recognized as of December 31, 2009 was €3.8 million (see note 16 of our audited historical consolidated audited financial statements for the year ended December 31, 2009 included elsewhere in this offering memorandum).

Provisions

The valuation of provisions is based on economic and legal information which may evolve and is therefore subject to a degree of uncertainty, as is the case for any valuation.

Retirement obligations

Retirement obligations largely consist of end-of-career benefits owed to employees upon retirement in France. They are measured based on an actuarial calculation taking into account primarily the age structure, employee turnover and mortality rates by age group as presented in official tables. The amounts obtained are adjusted to account for assumed inflation and present-discounted from their respective payment dates. Actuarial gains and losses arising from changes in assumptions are recognized immediately through the income statement. In Italy, legal indemnities must be paid to employees when they retire (so-called "TFR") and have been recorded as long-term employee benefits.

See notes to our Q3 Financial Statements included elsewhere in this offering memorandum for a description of the assumptions used in the calculation of retirement obligations.

Adoption of IFRS and Differences between French GAAP and IFRS

We plan to adopt IFRS for our consolidated financial statements beginning with the year ended December 31, 2010 (which will include comparative data for the year ended December 31, 2009). As described in "*Annex A: Summary of significant differences between French GAAP and IFRS*", our audited historical consolidated financial statements and the Q3 Financial Statements included elsewhere in this offering memorandum have been presented in accordance with French GAAP, which differs in certain significant respects from IFRS. For example, French GAAP requires that goodwill be amortized over its estimated useful life and tested for impairment annually and if events or changes in circumstances indicate that its carrying value may not be recoverable. In contrast, IFRS prohibits the amortization of goodwill. Under IFRS, the acquiror must perform a goodwill impairment test annually and if events or changes in circumstances indicate that its carrying value may not be recoverable.

We have not prepared financial statements in accordance with IFRS or prepared a reconciliation of our audited historical consolidated financial statements included elsewhere in this offering memorandum to IFRS and, accordingly, cannot offer any assurance that the differences described in Annex A would, in fact, be the accounting principles creating the greatest differences between our financial statements prepared under IFRS and under French GAAP. In addition, we cannot estimate the net effect that applying IFRS would have on our results of operations, cash flows and financial position, including levels of indebtedness, in any of the presentations of financial information in this offering memorandum. The effect of such differences may be material. In particular, our profits from operations could be materially lower under IFRS.

The differences between French GAAP and IFRS described in Annex A are not necessarily differences that have existed throughout the periods covered by our audited historical consolidated financial statements and Q3 Financial Statements included elsewhere in this offering memorandum. Annex A is not intended to provide a comprehensive list of all such differences specifically related to Labco or the industry in which we operate. IFRS is generally more restrictive and comprehensive than French GAAP regarding recognition and measurement of transactions, account classification and disclosure requirements. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions and events are presented in our financial statements or the notes thereto.

INDUSTRY

Historical and current market data used throughout this offering memorandum were obtained from external sources. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of the information contained in the industry publications is not guaranteed. None of the Issuer, the initial purchasers or any of their respective advisors have independently verified this market data. While we are not aware of any misstatements regarding any industry or similar data presented in the offering memorandum, our estimates, particularly as they relate to market share and our general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed under the "*Risk Factors*" section in this offering memorandum. Labco does, however, accept responsibility for the correct reproduction of this information, and, as far as it is aware and is able to ascertain from information published, no facts have been omitted that would render the reproduced information inaccurate or misleading.

The projections and other forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "Risk Factors" and "Forward-Looking Statements".

Overview

We operate in the private sector of the clinical laboratory services market, which forms part of the larger diagnostic services sector of the healthcare industry. The diagnostic services market comprises businesses and laboratories that offer analytic or diagnostic testing services including:

- Clinical laboratory testing, or testing based on the analysis of body fluids (e.g., blood, serum, plasma, urine);
- Anatomical pathology testing, or testing based on the analysis of histologic or cytologic samples (e.g., tissue, human cells); and
- Diagnostic imaging, or the production of images of the human body (e.g., radiography, magnetic resonance imaging).

Diagnostic testing is frequently ordered as part of patients' regular doctor visits and for hospital admissions 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.

Diagnostic services are an important factor in medical decisions and the efficiency of healthcare systems. We believe that, aided by technological and medical advances, the healthcare industry's focus is increasingly shifting from the treatment of patients to the prevention and early detection of medical conditions. This shift is leading to greater reliance on diagnostic testing services. According to GE Healthcare, the proportion of overall healthcare expenditure worldwide allocated to diagnosis will increase from approximately 15% in 2007 to 19% in 2017 at the expense of expenditures allocated to treatment.

The clinical laboratory services market can be subdivided into an inpatient sector and an outpatient or "ambulatory" sector. The inpatient sector covers testing on patients admitted to hospitals, and the outpatient sector covers testing on patients who are not admitted to hospitals, generally in connection with a patient's visit to a doctor, upon the request of an employer or an insurer or upon their own initiative. In the outpatient market, clinical laboratories generally compete with each other for doctors' referrals and walk-in patients, mainly on the basis of quality of services and location. In certain markets such as Spain, clinical laboratories also compete for reimbursement agreements with private insurance companies or other third-party payers, mainly on the basis of price. In the inpatient market, clinical laboratories increasingly compete with each other for hospital laboratory outsourcing contracts, mainly on the basis of price and quality of services.

Clinical Laboratory Services Market in Europe

General

The European clinical laboratory services market is largely fragmented. In the countries in which we operate, namely France, Spain, Portugal, Italy, Belgium and Germany, there are currently approximately 8,000 laboratories (including both private and public laboratories). There are generally three main types of clinical laboratory service providers: hospital-based laboratories, doctor-office laboratories and independent clinical laboratories.

Most private clinical laboratories are independently owned. In 2009, the private clinical laboratory services sector of the markets in which we operate generated revenues of approximately €12 billion, representing around 46% of the €26 billion in revenues generated by the overall clinical laboratory services in those markets.

The private clinical laboratories' market share differs significantly among countries due to differences in national healthcare systems and regulatory structures. For example, in France, the clinical laboratory services market is largely dominated by clinical laboratories in the private sector, whereas in the United Kingdom, clinical laboratory tests continue to be performed mostly by public hospitals. The market share and size of the private sector is, however, generally growing in Europe primarily as a result of public hospital laboratories outsourcing contracts to private clinical laboratories.

The diversity of healthcare systems in Europe also means that the provision of clinical laboratory services varies from country to country, particularly in relation to:

- *Number and size of private clinical laboratories.* The density of clinical laboratories ranges from six laboratories per 100,000 inhabitants in France (which counts over 4,200 laboratories) to less than one laboratory per 100,000 inhabitants in Germany (which counts approximately 120 laboratories).
- *Number of qualified laboratory doctors.* France has approximately 10,500 laboratory doctors while Germany has approximately 1,000 laboratory doctors.
- *Regulations.* Regulations relating to the qualification of laboratory doctors and laboratory personnel, technical conditions for testing, professional independence of laboratory doctors and conditions for owning, establishing and operating clinical laboratories vary by country (See "*Regulation*").
- *Quality standards.* In countries such as France, Germany, Spain and Belgium, national regulations require the accreditation of all clinical laboratories, while other countries accept internal quality management standards. In France, starting from November 2016, accreditation standards for clinical laboratories will be significantly more stringent.
- *Pricing of clinical laboratory tests.* The prices in most clinical laboratory services markets in Europe are, to a large extent, regulated. Significant disparities in tariffs persist, with higher prices per test in France, Portugal and Italy and lower prices per test in Germany and Belgium. In some countries, such as Spain, regulated prices in private clinical laboratory services have been replaced by contractually negotiated prices with private third-party payers.
- *Choice of laboratory.* Depending on the country, the clinical laboratory performing tests for a patient is chosen by the patient, his doctor or the patient's insurance company.

France

In 2009, the French clinical laboratory services market generated revenues of approximately €6.3 billion, with private laboratories representing approximately 67% of the overall French clinical laboratory services market. In 2009, there were 4,262 private laboratories operating in France. The French market for clinical laboratories services is highly regulated and is also the largest and has some of the highest tariffs in Europe.

In France, outpatients' 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.

Prices of laboratory tests are set by the Ministry of Health (*Ministère du Travail, de l'Emploi et de la Santé*) and the National Health Insurance Fund (*Caisse Nationale d'Assurance Maladie*). On average, approximately 60% of the price is reimbursed by the French social security system and the remainder is covered by private insurance companies or by the patient. The French social security system updates its nomenclature of tests, (BIOLAM), on an annual basis. BIOLAM includes approximately 1,100 tests and determines the amount of reimbursement, if any, for each clinical test. Generally, more-specialized and newer tests are excluded from BIOLAM at least initially.

France has the highest number of clinical laboratories and laboratory doctors per capita of all the countries in which we operate. There are therefore significant consolidation opportunities in the French clinical laboratory services market. Several factors drive this consolidation, including:

- Many small French clinical laboratories lag behind those in other European countries such as Germany and Spain in terms of standardization and automation.
- French legislation now requires that all clinical laboratories be ISO:15189 accredited by 2016. The heightened accreditation standards may force a number of the small clinical laboratories to pursue mergers or be acquired by larger laboratory groups.
- Regulatory constraints that limited consolidation are easing: the restrictions on the number of clinical laboratories that may be owned and operated by the same laboratory company or laboratory doctor and the restrictions on the outsourcing of tests between clinical laboratories and technical platforms operated by the same laboratory company have been lessened.
- There is currently a limited level of outsourcing by public hospitals in France.

Spain

In 2009, the Spanish clinical laboratory services market generated revenues of approximately €2.6 billion, with private laboratories representing approximately 27% of the overall Spanish clinical laboratory services market. In 2009, there were approximately 1,500 private laboratories operating in Spain.

In 2009, in Spain, most patients were covered by the public healthcare system, but approximately 23% of patients obtained supplementary private healthcare insurance. A privately insured patient must choose among the clinical laboratories that have entered into a reimbursement agreement with his or her private insurer. Generally, tariffs for tests performed by private clinical laboratories are negotiated at a regional level with private or mutual insurance companies and private hospitals. There are two basic fee structures: per capita and activity-based. Under a per capita structure, the insurer pays a fixed fee based on the number of patients within the clinical laboratory's territory and the clinical laboratory bears the risk of volume of testing services provided, up to a certain amount. Under an activity-based fee structure, the insurer pays the laboratory for each test performed, in accordance with a schedule of agreed test prices.

In the Spanish outpatient market, doctors, primary and specialized care centers may collect samples and send them to a clinical laboratory for testing. Some clinical laboratories also collect samples that they process.

Spanish law requires corporations to provide regular check-ups to their employees. Clinical testing services for such check-ups are usually provided under partnerships between an employer, or an occupational health services provider on behalf of an employer, and a private clinical laboratory.

While many private hospitals outsource their clinical laboratory services to private laboratories, there is currently a limited level of outsourcing by public hospitals to private clinical laboratories under public-private partnerships. Under Spanish law, public hospitals are required to launch public tender procedures for the selection of service providers. Most opportunities for such partnerships with public hospitals have arisen in connection with newly constructed hospitals.

The Spanish private clinical laboratory services market is quickly consolidating under the pressures of competitive pricing levels, as clinical laboratories seek to enhance their bargaining power with suppliers and customers.

Portugal

In 2009, the Portuguese clinical laboratory services market generated revenues of approximately €0.8 billion, with private laboratories representing approximately 43% of the overall Portuguese clinical laboratory services market. In 2008, there were approximately 350 private clinical laboratories operating in Portugal.

In Portugal, there are three major categories of healthcare providers: the national health insurance (*Serviço National de Saúde*), several subsystems in which healthcare is provided by public institutions or by contract with private or public providers (or in some cases, a combination of both), and private healthcare insurers. Each of these healthcare providers establishes its own table of prices and reimbursement levels of laboratory tests.

Outpatients are free to choose a clinical laboratory from the public or the private sector for their medical testing. Patients with no private insurance can choose to go to public laboratories or to private laboratories that have agreements with the *Serviço National de Saúde* (or a subsystem, if applicable). The prices for clinical laboratory services in the public sector are set and supported by the *Serviço National de Saúde* (or the relevant subsystem) and typically require a small co-payment from the patient. At the end of 2008, the Portuguese government established a new price calculation method applicable to the public outpatient sector. Patients with private insurance can choose to go to public laboratories or private laboratories that have entered into reimbursement agreements with their private insurers. The cost of clinical laboratory services in the private sector is not state-regulated and test prices are negotiated between private laboratories and private health insurance companies. Private insurers, however, must establish the same table of prices for all clinical laboratories with which they enter into an agreement.

The Portuguese private clinical laboratory services market is undergoing consolidation, generating further consolidation opportunities. The *Serviço National de Saúde*, however, is not currently entering into new reimbursement agreements with clinical laboratories, creating a significant barrier to entry for new players. Accordingly, prices of acquisitions reflect the premium of acquiring private laboratories which already have agreements with the *Serviço National de Saúde*.

At present, outsourcing by public hospitals to private laboratories remains limited in Portugal. While most opportunities for such contracts arise in connection with newly constructed hospitals, the current Portuguese government has not pursued outsourcing opportunities.

Germany

In 2009, the German clinical laboratory services market generated revenues of approximately €6.4 billion, with private laboratories representing approximately 70% of the overall German clinical laboratory services market. In 2009, there were approximately 120 private clinical laboratories operating in Germany.

The clinical laboratory services market in Germany is liberalized and less fragmented due to the presence of five larger private groups. The remainder of the market consists mainly of small doctor-office laboratories and publicly run hospital laboratories. The smaller clinical laboratories tend to focus on highly specialized testing. Prices and level of reimbursement of laboratory tests are regulated by the state for both privately and publicly insured patients. Germany does not have a nationwide social security fund, but each region has a regional publicly funded medical association that controls reimbursement by the public statutory health insurance (*Gesetzliche Krankenversicherung*) ("SHI"). Reimbursement is coordinated nationally, but to a certain extent the 17 regional funds maintain independent policies and are responsible for reimbursing laboratories for tests performed. As a result of continued pressure on test prices over the past few years, Germany now has one of the lowest tariff levels in Europe. Tests are paid for by the regional funds, private health insurance or by patients. Since July 2010, public budget changes implemented a cap on full reimbursement of clinical laboratory tests. Once a patient exceeds the specified limit, any additional test is reimbursed at a discount.

In Germany, doctors may collect samples and then choose a clinical laboratory to test the sample. Doctors can also perform the test themselves as well as perform tests for other doctors, which constitutes a source of competition among clinical laboratories. More frequently, private practice doctors collaborate with each other to form laboratory collaborations which provide them with cost efficiencies and enhance their purchasing power.

As indicated above, the German clinical laboratory services market is more consolidated than most European markets, though further opportunities for consolidation remain through the acquisition of small to medium-sized targets. Consolidation is likely to be driven by the need of Germany's larger clinical laboratory groups to expand their geographical footprint, increase specialization and take advantage of economies of scale in a highly competitive marketplace.

We also believe that there are currently opportunities for outsourcing of laboratory services of public hospitals in Germany, particularly in connection with efforts to control costs in smaller hospitals.

Belgium

In 2009, the Belgian clinical laboratory services market generated revenues of approximately €1.4 billion, with private laboratories representing approximately 50% of the overall Belgian clinical laboratory services market. In 2009, there were approximately 70 private clinical laboratories operating in Belgium.

Prices of the large majority of laboratory tests are state-regulated and set by the national healthcare regulator (the *Institut National d'Assurance Maladie—Invalidité*) ("INAMI") on an annual basis. Reimbursement levels for tests included in the INAMI nomenclature are set by the Belgium health authorities and typically provide for a co-payment by the patient. A small number of laboratory tests, however, are excluded from INAMI's price regulation and are set freely by individual laboratories. Most nutrition tests, for example, are not reimbursed by INAMI.

As in Germany, the outpatient laboratory services market in Belgium is mostly structured on the basis of a business-to-business model where samples are collected at a doctor's practice before being delivered to a technical platform for testing at clinical laboratories such as ours. Certain players, including us, also operate networks of collection centers for walk-in patients.

Market consolidation, which started in the 1990s and has accelerated since 2006, has been primarily driven by the easing of ownership restrictions to allow for the ownership of clinical laboratories by investors who are not laboratory doctors, the increasing difficulty in obtaining authorizations to operate and tariff reductions.

Italy

In 2009, the Italian clinical laboratory services market generated revenues of approximately €5.2 billion, with private clinical laboratories representing approximately 33% of the overall Italian clinical laboratory services market. Public hospitals, private hospitals and private laboratories dominate the clinical laboratory services market. In 2009, there were approximately 1,600 private laboratories operating in Italy. The market share of private laboratories, however, varies significantly by region due to Italy's fragmented and decentralized healthcare system.

Generally, prior to undergoing any test, a patient must pay a ticket that does not correspond to the test's actual cost. The remaining portion of the cost is covered by the national healthcare authority (the *Servizio Sanitario Nazionale*) or by private healthcare insurers.

The *Servizio Sanitario Nazionale* provides guidelines for tariffs applicable to accredited private clinical laboratories. However, regional authorities have the authority to set local tariffs above or below national guidelines. On an annual basis, each accredited private clinical laboratory must sign an agreement with local authorities that determines maximum reimbursement value granted to it (based on historical costs) and specific reimbursement rules for the year. Accordingly, regional reimbursement levels differ greatly.

In Italy, outpatients' doctors prescribe clinical tests and patients are free to choose the clinical laboratory in which the tests are conducted. Patients typically choose a laboratory based on proximity to their home or workplace. The test is reimbursed by the *Servizio Sanitario Nationale* or by a private insurer with a co-payment by the patient.

Large clinical laboratories in Italy typically offer a "one-stop-shop" for diagnostic testing services by providing pathology testing services, diagnostic imaging services, ambulatory care and other health care services.

We believe that there are significant consolidation opportunities in the Italian clinical laboratory services market as a result of the market's high fragmentation, tariff decreases, the lag in standardization and automation affecting small laboratories and the recent national and regional reductions in healthcare expenditure.

United Kingdom

In 2009, the clinical laboratory services market in the United Kingdom generated revenues of approximately €3 billion, with private clinical laboratories representing approximately 6% of the overall clinical laboratory services market.

The clinical laboratory services market in the United Kingdom is dominated by hospital laboratories. The National Health Service system provides testing services for both inpatients and outpatients. However, in the past few years, there has been a trend towards outsourcing clinical laboratory testing services to private clinical laboratory groups. We have recently formed a joint venture with a UK-subsidiary of the French group Sodexo to pursue this opportunity. Under outsourcing arrangements, prices of tests are negotiated directly between the National Health Service Trust hospitals and private clinical laboratories.

Competition

The European clinical laboratory services market is highly competitive. We believe that there are currently very few truly pan-European players in our market. However, we expect further cross-border consolidation among certain of our competitors as well as increased penetration of the European clinical laboratory services market by some of the major non-European laboratory groups (Quest Diagnostics, Laboratory Corporation of America and Sonic Healthcare, in particular). We continue to implement strategies designed to improve our competitive position.

Due to the regulated fee structure of most European clinical laboratory services markets, we mostly compete on the basis of the quality of the services we provide. However, in liberalized markets such as Spain, healthcare providers and third-party payers often select a clinical laboratory on the basis of price. 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, and that other clients of clinical laboratories (mostly doctors, hospital and other healthcare providers) consider the following factors, among others, in selecting a clinical laboratory:

- 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 of delivering/publishing results; and
- the tools for interpreting results offered.

In addition, price is a key factor in the hospital outsourcing market.

Competitors

On an individual basis, our clinical laboratories compete with independent clinical laboratories and technical platforms, hospital-based laboratories and doctor-office laboratories. At a group-level, we compete with other national, European and international groups.

National groups. While certain national champions emerged between 1995 and 2005 (such as Unilabs in Switzerland, General Lab and Echevarne in Spain and Limbach, Synlab and Bioscientia in Germany), from 2006 these groups began consolidating into European groups.

New European groups. In the last few years, private equity firms have shown an increased interest in the healthcare industry, and more particularly in the clinical laboratory services market, a trend which is likely to accelerate market consolidation and the integration of pan-European groups. For example, Unilabs, in which Apax and Nordic Capital invested in 2007, operates in 11 European countries, and Synlab, in which BC Partners invested in 2009, operates principally in Germany, Austria and a number of eastern European countries.

Non-European clinical laboratory groups. Major international players include Quest Diagnostics and Laboratory Corporation of America, both U.S. companies which are by far the two largest clinical laboratory groups in the world but operate almost exclusively in the United States; Diagnosticos da America, a Brazilian group which operates exclusively in Latin America; and Sonic Healthcare, an Australian group. Sonic Healthcare is the only truly international player in the clinical laboratory services market with operations in Australia, the United States, Belgium, Germany, Switzerland, Ireland and the United Kingdom.

Market Trends

There are a number of key trends that we expect will impact the clinical laboratory services market in Europe generally and our business.

The current economic slowdown has reduced industry growth rates. However, because clinical testing is an essential healthcare service and because of the key trends discussed below, we believe that the industry will continue to grow over the long term.

Pricing Trends

The clinical laboratory services market has experienced tariff reductions (for example, tariffs have fallen in France for each of the past two years). Pressure on state budgets has contributed to significant reductions in tariffs in recent years as governments and public authorities, and third-party payers and private insurers in Spain have focused on reducing healthcare costs. In certain markets, including France, public reimbursement levels are regularly updated.

Volume trends

We believe a combination of factors, including the aging of the population, the increased frequency of soft diseases such as allergies and of long-term diseases such as cancers and diabetes requiring recurring tests, is increasing the demand for clinical laboratory testing. Healthcare policies also increasingly recognize the value of early detection and prevention of chronic and severe diseases. The growing emphasis placed on more-accurate diagnoses supported by clinical testing has led doctors to increasingly prescribe clinical laboratory tests to help identify potential diseases, for early detection, to monitor patient compliance and to determine and evaluate treatment. In addition, we believe that increased disposable income and a willingness of certain patients to absorb out-of-pocket costs, combined with increased health consciousness of the general population, could contribute to volume growth. At the same time, the impact of certain lifestyle choices, such as low levels of physical activity, malnutrition and stress, can lead to obesity and related chronic illnesses, which in turn require additional testing.

Outsourcing

The outsourcing by public and private hospital laboratories to the benefit of private organizations is another trend observed in the European clinical laboratory services market over the last few years. We believe outsourcing represents an increasingly important additional source of revenue for groups such as ours. The outsourcing trend is not at the same stage of maturity in all European countries. It is currently most prevalent in Spain and Germany, especially in the private hospital sector. However, we believe that the UK, French, Portuguese, Belgian and Italian markets may provide further outsourcing opportunities in the near future.

Technological Evolution and Quality Standards

Improvements in medical and information technologies and quality standards are also shaping the private clinical laboratory services market, as they facilitate more-timely and effective decisions which ultimately improve patient care and reduce medical costs.

Market Consolidation

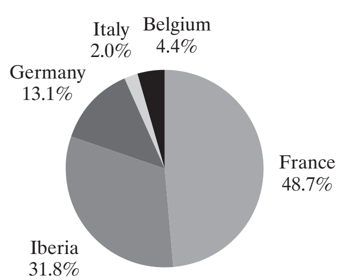
We believe that a combination of pricing pressure and regulatory reforms, stricter quality standards and economic incentives such as achievable economies of scale and cost reductions, are likely to lead to the consolidation of the portion of the European clinical laboratory services markets that remain fragmented. 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.

BUSINESS

Overview

We are one of the leading groups in the European clinical laboratory services market. We are the market leader in France for routine testing and in Spain and Portugal for both routine and specialty testing, in each case based on 2009 revenue. We also have a significant foothold in Germany, Belgium and Italy. We provide our services through our network of over 230 laboratories in six European countries. In addition, we have recently formed a joint venture to deliver laboratory outsourcing services to hospitals and other healthcare organizations in the United Kingdom.

The map below provides information about our pan-European network of laboratories, setting out the number of laboratories as of September 30, 2010 and revenues for the year ended December 31, 2009.



France	
2009 revenue	€206.6m
2009 % of revenue	48.7%
# laboratories*	145

Iberia	
2009 revenue	€134.9m
2009 % of revenue	31.8%
# laboratories* (Spain)	48
# laboratories* (Portugal)	31

Germany	
2009 revenue	€55.7m
2009 % of revenue	13.1%
# laboratories*	7

Belgium	
2009 revenue	€18.6m
2009 % of revenue	4.4%
# laboratories*	3

Italy	
2009 revenue	€8.7m
2009 % of revenue	2.0%
# laboratories*	5

* primarily includes routine laboratories, essential services laboratories and technical platforms

We offer a range of over 2,500 routine and specialty tests used by medical professionals for patient diagnostic purposes, as well as the monitoring and treatment of disease. The most frequently utilized routine tests include blood chemistry analyses, urinalyses, blood cell counts, thyroid tests, microbiology cultures and procedures, HIV tests, and alcohol and other substance-abuse tests. In most of the countries in which we operate, we also provide a broad range of specialty testing services, such as oncology testing, allergy testing, HIV genotyping and phenotyping, infectious disease testing, diagnostic genetics and paternity testing. Most of our tests are conducted in connection with outpatient care.

We conduct clinical tests, generally using automated testing equipment, deliver results to prescribing doctors and patients and offer assistance with the interpretation of such results through our laboratory doctors. In certain countries, some of our laboratories are also responsible for the collection and delivery of samples to our testing facilities.

As of September 30, 2010, we employed approximately 4,000 people, including approximately 490 laboratory doctors. Approximately 150 of the laboratory doctors we employ are also shareholders of the Issuer and together own, directly or indirectly, approximately 30% of our capital. In 2009, we performed approximately 500,000 tests daily and treated over 15 million patients. In addition to the patients who visit our clinical laboratories, our clients include doctors, hospitals, insurance companies and corporate employers.

Since our founding in 2003, we have mainly developed our network by selectively acquiring small and medium-sized clinical laboratories. However, in 2007 and 2008, we established our presence in Spain and Portugal through the acquisition of two large laboratory companies, General Lab S.A. and Sampletest, S.A.

For the year ended December 31, 2009 and the nine months ended September 30, 2010, we recorded revenues of €424.5 million and €332.1 million, respectively, and generated Adjusted EBITDA of €82.7 million and €61.3 million, respectively. See "*Summary—Summary Historical Consolidated Financial Information and Other Data*".

Our Competitive Strengths

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

Leading position in the European clinical laboratory services market. Since 2007, we have significantly expanded our operations and now benefit from a pan-European network of clinical laboratories in six countries. We are the market leader in France for routine testing, and in Spain and Portugal for both routine and specialty testing, in each case based on 2009 revenue. In 2009, we generated 80.4% of our sales in France, Spain and Portugal. Our network generates economies of scale that enable us to better absorb pricing pressures and withstand the effects of the economic downturn compared to our smaller competitors. The size of our network has also allowed us to negotiate more advantageous purchasing conditions with our suppliers. We believe that smaller laboratory companies that cannot compete as effectively may be forced to pursue mergers or consolidate, presenting us with opportunities to increase our market share and further expand our network.

We believe that our pan-European presence diversifies our sources of income and reduces country-specific operational risks. It also enables us to apply best practices identified in some markets to our other markets. For example, we have capitalized on the expertise in hospital laboratory outsourcing developed in Spain by launching outsourcing activities in Portugal, where we now provide laboratory testing services to a public hospital in Cascais and also intend to apply this expertise to the joint venture we recently formed in the United Kingdom.

Resilient and growing market with high barriers to entry and growth opportunities. The European clinical laboratory services market is characterized by resilient growth and high barriers to entry. The market has proven resilient to economic cycles and is expected to continue benefiting from favorable demographic factors. For example, the aging of the population, the increased frequency of long-term illnesses requiring recurring tests and increased levels of disposable income tend to support greater healthcare expenditure. Testing volumes have also increased as the medical profession increasingly focuses on the prevention, early detection and treatment of chronic and severe illnesses and increasingly relies on clinical testing for more-accurate diagnoses. Most of the European clinical laboratory services markets in which we operate have regulatory and market-specific characteristics which create a barrier to potential entrants who lack the market knowledge, specific competencies, experience and critical size that we have developed. Accordingly, we believe that large established players like our group are in a better position to benefit from consolidation opportunities anywhere in the European market.

Proven consolidation strategy with a structured approach to acquisitions. Significant portions of the European clinical laboratory services market, including the French, Spanish, Portuguese and Italian markets, remain fragmented. These markets present opportunities for consolidation and growth, and 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. We are a leading consolidator in the European clinical laboratory services market based on the number of acquisitions that we have completed in France, Spain, Portugal, Germany, Belgium and Italy, and believe we are well positioned to capitalize on additional opportunities in our existing markets as well as in potential new markets. We have a dedicated team 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 management and local laboratory doctors. Since we were founded in 2003, we have built a network across six European countries of over 230 laboratories primarily through acquisitions. In 2007, 2008 and 2009, we completed 11, 28 and five acquisitions, respectively. In 2010, we completed 14 acquisitions and signed sale and purchase agreements for an additional nine acquisitions which we expect to close in 2011. We typically acquire small and medium-sized laboratory companies but have also acquired large regional groups of laboratories in the past, such as General Lab S.A. in 2007, which comprised 44 laboratories in Spain, and Sampletest, S.A. in 2008, which comprised 39 laboratories in Portugal and Spain, to establish our footprint in new markets. We believe that the fragmentation of the French clinical laboratory market in particular 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 across our network.

Unique "partnership" ownership model. Our shareholders include our founding shareholders, certain laboratory doctors, senior management and financial investors. Approximately 150 of our laboratory doctors and their affiliates together hold approximately 30% of our equity. Laboratory doctors from whom we acquire laboratories often become shareholders in our group by reinvesting a portion of the purchase price and they retain management responsibilities over the day-to-day operations of their laboratories. We believe the combination of an ownership stake and operational management aligns the interests of these laboratory doctors with those of our group with respect to the performance of both individual laboratories and of the group. In addition, we believe our structure also fosters a medical culture which reinforces the quality of our services, appeals to laboratory doctors and may attract laboratory companies interested in joining our group. The local expertise provided by laboratory doctors and companies already part of our network helps us to identify potential acquisitions and facilitates the integration of new businesses as they join the group. In addition, since 2008, we have benefited from the investment experience and support of 3i. 3i Investors, our largest shareholder, owns approximately 18% of our share capital.

High-margin and limited capital intensity business. For the years ended December 31, 2008 and 2009, we generated an average Adjusted EBITDA margin of 17.9%. Our business benefits from relatively low capital expenditure requirements, excluding acquisitions. For the years ended December 31, 2008 and 2009, our capital expenditures, excluding acquisitions, were €11.9 million and €13.2 million, respectively. As a percentage of our revenue, capital expenditure (excluding acquisitions), amounted to 3.1% for the year ended December 31, 2009. We have developed and are implementing numerous initiatives that allow us to further control our costs by optimizing our relationships with our suppliers, our logistics operations and our information technology systems. In particular, a significant amount of testing equipment is made available to us by our reagent suppliers in exchange for an exclusive commitment to purchase reagents from them, allowing us to limit our investments in such equipment.

Strong management team at group and local level. We benefit from the experience and industry know-how of our current senior management team, which has recently been strengthened by the appointment of Mr. Philippe Charrier as Chief Executive Officer. Our shareholders appointed Mr. Charrier as our new Chief Executive Officer for a three-year term starting January 1, 2011. Prior to joining our group, Mr. Charrier acted as managing director and vice-president of Laboratoire Oenobiol, a leader in nutritional, health and beauty supplements in France from 2006 to 2010, and as chief executive officer and vice-president of Procter & Gamble France from 1999 to 2006. Mr. Andreas Gaddum, Chairman of our group, served as our interim Chief Executive Officer prior to Mr. Charrier's appointment. A majority of the members of our senior management team have extensive experience in the healthcare industry. One of our co-founders, Stéphane Chassaing, is an experienced laboratory doctor who also holds a senior management position as Vice-Chairman and Managing Director, thereby providing additional industry knowledge to the group's leadership team. At the local level, our partnership model allows us to benefit from the experience and relationships of the more than 150 laboratory doctors who invested in the group after we had acquired their clinical laboratories. We believe our management team provides us with the skills necessary for managing disparate medical and regulatory cultures through a common corporate infrastructure and facilitates the implementation of best practices across our network, as well as the penetration of current and potential new markets. The support and investment experience of 3i supplements the leadership and knowledge of our management and laboratory doctors.

Our Strategy

Our strategy is to become the leading provider of clinical laboratory services in Europe by delivering high quality services at high margins. The key elements of our strategy are:

Drive organic volume growth by increasing our customer base. We are undertaking a range of initiatives to increase our sales by attracting new customers. We have recently restructured our sales force in Germany and Spain and are currently launching a program to increase its productivity. In addition, we are implementing a client relationship management software program aimed at further developing relationships with the primary prescribers of our tests and are pursuing an initiative to provide "value-added" services to patients, doctors and hospitals in each of the countries in which we operate. For example, we are currently developing a new software program for the computerized publication of test results based on two pilot programs we conducted in France and Spain that we intend to introduce across our entire network in the future.

Develop new sources of revenue. We are committed to developing new revenue streams and have identified opportunities for growth such as hospital outsourcing and optimization of our testing services offering. As a result of budgetary constraints, hospitals have increasingly been outsourcing the management and operation of their laboratories. We believe the outsourcing of hospital laboratories produces significant value for our customers and creates long-term and stable revenue streams for us. We currently provide laboratory outsourcing services to over 40 hospitals in Spain, Portugal, Germany and France. Integrated Pathology Partnerships, our joint venture with Sodexo, was established to provide outsourced clinical laboratory and anatomical pathology services to hospitals in the United Kingdom. We also intend to develop services in anatomical pathology testing, the diagnosis and monitoring of disease through the testing of histologic and cytologic samples such as organs, tissues or cells in our other markets. In France, we plan to capitalize on recent regulatory changes to perform specialty tests that historically we have outsourced and have developed a three-year program to progressively conduct most of these tests ourselves. In addition, we plan to expand our range of non-prescription tests, such as nutrition and migraine testing.

Deliver operating efficiencies. We intend to continue to take advantage of the economies of scale provided by our network by streamlining our laboratory operations and administrative functions and controlling costs through the ongoing development of our corporate structure and the integration of our clinical laboratories. At a group level, we will expand our existing program for automating our testing services, and continue improving and developing shared services solutions and finance processes. Our goal is to improve the utility and timeliness of financial reporting by introducing improved software platforms, common information technology architecture and support, and centralizing certain back office functions such as treasury and finance. We are also aiming to reduce our costs by further centralizing procurement activities. In France, we have started taking advantage of regulatory changes that have lessened outsourcing restrictions which previously required that at least one-third of routine tests be performed at the location where samples are collected. We are now developing our technical platforms and logistics operations in order to consolidate our smaller laboratories into larger and more efficient production platforms.

Selectively pursue acquisitions and expansion to new markets. The European clinical laboratory services market, except in Germany and Belgium, remains fragmented, and we believe there are attractive opportunities for consolidation, especially in France and Italy. In 2010, we completed 14 acquisitions and signed sale and purchase agreements for an additional nine acquisitions which we expect to close in 2011. We intend to further expand our network by continuing to selectively acquire small and medium-sized laboratory companies in each of the markets where we are currently present and to explore opportunities to purchase larger laboratory networks in other European countries. In the past, we relied largely on strategic acquisitions to gain critical mass and geographical coverage. We are currently primarily focused on accretive acquisitions of smaller clinical laboratories in close proximity to existing laboratories in our network that we can quickly restructure and integrate into the group.

Our History

Labco was founded by Eric Souêtre, a PhD psychiatrist and health economist, and Stéphane Chassaing, a pharmacist and laboratory doctor. Our founders' objective was to consolidate certain small laboratory companies operating in the highly fragmented French clinical laboratory market. In June 2003, Labco S.A.S. was incorporated as a holding company for our French operational subsidiaries. We established our first network of French private clinical laboratories in France through targeted acquisitions in 2004 and expanded into new regions the following year through four additional acquisitions. In late 2005 and 2006, we started building our European network by acquiring one laboratory company in Italy and one in Germany, while continuing to grow our network in France. By December 2006, our network in France included 80 laboratories, spread across 12 regions. During 2008, we introduced standardized quality, communication and purchasing services for our laboratory specialists and network. We also formed a European development team responsible for identifying, evaluating and negotiating potential acquisitions across Europe.

In 2007, we expanded our network into Spain by acquiring General Lab S.A. and consolidated our position in Italy by acquiring a 20% stake in C.A.M., Centro Analisi Monza S.p.A. (we acquired the remaining 80% in 2010). In 2008, we successfully completed 28 acquisitions as we continued to develop our network. These acquisitions included Sampletest, S.A., a leading Iberian laboratory group, and Laboratoire d'Analyses Médicales Roman Païs, our first laboratory company in Belgium. In July 2008, 3i Investors acquired a minority stake in our company, and currently own approximately 18% of our share capital. In that same year, we introduced a new brand image for our European operations, significantly built up our corporate functions to support our operations and started implementing unified financing and accounting systems and procedures.

In 2009 and 2010, we completed 14 acquisitions in France, two in Spain, one laboratory in Portugal, one laboratory in Germany and one laboratory in Italy. In June, we entered into a joint venture with Sodexo to access the hospital laboratory outsourcing market in the United Kingdom.

Our Operations

Clinical Laboratories

Our laboratories and related facilities can be broadly categorized into three types:

- "routine laboratories", which collect samples, perform routine tests and generally report results to patients and doctors;
- "essential services laboratories", which are routine laboratories located in hospitals for emergency diagnostic testing. These laboratories operate on a continuous basis and are smaller and have more limited facilities than our other types of laboratories; and
- "technical platforms", which are regional platforms that conduct centralized test processing for regional collection centers or hospitals. Our technical platforms are equipped with advanced equipment and can usually perform both routine and specialty testing. They also often include on-site facilities for the collection of samples.

We also operate collection centers in Spain, Portugal, Belgium and Italy, where samples are collected from patients and then transported to routine laboratories, technical platforms or third-party laboratories for testing.

The type and size of clinical laboratories vary considerably from country to country due to the different healthcare systems and regulatory environments. See "*Industry*".

Overview

France

We entered the diagnostic services market in France in 2004. The laboratory testing market in France is highly fragmented with a large number of smaller laboratories. Patients typically choose a laboratory based on proximity to their home or workplace. Accordingly, choice of a high visibility location and reputation are key factors. Our laboratories are evenly distributed throughout France (except for the Massif Central region, where we have no laboratories), and are mainly located in small cities or rural areas. We have a limited presence in major cities because we believe that we can acquire clinical laboratories in small cities at more attractive prices than in large cities, and that the average revenue per laboratory in large cities is generally lower than the French national revenue average.

As of September 30, 2010, we operated 145 laboratories in France, of which 119 were routine laboratories and 26 were technical platforms. We established our technical platforms (some of which provide specialty testing services) following regulatory changes implemented in January 2010 that loosened restrictions on the outsourcing of testing and allowed for the operation of technical platforms. Twenty-eight of our routine laboratories and technical platforms are located at or near hospitals and serve, although not exclusively, public and private hospitals pursuant to outsourcing contracts.

Each of our routine laboratories in France has an on-site laboratory doctor and offers routine tests, although certain of these laboratories now also send certain routine tests to one of our technical platforms when it is economical to do so. We typically transport the samples collected at our routine laboratories for processing at our technical platforms using vehicles that we own or rent. Our newly established technical platforms also have the capacity to perform specialty tests, but in some cases, it remains more efficient and cost-effective for our routine laboratories to outsource specialty tests to third parties (which generally transport our samples from points of collection to their laboratories). As we continue to expand our network of technical platforms, we plan to progressively transform most of our routine laboratories into collection centers and to consolidate our test processing activities for both routine and specialty tests within our own technical platforms.

Our sales in France for the year ended December 31, 2009 and for the nine months ended September 30, 2010 were €206.6 million, or 48.7% of our total sales, and €158.4 million, or 47.7% of our total sales, respectively.

Spain

We commenced operating laboratories in Spain in 2007 when we acquired General Lab S.A. and became the leader of the Spanish clinical laboratory services market in 2008 when we acquired Sampletest, S.A. As of September 30, 2010, we operated 48 laboratories in Spain, 16 of which were routine laboratories, seven were technical platforms and 29 were essential services laboratories. Most of our facilities are concentrated in Catalonia, Madrid and Andalucía, three of the country's most affluent regions.

Our laboratories in Spain offer a range of both routine and specialty tests, and our laboratory in Barcelona is the most technologically advanced laboratory within our network. Our geographic footprint allows us to enter into nationwide agreements for private market clinical laboratory services with private health insurers. We have entered into such nationwide agreements with Asisa, Adeslas, DKV, CASER, Medifiatc, Sanitas (Bupa Group) and Allianz. These agreements mainly use an activity-based fee structure, under which we are paid per test provided. Certain insurers, however, such as Asisa, have started to implement a per capita fee structure, under which we are paid a set annual fee per patient to provide all of the specified testing services for such patients up to a pre-set limit.

We have outsourcing contracts with private hospitals, pursuant to which we perform testing services either in one of our essential services laboratories or at one of our nearby routine laboratories or technical platforms. We also perform specialty tests for other private clinical laboratories.

We also have a portfolio of corporate employers and occupational health providers to which we provide clinical laboratory testing services in connection with regular check-ups for employees. In addition, we provide other services in Spain such as specialty tests for public hospitals and services provided to patients out-of-pocket.

We report our sales in Spain together with our sales in Portugal. Our sales in Iberia for the year ended December 31, 2009 and the nine months ended September 30, 2010 were €134.9 million, or 31.8% of our total sales, and €100.2 million, or 30.2% of our total sales, respectively.

Portugal

We began operating laboratories in Portugal in 2007 when we acquired three laboratories in Lisbon from Soprelab and became a leader in the Portuguese clinical laboratory services market in 2008 when we acquired Sampletest, S.A. As of September 30, 2010, we operated 31 laboratories in Portugal, of which 14 were routine laboratories, 5 were technical platforms, 11 were essential services laboratories and one was a laboratory providing both routine and specialty testing services. Most of our facilities are concentrated in the cities of Lisbon and Porto and their surrounding areas. A majority of our technical platforms in Portugal offer a range of both routine and specialty tests.

Our operations in Portugal are predominantly in the outpatient market. Our acquisition of Sampletest, S.A. in 2008 has allowed us to provide services to patients that are reimbursed by the *Serviço National de Saùde* (the "SNS") because Sampletest, S.A. has a reimbursement agreement with the SNS. We also have reimbursement agreements with private insurance companies for patients covered by private insurance. We provide services to a public hospital in Cascais through a public-private partnership and have a small number of corporate employer customers in Portugal.

We report our sales in Portugal together with our sales in Spain. See "—*Spain*".

Germany

We began operating laboratories in Germany in 2006. As of September 30, 2010, we operated six technical platforms and one essential services laboratory. We also operate our own fleet of vehicles, which transports samples from doctors and collection points to our technical platforms. Our facilities are located in North Rhine-Westphalia, Hessen, Baden-Württemberg and Saarland, in the western and southwestern regions of Germany. In addition, we have an outsourcing contract for laboratory services with one large hospital in Germany.

Our laboratories in Germany offer a range of both routine and specialty tests. They are the largest (in terms of number of tests performed per day) and among the most technologically advanced laboratories within our network.

Our sales in Germany for the year ended December 31, 2009 and for the nine months ended September 30, 2010 were €55.7 million, or 13.1% of our total sales, and €41.6 million, or 12.5% of our total sales, respectively.

Belgium

We began operating laboratories in Belgium in 2008. As of September 30, 2010, we operated three laboratories in Belgium, each of which is a technical platform. Our facilities are concentrated in the Brussels-Capital region and the Western part of the Walloon region.

Our laboratories in Belgium offer a range of routine and specialty tests. Our samples are collected in the collection centers that we operate or are sent to us for testing by doctors.

In addition to classical clinical laboratory testing, our laboratories in Belgium conduct nutritional and pathological tests. Nutritional tests are generally not subject to regulated tariffs.

Our sales in Belgium for the year ended December 31, 2009 and the nine months ended September 30, 2010 were €18.6 million, or 4.4% of our total sales, and €14.8 million, or 4.5% or our total sales, respectively.

Italy

We began operating laboratories in Italy in 2005. As of September 30, 2010, we operated five laboratories located in the Lombardy and Liguria regions, of which three were routine laboratories, one was a technical platform and one was a laboratory providing human genetics testing services only. The clinical laboratory market in Italy is highly fragmented, in particular in the south of the country, and subject to a decentralized healthcare system with varying regulations and tariffs imposed across the country. We have strategically concentrated our operations in the northern regions of Italy, which typically have better economic fundamentals than the rest of the country.

Our laboratories in Italy offer a range of routine tests. We offer specialty testing services in Lombardy and we outsource specialty tests to larger specialized laboratories or to public hospitals in Liguria. In addition to clinical laboratory testing services, we also provide other diagnostic services, including diagnostic imaging services, check-ups, full-service work medicine, physiotherapy and day surgery.

Our sales in Italy for the year ended December 31, 2009 and for the nine months ended September 30, 2010 were €8.7 million, or 2% of our total sales, and €17.1 million, or 5.1% of our total sales, respectively.

United Kingdom

We currently do not operate any clinical laboratory in the United Kingdom. In July 2010, we formed Integrated Pathology Partnerships ("iPP"), a joint venture with Sodexo, a leading global provider of facilities management services to the healthcare market. We hold a 51% equity stake in iPP, and Sodexo holds the remaining 49%. Sodexo and we each control 50% of the voting rights in iPP.

iPP's objective is to bid for laboratory testing outsourcing contracts in the United Kingdom. Since its formation, iPP has formally submitted three tenders and is currently a short-listed bidder along with other bidders in respect of two of these tenders. In addition, iPP has commenced negotiations in connection with three other opportunities. There can be no assurance as to the outcome of these tenders or negotiations, but should iPP win one or more of these, we expect that it will commence operations in 2011.

Our Services

Testing Services

We provide a broad range of clinical laboratory tests, including both "routine" and "specialty" tests. The range of tests we offer varies from country to country and between our types of facilities.

Routine Testing

The clinical laboratory tests we offer are regularly used in general patient care by doctors 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;
- HIV tests;
- microbiology cultures; and
- alcohol and other substance-abuse tests.

We perform this core group of routine tests in all our laboratories (including in the hospital laboratories for which we have an outsourcing contract). We perform and report most routine procedures within 24 hours, utilizing a variety of sophisticated and computerized laboratory testing instruments.

Specialty Testing

Specialty tests involve a higher level of complexity than routine tests, are conducted by highly skilled laboratory professionals and generally utilize more-sophisticated technology, equipment or materials. Due to cost or infrastructure restraints, few hospital, routine or doctor-office laboratories develop and perform a broad range of specialty tests in-house. We perform specialty tests in all the countries in which we operate. Prior to 2010, we generally outsourced specialty tests in France to clinical testing laboratories that specialize in performing specialist or low-volume tests, such as Cerba, Biomnis or Institut Pasteur de Lille. As a result of regulatory changes in France effective in January 2010, we have established technical platforms and commenced performing a limited number of specialty tests that were previously outsourced. We intend to expand the range of specialty tests we perform in

France where it is economical to do so. Our clinical laboratories that provide specialty testing services typically perform specialty tests, in the following fields, among others:

- diagnostic genetics (the study of chromosomes, genes and their protein products and effects);
- endocrinology and metabolism (the study of glands, their hormone secretions and their effects on body growth and metabolism);
- hematology (the study of blood and bone marrow cells) and coagulation (the process of blood clotting);
- immunogenetics and human leukocyte antigens (solid organ and bone marrow transplantation; eligibility for vaccines; selection of pharmacotherapeutic agents and immunotherapy);
- immunology (the study of the immune system, including allergies, transplant compatibility, antibodies, cytokines, immune system cells and their effect, receptor systems and autoimmune diseases);
- microbiology and infectious diseases (the study of microscopic forms of life, including parasites, bacteria, viruses, fungi and other infectious agents);
- oncology testing (the study of abnormal cell growth, including benign tumors and cancer);
- serology (a science dealing with body fluids and their analysis, including antibodies, proteins and other characteristics);
- toxicology (the study of chemicals and drugs and their adverse effects on the body); and
- identity testing (forensic identity testing used in connection with criminal proceedings and parentage evaluation services).

Development of New Tests

To remain competitive in the clinical laboratory services market, we intend to continue to add to our testing capabilities. The office of our Chief Medical Officer monitors the scientific literature and trade press and holds discussions with test manufacturers and suppliers to identify new tests that become commercially available for inclusion in our range of services. Introducing new tests involves educating prescribers (such as doctors and hospitals) about the test and in many instances requires the third-party payers to cover the reimbursement of such tests. We often use our customer service and continuing medical education initiatives to educate prescribers about new tests. We describe the range of routine and specialty tests offered by each of our laboratories in a "pathology handbook/test catalogue" and keep prescribers regularly informed of any changes to our catalogue of tests.

Testing Operations

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 laboratory doctors.

Pre-analytical Phase. Before clinical testing is performed, samples are collected from the patient, identified and delivered to our analytical laboratories. Patient samples are labeled immediately with an identification number that is logged into an information technology system by the health practitioner who performed the extraction.

Samples are usually accompanied by a test request form (in electronic or paper format), which indicates the tests to be performed and provides the necessary billing information.

The collection and testing of patient samples are often performed at different locations, and therefore require the transportation of samples from a specified collection point (such as hospital sites, doctors' offices and collection centers) to our laboratories. Certain of our laboratory companies in France, Germany and Spain maintain their own fleets of vehicles and manage both transport and logistics services for the shipping of samples to our laboratories. In other countries, we outsource this service to third-party contractors. The transportation of samples is subject to a number of legal requirements, with respect to, notably, sample integrity and data confidentiality. Maintaining our own logistics network allows us to tailor logistics solutions for the collection of the samples to the needs and requirements of our customers.

Analytical Phase. Once the test request form has been logged into our information technology systems and the samples collected, the tests are performed, either automatically (in the case of most routine tests) or by our laboratory doctors or technicians (in the case of most specialty tests).

Post-analytical Phase. Once available, test results are entered, either manually or through an electronic data interchange with the doctor, clinic or hospital, depending upon the tests, the type of equipment involved and the country in which the test is being performed. Routine testing is typically completed within 24 hours, and test results are usually delivered electronically to our clients.

Our Corporate Structure

Our holding company, Labco S.A.S., owns 100% of the capital of our three national holding companies (one for Germany, one for Italy, and one for Spain, Portugal and Belgium) and directly or indirectly controls each of our French operating subsidiaries.

Regulations governing the ownership and certification of laboratories in certain jurisdictions require us to hold each clinical laboratory or a limited number of clinical laboratories through a separate subsidiary. Certain countries such as France and Germany also regulate the corporate form through which laboratories may be held.

In France, we are subject to regulatory constraints on the ownership of share capital of SELs operating clinical laboratories other than by laboratory doctors and laboratory companies. The majority of the voting rights of SELs operating clinical laboratories must be held by laboratory doctors practicing within such SELs and, currently, the number of SELs operating clinical laboratories that can be directly held by the same laboratory doctor or laboratory company is limited to two. The European Court of Justice has recently found this last provision to contravene the right of establishment under the Treaty Establishing the European Union. See "*Regulation—France*". To comply with such regulations, we have established a corporate structure pursuant to which we directly and indirectly hold, through one of our Italian subsidiaries, Istituto il Baluardo S.p.A. shares representing up to approximately 99.9% of the share capital of our SELs and the laboratory doctors operating such SELs hold the remainder. However, the articles of association of all of our SELs grant the laboratory doctors operating them a majority of the voting rights at all shareholders' general meetings. In addition, transfers of shares of such SELs to third parties is subject to restrictions under the articles of association of such SELs.

Although we are unable to directly hold the majority of the voting rights in our SELs, we hold substantially all of the economic rights over such SELs and exercise control over them pursuant to corporate governance, contractual and organizational arrangements, within the limits set by the French regulatory framework, and therefore fully consolidate them in our financial statements. As we acquire SELs, we implement these corporate governance, contractual and organizational arrangements. However, they are not in place in all the SELs of our network, in particular SELs acquired before 2008. These arrangements are as follows:

- The articles of association of our SELs include qualified (two-thirds majority) voting requirements for certain corporate changes, including any change in the senior management of the SEL or in the appointed representative of the SEL on the board of its subsidiaries, if any, as well as any change to the compensation allocated to the laboratory doctors operating the SEL. Furthermore, any change in the rules governing capital ownership and any change to the rights attached to any different classes of shares (including the rules defining the Priority Dividends) require a unanimous vote of all shareholders. With respect to dividends, the articles of association provide that, except as directed by the qualified majority vote of the shareholders, the entire distributable income must be distributed.

- The laboratory doctors from whom we acquire clinical laboratories and who remain in the group as managers of our SELs are bound by contract to follow Labco's policies and directives in terms of reporting, and in particular financial and accounting reporting, financing and cash pooling, budgeting and, to the extent compatible with the French regulatory framework, management of the SEL.
- To further coordinate the activities of our clinical laboratories and federate our network, we have established a joint venture, in the form of a French *groupement d'intérêt économique* (the "GIE"), among almost all of our French laboratory companies, our German laboratory companies, General Lab S.A. (which holds approximately 35 clinical laboratories in Spain and Portugal), Laboratoire d'Analyses Médicales Romain Païs (which is a laboratory company in Belgium) and Istituto il Baluardo S.p.A. (which is one of our Italian laboratory companies). The GIE provides support for the corporate functions of our laboratories, including for purchasing, quality management, legal, information technology, communications and marketing and human resources. The GIE is managed by Labco SAS as sole Director (*Administrateur*) appointed by a qualified (three-quarter majority) vote of the GIE's members, all of which have approximately the same voting power. The GIE's activities are financed by its members through contributions of an amount determined annually for each member by the Director based on, among other things, the financial capacity and the number of employees of the relevant member and its utilization of the GIE's services. The Director appoints the other executive officers of the GIE, including regional managers within France, and country managers outside of France, who act as agents of the GIE with respect to its members in their geographical area.

This specific corporate structure, and the arrangements described above, entail certain risks. See "*Risk Factors—Risks Related to Our Business—French self-regulatory or regulatory bodies may challenge the legal structure of our French operations and any such challenge, if successful, could have a material adverse effect on our financial condition and results of operations*" and "*Risk Factors—Risks Related to Our Business—We may not exercise complete control over the operations of the French SELs in which we have a minority voting interest and may be dependent on the laboratory doctors who own a majority voting interest in such SELs to conduct the operations of such SELs*".

Development through Acquisitions

Since our incorporation in 2003, we have pursued selective acquisitions to expand our network of clinical laboratories and we continuously explore acquisition opportunities. Our acquisition strategy is to target small and medium-sized laboratories located close to our existing laboratories in order to strengthen our local geographical coverage and increase the utilization of our existing technical platforms and to acquire larger laboratories or groups of laboratories to establish a presence in regions where we do not have significant operations which can be used as platforms for future growth.

We generally require that selling laboratory doctors continue operating the acquired laboratory and give them the opportunity to reinvest part of the purchase price in Labco S.A.S. shares. When we undertake larger acquisitions, we usually seek to have key officers of the acquired group with regional knowledge join our management. For example, Luis Vieira, our current Executive Vice-President of Corporate Development, joined our management team in connection with our acquisition of Sampletest, S.A. in 2008.

We have developed a structured approach to acquisitions. We have established a European Development Team that identifies potential acquisition opportunities by conducting market studies on the regulatory and competitive environments of the countries in which we have a presence, as well as other European countries, and maintains a database of potential acquisition targets. Potential acquisition targets are also identified based on relationships developed by our laboratory doctors and on proposals from owners of laboratories interested in joining our network. This structured approach capitalizes on the expertise and market knowledge of our European Development Team and laboratory doctors by allowing us to rapidly target and successfully execute acquisitions in a fragmented market. We believe our process constitutes one of our competitive advantages.

Once a target is identified, we initiate the following steps:

- first, the acquisition proposal is reviewed by a deal team composed of a deal leader, the relevant country managing director and our head of M&A;
- second, the proposal is submitted to an investment committee, composed of certain members of our Strategic Committee (including our Chief Executive Officer and Chief Financial Officer) for an initial evaluation. At this stage, the investment committee evaluates the main business terms and costs of the proposed acquisition and whether the acquisition is consistent with our strategy;
- third, if the proposal is approved in principle by our investment committee, our deal team conducts legal and financial due diligence of the target with support from the European Development Team, external consultants and lawyers, draws up a plan for the integration of the laboratory into our network and negotiates a purchase agreement with the seller;
- fourth, the investment committee conducts a final review of the acquisition proposal and issues a recommendation to our Strategic Committee; and
- last, our Strategic Committee issues a final decision on the acquisition proposal.

In evaluating potential acquisitions, we consider and evaluate a number of factors which can vary depending on the country in which our target is located. Such factors include the concentration and consolidation potential in a target's market, proximity of the target's laboratories to the laboratories of our existing network, size and profitability of the target's laboratories, strategic fit of the acquisition, and compatibility of the target's sellers with the Labco model and culture.

Quality Standards

Demand for Quality in Healthcare Systems

Our quality assurance efforts 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 Quality Program

We are subject to national legislation that regulates the requisite quality standards of our operations in each of the countries in which we are present. Such legislative requirements vary across jurisdictions. We seek to harmonize quality standards throughout our network and have established a quality assurance program that also includes compliance with applicable accreditation or certification standards of standard-setting bodies, such as the International Organization for Standardization ("ISO") and *Comité français d'accréditation* ("COFRAC"), as well as internal quality assurance standards.

In France, our internal standards are set out in a Quality Charter that is signed by all laboratories in our French network. Quality is managed throughout our French network by a Quality Committee composed of three of our laboratory doctors and three internal quality experts, and by regional quality teams that are led by a laboratory doctor and an internal quality expert (each is a member of our Quality Committee), with the support of full-time internal quality experts. We currently employ a team of full-time quality experts who meet regularly among themselves but also interact with management and other support services of our group, such as the human resources, legal and purchasing departments. Our laboratories are initially audited internally and subsequently by external accredited quality auditors who verify the adequacy of our quality standards and procedures and identify any potential improvement. We also benefit from the expertise and experience of seven of our laboratory doctors who are accredited quality auditors authorized to deliver accreditation certificates to third-party laboratories outside our group.

The Quality Committee sets accreditation objectives, reviews implementation programs and monitors the application of quality standards. It also organizes informational sessions and training courses that are necessary to implement a reference framework in all the laboratories of our network. We supply each laboratory in our network with a quality reference handbook, a documentary database, including the ISO: 9001, ISO: 17025, ISO: 15189 and GBEA standards and a master plan to establish and maintain their own quality system. In 2006, the Quality Committee launched a quality management project to ensure that each of our laboratories receives the accreditation or certification according to the ISO standards within two to three years of joining our network, and we have made significant progress towards complying with the minimum accreditation standards requirements (ISO: 15189) introduced by recent French legal reforms. We expect all of our French laboratories to be accredited by the COFRAC by the end of 2013. A COFRAC accreditation is recognized at a national, European and international level. We also plan to have all our non-French laboratories accredited under ISO: 15189 by 2015 and intend to develop quality management projects at country-level similar to the project launched in France to achieve this objective. ISO and COFRAC accreditations are subject to periodic reconfirmation.

We currently have national quality programs in each of the countries in which we operate and have established at the group level, a European Quality Committee composed of laboratory doctors who is responsible for these national quality programs.

Environmental, Health and Safety

Our operations are subject to licensing and regulation under EU, national and local laws and regulations relating to the protection of the environment and human and occupational health and safety, including those governing the handling, transportation and disposal of medical samples and biological, infectious and hazardous waste and the cleanup of contaminated sites. All of 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.

In addition, we must meet extensive requirements relating to workplace safety for employees in clinical laboratories, 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 or obligation 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—Failure to comply with and liabilities under environmental, health and safety laws and regulations could result in fines, penalties and other costs and the loss of our licensing, which could have a material adverse effect upon our business*".

Information Technology Systems

We use information technology systems in virtually all aspects of our business, including clinical laboratory testing, test reporting, billing, customer service, logistics and the management of medical data. The successful delivery of our services depends, in part, on the continued and uninterrupted performance of our information technology systems.

Historically, we have grown through acquisitions and as a consequence we continue to use non-standardized billing, laboratory and other core information technology systems. We have standardized some of our systems and are implementing standard laboratory information and billing systems across our operations, including those of the companies we recently acquired. We expect that the implementation of standardized practices and systems across our network will take several years to complete, and will result in significantly more-centralized systems, improved operating efficiency, the availability of more-timely and comprehensive information for management and enhanced control over our operational environment.

In response to increased market demand for the electronic delivery of laboratory data and a commitment to improving our patients' experience, we intend to develop our platforms with new capabilities and services, to automate patient service center workflow and laboratory processing, and to provide patient health record integration and increased online access by our clients to information services and test results.

We plan to continue investing in our information technology systems over the next five years to develop:

- a Europe-wide laboratory information system ("LIS"). We have selected a supplier for our LIS, and we expect its development to commence in the first-half of 2011;
- an enterprise resource planning system ("ERP"). We expect to select an ERP package in the first-half of 2011;
- a new commercial/medical application for the publication of test results that we believe will strengthen our relationships with patients, doctors, nurses and hospitals. We have conducted two pilot programs in France (LabMedica) and Spain (Winlab) and we now intend to apply these programs to develop a successor open source software that will be rolled out throughout our network in the coming years. We have selected a supplier for this new software and development is expected to commence in the first-half of 2011; and
- a data warehouse and associated reporting systems which we expect to initially develop in 2012 and progressively update as the new information systems described above are implemented.

Our Clients

We provide testing services to a diverse range of clients. We consider a "client" a party that either refers a test to us or refers a patient to one of our laboratories; we consider a "patient" a party on whose sample a test is performed; and we consider a "payer" a party that pays for the tests performed. In most cases and depending on the countries in which we operate, our clients, patients and payers are different persons or entities. See "*—Billing and Payment*".

Our client base varies considerably from country to country. The primary client groups we provide our services to include:

- *Independent Doctors and Doctor Groups.* In jurisdictions where such recommendation is permissible, doctors who require testing for their patients constitute one of our primary sources of patients because they recommend our laboratories to such patients. Doctors are our largest client group in Germany and Belgium, where they have discretion over whether to send their patients' tests to hospitals or private laboratories, such as ours, or perform certain tests themselves.

- *Hospitals.* We provide hospitals with services ranging from routine and specialty testing to contract management services. We operate certain on-site clinical laboratories which hospitals generally maintain to perform immediate testing. However, hospitals may also refer less-time-sensitive, less-frequently needed and highly specialized procedures to outside facilities, including independent clinical laboratories such as ours. We provide hospital outsourcing services in France, Spain, Portugal and Germany and are in the process of bidding for outsourcing contracts in the United Kingdom. We typically enter into long-term contracts of seven to 15 years with such clients.
- *Patients.* In France, Italy and, to a limited extent, Portugal, patients with a prescription for testing from their doctors may choose the clinical laboratory in which their tests will be performed. The main factor taken into consideration when such clients choose a laboratory is typically the laboratory's proximity to their home or workplace. We have therefore positioned our network of laboratories in France and Italy mostly in small cities and town centers and in suburban areas.
- *Private Medical Insurance Companies.* In certain countries such as Spain, private medical insurance companies typically require their insured patients to choose from a list of preselected laboratories with which they have a reimbursement contract. The list varies depending on the patient's private insurance scheme.
- *Employers.* In jurisdictions, such as Spain and Portugal, employees are entitled to a regular medical check-up paid for by their employer. Corporate employers require their employees to choose from a list of pre-approved laboratories with which they have a reimbursement contract.
- *Other Institutions.* We also serve other institutions, including government agencies and other independent clinical laboratories that do not have the breadth of our testing capabilities.

Sales, Marketing and Client Service

We operate in highly competitive markets across Western Europe, in which referrers have discretion to send tests to the laboratory of their choice. We compete primarily on the basis of the quality of our clinical laboratory testing, innovation of our services, the breadth of the services we offer, access points throughout the various countries in which we operate and prices in the hospital laboratory outsourcing market and in markets in which the prices for our services have been liberalized, such as Spain. Our laboratory doctors play an important role in sales and marketing for the group by building relationships with clients. They are supported by a sales force responsible for identifying prospective customers for our laboratory doctors to approach. In Spain, management is responsible for identifying key prospective customers because reimbursement agreements must be negotiated with private insurance companies. Our laboratory doctors are responsible for liaising with medical doctors in Spain.

Billing and Payment

Billing for laboratory services is a complex process involving many 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 a national public health insurance, a private medical insurance plan or an employer), a patient, a doctor or other party (such as a hospital, another laboratory or an employer) who referred the testing to us, or a combination of these parties. We generally bill for clinical testing services on a fee-for-service basis, except in Spain where we have per capita arrangements with certain of the private insurance companies with which we have contracted.

See "*Industry*" for a description of the billing and payment arrangements in each of the markets in which we operate.

Our Suppliers

The primary equipment and material required to conduct our business are testing equipment and reagents. We regularly evaluate the equipment (analytical systems, robotics, pre- and post-analytical devices) used by our business and have entered into pan-Europe pricing agreements with certain preferred laboratory suppliers. These agreements establish maximum purchase prices for certain equipment and our individual laboratories are free to further negotiate prices. These pricing agreements generally include the following key provisions:

- the right of the preferred supplier to participate in requests for proposal through 2012 or 2013;
- a set duration for all related implementation agreements pursuant to the applicable pricing agreement; and
- prices and commercial conditions.

These pricing agreements are entered into for a term of three years but parties are entitled to renegotiate the agreed prices if there is a decrease by 10% or more in the relevant tariffs of any country. They allow us to take advantage of the latest technological and medical breakthroughs and to strike a balance between total cost, innovation, flexibility and risk management, with quality as our primary objective.

In 2009, our three largest suppliers were Siemens, Roche and Abbott. There are a number of other suppliers who are able to supply the equipment necessary for the performance of our tests. Accordingly, we believe that we are not dependent on any one supplier and that the loss of any one supplier would not have a material adverse effect on our business.

We increasingly enter into "pay per test" capital leases for the testing equipment required to conduct our business. Under these arrangements, reagent suppliers provide us with testing equipment if we commit to purchase reagents exclusively from them and the price we pay to reagent suppliers includes the reagent itself and the rental and maintenance of the equipment. We have also recently introduced inventory management policies for our network of laboratories in Spain and Portugal that aim to reduce our amounts of owned inventory by having suppliers keep full ownership of certain inventory and making supplies more flexible, according to the needs of our laboratories.

In 2009, we launched a Europe-wide procurement initiative, the SPORT project (Strategic Procurement Optimization and Rationalisation), to centralize and reduce the costs of our purchasing operations. SPORT is structured in two phases: we started the initial phase in the last quarter of 2009 to target costs savings on key direct spending and laboratory consumables across Europe, as well as some indirect spending in France (such as laboratories consumables, information technology systems, office supplies and telecoms); and a second phase started in 2010 that targets other direct and indirect spending across Europe (such as cleaning, laundry, mobile phones, car fleets and waste). The program has already resulted in significant cost savings in France (€1.1 million for the year ended December 31, 2009), in Iberia (€0.8 million for the year ended December 31, 2009) and in Germany (€0.2 million for the year ended December 31, 2009).

Facilities

Our facilities consist primarily of collection centers, routine laboratories, essential services laboratories and technical platforms. It is our policy to lease rather than own our facilities, preferably through long-term leases. We also rent our head office in Brussels. 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, 2010, we had approximately 4,000 full-time equivalent employees (including approximately 490 laboratory doctors) across Europe. This includes both actual employees with an employment contract and laboratory doctors who are the managers and part-owners of our clinical laboratories in France (the table below is prepared on the same basis).

The table below sets out the number of our employees by country (with corporate employees as a separate category) as of December 31, 2009 and September 30, 2010.

	As of December 31, 2009	As of September 30, 2010
France	1,697	1,689
Spain	1,024	1,047
Portugal	639	597
Germany	357	343
Belgium	167	174
Italy	35	122
Corporate	25	32
Total	**3,944**	**4,004**

In certain countries in which we operate, we are subject to collective bargaining agreements negotiated between unions and employers' representatives at the national or sectorial level and made mandatory pursuant to national labor law. We have not directly entered into collective bargaining agreements with any unions and we believe that overall our relations with our employees are good. Our success is highly dependent on our ability to attract and retain qualified employees.

Intellectual Property

Our material intellectual property consists of our Labco trademark brand name. We have registered our Labco trademark with the Office for Harmonization in the Internal Market (Trade Marks and Designs) as a community trademark, valid across all 27 Member States of the European Union.

Insurance

We maintain insurance 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 artificial insemination 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.

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.

Below is a summary of the challenges and proceedings brought against us by the French *Ordre des pharmaciens* and *Ordre des médecins* and of the litigation we brought against the *Ordre des pharmaciens* before the European Commission. We also summarize below a lawsuit against the seller of one of our clinical laboratories which, although not material to us, is referred to in other sections of this offering memorandum.

Ordre des Pharmaciens and Ordre des Médecins

In France, the *Ordre des pharmaciens* and, to a lesser extent, the *Ordre des médecins* have challenged our organization and legal structure. In numerous instances, the *Ordres des pharmaciens* instituted disciplinary actions against our laboratories or laboratory doctors. In 2003, shortly after our creation, the *Ordre des pharmaciens* and the *Ordre des médecins* (together, the "*Ordres*" in a joint letter to Labco) expressed the view that Labco's project of creating a network of laboratories contravened the principle of independence of laboratory doctors. See "*Regulation—France*". In their joint letter, the *Ordres* singled out two aspects of Labco's structure: (i) capital ownership and voting rights arrangements between the laboratory doctors working in each laboratory company and the rest of the Labco group; and (ii) the ultimate ownership of a network of laboratories by a financial holding company not subject to the French regulations pertaining to clinical laboratories.

In keeping with this initial position, the *Ordre des pharmaciens*, as well as in several instances the *Ordre des médecins*, have raised a number of objections to the organization of our French operations in the context of their administrative review of proposed changes in the articles of association or ownership structure of clinical laboratories. These objections were communicated to the French administrative authorities in charge of granting the administrative authorization necessary to operate our laboratories. All such authorizations were nevertheless eventually granted. Most of the objections raised by the *Ordres* dealt with the capital ownership structure of our French laboratory companies. The *Ordres* argued that ownership of a large majority of shares in a clinical laboratory by a person or entity other than the laboratory doctors working in that laboratory constituted a threat to the independence of such laboratory doctors—notwithstanding the fact that such laboratory doctors retained a majority of the voting rights at shareholders' meetings, as required by French law. It also challenged the separation of voting rights from economic rights in such a manner. In addition, the *Ordre des pharmaciens* expressed the view that the supermajority voting provisions contained in the articles of association of our SELs for certain matters were incompatible with the principle of independence of laboratory doctors insofar as they took away from doctors practicing within the laboratory the final decision-making power over a number of matters pertaining to the laboratory. Finally, the *Ordre des pharmaciens* challenged the formula set out in the articles of association of SELs for the distribution of Priority Dividends to those laboratory doctors who are also shareholders in their laboratory company. The *Ordre des pharmaciens* argued that such a formula, by limiting *ex-ante* the share of dividends to be distributed to laboratory doctors, was incompatible with the principle of the independence of laboratory doctors. See "*Regulation—France*". Both the *Ordre des pharmaciens* and the *Ordre des médecins* have, in several cases, raised objections to the registration, based on one or more of the above grounds, of one of our SELs on their respective national registries.

At the disciplinary level, the *Ordre des pharmaciens* introduced a number of actions against SELs in the Labco network, as well as against laboratory doctors practicing within these SELs. Several of these actions, some of which are still pending, directly challenge the capital ownership structure and the supermajority voting provisions contained in the articles of association of our French laboratory companies as a breach of the principle of independence of laboratory doctors. Labco has appealed decisions of the disciplinary body of the *Ordre des pharmaciens* in the highest French administrative court (*Conseil d'Etat*) and has won a number of cases on procedural grounds. No final decision has, however, been reached on the merits of these cases. The *Ordre des pharmaciens* has also regularly brought, or threatened to bring, legal actions against our laboratory companies for failing to timely file with it proposed changes in articles of association or capital ownership. Some of these actions are still pending. In addition, certain of our laboratory doctors and laboratory companies have been disciplined for failing to maintain adequate health, safety and quality standards. Certain of these disciplinary procedures, brought on the grounds of a failure to meet filing requirements or to maintain adequate quality and safety standards, resulted in decisions to close, for periods ranging from one week to several months, several of our laboratories. In several instances, however, we successfully obtained from the responsible administrative authority a requisition order to prevent such closing, arguing the public need for access to local laboratory testing services.

In 2007, Labco filed a complaint with the European Commission, arguing that the *Ordre des pharmaciens* had inappropriately used the administrative and disciplinary powers granted to it to impede the development of free competition and the creation of groups of laboratories in the French clinical laboratories services market. On December 8, 2010, the Commission ruled against the *Ordre des pharmaciens*, finding that the *Ordre des pharmaciens* had (i) systematically targeted groups like Labco since 2003 with the aim of impeding their development and (ii) attempted to set minimum prices on the French market between September 2004 and September 2007 by seeking to impose minimum prices for the provision of clinical laboratory services, limiting the negotiation of discounts under contracts with large customers such as hospitals or insurance bodies. The Commission held that the *Ordre des pharmaciens* had breached the antitrust rules and provisions on restrictive business practices of the Treaty establishing the European Community by introducing such distortions to competition without adequate public health grounds to do so, and imposed a €5 million fine on the *Ordre des pharmacien* and its governing bodies. According to the press release issued by the European Commission commenting on this decision, the Commission's ruling did not extend to an appreciation of the French laws regulating the clinical laboratories market, but was only directed at the behavior of the *Ordre des pharmaciens*. The *Ordre des pharmaciens* has since indicated its intention to appeal this decision before the General Court of the European Communities. Pending a decision on appeal, which could take up to several years, aggrieved parties such as Labco are entitled to seek damages before French courts on the basis of the Commission's findings.

MVZ Duisburg

In 2009, one of our German subsidiaries, MVZ Labor Duisburg GmbH, brought an arbitral claim for breach of contract against the laboratory doctor from whom it had acquired a clinical laboratory in Duisburg. Following the acquisition, the laboratory lost one of its larger clients, a blood bank owned by the laboratory's former owner and his wife. In the proceedings, MVZ Labor Duisburg GmbH claims that the loss of the contract constitutes a breach of the noncompete clause of the acquisition agreement. The case is still pending.

REGULATION

The clinical laboratory industry is subject to extensive government regulations in each of the countries in which we operate. These regulations mainly pertain to operating requirements, professional qualifications of laboratory personnel, ownership constraints of clinical laboratories (which are especially strict in France), and pricing and reimbursement levels of clinical laboratory tests.

Our activities are also subject to numerous other laws and regulations, which include restrictions and requirements on the handling and storing of certain chemicals and reagents, the disposal of biological refuse, the handling and storing of personal data and the prevention of fraud to social security systems.

France

In France, the establishment and operation of clinical laboratories is subject to administrative authorization (*autorisation administrative*). Such authorizations are issued by the local health authorities after review of a filing detailing the premises, equipment, tests, operating procedures, professional qualifications of the laboratory personnel, including laboratory doctors, and corporate form and governance of the laboratory. The law sets minimal standards to be met in each of these areas, and any change in the above must be notified to local health authorities.

Pursuant to a January 13, 2010 ordinance (*ordonnance n° 2010-49 relative à la biologie médicale*), the existing administrative authorization process will be replaced, after November 1, 2016, by a procedure of accreditation by a national accreditation body (the *Comité français d'accréditation*, or "COFRAC"), and new and stricter requirements have been introduced in order to obtain such accreditation. Until that date, the ordinance provides for a transitional regime, whereby:

- until November 1, 2016 a non-accredited 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 laboratory doctors; and
- as of November 1, 2013, a non-accredited clinical laboratory will be required to justify that it has effectively started the accreditation process.

The COFRAC may suspend or withdraw 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.

There is no limit under French law to the number of branch offices that a laboratory may operate, but regional health authorities may withhold authorization for new clinical laboratories (or new branch offices of existing laboratories) if allowing such laboratories to open would result in the test offering exceeding by 25% the needs within a given geographic area (*territoire de santé*). Health authorities may also veto acquisitions 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 performing, directly or indirectly, 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 10% to 20% of the total number of tests conducted in its premises (the exact percentage is to be set forth by a governmental decree still to be adopted). This limitation does not apply to specialized tests or to the outsourcing of tests between branch offices of a single clinical laboratory company, nor does it prevent the pooling of technical means among clinical laboratories in an effort to lower costs per test. Any outsourcing agreement must be filed with the regional health authorities.

Laboratory doctors, 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 laboratory doctor, 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. Laboratory doctors working in clinical laboratories are subject to the same rules of professional conduct as doctors and pharmacists. Laboratory doctors must be registered with the pharmacists' professional association (*Ordre des Pharmaciens*) or the doctors' professional association (*Ordre des Médecins*, together, the "*Ordres*"), depending on whether they are qualified as pharmacists or medical doctors. Laboratory companies must also be registered with one or both *Ordres*, based on the professional affiliation of the laboratory doctors 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, laboratory doctors) 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. As for 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* each maintain a national registry of practicing professionals (*Tableau de l'Ordre*), on which every practicing pharmacist or doctor, as well as every clinical laboratory company, must be registered, thereby regulating access to the profession. 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 if it finds the recipient to be in violation of the relevant professional conduct rules.

Clinical laboratories are subject to the ongoing regulatory supervision of the *Ordres* and must therefore 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 their disciplinary powers, each professional association may impose disciplinary sanctions on both clinical laboratory companies and laboratory doctors and, notably, suspend, temporarily or permanently, practicing professionals who have breached professional conduct rules.

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, as well as, in certain instances, on laboratory doctors, that violate 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 illegal des fonctions de biologiste médical*) and the misleading use of the title of laboratory doctor by a person without the legal right to do so (*usage sans droit de la qualité de biologiste medical*), carry criminal penalties that range from the prohibition to practice clinical biology or operate a clinical laboratory to imprisonment for individuals.

In addition, clinical laboratories may not advertise their services, directly or indirectly, to the general public. Certain information provided to medical doctors is, however, excluded from this prohibition, notably information of a medical or scientific nature, and upon opening of a new laboratory, the public announcement of its existence, location, and test offerings.

French law also contains specific provisions dealing with the corporate form under 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 retail businesses, 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 SELs. The following principles apply to such SELs:

- a laboratory doctor can only act as a responsible laboratory doctor for, and therefore manage, one SEL;
- the number of SELs of which a laboratory doctor or an entity operating a clinical laboratory can be a shareholder is limited to two (this limitation has recently been found to be contrary to article 43 of the Treaty Establishing the European Community on the right of establishment by the European Court of Justice on December 16, 2010 (case C-89/09));
- more than half of the share capital of each SEL must be held by laboratory doctors (whether or not operating within such SEL) or laboratory companies, including SELs and SPFPLs in France and, we believe, entities operating clinical laboratories in the European Union;
- more than half of the voting rights must be held by laboratory doctors practicing within the SEL or by an SPFPL constituted by the laboratory doctors practicing within the SEL;
- persons that are neither laboratory doctors nor laboratory companies cannot directly hold more than 25% of the share capital of an SEL (this limitation has recently been upheld by the European Court of Justice on December 16, 2010 (case C-89/09), as further discussed below); and
- finally, to prevent conflict of interests, certain professionals or corporations (including other health professionals, medical suppliers and insurance companies) are prevented from holding shares, directly or indirectly, in an SEL.

It should also be noted that article 5-1 of law n° 90-1258 (as amended by article 74 of law n° 2005-882) enables the government to further limit the participation of outside professionals or third parties in clinical laboratory companies. Pursuant to this law, the government may issue regulations (*décret en Conseil d'Etat*) requiring that professionals practicing within a SEL hold more than 50% of the ownership rights in such SEL. In addition, article 6 of law n° 90-1258 enables the government to further limit the number of SELs in which a single person or entity may, directly or indirectly, hold shares.

Certain aspects of this legal framework were recently 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 may 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 laboratory doctors by third-party investors and found that a Member State might validly conclude that the professional independence of laboratory doctors 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.

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 regularly through negotiations among the Ministry of Health, the National Health Insurance Fund, the *Ordre des pharmaciens* and the *Ordre des médecins*.

Spain

In Spain, the basic requirements for the authorization and operation of healthcare centers, establishments and services—including clinical laboratories—are defined at the national level by the General Healthcare Law (*Ley 14/1986, de 25 de abril, General de Sanidad*) and Royal Decree 1277/2003.

While this national legislation sets out the general principles governing the operation of clinical laboratories and the minimum requirements for granting administrative authorizations, each autonomous community (*comunidad autónoma*) is responsible for implementing this general framework and accordingly defines the terms of such implementation. As a result, the specific requirements for obtaining administrative authorization and operating clinical laboratories can vary by region.

As a general matter:

(a) Prior administrative authorization is required to establish, modify, enlarge, relocate or close clinical laboratories.

(b) To obtain the relevant authorizations, certain requirements related to the organizational structure, activities, facilities, infrastructure and personnel of the laboratory must be met.

(c) There are no ownership restrictions regarding clinical laboratories, but certain staffing requirements apply. The laboratory must be operated under the responsibility of a qualified laboratory specialist (*especialista en análisis clinicos*). In addition, certain other laboratory personnel must meet minimum professional qualifications.

    Laboratory doctors must hold a relevant university degree (for instance, in biology, pharmacy, chemistry or medicine) and have completed further specialization to qualify as laboratory specialists (*especialista en análisis clinicos*). In addition, laboratory doctors must be registered with the relevant regional professional association in order to be permitted to practice.

Each professional association is generally responsible for defending the interests of its members, and those of the profession as a whole, and for protecting the rights of consumers of services provided by such profession. The doctors' and pharmacists' professional associations are given by law the right to participate in the drafting of laws and regulations pertaining to their respective profession. In addition, the doctors' and pharmacists' associations must approve the rules of professional conduct applicable to their profession, which regulate relations amongst professionals, interactions with patients and advertising and promotion by professionals of their services to the general public. The doctors' and pharmacists' associations may take disciplinary actions to sanction violations of the relevant professional conduct rules, which range from warnings to temporary or permanent removal from the relevant professional registry. Unfair competitive practices or a criminal conviction are also grounds for removal from the doctors' and pharmacists' professional registries. Disciplinary sanctions are not exclusive of other proceedings, in particular by governmental institutions, if the incriminated behavior also constitutes a violation of governmental laws or regulations.

Clinical laboratories must also comply with other specific rules such as health and safety, biowaste removal and data protection. Advertising and promotion are also heavily regulated and subject to specific authorization from the relevant authorities.

Prices for clinical laboratory services in Spain are not regulated by law. In the private health insurance sector, tariffs for laboratory tests are set by agreement between insurers (both public and private), mutual insurers, hospitals and clinical laboratories. Private laboratories received a fixed fee based on either the number of patients in their territory (the per capital model), or on the number of tests performed (the activity-based model). Public hospitals are required to launch public tender offers for the selection of service providers, and the resulting outsourcing contract would set out the terms of the relationship including the tariffs for testing services performed.

Portugal

The clinical laboratory services market sector in Portugal is supervised by the national health authority (*Entidade Reguladora da Saúde*) (the "ERS") as well as by regional health administrations (*Administrações Regionais de Saúde*) (the "ARSs"). The ERS is a public body administratively and financially independent from the Portuguese government, involved in the enforcement of fair competition rules in the healthcare market and in the monitoring of the quality of healthcare services. The ERS also ensures that the right to equitable and universal access to public healthcare is respected. The ARSs, on the other hand, are responsible for the licensing of private healthcare units.

Private clinical laboratories are currently primarily regulated by the Clinical Laboratories Act (as amended), which sets out the requirements for opening and operating clinical laboratories.

Under the Clinical Laboratory Act, no license has been required to set up and operate a private clinical laboratory in Portugal since 2007. However, if such a license is obtained, any change in the information or documentation provided at the time of the licensing process should be communicated, within 30 days, to the responsible entities.

Decree-law no. 278/2009 recently established a new legal regime for the operation of healthcare units. The Decree reinstates a licensing obligation and defines new criteria for the granting of licenses to clinical laboratories. This new set of regulations will not, however, be effective for clinical laboratories until a ministerial order specifying the technical requirements applicable to such laboratories is enacted. The Portuguese government is still in the process of discussing this regulation with interested parties, including the National Association of Clinical Laboratories (*Associação Nacional dos Laboratórios Clínicos*) and it is unclear when this new regulation will become effective.

Some uncertainty as to which rules and procedures apply is nevertheless likely until the new set of regulations have come into force, because the ministerial order is still being discussed between the National Association of Clinical Laboratories (*Associação Nacional dos Laboratórios Clínicos*), other entities and the government.

Clinical laboratories must be managed by either a medical doctor specialized in clinical pathology and registered with the Portuguese Medical Association (*Ordem dos Médicos*), or a pharmacist specialized in clinical analysis and registered with the Portuguese Pharmacists' Professional Association (*Ordem dos Farmacêuticos*). The law requires that this medical professional or pharmacist (*Director Técnico*) be personally and verifiably available to oversee the operation of the laboratory.

The Medical Association and Pharmacists' Professional Association are professional bodies responsible for the regulation of their respective profession. Each professional association has the authority to control and supervise admission to, and the practice of, their respective profession. In addition, each association is responsible for delivering the title of specialist in clinical pathology or clinical analysis required to practice as a laboratory doctor.

Portuguese law does not restrict ownership of laboratory companies, except that employees of the national healthcare system (*Serviço Nacional de Saúde*) (the "SNS") are prohibited from holding more than 10% of the share capital, or serving on the board, of a company that provides services to the SNS.

For patients covered by the public insurance system, tariffs and reimbursement levels are set at the national level by the SNS, with some specific tariffs applicable to certain categories of employees, such as public sector workers. For privately insured patients, tariffs and reimbursement levels are established as a result of negotiations between insurance companies and laboratories.

Germany

In Germany, outpatient medical services, including clinical laboratory testing services, generally must be provided by adequately qualified physicians and conducted under the personal supervision and control of such qualified physicians (*Prinzip der persönlichen Leistungserbringung*). In the outpatient sector in which we operate, such medical services are primarily provided by independent (*freiberuflich*) doctors, working as sole practitioners or in collaboration with other qualified physicians, as well as by medical care centers (*Medizinisches Versorgungszentrum*) ("MVZs") employing qualified physicians. Hospitals may also provide outpatient laboratory testing services in certain specialized areas such as oncology, in which case hospital-specific regulations and tariffs apply. Clinical laboratory services providers such as Labco can, on the other hand, enter into outsourcing or other cooperation agreements to provide clinical laboratory services to hospitals.

In Germany, the majority of patients is covered by public statutory health insurance (*Gesetzliche Krankenversicherung*) ("SHI"). To operate in the public sector, healthcare service providers must obtain a license either by administrative order (applicable to all physician services providers) or by contract with the respective health insurance funds (applicable to certain non-physician services providers such as home care providers).

To provide medical services to publicly insured patients, MVZs must meet certain specific eligibility requirements:

- MVZs generally may be organized in any legal form, although there remains some uncertainty as to whether MVZs may be organized in the form of a GmbH & Co. KG or KG. All MVZs currently part of the Labco group (Marburg, AescuLabor-Karlsruhe GmbH, Dillenburg, Duisburg, Saar and Sinterhauf) are organized as limited liability companies (*Gesellschaft mit beschränkter Haftung*), a legal form that meets SHI licensing requirements.

- MVZs may only be founded, and their shares held, by healthcare service providers licensed to provide services to publicly insured patients. Healthcare service providers include hospitals as well as providers of physician and non-physician healthcare services, such as physical therapists and podologists (*Heilmittelerbringer*), licensed providers of medical supplies (*Hilfsmittellieferanten*), pharmacists, psychologists and providers of home care services. Investors that do not qualify as a healthcare services provider may indirectly establish and operate a MVZ by acting through non-physician service providers, which are not limited by similar ownership restrictions. Accordingly, Labco Pflegezentrum Köln GmbH, which offers home care services and is a licensed non-physician service provider, is the sole shareholder of our MVZ GmbHs in Germany. Under current legislation, indirect shareholders, as well as the ultimate controlling entity of the MVZ—in this case Labco S.A.S—need not qualify as healthcare services providers. In its 2009 coalition agreement, the current government coalition announced its intention to limit shareholding—both direct and indirect—in companies that own and operate MVZs to panel doctors and hospitals and/or require that a majority of votes or shares in MVZ owning/or operating companies be held by panel doctors. No official draft bill has yet been published. It is currently uncertain whether, when and to what extent legislation or regulations changing the MVZ ownership structure might be introduced.
- Shareholders of a MVZ operating company must provide a directly enforceable guarantee (*selbstschuldnerische Bürgschaft*) for claims of the panel doctors' associations (*kassenärztlichen vereinigungen*) and SHI funds against the MVZ relating to its function as a SHI medical service provider. The obligations of the guarantor are strictly accessory to the obligations of the principal debtor and are not subject to priority claims by the beneficiaries of these guarantees.
- Each MVZ is required to offer multidisciplinary treatments (*fachübergreifend*), which de facto requires the presence of at least two full-time physicians with different areas of specialization. These physicians may be employees of the MVZ or maintain their status as panel doctors, in which case services provided by the physician in its capacity as a panel doctor would also be invoiced by the MVZ.
- A qualified physician must supervise the provision of any medical services offered by the MVZ. The articles of association of each MVZ operating company must specify that shareholders may not instruct doctors acting in their medical capacity.

In the outpatient sector, different price and reimbursement levels exist under the private health insurance (*Private Krankenversicherung*) (the "PHI") and SHI systems. In the PHI system, a binding federal tariff (GOÄ) has been enacted by the Federal Ministry of Health. In the SHI system, a uniform value scale for remuneration (EBM) has been established at the federal level. Payments are, however, distributed and effected at the regional level by regional health authorities (*Kassenärztliche Vereinigungen*) applying regional reimbursement quotas. Exclusivity contracts (*Selektivverträge*) between statutory health insurance companies and clinical laboratories are permitted in the German clinical laboratory services market, and lower prices may be agreed in exchange for volume guarantees. Prices for services provided to hospitals by clinical laboratory services operators, such as Labco, under outsourcing or other cooperation contracts are subject to negotiation or public tender, and are not directly regulated.

Belgium

Belgian legislation does not generally restrict ownership in laboratories companies (*exploitant de laboratoire de biologie clinique*). However, doctors who dispense prescriptions are explicitly prohibited from owning clinical laboratory companies or acting as directors of such companies.

Legal form of ownership represents the primary regulatory constraint on the establishment and operation of clinical laboratories. The person operating a clinical laboratory must be either an individual or a company incorporated in the form of an SPRL (*société privée à responsabilité limitée*), a general partnership (*société en nom collectif*), a cooperative company (*société coopérative*) or a non-profit organization *(personne morale sans but lucratif*).

The provisions of Belgian company law applicable to Belgian laboratory companies operating clinical laboratories impose certain restrictions on the transferability of the shares of such companies. For example, in an SPRL, half of the shareholders holding shares representing 75% of the capital of the company (minus the value of the shares which are being transferred) must consent to the contemplated transfer of shares. There are no requirements as to the legal form of an entity purchasing shares of an SPRL.

Belgian law does not provide for any specific rules with respect to the voting rights attached to the shares of a laboratory company. However, such a company must comply with general rules, including:

(i) the laboratory company must not have a corporate or statutory purpose other than the operation of clinical laboratories;

(ii) the articles of association of such 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; and

(iii) the laboratory company is required to ensure in a written agreement to be concluded with the persons who perform the services on its behalf that those persons are free to perform these services as they wish and will have access to all necessary means in order to guarantee the quality of the services rendered.

The laboratory company must provide the Ministry of Healthcare with an annual list of its members or associates and must maintain accounting records, prepared in accordance with accounting standards set by royal decree.

Prices and reimbursement levels are set after consultation between the national healthcare regulator (*Institut National d'Assurance Maladie-Invalidité (INAMI*)) which organizes, manages and controls compulsory health insurance in Belgium, and professionals, and are regularly updated. Currently, the pricing system includes a "claw-back" mechanism which allows the Belgian government to recover budgetary overspend. Prices are updated on an annual basis.

Italy

In Italy, the healthcare system is decentralized, and public decisions are enacted on both a national and regional basis (*competenza concorrente*). The national laws and regulations provide a general framework for healthcare policy and regional healthcare budgets and also establish indicative tariffs for laboratory tests. Each region must implement the national legal framework, is responsible for its own annual healthcare budget and for the allocation of resources to local health authorities. The local health authorities allocate resources to both public healthcare facilities and those private facilities meeting the requirements described below.

To operate in the public healthcare system (*Servizio Sanitario Nazionale/Servizio Sanitario Regionale*) and receive reimbursement from public authorities, both public and private healthcare facilities must: (a) obtain accreditation from the competent authority (which, depending on the regional legislation, may be either the region or the local health authority); and (b) enter into agreements with the local health authorities on the number and type of services that each facility can provide.

Italian laws and regulations provide specifically for data protection in connection with genetic testing, including requirements for security measures (e.g., certified email and coding), detailed information about the scope and purposes of the processing, and genetic counseling.

In Lombardy and Liguria, where we operate clinical laboratories, public and private healthcare facilities, including clinical laboratories, are generally subject to the following requirements: (a) managers and certain other personnel must hold specific professional qualifications (e.g., the chief medical officer (*direttore sanitario*) must be a qualified physician admitted by the competent professional association of physicians); (b) technical, structural and operational conditions must be met; and (c) entities or individuals operating the facilities must receive authorization from the competent local authority. In Lombardy, laboratory operators can self-certify that all requirements are met and advise the local health authority once the laboratory has begun operations. The local health authority subsequently verifies the accuracy of the assertions. Neither Lombardy nor Liguria restricts or limits the ownership of laboratories.

The public healthcare system establishes tariffs and reimbursement levels for patients. Tariffs applicable to both public and private healthcare facilities are established at the regional level. Local health authorities are responsible for reimbursing healthcare facilities and are bound by the framework implemented by their respective region. Moreover, in case of patients covered by private insurance, prices are set by agreement between the private insurance companies and the laboratories.

Health service advertising has been recently liberalized at least with respect to the activities of sole practitioners and professional associations of two or more physicians; it is uncertain whether such liberalization encompasses also medical service providers established in the form of companies (including clinical laboratories). In particular, based on the interpretation provided for by the opinion of the Ministry of Health dated April 30, 2008, companies operating healthcare facilities are generally required to apply for a specific authorization from the competent authorities and to obtain a permit from the competent professional association of physicians, which is in charge of verifying the truth and fairness of the proposed advertising message. However, recent case law seems to suggest that the liberalization also applies to companies, in which case an authorization or permit would no longer be required.

MANAGEMENT

Management of the Issuer

The Issuer is a *société par actions simplifiée* (S.A.S.) incorporated in France, and its affairs are managed by a Chief Executive Officer (*Président*), with the assistance of Managing Directors (*Directeurs Généraux*) and Deputy Managing Directors (*Directeurs Généraux Délégués*). The Chief Executive Officer is elected by our shareholders, while the Managing Directors and Deputy Managing Directors are appointed by the Strategic Committee (*comité stratégique*). Each member of our management team is appointed for a term of three years. Our Chief Executive Officer has full authority to represent and act in all circumstances on behalf of the Issuer, subject to the limits set by law and to the powers expressly granted by law or by the Issuer's articles of association (*statuts*) to either the shareholders or the Strategic Committee. As an S.A.S. under French company law, the Issuer is not required to have a board of directors (*conseil d'administration*). However, the Issuer's Strategic Committee is a corporate governance body that fulfills substantially the same function.

Recent Management Changes

The Issuer's senior management team was recently strengthened by the appointment of Mr. Philippe Charrier as the Issuer's Chief Executive Officer. On November 22, 2010, the Issuer and Mr. Charrier entered into an employment contract pursuant to which Mr. Charrier agreed to join our group as Chief Operating Officer. On December 12, 2010 our shareholders approved Mr. Charrier's appointment as Chief Executive Officer for a term of three years, starting on January 1, 2011. Upon, and for the duration of, this appointment, Mr. Charrier's position as Chief Operating Officer will be suspended. Prior to joining our group, Mr. Charrier acted as managing director and vice-president of Laboratoire Oenobiol, a leader in nutritional, health and beauty supplements in France.

Pursuant to the terms of his employment contract, Mr. Charrier's appointment as Chief Operating Officer will continue until termination by either party with no less than three months' prior notice. During the term of his employment as Chief Operating Officer, Mr. Charrier will receive an annual base salary and be eligible, based on specified performance targets, for an annual bonus representing 40% of his salary. In addition, Mr. Charrier's employment contract includes certain confidentiality and non-compete obligations. Both during and subsequent to the term of his employment contract, Mr. Charrier is prohibited from using or disclosing confidential information related to the group. In addition, for a period of two years after the termination of his employment contract, Mr. Charrier is bound by a non-compete clause pursuant to which he may not enter into any professional relationship or purchase shares in our competitors, or solicit customers or partners of the group. Mr. Charrier is entitled to an indemnity, payable in 24 monthly installments, for his non-compete undertakings. This contract is suspended upon and for the duration of Mr. Charrier's appointment as Chief Executive Officer. The terms of Mr. Charrier's employment as Chief Executive Officer are still under discussion.

Mr. Andreas Gaddum, who acted as our interim Chief Executive Officer prior to Mr. Charrier's appointment, now serves as Chairman of our group.

Strategic Committee

The Issuer's articles of association set out the role and composition of the Strategic Committee. The Strategic Committee may have up to 23 members, including the Chief Executive Officer, Eric Souêtre, Stéphane Chassaing, representatives of the Issuer's four categories of shareholders and independent members. Up to six members of the Strategic Committee are appointed by the category of shareholders representing our group's laboratory doctors, up to four by the category of shareholders representing our founding shareholders, up to six by the category of shareholders representing our financial investors, and up to three by the category representing all other shareholders. In addition to these members, a maximum of three independent members can be appointed to the Strategic

Committee, but only two have currently been appointed. The voting rights of each member of the Strategic Committee differ depending on the category of shareholders by which he was appointed. In addition, certain categories of shareholders are entitled to appoint observers (*censeurs*) to the Strategic Committee who can attend committee meetings but have no voting rights at such meetings.

The Strategic Committee monitors the Chief Executive Officer's management of the group. It is responsible for, among other things;

- defining our group's global strategy, in particular as regards its development;
- defining and setting up our group's financing arrangements;
- managing our group's legal structure;
- approving our group's budget;
- approving the legal accounts of the Issuer and the consolidated accounts of our group; and
- appointing and evaluating certain members of senior management.

The Strategic Committee has established the following permanent sub-committees: a Governance Committee, an Audit Committee, an Ethics Committee, a Compensation Committee and an Investment Committee. It has set up a Financing Committee and a Reporting Committee on an *ad hoc* basis.

The current members of the Strategic Committee are as follows:

Name	Age	Title
Philippe Charrier	56	Chief Executive Officer
Andreas Gaddum	54	Chairman
Eric Souêtre	54	Co-founder of Labco
Stéphane Chassaing	54	Vice-Chairman, Managing Director and co-founder of Labco
Albert Sumarroca	45	Vice-Chairman, Managing Director, Executive Vice-President Iberia
Luis Vieira	40	Deputy Managing Director and Executive Vice-President Corporate Development
Didier Benchetrit	46	Deputy Managing Director, laboratory doctor (France)
Maxime de Thomaz de Bossierre	36	Vice-President M&A
Philippe Dauchy	56	Non-Executive member, laboratory doctor (France)
Rémy Guérin	57	Non-Executive member, laboratory doctor (France)
Philippe Sellem	49	Non-Executive member, laboratory doctor (France)
Josep Ignasi Hornos Vila	57	Non-Executive member, laboratory doctor (Spain)
Antoine Faguer	33	Non-Executive Member
Denis Ribon	41	Non-Executive Member
Philippe Taranto	49	Non-Executive Member
CIC (represented by Philippe Traisnel)	40	Non-Executive Member
Robin Filmer-Wilson	35	Non-Executive Member
Daniel Bour	55	Independent Member
Ricardo Levit	42	Independent Member
ICG SAS (Pascal Borello)	36	Observer

The business address of the members of the Strategic Committee is 60-62, rue d'Hauteville, 75010 Paris, France.

The following paragraphs set forth brief biographical descriptions of the current members of the Strategic Committee.

Philippe Charrier, 56, is the Chief Executive Officer of Labco. His appointment became effective on January 1, 2011. Prior to joining Labco, Mr. Charrier acted as chief executive officer and vice-president of Laboratoire Oenobiol, the French leader in nutritional, health and beauty supplements from 2006 to 2010. Mr. Charrier joined Procter & Gamble in 1978 and held various financial positions before also serving as chief executive officer of Procter & Gamble France from 1999 to 2006. Mr. Charrier is currently a member of the board of directors of Lafarge, Rallye Dental Emco and the Nestlé Nutrition Foundation. In 1978 Mr. Charrier obtained an M.B.A. from HEC Business School and qualified as a chartered accountant.

Andreas Gaddum, 54, is the Chairman of Labco. He was appointed as a non-executive member of the Strategic Committee when Mr. Charrier joined our group. Prior to Mr. Charrier's appointment, Mr. Gaddum served as our interim Chief Executive Officer and Vice-Chairman of the Strategic Committee. Until 2008, Mr. Gaddum worked as managing director of the global health care group Fresenius. He has been the chairman of DruckChemie since 2008, where he is responsible for repositioning the company after its acquisition by 3i and 3i managed funds and also assumed the role of interim chief executive officer and chief operating officer from 2008 to 2009. Mr. Gaddum graduated from Ludwig Maximilians Universität in Munich in 1982 with a M.Sc. in business administration.

Eric Souêtre, 54, is a co-founder of Labco. Mr. Souêtre began his career in medical research as assistant professor at the Universities of Nice and Paris between 1985 and 1989. He founded Benefit, now an international research and consulting company, in 1990 and served as Vice President of regulatory compliance and board member of the group after its acquisition by Quintiles Inc. (USA) in 1995. Mr. Souêtre served as Chief Executive Officer and Chairman of the Strategic Committee of the Issuer from 2003 to 2010. Mr. Souêtre obtained an M.D. degree from the Université de Nice in 1983 and an M.B.A. from HEC Business School in 1990.

Stéphane Chassaing, 54, is a Vice-Chairman of the Strategic Committee, a Managing Director and a co-founder of Labco. In 1987 Mr. Chassaing co-founded Laboratoire Degaey/Martin/Chassaing, a French clinical laboratory group, where he worked until 1998. In 1998, he founded Bioliance, a clinical laboratory group, where he worked until 2003. In that same period, Mr. Chassaing was involved in the founding and development of ARM, a French company providing medical risk analysis to insurance companies. Mr. Chassaing is a laboratory doctor and an accredited quality auditor. He obtained a doctorate in biotechnologies from the Université de Lille in France in 1985.

Albert Sumarroca, 45, is a Managing Director, a Vice-Chairman of the Strategic Committee and the Executive Vice-President Iberia. Prior to joining Labco in 2007, Mr. Sumarroca served as a commercial director for General Lab S.A., Laboratorios de Análisis (Barcelona) from 1995 to 1999 and as a commercial director for Selfoods S.A. from 1989 to 1991, where he focused on food product distribution. Mr. Sumarroca holds a degree in Biology from the University of Barcelona.

Luis Vieira, 40, is a Deputy Managing Director and the Executive Vice-President of Corporate Development. Mr. Vieira began his career as a tax consultant for PricewaterhouseCoopers and subsequently worked as a controller at Fresenius Medical Care. From 1998 to 2004, he served as chief executive officer of Partilab, SGPS, S.A. before becoming the chief executive officer of Sampletest, S.A. in 2004. Mr. Vieira joined Labco in 2008, upon its acquisition by Labco. Mr. Vieira earned a degree in financial audit and accounting from ISCAL Instituto Superior de Contabilidade e Administração de Lisboa in 1994.

Didier Benchetrit, 46, is a Deputy Managing Director and a French laboratory doctor. Mr. Benchetrit joined Labco in 2004. Prior to joining Labco, Mr. Benchetrit was a director of the specialized laboratory company Mérieux from 1994 to 1996 and became CEO of BARLA laboratories in 2001, a position which he still holds. Mr. Benchetrit earned a masters in medicine (MD) from the Pierre & Marie Curie University, a degree in molecular biology from the Centre Hospitalier Universitaire de La Timone in Marseille and a master's in Health Care Quality Management (DESS) from the Centre Hospitalier Universitaire d'Archet in Nice.

Maxime de Thomaz de Bossierre, 36, is Vice-President M&A. Mr. de Thomaz de Bossierre joined Labco in 2002, serving as chief financial officer from 2002 to 2009 before being appointed to his current position. Prior to this, Mr. de Thomaz de Bossierre worked as a financial analyst at Planet Medica between 2000 and 2001. From 1999 to 2000, he was a project director for HealthSat, a project for the transmission of healthcare data co-founded by the European Commission. He has a bachelor's degree and master's in business engineering from ICHEC-ISC-ISFSC.

Philippe Dauchy, 56, is a French laboratory doctor who joined Labco in 2005 as director of operations in France and has been a member of the Strategic Committee since 2008. Mr. Dauchy is also a director at Laboratoire GDLCB. He qualified as a laboratory doctor in 1980.

Rémy Guérin, 57, is a French laboratory doctor who joined Labco in 2004 and has been a member of the Strategic Committee since 2004. Mr Guérin is president of Selas ESLAB, director of Laboratoire de Checy and manager of SCM LaboCentre, SCI Les Sequoïas and Rives du Ruisseau. He graduated in 1984 from Kremlin Bicètre Médical University and holds a Medical Doctor degree in biology.

Philippe Sellem, 49, is a French laboratory doctor who joined Labco in 2005 and has been a member of the Strategic Committee since 2007. Prior to this, Mr. Sellem was a director of Laboratoire d'Analyses Médicales Le Cateau from 1989 to 1996 and has been the director of the French laboratory company Biopaj from July 1996. He holds a bachelors degree in pharmacy from the University of Reims.

Josep Ignasi Hornos Vila, 57, is a Spanish laboratory doctor who joined Labco and has been a member of the Strategic Committee since 2007. Mr. Hornos Vila taught medicine at the Central University of Barcelona from 1989 to 2005. In 2001, he founded General Lab and served on its board until its acquisition by Labco in 2007. He was also vice-president of the Catalan Association of Health Facilities (*Asociacíon Catalana Establecimient os Sanitarios*) in 2009 and has served, since 2008, on the Boards of Marsan Prius S.L. and Biorganic S.L. Mr. Hornos Vila earned in 1976 a bachelor's degree in pharmacy from the Central University of Barcelona and in 1980, a Master P.D.D. from the University of Navarra (I.E.S.E.).

Antoine Faguer, 33, was appointed by the shareholders as a non-executive member representative of 3i Investors in 2010. He is also currently a director at the French branch of private equity firm 3i. Mr. Faguer also serves on the board of Mähler Besse S.A. and its parent company, HDP. Prior to joining 3i, Mr. Faguer was chief financial officer of the Norac group. Mr. Faguer graduated from HEC Business School in 1998.

Denis Ribon, 41, was appointed by the shareholders as a non-executive member representative of 3i Investors to the Strategic Committee in 2008. He is also currently a partner of the private equity firm 3i and the head of Growth Capital France as well as the global head of Healthcare of 3i France. Mr. Ribon has served as a non-executive director on the board of several companies in the healthcare sector, including Neftys Pharma, Cain and Carso. Mr. Ribon has an M.B.A. from HEC Business School and a PhD from Lyon Veterinarian University.

Philippe Taranto, 49, was appointed by the shareholders as a non-executive member representative of NI Partners in 2008. He is also currently a member of the committee of directors and senior partners of Nixen Partners. Mr. Taranto has a degree in business school diploma from HEC.

Philippe Traisnel, 40, acts on behalf of CIC Finance, a non-executive member of the Strategic Committee since March 2006. Mr. Traisnel has been investment manager with CIC Finance since 2006.

Mr. Traisnel earned a degree in Engineering from ISEN in 1993, and a Master's in Finance from ESSEC in 1996.

Robin Filmer-Wilson, 35, was appointed by the shareholders as a non-executive member representative of TCR Capital in 2008. He is an associate director at TCR Capital, a private equity fund which he joined in September 2005, and he currently sits on the board of Locatel, another company in TCR Capital's portfolio. Prior to this, Mr. Filmer-Wilson worked at Baring Private Equity Partners, Brown, Brothers, Harriman & Co. and Berkery, Noyes & Co. He holds a bachelor's degree from the School of Foreign Service at Georgetown University and an M.B.A. from INSEAD.

Daniel Bour, 55, has been acting as an independent member since 2008. Mr. Bour is currently the chief executive officer of Sunnco GC, a company that engages in the installation of solar panels. Mr. Bour began his career as an environmental engineer and joined the Compagnie Générale des Eaux in 1987 as a consultant. In 1988, he joined the Générale de Santé as the executive officer in charge of development and in 1990, he became the chief executive officer of Générale de Santé International. In 1997 he was appointed chief executive officer of Générale de Santé. Mr. Bour is a graduate of the Institut National Agronomique in Paris and the Université de Paris Sorbonne, where he obtained a Master's in Economics.

Ricardo Levit, 42, has been acting as an independent member since his appointment to the Strategic Committee in 2008. Mr. Levit is a managing director of DC Advisory Partners (formerly Atlas Capital Investment Bankers in Spain) where he has been working since 2000. Prior to that, he was a senior manager at PricewaterhouseCoopers between 1998 and 2000 and a project engineer at Miebach Logistics Group between 1995 and 1997. Mr. Levit earned a M. Sc. in industrial engineering from the Universitat Politécnica de Catalunya in 1993 and an MBA from INSEAD in 1998.

Pascal Borello, 36, acts on behalf of Intermediate Capital Group (ICG), the observer of the Strategic Committee since September 2008. Mr. Borello is an investment director at ICG, where he has been working since 2008. From 1998 to 2008, Mr. Borello worked at BNP Paribas, including as director in the leveraged finance group. Prior to joining BNP Paribas, Mr. Borello worked in the financial management team of the Casino Group. He graduated in 1997 from the Lyon Management School.

Executive Committee

The Chief Executive Officer, Managing Directors, Deputy Managing Directors and other senior executives appointed by the Chief Executive Officer, including the country Executive Vice-Presidents, form the Executive Committee. The Executive Committee is chaired by the Chief Executive Officer, who may also invite other members of the Labco network management team to attend certain meetings. The Executive Committee coordinates the operations of our subsidiaries and implements the decisions adopted by the Chief Executive Officer, the Managing Directors and/or the Strategic Committee. The Executive Committee is responsible for, among other things:

- the implementation of our group's development;
- the management and monitoring of daily operations;
- the preparation and implementation of budgets approved by the Strategic Committee;
- the management of human resources; and
- the coordination of the external growth activities (financial and legal).

The Executive Committee has set up the following working groups: Medical Group, Quality Group, Purchasing Group, Specialty Testing Group, Human Resources Group, Information Technology Group and Reporting/Accounting Group.

The current members of the Executive Committee are as follows:

Name	Age	Title
Philippe Charrier	56	Chief Executive Officer and Chief Operating Officer
Stéphane Chassaing	54	Vice-Chairman, Managing Director and co-founder of Labco
Albert Sumarroca	45	Managing Director, Vice-Chairman, Executive Vice-President Iberia
Luis Vieira	40	Deputy Managing Director and Executive Vice-President Corporate Development
Susheel Surpal	49	Deputy Managing Director and Chief Financial Officer

The business address of the members of the Executive Committee is 60-62, rue d'Hauteville, 75010 Paris, France.

The following paragraph sets forth biographical information regarding the executive officer of the Executive Committee not already described above.

Susheel Surpal, 49, is a Deputy Managing Director and the Issuer's Chief Financial Officer. Mr. Surpal joined Labco in 2009. Mr. Surpal served as chief financial officer of Europe for Sodexo from 1994 to 1998, then as group controller of the Bic Group from 1998 to 2003 and as chief financial officer of Fromageries Bel S.A. from 2003 to 2009. Mr. Surpal is a British citizen and a fellow of the Chartered Institute of Management Accountants since 1995. He graduated from Queen's University of Belfast, where he obtained a B.S.Sc. with an Honours degree in business and accounting in 1982.

National Executive Committees

The national executive committees are responsible for implementing our group's strategy at the national level. Each national executive committee approves and monitors its national budget and allocates resources between laboratories within its jurisdiction.

In compliance with applicable regulations, the medical management of our clinical laboratories in France remains the sole responsibility of the laboratory doctor working in such laboratories.

Compensation

With the exception of the two standing independent members of the Strategic Committee, members of the Strategic Committee and the Executive Committee receive no compensation for their services on either of these committees. Each independent member of the Strategic Committee receives a compensation of €30,000 per year.

Certain members of the Strategic Committee and the Executive Committee (Philippe Charrier, Andreas Gaddum, Eric Souêtre, Stéphane Chassaing, Albert Sumarroca, Luis Vieira, Didier Benchetrit, Maxime de Thomaz de Bossierre, Philippe Dauchy, Rémy Guérin, Philippe Sellem, Josep Ignasi Hornos Vila and Susheel Surpal) are, or were in 2009, compensated for certain other services they render to our group. Such remuneration is paid to them (or to professional companies wholly owned by them) by way of a fixed annual salary (or fees) and an annual bonus. The aggregate remuneration paid to or accrued on behalf of members of the Strategic Committee and the Executive Committee for such other services was approximately €3.7 million for the year ended December 31, 2009.

Conflicts of Interests

Representatives of our financial investors who are members of the Strategic Committee may be in a situation of potential conflict of interest when the financial investor (by which such representative was appointed) or any of its related entities have interests diverging from those of our group.

Except as indicated above and disclosed in "*Certain Relationships and Related Party Transactions*", no member of the Strategic Committee or Executive Committee has any material conflict of interests between its private interests and his duties as a member of the Strategic Committee or Executive Committee.

PRINCIPAL SHAREHOLDERS

The share capital of the Issuer, our group's parent company, is divided into four types of shares, each held by a different category of shareholder: certain laboratory doctors from whom we acquired clinical laboratories (the "A Shareholders"); our founding shareholders (the "B Shareholders"); financial investors (the "C Shareholders"); and others such as our management, family members and estate planning entities of the laboratory doctors who are also our shareholders (the "D Shareholders").

Approximately 150 laboratory doctors of our group are A Shareholders, holding together approximately 20% of the Issuer's share capital. These laboratory doctors became shareholders of the Issuer by reinvesting into our group a part of the purchase price we paid to acquire their laboratories. The aggregated shareholding of our A Shareholders and their affiliates (who are D Shareholders) represents 30% of the Issuer's share capital.

The B Shareholders, representing the founding shareholders of our group, are Eric Souêtre, Stéphane Chassaing, Luis Vieira and the shareholders from whom we acquired General Lab S.A. in 2007. Together, they hold approximately 20% of the Issuer's share capital. Eric Souêtre and Stéphane Chassaing hold their shares in the Issuer directly or through estate planning entities.

The C Shareholders are financial investors who together hold approximately 42% of the Issuer's share capital. To date, the 3i Investors, which together are our largest shareholder, have invested €110 million and own approximately 18% of our share capital. 3i is an international investor focused on private equity, infrastructure and debt management, with investments in Europe, Asia and North America. 3i Group plc is listed on the London Stock Exchange as a FTSE 100 company. Currently, 3i has an investment portfolio of 117 core investments and approximately €14.9 billion of assets under management. Since April 2001, 3i and 3i-managed funds have invested €1.8 billion in 38 healthcare companies. Andreas Gaddum, Antoine Faguer and Denis Ribon have been nominated by the 3i Investors to act as non-executive members of the Issuer's Strategic Committee. Another financial investor, PROGX, owns approximately 12.6% of our share capital, as both a C Shareholder and a D Shareholder. It is controlled by Viking Limited, a private equity firm that invested in Labco in 2004 and by certain laboratory doctors who contributed their shares in the Issuer to PROGX. Other financial investors include CIC, TCR Capital and Nixen.

The D Shareholders, comprised of our management and the family members and estate planning entities of the laboratory doctors who are also our shareholders, hold the remaining approximately 18% of the Issuer's share capital.

Shareholders' Agreement

On July 23, 2008, the Issuer entered into a shareholders' agreement (the "Securities Holders' Agreement") with the B Shareholders, the C Shareholders, certain managers defined as "Top Managers" including Eric Souêtre, Stéphane Chassaing and Albert Sumarroca, and the mezzanine investors holding mezzanine warrants (the "Mezzaneurs"), to record certain arrangements that those parties had agreed should apply to their management of the Issuer.

Strategic Committee Composition

The Securities Holders' Agreement supplements the Issuer's articles of association by establishing the rights of the Issuer's various shareholders to appoint members of the Issuer's Strategic Committee and Advisory Board.

The Strategic Committee may have a maximum of 23 members that must include the Chief Executive Officer, Eric Souêtre, Stéphane Chassaing, representatives of the Issuer's four categories of shareholders and independent members. The different categories of shareholders appoint their respective representatives to the Strategic Committee: up to six members are appointed by the A Shareholders (the "A Members"), up to four by the B Shareholders (the "B Members"), up to six by the C Shareholders (the "C Members") and up to three by the D Shareholders (the "D Members"). In addition to these members, three independent members can also be appointed to the Strategic Committee. Certain categories of shareholders also have authority to appoint a number of observers (*censeurs*) to attend committee meetings.

Board Approval

Each member of the Strategic Committee holds voting rights computed pursuant to the Issuers' articles of association. Generally, members representing a certain category of shareholders exercise voting rights equal to the total number of shares of such category.

The Issuer's articles of association provide that certain decisions require the prior approval of the Strategic Committee. In addition, certain decisions referred to as "material decisions", require the affirmative vote of the Strategic Committee's C Members representing, in aggregate, 60% of the C Shareholders. In accordance with the Securities Holders' Agreement, 3i Investors have a veto right over certain of these material decisions.

Other Provisions

Under the Securities Holders' Agreement, the Top Managers are subject to standstill obligations and to exclusivity, non-compete and non-solicitation covenants. Top Managers also undertake to inform the B Shareholders, C Shareholders and Mezzaneurs of any new activities that they propose to launch (e.g., for developments relating to biological and medical sample test analysis, medical imaging services, medical diagnosis or anatomical pathology) and provide such shareholders with a priority investment right in respect of such new activities. The Securities Holders' Agreement also includes a number of other customary provisions, including preemption rights between the parties, certain other restrictions on transfers and confidentiality obligations.

Equity Warrants

We have issued warrants to our financial investors and the key management personnel of our group.

Warrants Issued to Financial Investors

During the year ended December 31, 2008, the Issuer issued three warrant schemes entitling the holders, upon exercise of the warrants to subscribe for other financial instruments or shares of the Issuer at a fixed price of €1 per share.

The number of warrants that can be exercised depends on the ability of the group to meet certain financial and operational targets. The exact terms of the exchange at the exercise dates were determined when the Issuer entered into the issuance agreements. Subject to the fulfillment of their conditions, the warrants are exercisable at any time during a period of 15 years after their date of subscription.

A total of 4,223,394 "ABSA C1" were issued, i.e., 4,223,394 Class C shares to which a total of 16,893,576 warrants of four different kinds were attached, providing subscription rights for a maximum of 4,113,531 new Class C shares at a price of €1 per share. A total of 80,878 shares were issued in 2009 by the exercise of 80,878 warrants attached to the "ABSA C1", pursuant to their terms and conditions.

A total of 4,223,394 "ABSA C2" were issued, i.e., 4,223,394 Class C shares to which a total of 8,446,788 warrants of two different kinds were attached, giving subscription rights for a maximum of

2,323,852 new Class C shares at a price of €1 per share. A total of 27,049 shares were issued in 2010 by the exercise of 27,049 warrants attached to the "ABSA C2", pursuant to their terms and conditions.

A total of 1,967,083 "BEABSA" were issued, i.e., 1,967,083 options giving subscription rights for a maximum of 2,097,145 "ABSA C3", i.e., 2,097,145 Class C shares to which a total of 4,541,820 warrants of two different kinds could be attached, giving subscription rights for a maximum of 1,176,860 new Class C shares at a price of €1 per share. A total of 2,020,660 "ABSA C3" were issued in 2009 by exercise of the 1,967,083 "BEABSA", pursuant to their terms and conditions.

Warrants Issued to Mezzanine Lenders

Three additional warrant schemes were issued by the Issuer in July 2008. These warrants entitle the holders upon exercise of the instrument to buy one share of the Issuer at either a fixed price of €1 (mezzanine B and C) or €14.206582 (mezzanine A) per share. The warrants were granted at a price of €0.0001 per warrant. A total of 494,241 Senior Mezzanine warrants, split in 313,243 Senior Mezzanine A, 38,752 Senior Mezzanine B and 142,246 Senior Mezzanine C, were issued. 6,018 shares were issued in 2010 by exercise of 6,018 Senior Mezzanine B warrants, pursuant to their terms and conditions.

A total of 1,464,175 Junior Mezzanine warrants, consisting of 927,975 Junior Mezzanine A, 114,800 Junior Mezzanine B and 421,400 Junior Mezzanine C, were issued. 17,829 shares were issued in 2010 by exercise of 17,829 Junior Mezzanine B warrants, pursuant to their terms and conditions.

A total of 1,460,443 Junior additional Mezzanine warrants, consisting of 925,609 Junior Additional Mezzanine A, 114,508 Junior Additional Mezzanine B and 420,326 Junior Additional Mezzanine C, were issued.

17,784 shares were issued in 2010 by exercise of 17,784 Junior Additional Mezzanine B warrants, pursuant to their terms and conditions.

Warrants Issued to Management

On March 24, 2005, the Issuer established two manager share warrant schemes (denominated "BSA 2005-1-1" and "BSA 2005-1-2") that entitle key management personnel to subscribe for new shares of the Issuer, subject to the fulfillment of the conditions detailed in the issuance agreements. On June 7, 2006 ("BSA 2006-1-1"), March 13, 2007 ("BSA 2007-1-1"), December 30, 2007 ("BSA 2007-1-2"), March 5, 2008 ("BSA 2008-1-1") and September 20, 2010 ("BSA 2010-1-1"), additional manager share warrant schemes were implemented in favor of key management personnel of the group.

Each share warrant gives the beneficiary the right to subscribe for one share of the Issuer at an exercise price determined on the allocation date, on predetermined graded vesting dates. The exercise conditions mainly depended on certain financial targets and, in some cases, include an employment condition. The meeting of the Strategic Committee of the Issuer held on April 23, 2008 established that the exercise conditions of the three categories of share warrants issued on June 7, 2006, March 13, 2007 and December 30, 2007 (BSA 2006-1-1, BSA 2007-1-1 and BSA 2007-1-2) were fulfilled, pursuant to their terms and conditions, so as to allow the holders to exercise such share warrants at any time. The general meeting of shareholders held on December 30, 2008 modified the terms and conditions of the two categories of share warrants issued on March 24, 2005 (BSA 2005-1-1 and BSA 2005-1-2) to remove all constraints in order to allow the holders to exercise such share warrants at any time. As a result of these decisions and the modifications to the schemes, the beneficiaries can exercise the share warrants granted by these five schemes at any time, within a period of ten years following the date of subscription. For the BSA 2008-1-1 scheme, the share warrants vest in 2009, 2010 and 2011. For the BSA 2010-1-1 scheme, the share warrants can be exercised only upon the sale or initial public offering of the Issuer.

The terms and conditions relating to the grants of share warrants are as follows; all share warrants are to be settled by physical delivery of shares:

Plan	Number of instruments	Exercise period	Exercise price (€)	Share warrant price (4)	Average fair value at grant date
BSA 2005-1-1 . .	907,067	At any time between 30 December 2008 and 23 June 2015	1	0.10	0.21
BSA 2005-1-2 . .	108,782	At any time between 30 December 2008 and 23 June 2015	1	0.10	0.21
BSA 2006-1-1 . .	6,796	At any time between 23 April 2008 and 7 June 2016	1	0.10	1.08
BSA 2007-1-1 . .	109,806	At any time between 23 April 2008 and 13 March 2017	2.5	0.25	1.34
BSA 2007-1-2 . .	104,337	At any time between 23 April 2008 and 30 December 2017	2.5	0.25	3.74
BSA 2008-1-1 . .	438,317	At any time between 1 January 2009, 1 January 2010 and 1 January 2011 (each tranche ⅓ of the options) and 5 March 2018	8	0.8	4.97
BSA 2010-1-1 . .	279,268	Upon sale or initial public offering of the Issuer	14.84	1.50	N/A
Total	1,954,373				

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Secondment Agreement with 3i Europe plc

The Issuer and 3i Europe plc, an affiliate of 3i, entered into a secondment agreement on January 9, 2011, pursuant to which 3i Europe plc agreed to second Mr. Etienne Couelle to the Issuer on a full-time basis from January 1, 2011 to April 1, 2011 and on a part-time basis from April 2, 2011 to June 30, 2011. 3i Europe plc will receive a fee of €26,700 per month until April 1, 2011, reduced to €13,350 per month thereafter, exclusive of any reasonable expenses or disbursements and VAT. The Issuer also agreed to take responsibility for the work to be performed by Mr. Couelle, and to indemnify and hold harmless Mr. Couelle, 3i Europe plc, 3i Group plc and its subsidiaries against any liabilities, losses, damages, costs and expenses arising out or in relation with the work performed by Mr. Couelle during the secondment, save to the extent they arise from the wilful misconduct or fraud of the indemnified party. Either party can terminate the agreement at any time and for any reason, on two weeks' notice to the other party.

Legal Services

We have engaged Maryse Coppet-Souêtre, a partner in the law firm Cabinet Coppet Sprl, to provide us with various legal services. Mrs. Coppet-Souêtre is the wife of Mr. Eric Souêtre, one of our founding shareholders and a member of the Strategic Committee. We believe that Mrs. Coppet-Souêtre's legal services are negotiated on an arm's-length basis. Our payments to Cabinet Coppet Sprl were approximately €0.1 million, €0.2 million, €0.2 million and €0.4 million for the years ended December 31, 2007, 2008 and 2009 and the nine months ended September 30, 2010, respectively.

Consulting Services

Mrs. Christine Benchetrit, the wife of Mr. Didier Benchetrit, one of our Deputy Managing Directors, member of our Strategic Committee and shareholder, provides quality management services to certain of our French laboratory companies. In recent years, we made payments to Mrs. Benchetrit of up to approximately €32,000 per year.

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 or prior to the Issue Date, Labco Deutschland GmbH, Labco Diagnostics España S.L., Labco Midi, Laboratoire de Biologie Médicale Jorion, Laboratoire de Biologie Médicale Delaporte, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses and Labco Finance, as borrowers and guarantors (the "Borrowers"), the Issuer, as parent, and the other subsidiaries of the Issuer that will guarantee the Notes, as guarantors, will enter into the Revolving Credit Facility Agreement with, *inter alios,* Credit Suisse International, Deutsche Bank AG, London Branch, Natixis and UBS Limited, as mandated lead arrangers and lenders, Natixis, as agent, and Deutsche Bank AG, London branch, as security agent. The Issuer and its subsidiaries that guarantee the Notes will be guarantors under the Revolving Credit Facility Agreement (including Labco Diagnostics España S.L. which will be a guarantor under the Revolving Credit Facility Agreement as of the Issue Date).

Borrowings

The Revolving Credit Facility Agreement will provide for a revolving facility (the "Revolving Credit Facility") of up to a principal amount of €125.0 million. The principal amount of the Revolving Credit Facility may be increased by the addition of new lenders, up to a maximum principal amount of €135.0 million.

Total commitments under the Revolving Credit Facility will be mandatorily reduced and cancelled 10 business days prior to the third anniversary of the Issue Date by 5% of its initial maximum principal amount as of that date (the "Reference Amount"). Total commitments will be further reduced and cancelled 10 business days prior to the fourth and fifth anniversary of the Issue Date by 10% and 20% of the Reference Amount respectively.

Borrowings under the Revolving Credit Facility will be used to:

(a) finance or refinance certain capital expenditures;

(b) finance or refinance part or all of the purchase price of certain "Permitted Acquisitions" and investments in certain "Permitted Joint Ventures" (each as defined in the Revolving Credit Facility Agreement);

(c) finance or refinance the prepayment of costs and expenses incurred in connection with a Permitted Acquisition or Permitted Joint Venture;

(d) refinance existing indebtedness of entities acquired pursuant to a Permitted Acquisition, including the related costs and expenses;

(e) finance or refinance costs and expenses related to restructuring in relation to a Permitted Acquisition or a Permitted Joint Venture; and

(f) fund working capital and other general corporate purposes of the group;

provided that the aggregate outstanding amounts of utilizations under (a) and (f) above may not at any time exceed €50 million.

The Revolving Credit Facility Agreement will include a mechanism under which drawings will be allocated between French borrowers and non-French borrowers (whether or not subsequently on-lent to French members of the group or French borrowers). Under that mechanism, drawings by French borrowers may not exceed 50% of the aggregate drawings under the Revolving Credit Facility and drawings by Labco Diagnostics España S.L. may not be less than 40% of total drawings.

Availability

Subject to the absence of a default, the Revolving Credit Facility will be available for drawing from the Issue Date until one month prior to the sixth anniversary of the Issue Date.

Conditions Precedent

Utilizations of the Revolving Credit Facility will be subject to customary conditions precedent.

Interest and Fees

The Revolving Credit Facility will initially bear interest at a rate per annum equal to LIBOR or, for borrowings in euro, EURIBOR, plus certain mandatory costs and a margin of 4.5% per annum. Going forward the margin may be reduced to 4.0% or 3.5% per annum by reference to a total net debt to adjusted EBITDA test.

We are also required to pay a commitment fee, quarterly in arrears, on available but unused commitments under the Revolving Credit Facility at a rate of 45.0% of the applicable margin.

Security and Guarantees

On the Issue Date, it is intended that the Revolving Credit Facility will be guaranteed on a joint and several basis by the Guarantors, including Labco Diagnostics España S.L. The Revolving Credit Facility Agreement will also require that, subject to agreed security principles, (i) each company which is acquired with a utilization under the Revolving Credit Facility and has EBITDA (on an unconsolidated basis) of not less than €1 million in its previous financial year and (ii) each other member of our group whose EBITDA (excluding all intragroup items) exceeds 5% of our consolidated EBITDA (and each direct holding company thereof) guarantees the Revolving Credit Facility. The Revolving Credit Facility Agreement will also require that the EBITDA of the guarantors represent not less than 70% of consolidated EBITDA of the group on the Issue Date and at all times thereafter.

It is intended that the Revolving Credit Facility will be secured by the same security interests as for the Notes no later than seven business days after the Issue Date as set out under "*Description of the Notes—Security*". It is also intended that the Revolving Credit Facility Agreement will also be secured by first-ranking pledges of capital stock in certain subsidiaries and future and current intercompany loan receivables held by Labco Diagnostics España S.L. The Notes will not be secured by such security interests until Labco Diagnostics España S.L. converts its corporate form to *sociedad anónima* and grants first-ranking liens over such collateral in favor of holders of the Notes.

Under the terms of the Intercreditor Agreement, in the event of acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of guarantees and the Collateral, are required to be turned over to the Security Agent and, subject to the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and Security Agent, paid by the Security Agent to the lenders under the Revolving Credit Facility and counterparties to certain Hedging Obligations in priority to the holders of the Notes.

The provision and the terms of the security set out above will in all cases be subject to certain limitations and are at all times and in all cases subject to the requirements of applicable law and the other matters set out in the Revolving Credit Facility Agreement. Please see "*Risk Factors—Risks Related to our Indebtedness and the Notes—The guarantees may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability*".

Covenants

Certain of the covenants contained in the Revolving Credit Facility Agreement will be based upon the covenants contained in the Indenture. See "*Description of the Notes—Certain Covenants*". The Revolving Credit Facility Agreement will also require the Issuer, each borrower and each guarantor to observe certain customary affirmative and restrictive covenants, subject to certain exceptions, including:

- covenants relating to financial information and accounting;
- covenants relating to obtaining required authorizations; compliance with laws; compliance with environmental laws; information about environmental claims; payment of taxes; pari passu ranking of unsecured payment obligations; insurance; granting of access; intellectual property; compliance with financial assistance laws; guarantor coverage (as described above); publicity; limitations on disposals and reorganizations; additional restrictions on distribution of dividends;
- no other financial indebtedness ranking senior to, or pari passu with, the Revolving Credit Facility (other than additional Notes and, subject to lenders' consent, additional revolving credit facilities);
- restriction on incurring additional indebtedness in excess of (i) €25 million at any time for all members of the group and (ii) €15 million at any time for all members of the group other than the Borrowers and the Guarantors; and
- restriction on incurring recourse factoring or similar arrangements in excess of €5.0 million in aggregate at any time.

The Revolving Credit Facility Agreement will also require the Issuer to ensure compliance with the following financial covenants:

- leverage ratio tested quarterly (calculated as the ratio of consolidated total net debt at each quarter end to consolidated adjusted EBITDA for the 12 months ending on that quarter end), not exceeding

Financial Year Ending December 31,	Ratio
2011	5.50:1
2012	5.25:1
2013	5.00:1
2014	4.75:1
2015	4.50:1
2016	4.25:1

- super senior gross leverage ratio tested quarterly (calculated as the ratio of total super senior gross debt at each quarter end to adjusted EBITDA for the 12 months ending on that quarter end), not exceeding 1.75:1;
- minimum cash balance of €20 million, tested quarterly; and
- ratio of certain capital expenditure for a financial year not to exceed 3.5% of consolidated group turnover; unused amounts may be carried forward to the subsequent year and 50% of future year amounts may be carried back. The maximum amount of these capital expenditures in any financial year may not, as a result of the above, exceed 70% of the consolidated revenue of the group for that financial year.

Repayment

Loans made under the Revolving Credit Facility must be repaid in full on the last day of the relevant interest period. All outstanding amounts under the Revolving Credit Facility must be repaid on the sixth anniversary of the Issue Date. Amounts repaid by the Issuer in respect of loans made under the Revolving Credit Facility may be reborrowed, subject to certain conditions.

Prepayment

Subject in certain cases to agreed reinvestment periods, thresholds and other qualifications, there are mandatory prepayments required to be made upon the occurrence of certain other events such as asset sales and receipt of insurance proceeds. Upon such mandatory prepayments, the commitment under the Revolving Credit Facility Agreement may have to be cancelled to the extent necessary to maintain headroom against the super senior gross leverage ratio of 25% for the first three years and 35% thereafter.

Upon the occurrence of a change of control (as defined in the Revolving Credit Facility) or the sale of all or substantially all of the assets of the Parent Guarantor Group whether in a single transaction or a series of related transactions, the Revolving Credit Facility will be cancelled and all outstanding utilizations and ancillary facility outstanding, together with accrued interest, and all other amounts accrued under the Revolving Credit Facility documents, shall become immediately due and payable.

Events that constitute a change of control under the Revolving Credit Facility Agreement include 3i and its related parties transferring more than 50% of the shares or voting rights of the Issuer they hold on the date of the Revolving Credit Facility Agreement except pursuant to certain permitted offerings or while an event of default is continuing, 3i losing its veto rights pursuant to the Securities Holders' Agreement except pursuant to certain permitted offerings or, subject to certain conditions, in circumstances involving a change in the legal form of the Issuer, any person or group of persons acting in concert (other than 3i and its related parties or other shareholders of the Issuer on the date of the Revolving Credit Facility Agreement) holding more than 50% of the shares or voting rights of the Issuer, an admission to trading of the shares of any member of the group on a recognized investment exchange other than in permitted circumstances, certain changes to financial rights attached to shares held by the Issuer in direct subsidiaries of the Issuer in France and the Issuer ceasing to hold the same amount of share capital or voting rights of material companies in France and Spain as of the date the Revolving Credit Facility is entered into.

Restrictions on Redemption or Repurchase and Cancellation of Notes

The Revolving Credit Facility Agreement will prohibit the Issuer from redeeming or repurchasing and cancelling Notes in a principal amount exceeding 10% of the original issue amount of the Notes (plus any additional Notes) unless:

(a) commitments under the Revolving Credit Facility have been cancelled so that the remaining commitments do not exceed €50 million; or

(b) subject to the consent of 66⅔% of the lenders under the Revolving Credit Facility Agreement, the redemption or repurchase and cancellation occurs in the context of, or after, a Qualifying Offering (as defined in the Revolving Credit Facility Agreement) of the Issuer's share capital and does not exceed (together with any redemptions previously effected) 35% of the original issue amount of the notes (plus any additional Notes) (an "Additional Redemption").

The Revolving Credit Facility Agreement will further prohibit additional redemptions or repurchases and cancellations following an Additional Redemption unless commitments under the Revolving Credit Facility have been cancelled so that the remaining commitments do not exceed €50 million, and provided that such redemptions or repurchases and cancellations do not exceed (together with any redemptions or repurchases and cancellations previously effected) 35% of the original issue amount of the notes (plus any additional Notes).

Events of Default

The Revolving Credit Facility Agreement will contain customary events of default the occurrence of which would allow the lenders to accelerate all outstanding loans and terminate their commitments and any bank guarantees, letters of credit and ancillary facilities, or declare that cash cover in respect of any bank guarantees, letters of credit and ancillary facilities is immediately due and payable, subject in certain cases to agreed grace periods, thresholds and other qualifications.

The customary events of default, subject to certain agreed exceptions, include:

- failure to make payment of amounts due and payable in connection with the Revolving Credit Facility;
- a cross-default with respect to an Event of Default under the Indenture;
- an event reasonably likely to have a material adverse effect on the business or assets of the group (taken as a whole), the ability of the obligors (taken as a whole) to perform their payment obligations under the Revolving Credit Facility, the ability of the Issuer to comply with its obligations under the financial covenants; or the validity or enforceability of, or the effectiveness or ranking of any Security;
- failure to comply with the provisions of the Intercreditor Agreement;
- qualification of the audit report for the annual audited financial statements of the Issuer in a way which is materially adverse to the lenders; and
- certain insolvency events or proceedings.

Governing Law

The Revolving Credit Facility Agreement will be governed by English law, but certain covenants, which will reflect, *mutatis mutandis,* the provisions of the Notes, will be construed in accordance with the laws of the State of New York.

Hedge Agreements

Pursuant to the Existing Senior Facilities, the Senior Mezzanine Loan and the Junior Mezzanine Loan, we were required to hedge our exposure to changes in the variable EURIBOR interest rates. As of September 30, 2010, we were party to derivative instruments with a total notional amount of €316.2 million, whereby we have agreed to pay a fixed rate (between 3.46% and 4.35%) in exchange for EURIBOR. We have not determined, at this stage, whether to keep this derivative instrument in place, in whole or in part, following the Refinancing. The estimated break-up costs associated with the termination of these derivative instruments amounted to €5.5 million as of December 31, 2010. Derivatives with a total notional amount of €315.0 million will terminate pursuant to their terms prior to October 1, 2011.

For a summary of the key terms of these derivative instruments, see note 18 to our Q3 Financial Statements, included elsewhere in this offering memorandum.

Bilateral Bank Loans

Certain non-guarantor subsidiaries of the Issuer have entered into 62 bilateral bank loans for an aggregate principal amount as of September, 2010 of €7.1 million. These loans have a maturity ranging from 2011 to 2019 and applicable interest rates ranging from 2.85% to 7.90%.

Factoring Agreements

Certain of our subsidiaries incorporated in Portugal are party to non-recourse and recourse factoring agreements with several banks and factoring companies. They have incurred factoring fees and factoring-related interest charges in an aggregate amount of €0.2 million during the fiscal year ended December 31, 2009 and €0.1 million during the nine months ended September 30, 2010.

The aggregate outstanding factoring cap is approximately €13.6 million under our non-recourse factoring agreements and approximately €4 million under our recourse factoring agreement. The annual general factoring fee payable is comprised between 0.20% and 0.50% of the factoring cap. The disbursement fee is based on EURIBOR plus a margin. These agreements are subject to customary terms and conditions.

Intercreditor Agreement

In connection with entering into the Revolving Credit Facility Agreement and the issuance of the Notes, the Issuer, the Borrowers, the Trustee on behalf of the holders of the Notes and the Guarantors will enter into the Intercreditor Agreement with the lenders under the Revolving Credit Facility Agreement (the "Lenders") and the parties to the Revolving Credit Facility Agreement and the persons that are counterparties to certain hedging agreements (the "Hedging Agreements", and such persons the "Hedge Counterparties") to govern the relationships on certain matters and relative priorities among: (i) the Lenders and the parties to the Revolving Credit Facility Agreement; (ii) Hedge Counterparties; (iii) the Trustee on behalf of the holders of the Notes; (iv) the Security Agent and (v) certain other intragroup creditors and debtors.

The Issuer and each of its subsidiaries that incurs any liability (including, without limitation, as borrower) or provides any guarantee under the Revolving Credit Facility Agreement or the Indenture is referred to in this description as a "Debtor" and are referred to collectively as the "Debtors".

The Intercreditor Agreement will set out:

- the relative ranking of certain indebtedness of the Debtors (including pursuant to their guarantees);
- 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 to permit a sale of the Collateral.

Unless expressly stated otherwise in the Intercreditor Agreement, the provisions of the Intercreditor Agreement will override anything in the Revolving Credit Facility Agreement or the Indenture to the contrary.

By accepting a Note, holders of the Notes shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement and to have instructed the Trustee to enter into the Intercreditor Agreement. The Lenders and, to the extent that they are owed Priority Hedging Liabilities, the Hedge Counterparties are "Super Senior Creditors". Holders of Notes, the Trustee, certain additional senior secured creditors (if any) and related trustees (if any), and, to the extent that they are owed Non-Priority Hedging Liabilities (as defined below), the Hedge Counterparties, are the "Senior Secured Creditors" and together with the Super Senior Creditors, the "Senior Creditors".

Priority Hedging Liabilities will be defined in the Intercreditor Agreement as meaning at any time an amount equal to 20% of all liabilities under the Hedging Agreements.

The following description is a summary of certain provisions, among others, contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement and you are advised to read that document because it, and not the discussion that follows, defines certain rights of the holders of the Notes.

Ranking and Priority

The Intercreditor Agreement will provide that the liabilities of the Debtors in respect of the Revolving Credit Facility (the "Revolving Creditor Liabilities" and together with the Hedging Liabilities that are Priority Hedging Liabilities, the "Super Senior Liabilities"), the Hedging Agreements (the "Hedging Liabilities") and the Notes and certain additional senior secured liabilities (including the Hedging Liabilities that are not Priority Hedging Liabilities) (the "Senior Secured Liabilities") will rank in right and priority of payment *pari passu* and without any preference between them.

The Intercreditor Agreement will also provide that certain intragroup liabilities and subordinated liabilities (if any) are subordinated to the Revolving Creditor Liabilities, the Hedge Liabilities and the Senior Secured Liabilities.

The parties to the Intercreditor Agreement will agree in the Intercreditor Agreement that the security provided by the Debtors and the other parties that will provide security for the Revolving Credit Facility and the Notes will rank and secure the following liabilities (but only to the extent that such security is expressed to secure those liabilities) in the following order:

- *first*, the fees, costs and expenses owed to the agent for the Lenders (the "Senior Facility Agent"), the Trustee and the Security Agent *pari passu* and without any preference between them;
- *second*, the Revolving Creditor Liabilities and the Priority Hedging Liabilities *pari passu* and without any preference between them; and
- *third*, the Senior Secured Liabilities and the Hedging Liabilities that are not Priority Hedging Liabilities (the "Non-Priority Hedging Liabilities").

Under the Intercreditor Agreement, all proceeds from enforcement of the security will be applied as provided below under "*—Application of Proceeds*".

The Intercreditor Agreement will not restrict the ability of the Issuer to make certain payments under the Notes, in particular scheduled payments of interest and any additional amounts thereon (arising due to tax deductions or payments) and the permanent repayment of principal on the scheduled maturity date of the Notes.

Permitted Payments

The Intercreditor Agreement will permit, *inter alia*,

- in respect of Revolving Creditor Liabilities, Debtors to make payments at any time under the Revolving Credit Facility in accordance with the Revolving Credit Facility Agreement;
- in respect of Senior Secured Liabilities, Debtors to make payments at any time in accordance with, and subject to the provisions of, the Intercreditor Agreement, the Hedging Agreements, the documents relating to the Revolving Credit Facility Agreement, the documents relating to the Indenture and certain other additional senior secured debt which may share the same payment and ranking as the Senior Secured Liabilities (the "Senior Secured Documents"), security documents and certain other documents relating to the intragroup and subordinated

obligations of the Debtors (together the "Debt Documents"), provided that this shall not restrict: the payment of interest (but not capitalized interest) and additional amounts thereon payable in the ordinary course in accordance with the terms of the Senior Secured Documents; and the permanent payment of principal on the final scheduled maturity of the relevant Senior Secured Liabilities; and

- in respect of the Hedging Liabilities (provided that no payments may be made to a Hedge Counterparty if any scheduled payment due to a Debtor by such Hedge Counterparty under a relevant Hedging Agreement is due and unpaid other than pursuant to rights to withhold payment) subject to the Hedge Counterparty exercising its rights to withhold payment under the relevant Hedging Agreement:

  (a) if the payment is a scheduled payment arising under the relevant Hedging Agreement;

  (b) to the extent that the relevant Debtor's obligation to make the payment arises as a result of, among other things, the provisions in the Hedging Agreements relating to deduction or withholding for tax, default interest, payments in the contractual currency, judgments and expenses;

  (c) to the extent that the relevant Debtor's obligation to make the payment arises from a permitted hedge close out and, if applicable, no default under the Revolving Credit Facility is continuing at the time of such payment; or

  (d) prior to the later of the date on which all Super Senior Liabilities have been fully and finally discharged (the "Super Senior Discharge Date") and the date on which all Senior Secured Liabilities have been fully and finally discharged (the "Notes Discharge Date") (such later date, the "Senior Discharge Date"), with the consent of the Majority Senior Creditors (as defined below); and

- in respect of lenders under any intragroup loan agreement (together, the "Intra-Group Liabilities") if at the time of payment no acceleration event has occurred in respect of the Revolving Credit Facility or the Notes or if such an acceleration event occurs prior to the Senior Discharge Date, with the consent of the Majority Senior Creditors. For the purposes of the Intercreditor Agreement:

  (a) the "Majority Senior Creditors" are the Senior Creditors holding more than 50.0% of (i) the aggregate of commitments under the Revolving Credit Facility, (ii) any amount which has become due following the termination or close-out of any Hedging Agreement (and, after the Revolving Facility Discharge Date and the Notes Discharge Date, the amount that would be payable under any of the Hedging Agreements which has not terminated or been closed out if the date of calculation were an early termination date under such Hedging Agreements) and (iii) the Notes and any other Senior Secured Liabilities at that time;

  (b) the "Majority Super Senior Creditors" are Super Senior Creditors having more than 66.66% of the aggregate amount of commitments under the Revolving Credit Facility Agreement and any amount which has become due following the termination or close-out of any Hedging Agreement which constitute a Priority Hedging Liability (and, after the Revolving Facility Discharge Date and the Notes Discharge Date, the amount that would be payable under any of the Hedging Agreements which constitute a Priority Hedging Liability and which has not terminated or been closed out if the date of calculation were an early termination date under such Hedging Agreements); and

  (c) "Majority Secured Noteholders" are holders of not less than a simple majority in aggregate principal amount of Notes then outstanding under the Indenture and any other Senior

Secured Notes then outstanding under any other Senior Secured Indenture (as such terms are defined in the Intercreditor Agreement).

No payments may be made on liabilities owed by the Issuer to creditors that are expressly subordinated in right of payment to the Senior Creditors and the Senior Secured Creditors ("Subordinated Liabilities") without, prior to the Senior Discharge Date, the consent of the Majority Senior Creditors or unless the payment is not prohibited by the Revolving Credit Facility Agreement and the Indenture.

Security for Lenders and Noteholders

The Lenders and, at any time prior to the Super Senior Discharge Date, the Lenders or the Senior Secured Creditors may not take, accept or receive from any member of the Issuer's group the benefit of any security, guarantee, indemnity or other assurance against loss in respect of the Revolving Liabilities or the Senior Secured Liabilities other than: security offered or granted to all secured parties; any guarantee, indemnity or other assurance against loss contained in the Revolving Credit Facility Agreement, the Indenture or any other Revolving Credit Facility Agreement or document under which Senior Secured Liabilities are issued, the Intercreditor Agreement, any assurance offered or given to all the secured parties in relation to their liabilities; or, in the case of the Senior Secured Creditors prior to the Super Senior Discharge Date, with the consent of the Majority Super Senior Creditors.

Amendments

Except as permitted under the Debt Documents, no amendments, variations or waivers may be made or granted to, under or in respect of the Senior Secured Documents which would result in the final scheduled maturity or other scheduled maturity dates of the relevant Senior Secured Liabilities being earlier than initially provided, result in the guarantees or security granted in respect of the relevant Senior Secured Liabilities or the order of priority in respect thereof being altered, or any additional guarantees or security being granted in respect of the relevant Senior Secured Liabilities from the guarantees and security granted in respect of such Senior Secured Liabilities initially; or alter the prepayment provisions (whether mandatory or optional) of the relevant Senior Secured Documents from those included in such Senior Secured Documents initially.

Enforcement

Entitlement to enforce

The Intercreditor Agreement will provide that the Security Agent may refrain from enforcing the security interests in the Collateral unless instructed otherwise either by the Majority Revolving Lenders (being lenders holding more than 66.66% of the aggregate commitments under the Revolving Credit Facility) or the Majority Secured Noteholders (each, an "Instructing Group") and subject to any specific exclusions in the Intercreditor Agreement.

Subject as provided below, each of the agents under the Revolving Credit Facility, the Trustee and any other representative which has duly acceded to the Intercreditor Agreement (each, a "Representative") must deliver a copy of its proposed enforcement instructions to the other Representative and the Security Agent at least 10 business days (or such shorter period as may be agreed) prior to the proposed date for the issuance of such enforcement instructions. If the Security Agent receives conflicting enforcement instructions from the Representatives, then the Representatives must consult with each other in good faith for a period of not less than 30 days from the date of receipt of the latest of such conflicting instructions and, upon the expiry of such consultation period, enforcement instructions may be provided to the Security Agent by the Trustee (or the Senior Facility Agent if agreed by the Trustee). This requirement to consult could lead to delays in enforcement of any

Collateral which could, in turn, decrease or eliminate recoveries. The Representatives (acting on behalf of the Majority Revolving Lenders or the Majority Secured Noteholders, as the case may be) may at any time provide immediate enforcement instructions to the Security Agent and will not be obliged to consult (as described above) if the security interests in the Collateral have become enforceable as a result of an Insolvency Event (as defined in the Intercreditor Agreement) or if the relevant group of creditors have determined in good faith that to do so and thereby delay enforcement could reasonably be expected to have a material adverse effect on its ability to enforce the security interests in the Collateral or the proceeds of realization of the security interests in the Collateral. If the Security Agent receives conflicting instructions, then, provided the consultation period described above and security enforcement principles are complied with, the Security Agent shall comply with the enforcement instructions received from the Trustee. If, however, the Lenders have not been fully repaid within six months of the proposed date of issuance of enforcement instructions, or the Security Agent has not commenced any enforcement action within three months of the proposed date of issuance of enforcement instructions, or an Insolvency Event occurs, then the instructions of the Majority Revolving Lenders will prevail (with effect from the date of the earliest to occur of such events).

Filing of claims

After the occurrence of an Insolvency Event in relation to a member of the Issuer's group, a Debtor or any grantor of transaction security (the "Relevant Company"), each Creditor:

- irrevocably authorizes the Security Agent (on the relevant instructions referred to above or in their absence as the Security Agent sees fit), on its behalf, to the fullest extent permitted under the laws of that Creditor's jurisdiction, to: take any enforcement action (in accordance with the terms of the Intercreditor Agreement) against the Relevant Company; and demand, sue, prove and give receipt for any or all of; to the extent legally permissible, collect and receive all distributions on, or on account of, any or all of; and file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover (as applicable); the liabilities of the Relevant Company under the Debt Documents;

- will do all things that the Security Agent (in each case on the relevant instructions referred to above or in their absence as the Security Agent sees fit) requests in order to give effect to this paragraph including in certain cases to grant a power of attorney to the Security Agent to enable the Security Agent to take the relevant action.

Turnover

The Intercreditor Agreement will provide that if at any time prior to the Senior Discharge Date, subject to certain exceptions, any Creditor, including the Trustee or any holder of the Notes, receives or recovers:

- any payment or distribution of, or on account of or in relation to, any liability owed by the Debtors which is not a permitted payment under the Intercreditor Agreement or made in accordance with "—Application of Proceeds" below;

- any amount by way of set off in respect of any liability owed by the Debtors which does not give effect to a permitted payment under the Intercreditor Agreement;

- any amount (i) on account of or in relation to any liability owed by the Debtors under the Debt Documents after the occurrence of an acceleration event under the Revolving Credit Facility or the Indenture or as a result of the enforcement of any Security Document or any other enforcement action against the Issuer or any of its subsidiaries (other than after the occurrence of an insolvency event in respect of the Issuer or such subsidiary) (each, a "Distress Event"), or

(ii) by way of set off in respect of any liability of the Debtors after the occurrence of a Distress Event;

- the proceeds of any enforcement of any security except in accordance with "—*Application of Proceeds*" below; or
- (other than where set off applies) receives or recovers any distribution in cash or in kind or payment of, or on account of or in relation to, any liability owed by the Issuer or any of its subsidiaries which is not in accordance with "—*Application of Proceeds*" below and which is made as a result of, or after, the occurrence of an insolvency event in respect of the Issuer or such subsidiary,

then that Creditor (including the Trustee or any holder of the Notes), as the case may be:

- in relation to receipts or recoveries not received or recovered by way of set-off (i) must hold that amount on trust for the Security Agent and promptly pay that amount or an amount equal to that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities 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 recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement;

provided, in each case, that the Trustee has actual knowledge that such obligation has arisen and it has received and has not distributed to the relevant recipient any such amount.

Application of Proceeds

The Intercreditor Agreement will provide that, subject to the rights of creditors mandatorily preferred by law, all amounts received by the Security Agent pursuant to the terms of any Debt Document or in connection with the realization or enforcement of all or any part of the security or otherwise paid to the Security Agent for application in the following order of priority:

- *first*, (i) in discharging any sums owing to the Security Agent and any receiver or any delegate appointed, and (ii) in payment to the Senior Facility Agent and the Trustee for application towards the discharge of the fees, costs and expenses and other indemnification amounts owed by the Debtors to the Senior Facility Agent under the Revolving Credit Facility Agreement and the Trustee under the Indenture and, in the case of (ii) above, arising in connection with any realization or enforcement of the security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent in accordance with the Intercreditor Agreement, on a *pro rata* basis and ranking *pari passu* between them;
- *second*, in payment to the Senior Facility Agent and the Hedge Counterparties for application towards the discharge of the Revolving Creditor Liabilities and the Priority Hedging Liabilities, on a *pro rata* basis;
- *third*, in payment to the Trustee on behalf of the holders of the Notes and the Hedge Counterparties for application in accordance with the Senior Secured Indenture towards the discharge of the Senior Secured Liabilities (which includes the Non-Priority Hedging Liabilities), on a *pro rata* basis;
- *fourth*, if none of the Debtors is under any further actual or contingent liability under the Revolving Credit Facility Agreement, the Hedging Agreements or the Senior Secured Indenture,

in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and

- *fifth*, the balance, if any, in payment to the relevant Debtor.

Release of the Guarantees and the Security

Disposals

The Intercreditor Agreement will provide that in relation to the disposal of an asset which is being effected on instructions from an Instructing Group in circumstances where the transaction security has become enforceable, by an enforcement of the transaction security, or, after the occurrence of a Distress Event, by a Debtor to a person outside of the Issuer's group, the Security Agent is irrevocably authorized to (i) release the security created by the Security Documents 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 under the Revolving Credit Facility, the Notes and certain other liabilities and to release any 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 Notes and certain other liabilities and to release any security granted by that subsidiary or holding company over any of its assets and (iv) if the relevant asset consists of shares in the capital of a Debtor or holding company of a Debtor (the "Disposed Entity") and the Security Agent decides to transfer to another Debtor (the "Receiving Entity") all or any part of the Disposed Entity or its obligations or any obligations of any subsidiary of that Disposed Entity in respect of liabilities owed to a Debtor or intragroup 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 Receiving Entity.

In the case of clauses (ii) to (iv) in the paragraph above and the paragraph below, the Security Agent will act in accordance with the instructions of the relevant Instructing Group or, in the absence of any instructions, as the Security Agent sees fit. In the case of a disposal described above effected by or at the request of the Security Agent, unless the Majority Revolving Lenders and the Trustee shall otherwise agree, the Security Agent shall ensure that, subject to certain exceptions, the proceeds of the disposal are received in cash (or substantially all in cash), the disposal is effected by public auction or a financial advisor selected by the Security Agent delivers an opinion to each Representative that the disposal price is fair from a financial point of view after taking into account all relevant circumstances and the claims of Senior Creditors against any Disposed Entity and its subsidiaries are unconditionally released and discharged concurrently with such disposal and not assumed by the purchaser or any affiliate thereof.

In addition, if (a) a disposal relates to an asset of a Debtor or a grantor of security or an asset which is subject to security to a person or persons within or outside the Group, (b) that disposal is permitted under (prior to the Revolving Facility Discharge Date) the Revolving Credit Facility Agreement and (prior to the Notes Discharge Date) the Senior Secured Documents and all requirements for associated releases of security provided for in the Indenture have been complied with, (c) that disposal is not a disposal being effected in the circumstances described above and (d) each Representative has been given notice of that disposal (in the case of a disposal to a person outside the group), the Security Agent is irrevocably authorized (at the cost of the relevant Debtor or the Issuer and without any consent, sanction, authority or further confirmation from any other party to the Intercreditor Agreement) (i) to release the security and any other claim over that asset, (ii) where that asset consists of shares in the capital of a Debtor, to release the security and any other claim (relating to the relevant debt document) over that Debtor's or that other grantor's 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 consent to dealing that the Security Agent considers to be necessary or desirable.

Each party to the Intercreditor Agreement will undertake to do all things that the Security Agent requests in order to give effect to the releases or disposals referred to above, including, without limitation, the execution of any assignments, transfers, releases or other documents that the Security Agent may consider to be necessary to give effect to such releases or disposals, and will undertake, in accordance with the instructions of the Security Agent, to take any action necessary to give effect to such releases or disposals which the Security Agent would not be entitled to take itself, provided that in all cases the corresponding proceeds are applied in accordance with the Intercreditor Agreement.

New debt

The Intercreditor Agreement contemplates that the Revolving Credit Liabilities can be increased or refinanced and that additional Senior Secured Liabilities can be incurred, subject to the satisfaction of certain conditions. Such Senior Secured Liabilities may be *pari passu* or junior to the original Senior Secured Liability or any other Senior Secured Liabilities.

If, subject to certain qualifications (i) additional Revolving Creditor Liabilities, or additional Senior Secured Liabilities, incurred in accordance with the Intercreditor Agreement, cannot be secured pari passu with the then existing Revolving Creditor Liabilities, or as applicable the additional Senior Secured Liabilities, under the applicable existing security documents without the security under such existing security documents first being released or (ii) if security over any asset under the applicable security documents is released, whether by operation of law or otherwise, in connection with a refinancing or replacement of Revolving Credit Liabilities or Senior Secured Liabilities, then the Security Agent is authorized to release the security granted pursuant to such existing security documents provided that:

- immediately on such release, security shall be provided in favour of the providers of such Revolving Creditor Liabilities, or as applicable the additional Senior Secured Creditors in respect of such additional Senior Secured Liabilities or as applicable the providers of such refinancing or replacement indebtedness, and the Senior Creditors on terms substantially the same as the terms of the security documents released and subject to the same ranking as set out in "*—Ranking and Priority*" above; and
- each Representative receives opinions satisfactory to it in relation to such security (in the case of the incurrence of additional Revolving Credit Liabilities or such refinancing or replacement of the Revolving Credit Facility, excluding as to any new hardening periods in respect of any new security securing the Senior Secured Liabilities provided that such period is no longer than the hardening periods in respect of such new security securing such additional Revolving Creditor Liabilities or as applicable such refinancing or replacement Liabilities).

Each party to the Intercreditor Agreement agrees that it shall promptly execute all such documents as may be considered reasonably necessary in order to give effect to the refinancing of the Revolving Creditor Liabilities, the issuance of additional Notes and/or the refinancing of any of the Liabilities contemplated under this paragraph "*New debt*", and to give effect to the providing security as contemplated by this paragraph "*New debt*" in respect of such additional or refinanced Liabilities, including any amendment required to the terms of the Intercreditor Agreement and any amendment, consent, waiver or release in respect of any security document and any grant of security pursuant to a new security document.

Amendment

The Intercreditor Agreement will provide that it may only be amended or waived with the consent of the Issuer, the Senior Facility Agent (acting, with respect to certain customary provisions only, upon the prior instructions of all the Lenders), the Security Agent and the Trustee (acting at the direction of holders of a majority in aggregate principal amount of the Notes) unless (i) such amendments are made to cure defects, resolve ambiguities or reflect changes of a minor, technical or administrative nature, which amendments may be made by the Issuer and the Security Agent or (ii) such amendments are made to meet the requirements of any person proposing to act as the Senior Facility Agent or the Trustee which are customary for persons acting in such capacity, which amendments may be made by the Issuer and the Security Agent. No amendment or waiver of the Intercreditor Agreement may impose new or additional obligations on any party to the Intercreditor Agreement without their prior written consent other than in the case of Senior Creditors in a way which affects or would affect Senior Creditors of that party's class generally.

The Security Agent may amend the terms of, waive any of the requirements of, or grant consents under, any of the Security Documents acting on the instructions of each of the Senior Facility Agent and the Trustee, with the consent of the Issuer unless provided otherwise under the relevant Debt Documents. No such amendment, waiver or consent may affect the nature or scope of the security or the manner in which the proceeds of enforcement of the security are distributed without the consent of each of the Senior Facility Agent and the Trustee or save as provided under "*Disposals*" above. Notwithstanding the foregoing, the prior consent of the Senior Facility 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 Lenders or the Hedge Counterparties to the extent they are owed Priority Hedging Liabilities.

Governing Law

The Intercreditor Agreement is governed by English law.

DESCRIPTION OF THE NOTES

Labco S.A.S. (the "*Issuer*") will issue the Notes under an indenture (the "*Indenture*") between, among others, the Issuer, the Guarantors, Deutsche Trustee Company Limited, as the trustee (the "*Trustee*"), and Deutsche Bank AG, London Branch, as the security agent (the "*Security Agent*"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "*U.S. Securities Act*"). Unless the context requires otherwise, references in this "Description of the Notes" to the Notes include the Notes and any Additional Notes that are issued. The terms of the Notes include those set forth in the Indenture. The Indenture will not incorporate or include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended. Contemporaneously with the execution of the Indenture, the Issuer will enter into Covenant Agreements with certain Restricted Subsidiaries incorporated in France whereby each such Restricted Subsidiary will agree to be bound by the covenants applicable to Restricted Subsidiaries contained in the Indenture. For more information on the Covenant Agreements, see "*—Covenant Agreements*". The Security Documents and Covenant Agreement Assignment Document referred to below under the captions "*—Security*" and "*—Covenant Agreements*", respectively, define the terms of the security that will secure the Notes.

The following description is a summary of the material provisions of the Indenture, the Notes, the Security Documents, the Covenant Agreements and the Covenant Agreement Assignment Document and refers to the Intercreditor Agreement. It does not restate those agreements in their entirety. We urge you to read the Indenture, the Notes, the Security Documents, the Covenant Agreements, the Covenant Agreement Assignment Document and the Intercreditor Agreement because they, and not this description, define your rights as holders of the Notes. Copies of the Indenture, the form of Note, the Security Documents, the Covenant Agreements, the Covenant Agreement Assignment Document and the Intercreditor Agreement are available as set forth below under "*—Additional Information*".

Certain defined terms used in this description but not defined below under "*—Certain Definitions*" have the meanings assigned to them in the Indenture. You can find the definitions of certain terms used in this description under the subheading "*—Certain Definitions*". In this description, references to (i) the "*Issuer*" refer only to Labco S.A.S. and not to any of its Subsidiaries and (ii) "*we*", "*our*", "*us*" and the "*Group*" refer to the Issuer and its Restricted Subsidiaries.

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 Indenture.

Brief Description of the Notes and the Note Guarantees

The Notes

The Notes:

- will be general obligations of the Issuer;
- will be *pari passu* in right of payment to any future Indebtedness of the Issuer that is not subordinated in right of payment to the Notes;
- will be senior to any future Indebtedness of the Issuer that is subordinated in right of payment to the Notes, including any Subordinated Shareholder Debt;
- will be guaranteed by the Guarantors;
- will be secured by the Collateral and the Covenant Agreement Assignment; and
- will be structurally subordinated to all obligations of the Issuer's subsidiaries that are not Guarantors.

The Note Guarantees

The Note Guarantee of each Guarantor:

- will be a general obligation of that Guarantor;
- will be *pari passu* in right of payment to all existing and future Indebtedness of that Guarantor;
- will be senior in right of payment to any future subordinated Indebtedness of that Guarantor; and
- will be secured by the Collateral.

The obligations of the Guarantors will be contractually limited under the applicable Note Guarantees to reflect limitations under applicable law. Under the terms of the Intercreditor Agreement, in the event of acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of guarantees and the Collateral, are required to be turned over to the Security Agent and, subject to the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and Security Agent, paid by the Security Agent to the lenders under the Revolving Credit Facility and counterparties to certain Hedging Obligations in priority to the holders of the Notes.

As of the Issue Date, all of the Issuer's Subsidiaries will be "Restricted Subsidiaries" for purposes of the Indenture. However, under the circumstances described below under the caption "*—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*", the Issuer will be permitted to designate Restricted Subsidiaries as "Unrestricted Subsidiaries." Most of the restrictive covenants in the Indenture do not apply to Unrestricted Subsidiaries. The Issuer's Unrestricted Subsidiaries, if any, will not guarantee the Notes.

Principal, Maturity and Interest

The Issuer will issue €500 million in aggregate principal amount of Notes in this offering. The Issuer may issue an unlimited principal amount of additional Notes having identical terms and conditions as any series of the Notes ("*Additional Notes*") under the Indenture from time to time after this offering; *provided* that if any Additional Notes are not fungible with the relevant series of Notes for U.S. federal income tax purposes, such Additional Notes will be issued as a separate series under the Indenture and will have a separate CUSIP number or common code and ISIN, as applicable, from the relevant series of Notes. Any issuance of Additional Notes is subject to all of the covenants in the Indenture, including the covenant described below under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*". The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase, except as otherwise provided in the Indenture. The Issuer will issue Notes in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will mature on , 2018.

Interest on the Notes will accrue at the rate of % per annum. Interest on the Notes will be payable semi-annually in arrears on and , commencing on , 2011. Interest on overdue principal and interest, including Additional Amounts (as defined herein), if any, will accrue at a rate that is 1% higher than the interest rate on the Notes. The Issuer will make each interest payment to the holders of record on the immediately preceding and .

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (each, a "*Paying Agent*") in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Union 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 Deutsche Bank AG, London Branch in London.

The Issuer will also maintain one or more registrars (each, a "*Registrar*") and a transfer agent (the "*Transfer Agent*") in a member state of the European Union. The initial Registrar will be Deutsche Bank Luxembourg S.A. in Luxembourg. The initial Transfer Agent will be Deutsche Bank AG, London Branch in London. The Registrar in Luxembourg will maintain a register reflecting ownership of Definitive Registered Notes (as defined herein) outstanding from time to time and will make payments on and facilitate transfer of Definitive Registered Notes on behalf of the Issuer.

The Issuer may change the Paying Agent, the Registrar or the Transfer Agent without prior notice to the holders of Notes. For so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Dublin (which is expected to be *The Irish Times*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Irish Stock Exchange (*www.ise.ie*).

Transfer and Exchange

Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act will initially be represented by one or more global Notes in registered form without interest coupons attached (the "*Rule 144A Global Notes*"), and Notes sold outside the United States pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more global Notes in registered form without interest coupons attached (the "*Regulation S Global Notes*" and, together with the Rule 144A Global Notes, the "*Global Notes*").

Ownership of interests in the Global Notes (the "*Book-Entry Interests*") will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg 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, Luxembourg will be effected by Euroclear or Clearstream, Luxembourg pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, Luxembourg and their respective participants.

Book-Entry Interests in the 144A Global Note, or the "*Rule 144A Book-Entry Interest*", may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Note, as applicable, or the "*Regulation S Book-Entry Interests*", 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 under the U.S. 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 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 applicable Registrar of instructions relating thereto and any certificates and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the 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 "*Notice to Investors*".

Subject to the restrictions on transfer referred to above, 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 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, Luxembourg, 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; *provided* that, if the Issuer or any Guarantor is a party to the transfer or exchange, the holder will not be required to pay such Taxes.

Notwithstanding the foregoing, the Issuer is not required to register the transfer of any Definitive Registered Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

The Issuer, the Trustee and the Paying Agent will be entitled to treat the holder of a Note as the owner of it for all purposes.

Additional Amounts

All payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any 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 Issuer or any Guarantor is then incorporated or organized, engaged in business for tax purposes or resident for tax purposes or any political subdivision thereof or therein or (2) any jurisdiction from or through which payment is made by or on behalf of the Issuer or any Guarantor (including the jurisdiction of any Paying Agent) or any political subdivision 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 Issuer under or with respect to the Notes or any of the Guarantors with respect to any Note Guarantee, including payments of principal, redemption price, purchase price, interest or premium, the Issuer or the relevant 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 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 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:

(1) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any present or former connection between the holder or the beneficial owner of the 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 being or having been a citizen, resident, or national thereof or being or having been present or engaged in a trade or business therein or having or having had a permanent establishment therein), but excluding any connection arising merely from the holding of such Note, the enforcement of rights under such Note or under a Note Guarantee or the receipt of any payments in respect of such Note or a Note Guarantee;

(2) 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);

(3) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(4) 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;

(5) Taxes imposed on or with respect to a payment made to a holder or beneficial owner of 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;

(6) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes or with respect to any Note Guarantee;

(7) any Taxes to the extent such Taxes are imposed or withheld by reason of the failure of the holder or beneficial owner of Notes, following the 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, and in all events, at least 30 days before any such withholding or deduction would be payable to the holder or beneficial owner), 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);

(8) any Taxes imposed on or with respect to any payment by the Issuer or 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; or

(9) any combination of items (1) through (8) above.

In addition to the foregoing, the Issuer and the 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 or registration of any of the Notes, the Indenture, any Note Guarantee or any other document referred to therein (other than a transfer of the Notes after this offering) or the receipt of any payments with respect thereto, 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 Notes or any Note Guarantee and the foreclosure on the Collateral.

If the Issuer or any 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 Notes or any Note Guarantee, each of the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee 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 Issuer or the relevant Guarantor shall notify the 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 must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts to holders on the relevant payment date. The Trustee shall be entitled to rely solely on such Officer's Certificate, without further inquiry, as conclusive proof that such payments are necessary.

The Issuer or the relevant Guarantor will make all withholdings and deductions required by law and will timely remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer or the relevant 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 Issuer or the relevant Guarantor will furnish to the Trustee (or to a holder upon written request), 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 Issuer or a 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 Trustee) by such entity. If reasonably requested by the Trustee, the Issuer or the Guarantors will provide to the Trustee such information as may be in the possession of the Issuer or the Guarantors (and not otherwise in the possession of the Trustee) to enable the Trustee to determine the amount of withholding taxes attributable to any particular holder, *provided*, *however*, that in no event shall the Issuer or the Guarantors be required to disclose any information that they reasonably deem to be confidential.

Whenever in the Indenture or in this "*Description of the Notes*" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes or any 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 Indenture, any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Issuer or any 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 Notes (or any Note Guarantee) and any department or political subdivision thereof or therein.

The Guarantees

The Notes will be guaranteed by each Guarantor. The Note Guarantees will be joint and several obligations of the Guarantors.

The Issuer's obligations under the Notes and the Indenture will be guaranteed on the Issue Date on a senior basis by the following Guarantors:

- France: Labco Midi, Laboratoire de Biologie Médicale Jorion, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses, Laboratoire de Biologie Médicale Delaporte, Biofrance, Biopaj, Laboratoire Goudaert-Dauchy-Leclerq-Capelle-Bourlart, Centre Biologique, SELAS Tixier-Pierfitte-Avot, anciennement Pokorny, Laboratoire Schaffner, Labco Artois, Analyses et Biologie du Littoral-Anabiol, Schemitick Vorlet et Associés, Laboratoire d'Analyses de Biologie Médicale Christine Pépin-Philippe Leluan-Patricia Sannier-Didier Guillo, Exsel Bio, Eslab, SEL de Directeurs et Directeurs Adjoints de Laboratoires d'Analyses de Biologie Médicale Normabio, Centre de Biologie Médicale Spécialisée, C.M.B.S. and Norden;
- Belgium: Laboratoire d'Analyses Médicales Roman Païs and Labco Finance;
- Germany: Labco Deutschland GmbH, AescuLabor-Karlsruhe GmbH, MVZ Dr. med. Sinterhauf, Dr. med. Lammert Laboratoriumsmedizin, Medizinische Mikrobiologie und Infektionsepidemiologie Gesundheitsförderungs GmbH, MVZ Medizinisches Fachlabor Dillenburg GmbH and Medizinisches Versorgungszentrum Labor Saar GmbH;
- Italy: Labco Italia S.r.l., C.A.M., Centro Analisi Monza S.p.A. and Istituto il Baluardo S.p.A.;
- Portugal: Clinica de Diagnosticos Dr. Fernando Teixeira, S.A., Laboratório Médico Dr. David Santos Pinto, Flaviano Gusmão, Lda, General Lab Portugal, S.A. and Gnóstica—Laboratório de Análises Clínicas S.A.; and
- Spain: General Lab S.A., Sanilab S.A. and Sabater Analisis S.A.

In addition, the Issuer has agreed to cause Labco Diagnostics España S.L. to guarantee the Notes on a senior basis within six months of the Issue Date. Under Spanish law, Labco Diagnostics España S.L. will be required to convert its corporate form to *sociedad anónima* to guarantee the Notes. There are certain conditions to convert the corporate form of Labco Diagnostics España S.L. and for it to guarantee the Notes that are outside of our direct control. See "*—Certain Covenants—Additional Guarantor and Additional Collateral*", "*Risk Factors—Risks Related to Our Capital Structure and the Notes—On the Issue Date, the Notes will not be guaranteed by Labco Diagnostics España S.L. nor will the holders of the Notes be entitled to the benefits of any security interests in the assets of Labco Diagnostics España S.L. and there can be no assurance that the guarantee and security interests from Labco Diagnostics España S.L. will be delivered*".

Assuming we had completed this offering of Notes and applied the gross proceeds as intended and assuming Labco Diagnostics España S.L. converts its corporate form to *sociedad anónima* and guarantees the Notes, as of September 30, 2010, the Issuer and the Guarantors would have had *pro forma* net debt, which reflects external interest-bearing loans and borrowings less cash and cash equivalents, of €404.2 million, €500 million of which would have been represented by the Notes.

Claims by the Trustee or the Security Agent against a Guarantor on behalf of the holders of the Notes will be direct claims on that Guarantor. The obligations of the Guarantors will be contractually limited under the applicable Note Guarantees to reflect limitations under applicable law with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors and their respective shareholders, directors and general partners as further outlined below.

France

To ensure compliance with French law, the Note Guarantees of the French Guarantors will be subject to substantially the following limitation language in the Indenture:

"(1) The obligations and liabilities of any Guarantor incorporated in the French Republic (a "*French Guarantor*") under its Note Guarantee and the Indenture shall not include any obligation or liability 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 Articles L. 241-3 or L. 242-6 of the French *Code de commerce* or any other law or regulations having the same effect, as interpreted by French courts.

(2) The obligations and liabilities of any French Guarantor under its Note Guarantee and the Indenture shall be limited, at any time, to an amount equal to the aggregate of all amounts made available under the Notes and the Indenture to the Issuer to the extent directly or indirectly on-lent to such French Guarantor and its controlled subsidiaries under intercompany loan arrangements (including, for the avoidance of doubt, any cash-pooling arrangements) and outstanding on the date its Note Guarantee is called, it being specified that any payment made by such French Guarantor under its Note Guarantee shall reduce *pro tanto* by the outstanding amount of the intercompany loans due by such French Guarantor under the relevant intercompany loan arrangements referred to above.

(3) For the avoidance of doubt, no French Guarantor shall be required to guarantee the obligations and liabilities of another Guarantor."

The amount secured by any Collateral which is granted by any such French Guarantor (or any other Guarantor that is incorporated in France) will likewise be limited by the amount which it is so able to guarantee.

Belgium

To ensure compliance with Belgian law, the Note Guarantees of the Belgian Guarantors will be subject to substantially the following limitation language in the Indenture:

"(1) In respect of each Guarantor incorporated in Belgium (a "*Belgian Guarantor*"), with respect to the obligations of any obligor which is not a subsidiary of such Belgian Guarantor, the Belgian Guarantor's liability under the guarantee clause of the Indenture shall be limited, at any time, to a maximum aggregate amount equal to the greater of:

(a) with regard to Labco Finance only, an amount equal to 95% of its net assets (as determined in accordance with the Belgian Companies Code and accounting principles generally accepted in Belgium, but not taking intra-group debts into account as debts), as shown by its most recent financial statements on the date of which a demand for payment was made. With regard to any Belgian Guarantor other than Labco Finance SPRL, an amount equal to 90% of such Belgian Guarantor's net assets (as determined in accordance with the Belgian Companies Code and accounting principles generally accepted in Belgium, but not taking intra-group debts into account as debts), as shown by its most recent financial statements on the date of which a demand for payment is made;

(b) the aggregate amount of all moneys made available out of the proceeds of the Notes, directly or indirectly, to such Belgian Guarantor (whether or not such amounts are retained by the relevant Guarantor for its own purposes or on-lent to another Group company); and

(c) with regard to Labco Finance only, €1.0 million.

(2) Any guarantee granted by a Belgian Guarantor shall not include and shall not extend to cover any payment obligation under the Indenture 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 of the Belgian Company Code. Therefore such payment obligations shall be excluded from the concept of guarantee by a Belgian Guarantor."

Germany

To ensure compliance with German law, the Note Guarantees of the German Guarantors will be subject to substantially the following limitation language in the Indenture:

"(1) Notwithstanding any contrary indication in the Indenture, in relation to a Guarantor being a limited liability company (*Gesellschaft mit beschränkter Haftung—GmbH*) under German law which is not a party as a dominated company (*beherrschte Gesellschaft*) to a domination agreement and/or profit and loss pooling agreement (*Beherrschungs- und/oder Gewinnabführungsvertrag*) with an obligor whose liabilities are secured by this guarantee (a "*German Guarantor*"), if and to the extent that the guarantee of such German Guarantor guarantees amounts which are owed by an obligor that is an affiliated company within the meaning of Section 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*) of that German Guarantor (other than an affiliate which is also a direct or indirect subsidiary of such German Guarantor) (an "*Up-Stream or Cross-Stream Guarantee*"), the obligations of such German Guarantor under the Indenture shall not be enforceable against such German Guarantor if and to the extent that such enforcement would cause the German Guarantor's net assets (*Nettovermögen*) (the "*Net Assets*"), to be reduced below the amount of its registered share capital (*Stammkapital*), which is protected by Section 30 and 31 of the German Limited Liability Companies Act (*GmbHG*), or if the German Guarantor's Net Assets are already below the amount of the registered share capital, cause such amount to be further reduced. For the purpose of determining whether a limitation on enforcement applies, any recourse claim (*Rückgriffsanspruch*) which the German Guarantor has, or would acquire, as a result of the enforcement of the guarantee shall be taken into account only to the extent that such recourse claim is fully valuable (*vollwertig*) within the meaning of Section 30 subsection 1 sentence 2 German Limited Liability Companies Act (*GmbHG*).

(2) The value of the Net Assets shall be determined in accordance with general accepted accounting principles (*Grundsätze ordnungsgemäßer Buchführung*) under the German Commercial Code (*HGB*) consistently applied by the German GmbH in preparing its unconsolidated balance sheets (*Jahresabschluss*) according to Section 42 German Limited Liability Companies Act (*GmbHG*), Sections 242, 264 of the German Commercial Code (*Handelsgesetzbuch—HGB*) in the previous years, save that:

(a) the amount of any increase of the stated share capital (*Stammkapital*) of the German Guarantor registered after the date hereof without the prior written consent of the Trustee shall be deducted from the relevant stated share capital;

(b) loans provided to the German Guarantor by an affiliated company or person shall be disregarded if such loans are contractually subordinated or are considered to be subordinated pursuant to Section 39 subsection 1 no. 5 or subsection 2 of the German Insolvency Act (*Insolvenzordnung*); and

(c) loans and other liabilities incurred in wilful or grossly negligent violation of the provisions of this Indenture shall be disregarded.

(3) The restriction under Section (1) above shall only apply if and to the extent that:

(a) within twelve (12) Business Days after receipt by the German Guarantor of a notice from the Trustee stating that the Trustee intends to demand payment under the guarantee from the German Guarantor, the managing director(s) (*Geschäftsführer*) on behalf of the German Guarantor have confirmed in writing to the Trustee:

(i) the extent to which the guarantee is an Up-Stream or Cross-Stream Guarantee; and

(ii) the amount in which such Up-Stream or Cross-Stream Guarantee cannot be enforced as it would otherwise cause the German Guarantor's Net Assets (taking into an account the adjustments set out in Section (2) above) to be reduced below the amount of its registered share capital (*Stammkapital*), which is protected by Section 30 and 31 of the German Limited Liability Companies Act (*GmbHG*), or if the German Guarantor's Net Assets are already below the amount of the registered share capital, cause such amount to be further reduced,

and such confirmation is supported by evidence by means of unaudited interim financial statements as of the end of the last completed calendar month (the "*Management Determination*") and the Trustee has not contested this; or

(b) within twenty-five (25) Business Days from the date on which the Trustee has contested the Management Determination made in accordance with the Indenture (the "Auditing Period"), the Trustee receives a determination by a firm of auditors of international standing and reputation instructed by the German Guarantor and such determination states (x) the amount of the German Guarantor's Net Assets and (y) to what extent the demanded payment under the guarantee would result in the German Guarantor's Net Assets (taking into an account the adjustments set out in Section (2) above) being reduced below the amount of its registered share capital (*Stammkapital*), which is protected by Section 30 and 31 of the German Limited Liability Companies Act (*GmbHG*), or if the German Guarantor's Net Assets are already below the amount of the registered share capital, causing such amount to be further reduced (the "*Auditors' Determination*"), provided that the Auditors' Determination is prepared in accordance with the accounting principles as consistently applied and the Auditors' Determination is up to date. The amounts determined in the Auditors' Determination shall (except for manifest error) be binding. For the avoidance of doubt, in the case the Management Determination is contested, the Trustee shall not enforce the guarantee of the German Guarantor (*Versprechen, zeitweilig nicht zu vollstrecken*) prior to the expiry of the Auditing Period other than in an amount which is undisputed between the German Guarantor pursuant to the Management Determination. The costs of the Auditors' Determination shall be borne by the German Guarantor.

If, pursuant to the Auditors' Determination, the amount enforceable under the guarantee is higher than as set out in the Management Determination, the relevant German Guarantor shall pay the difference to the Trustee within five (5) Business Days after receipt of the Auditors' Determination.

(c) In addition, the German Guarantor shall within three (3) months after a written request of the Trustee realize, to the extent legally permitted and to the extent that the relevant assets are not necessary for the German Guarantor's business (*nicht betriebsnotwendig*) as conducted at that point of time, any and all of its assets that are shown in the balance sheet with a book value (*Buchwert*) that is lower than the market value of the assets if, as a result of the enforcement of this guarantee, its Net Assets would be reduced below the amount of its registered share capital (*Stammkapital*), which is protected by Section 30 and 31 of the German Limited Liability Companies Act (*GmbHG*), or if such German Guarantor's Net Assets are already below the amount of the registered share capital, cause such amount to be further reduced. The German Guarantor shall ensure that the person realizing the asset will, prior to such realization, assign its claim for the purchase price or other proceeds from the realization to the Trustee for security purposes (*Sicherungsabtretung*). After the expiry of such three month period the German Guarantor shall, within five (5) Business Days, notify the Trustee of the amount of the proceeds from the sale and submit a statement with a new calculation of the amount of its Net Assets, taking into account such proceeds. Such calculation shall, upon the Trustee's reasonable request, be confirmed by an auditor within a period of twenty (20) Business Days following the request (the "*Auditors' Confirmation*"). The costs of the Auditor' Confirmation shall be borne by the German Guarantor.

(4) Should the German Guarantor fail to comply with its obligations under Section (3) above, the Trustee shall be entitled to demand payment under the guarantee, without limitation. The obligation of the German Guarantor set out in Section (3)(c) above shall not limit the Trustee's right to demand payment under the guarantee.

(5) The limitations on enforcement set out in Sections (1) to (3) above do not affect the right of the Trustee to claim again any outstanding amount at a later point in time if and to the extent that the Indenture would allow this at such later point in time.

(6) The limitations on enforcement set out in Sections (1) to (3) above do not apply in relation to amounts that correspond to funds that have been borrowed under this Indenture and have been on-lent to the relevant German Guarantor or any of its direct or indirect subsidiaries. The burden of demonstrating that no amounts have been on-lent is on the German Guarantor.

(7) Furthermore, the obligations under the Indenture shall not be enforceable against a German Guarantor, if and to the extent that such enforcement would result in the illiquidity (*Zahlungsunfähigkeit*) in the meaning of Section 17 subsec. 2 of the insolvency code (*Insolvenzordnung*) of the German Guarantor, Section 64 sentence 3 of the German Limited Liability Companies Act (*GmbHG*).

(a) The restriction under this Section (7) shall only apply if and to the extent that within five (5) Business Days after receipt by the German Guarantor of a notice from the Trustee stating that the Trustee intends to demand payment under the guarantee from the German Guarantor, the managing director(s) (*Geschäftsführer*) on behalf of the German Guarantor provide the Trustee in writing with:

(i) a confirmation of the amount in which the guarantee cannot be enforced as this would result in the illiquidity of the German Guarantor,

(ii) an unaudited liquidity statement (*Liquiditätsbilanz*) in which the current cash and cash equivalents (together "*cash*") and the cash available within the next three weeks are opposed to the liabilities which will become due within the next three weeks,

(iii) a liquidity schedule (*Liquiditätsplan*) for the subsequent 12 months together with a payment schedule showing at what times and in what instalments the German Guarantor will be able to make payments under the Guarantee, and

(iv) evidence that the German Guarantor has used best efforts to take all measures or will promptly (*unverzüglich*) take all measures in order to increase the German Guarantor's liquidity

(the "*Management Liquidity Statement*") and the Trustee has not contested this.

(b) The Trustee is not prevented from enforcing the Guarantee if and to the extent that

(i) the German Guarantor does not make payments in accordance with the liquidity schedule referred to in Section (7)(a) above or in accordance with any agreement with the Trustee;

(ii) the German Guarantor does not use or stops using promptly best efforts to take all measures in order to increase the German Guarantor's liquidity;

(iii) the German Guarantor does not promptly deliver further liquidity schedules and/or payments schedules or any other information or assistance if so reasonably requested by the Trustee; or

(iv) the German Guarantor otherwise does not use its best efforts to be able to fulfil its payment obligations under the Guarantee.

(c) Section (3)(b) and (c) and Section (4) to (6) shall apply *mutatis mutandis* in respect of this Section (7)."

Italy

To ensure compliance with Italian law, the Note Guarantees of the Italian Guarantors will be subject to substantially the following limitation language in the Indenture:

"(a) In the case of each Guarantor incorporated under the laws of Italy (an "Italian Guarantor") its liability shall not exceed, at any time, the sum of:

(i) an amount equal to the aggregate, at any time, of:

(A) the principal amount of all inter-company loans (or other financial support in any form) advanced (or granted) to the Italian Guarantor (or any of its direct or indirect Subsidiaries) by any Obligor or any other member of the Group before the date of this Agreement and outstanding on the date of this Agreement; and

(B) the principal amount of all inter-company loans (or other financial support in any form) advanced (or granted) to that Italian Guarantor (or any of its direct or indirect Subsidiaries) by any Obligor or any other member of the Group after the date of this Agreement;

less

(ii) the aggregate amount (if any) that, at the time of the enforcement of the guarantee provided for under this Agreement, the Italian Guarantor has already paid, or is due and payable as a result of a demand, under the guarantee granted pursuant to the Revolving Credit Facility Agreement.

(b) In any event, pursuant to article 1938 of the Italian Civil Code, the maximum amount that an Italian Guarantor may be required to pay in respect of its obligations as Guarantor under this Agreement shall not exceed a specified euro amount corresponding to the 150% of the principal amount of the Notes."

Spain

To ensure compliance with Spanish law, the Spanish Guarantors will be subject to substantially the following limitation language in the Indenture:

"(1) The obligations of a Guarantor incorporated under the laws of Spain (a "*Spanish Guarantor*") will not be affected by any benefit (*beneficio*) under Spanish Law, including but not limited to, benefits of prior exhaustion of the main debtor's assets (*excusión*), division (*división*) and order (*orden*), which shall not in any event apply.

(2) The obligations of any Spanish Guarantor shall: (i) not extend to any obligation incurred by any Spanish Guarantor as a result of such Spanish Guarantor borrowing (or guaranteeing the borrowing of) funds (but only in respect of those funds) for the purpose of (A) acquiring shares (*acciones*) representing the share capital of such Spanish Guarantor or shares (*acciones*) or quotas (*participaciones sociales*) representing the share capital of its holding company or (B) refinancing a previous debt incurred by any Spanish Guarantor for the acquisition of shares (*acciones*) representing the share capital of such Spanish Guarantor or shares (*acciones*) or quotas (*participaciones sociales*) representing the share capital of its holding company, and shall (ii) be deemed not to be undertaken or incurred by a Spanish Guarantor to the extent that the same would constitute unlawful financial assistance within the meaning of article 150 of Spanish Decree 1/2010 dated 2 July on Spanish Corporations (*Ley de Sociedades de Capital*) and, in that case, all provisions of the Indenture shall be construed accordingly in the sense that, in no case, can any guarantee or Security given by a Spanish Guarantor secure repayment of the above mentioned funds.

(3) For the purposes of paragraph (b) above, a reference to a "holding company" of a Spanish Guarantor shall mean the company which, directly or indirectly, owns the majority of the voting rights of such Spanish Guarantor or that may have a dominant influence on such Spanish Guarantor. It shall be presumed that one company has a dominant influence on another company when:

(i) any of the scenarios set out in section 1 of article 42 of the Spanish Commercial Code (*Código de Comercio*) are met; or

(ii) when at least half plus one of the members of the managing body of the Spanish Guarantor are also members of the managing body or top managers (*altos directivos*) of the dominant company or of another company controlled by such dominant company."

Portugal

To ensure compliance with Portuguese law, the Note Guarantees of the Portuguese Guarantors will be subject to substantially the following limitation language in the Indenture:

"(1) The obligations of each Guarantor incorporated in Portugal (a "*Portuguese Guarantor*") will not extend to cover any indebtedness which would cause an infringement of article 6 number 3 of the Portuguese Commercial Companies Code (*Código das Sociedades Comerciais*).

(2) The obligations assumed by any Portuguese Guarantor are subject to the necessary limitations resulting from mandatory provisions of the Portuguese law. In particular, said obligations shall not include and shall not extend to any amount used to fund the acquisition of or subscription of any shares in such Portuguese Guarantor and/or the acquisition of or subscription of any shares in its parent company (or, if applicable, in any other company which may indirectly control such Portuguese Guarantor) to the extent that by assuming such obligations such Portuguese Guarantor would be deemed to be providing financial assistance to the acquisition of own shares under article 322 of the Portuguese Companies Code approved by Decree-Law 262/86 of 2 September 1986, as amended (*Código das Sociedades Comerciais*)."

The operations of the Issuer are conducted through its Subsidiaries and, therefore the Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Notes. Not all of the Issuer's Subsidiaries will guarantee the Notes. The Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Issuer's non-guarantor Subsidiaries. Any right of the Issuer or any 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 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 Issuer or such Guarantor is itself recognized as a creditor of the non-guarantor Subsidiary. As of September 30, 2010, on a *pro forma* basis after completing this offering of Notes and applying the proceeds therefrom and assuming Labco Diagnostics España S.L. converts its corporate form to *sociedad anónima* and guarantees the Notes, the Issuer's non-guarantor Subsidiaries would have had approximately €7.1 million of Indebtedness and €12.1 million of trade payables and other liabilities outstanding. See "*Risk Factors—Risks Related to our Indebtedness and the Notes—The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries*".

Release of the Note Guarantees

The Note Guarantees will be released:

(1) in connection with any sale, disposition, exchange or other transfer of all or substantially all of the assets of that 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 Issuer or a Restricted Subsidiary, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture;

(2) in connection with any sale, disposition, exchange or other transfer of Capital Stock of that Guarantor to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture and the Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;

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

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and Discharge*";

(5) upon the sale of all the Capital Stock of, or all or substantially all of the assets of, such Guarantor or its Parent Entity pursuant to a security enforcement sale in compliance with the Intercreditor Agreement, or as otherwise provided for under the Intercreditor Agreement;

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

(7) in the case of any Restricted Subsidiary that after the Issue Date is required to guarantee the Notes pursuant to the covenant described under "*—Certain Covenants—Limitation on Issuances of Guarantees of Indebtedness*", upon the release or discharge of the guarantee of Indebtedness by such Restricted Subsidiary which resulted in the obligation to guarantee such Notes; or

(8) as described under "*—Amendment, Supplement and Waiver*".

No release and discharge of the Guarantee will be effective against the Trustee, the Security Agent or the Holders of Notes until the Issuer shall have delivered to the Trustee and the Security Agent an Officer's Certificate stating that all conditions precedent provided for in the Indenture and the Security Documents relating to such release and discharge have been satisfied and that such release and discharge is authorised and permitted under the Indenture and the Security Documents and the Trustee shall be entitled to rely on such Officer's Certificate absolutely and without further inquiry. At the request and expense of the Issuer, the Trustee, or the Security Agent, as applicable, will execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such guarantee. Neither the Issuer, the Trustee, the Security Agent nor any Guarantor will be required to make a notation on the Notes to reflect any such release, termination or discharge.

Security

Pursuant to the Indenture and various Security Documents, the Issuer and the Guarantors will grant to Deutsche Bank AG, London Branch, as Security Agent, within seven business days of the Issue Date, first-priority liens, the benefit of which will be subject in an enforcement to the priority liens securing the Revolving Credit Facility and certain Hedging Obligations (the "*Priority Liens*") and subject to the grant of further Permitted Collateral Liens (the "*Initial Collateral*"), in:

- the capital stock held directly by the Issuer or the Initial Guarantors in:
  - France: Labco Midi, Laboratoire de Biologie Médicale Jorion, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses, Laboratoire de Biologie Médicale Delaporte, Biofrance, Biopaj, Laboratoire Goudaert-Dauchy-Leclerq-Capelle-Bourlart, SELAS Tixier-Pierfitte-Avot, anciennement Pokorny, Laboratoire Schaffner, Labco Artois, Analyses et Biologie du Littoral-Anabiol, Eslab, Norden, Laboratoire d'Analyses Médicales Carron, Société d'exercice libéral de directeurs et de directeurs adjoints de laboratoires d'analyses de biologie médicale, Groupe Biologic Laboratoire d'Analyses Médicales, Laboratoire de l'Avenue, LaboCentre, Laboratoire d'Analyses de Biologie Médicale Aubert H., Laboratoire d'Isle and Bio Sambre;
  - Belgium: Labco Finance;
  - Germany: Labco Deutschland GmbH and Labco Pflegezentrum Köln GmbH;
  - Italy: Labco Italia S.r.l., C.A.M., Centro Analisi Monza S.p.A., Labco Lombardia S.r.l. and Istituto il Baluardo S.p.A.;
  - Portugal: Laboratório Médico Dr. David Santos Pinto, Flaviano Gusmão, Lda, General Lab Portugal, S.A., Gnóstica—Laboratório de Análises Clínicas S.A. and Délio Morgado Limitada; and
  - Spain: Labco Diagnostics España S.L. and Laboser S.L.; and
- present and future intercompany loan receivables arising (x) under the Cash Pooling Agreement and (y) arising under other intercompany loans with a principal amount in excess of €1.0 million held by the Issuer, Labco Midi, Laboratoire Médicale Jorion, Laboratoire de Biologie Médicale Delaporte, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses, Labco Deutschland GmbH and Labco Finance.

In addition, the Issuer has agreed to cause Labco Diagnostics España S.L. to grant to Deutsche Bank AG, London Branch, as Security Agent, within six months of the Issue Date, first-priority liens and security interests, the benefit of which will be subject in an enforcement to the Priority Liens and subject to the grant of further Permitted Collateral Liens (the "*Additional Collateral*" and, together with the Initial Collateral, the "*Collateral*"), in:

- the capital stock held directly by Labco Diagnostics España S.L. in:
  - Belgium: Ellipsys and Laboratoire d'Analyses Médicales Roman Païs (which constitutes approximately 55% of its capital stock);
  - Spain: General Lab S.A. and Laboser S.L.; and
  - Sweden: LABCO DIAGNOSTICS SWEDEN AB;

- present and future intercompany loan receivables arising (x) under the Cash Pooling Agreement and (y) arising under other intercompany loans with a principal amount in excess of €1.0 million held by Labco Diagnostics España S.L.

Under Spanish law, Labco Diagnostics España S.L. will be required to convert its corporate form to *sociedad anónima* to grant security interests in favor of the Notes. There are certain conditions to convert the corporate form of Labco Diagnostics España S.L. and for it to grant security interests in favor of the Notes that are outside of our direct control. See "*—Certain Covenants—Additional Guarantor and Additional Collateral*", "*Risk Factors—Risks Related to Our Capital Structure and the Notes—On the Issue Date, the Notes will not be guaranteed by Labco Diagnostics España S.L. nor will the holders of the Notes be entitled to the benefits of any security interests in the assets of Labco Diagnostics España S.L. and there can be no assurance that the guarantee and security interests from Labco Diagnostics España S.L. will be delivered*".

Subject to certain conditions, including compliance with the covenants described under "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Covenants—Liens*", the Issuer is permitted to pledge the Collateral in connection with future issuances of its Indebtedness, including any Additional Notes, or Indebtedness of its Restricted Subsidiaries, in each case permitted under the Indenture and on terms consistent with the relative priority of such Indebtedness.

No appraisals of any Collateral have been prepared by or on behalf of the Issuer, the Security Agent or the Trustee in connection with the issuance of the Notes and the Note Guarantees. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral will be able to be sold in a short period of time or at all.

Security Documents

The Issuer, the Guarantors and the Security Agent will, as applicable, enter into the Security Documents, which define the terms of the security interests that secure the Notes and the Note Guarantees. The Security Documents will secure the payment and performance when due of all of the obligations of the Issuer and the Guarantors under the Notes, the Indenture and the Note Guarantees and other obligations.

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 Indebtedness under the Notes, the Note Guarantees and the other secured obligations). The parallel debt construct has not been tested under law in certain of these jurisdictions. See "*Risk Factors—Risks Relating to Our Indebtedness and the Notes—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*" and "*Limitations on Validity and Enforceability of the Guarantees and Security Interests and Certain Insolvency law Considerations*".

Subject to the terms of the Indenture and the Security Documents, the Issuer and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes and the Notes Guarantees, to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

The Security Documents will, as described under the caption "*Description of Other Financing Arrangements—Intercreditor Agreement*", permit the Trustee and the agent for the Revolving Credit Facility to instruct the Security Agent to take enforcement action under the Security Documents following the occurrence of an event of default under such Indebtedness, such Indebtedness being declared due and payable and the requisite approval or consent of the holders of such Indebtedness.

Post-Closing Matters

The security interests on the Collateral will not be in place on the Issue Date. The Issuer will be required to have all security interests in the Initial Collateral in place and perfected no later than seven (7) Business Days following the Issue Date, or such longer period as may be agreed by the Security Agent.

Intercreditor Agreement

On the Issue Date, the Trustee shall enter into an Intercreditor Agreement with, among others, the Issuer, the Security Agent and the agent for the Revolving Credit Facility as described under "*Description of Other Financing Arrangements—Intercreditor Agreement*".

Priority

The relative priority among (a) the lenders under the Revolving Credit Facility, (b) the counterparties under certain Hedging Obligations and (c) the Trustee and the holders of Notes under the Indenture with respect to the security interests in the Collateral created by the Security Documents and secures obligations under the Notes or the Note Guarantees and the Indenture is established by the terms of the Intercreditor Agreement, the Indenture, the Security Documents, the Revolving Credit Facility and such Hedging Obligations, which provide that all obligations under the Notes, the Revolving Credit Facility and certain Hedging Obligations are secured equally and ratably by a first-priority interest in the Collateral, but in the event of acceleration of the Revolving Credit Facility and the Notes, amounts recovered in respect of the Notes, including from the enforcement of the Collateral, are required to be turned over to the Security Agent and, subject to the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and Security Agent, paid by the Security agent to the lenders under the Revolving Credit Facility and counterparties to certain Hedging Obligations in priority to the holders of the Notes.

Security Release

The Issuer and the Guarantors will be entitled to the release of property and other assets constituting Collateral from the Liens securing the Notes and the Note Guarantees under any one or more of the following circumstances:

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

(2) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Notes as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and Discharge*";

(3) as described under "*—Amendment, Supplement and Waiver*" and "*Liens*";

(4) as provided for under the Intercreditor Agreement, including in connection with an enforcement sale;

(5) in connection with any sale or other disposition of the property and assets that does not violate the "Asset Sale" provisions of the Indenture;

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

(7) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets of such Restricted Subsidiary; or

(8) pursuant to certain permitted reorganizations subject to compliance with the conditions set forth in the Indenture.

The Indenture will provide that any release of a Lien on Collateral shall be evidenced by the delivery by the Issuer to the Trustee of an Officer's Certificate of the Issuer, and that the Security Agent shall acknowledge and confirm such release upon delivery of such Officer's Certificate.

The Security Agent may need to evaluate the impact of the potential liabilities before determining to foreclose on certain Collateral. In this regard, the Security Agent may decline to foreclose on the Collateral or exercise remedies available if it does not receive indemnification and/or security to its satisfaction from the Holders of the Notes. In addition, the Security Agent's ability to foreclose on the Collateral on behalf of the Holders of the Notes may be subject to lack of perfection, the consent of third parties, prior Liens and practical problems associated with the realization of the Security Agent's Liens on the Collateral.

The Indenture will provide that the Security Agent shall have no liability to any of the Holders of the Notes as a consequence of its performance or non-performance under the Security Documents, except for its gross negligence or wilful misconduct.

Covenant Agreements

The Issuer does not, directly or indirectly, control a majority of the voting rights of certain Restricted Subsidiaries incorporated in France and such Restricted Subsidiaries will not be a party to the Indenture. The Indenture will contain covenants applicable to such Restricted Subsidiaries. On or about the Issue Date, the Issuer will enter into a Covenant Agreement with each such Restricted Subsidiary, pursuant to which the relevant Restricted Subsidiary will agree to comply with the covenants applicable to Restricted Subsidiaries contained in the Indenture.

In addition to the security interests in the Collateral, the Issuer will assign all of its rights under the Covenant Agreements for the benefit of holders of the Notes (the "*Covenant Agreement Assignment*"). The Issuer and the Security Agent will enter into the Covenant Agreement Assignment Document, which defines the terms of the assignment of the Issuer's rights under the Covenant Agreements.

The Covenant Agreement Assignment will be administered by Deutsche Bank AG, London Branch as the Security Agent for the benefit of the holders of the Notes. The Trustee has, and by accepting a Note each holder thereof will be deemed to have:

- irrevocably appointed the Security Agent to act as its agent under the Covenant Agreement Assignment Document; and
- irrevocably authorized the Security Agent to (1) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Covenant Agreement Assignment Document or other documents to which it is a party, together with any other incidental rights, powers and discretions, and (2) execute each document expressed to be executed by the Security Agent on its behalf.

The Covenant Agreement Assignment will be released in respect of a Covenant Agreement under any one or more of the following circumstances:

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

(2) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Notes as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and Discharge*"; or

(3) as described under "—*Amendment, Supplement and Waiver*" and "*Liens*";

(4) if the Issuer designates the Restricted Subsidiary that is a party to the relevant Covenant Agreement to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture or if such Restricted Subsidiary otherwise ceases to be a Subsidiary of the Issuer in accordance with the terms of the Indenture and Intercreditor Agreement.

Optional Redemption

At any time prior to , 2014, the Issuer may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to % of the principal amount of the Notes redeemed, in each case, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of an Equity Offering of (i) the Issuer or (ii) any direct or indirect parent entity of the Issuer to the extent the proceeds from such Equity Offering are contributed to the Issuer's common equity capital or are paid to the Issuer as consideration for the issuance of ordinary shares of the Issuer; *provided* that:

(1) at least 65% of the aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes but excluding Notes held by the Issuer and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

At any time prior to , 2014, the Issuer may on any one or more occasions redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date.

Except pursuant to the preceding two paragraphs and except pursuant to "—*Redemption for Changes in Taxes*", the Notes will not be redeemable at the Issuer's option prior to , 2014.

On or after , 2014, the Issuer may on any one or more occasions redeem all or a part of Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on of the years indicated below, subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

Year	Redemption Price
2014	%
2015	%
2016	%
2017 and thereafter	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Any redemption or notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

Redemption for Changes in Taxes

The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 30 nor more than 60 days' prior notice to the holders of the Notes (which notice will be irrevocable and given in accordance with the procedures described in "*—Selection and Notice*"), 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 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 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 Notes or any Note Guarantee, the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Note Guarantee, as the case may be, is or would be required to pay Additional Amounts which are more than a *de minimis* amount, and the Issuer cannot avoid any such payment obligation by taking reasonable measures available (including, for the avoidance of doubt, the appointment of a new Paying Agent under the heading "*—Paying Agent and Registrar for the Notes*" or, in respect of a payment under a Note Guarantee, payment through another Guarantor or the Issuer), and the requirement arises as a result of:

(1) any amendment to, or change in, the laws or any regulations or rulings promulgated thereunder of a relevant Tax Jurisdiction which change or amendment becomes effective on or after the date of this offering memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of this offering memorandum, such later date) and which was not publicly and formally announced or publicly and formally proposed, in substantially the form as enacted, prior to the date of this offering memorandum; or

(2) any amendment to, or change in, an official written interpretation or application of such laws, 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 becomes effective on or after the date of this offering memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of this offering memorandum, such later date) and which was not publicly and formally announced or publicly and formally proposed, in substantially the form as enacted, prior to the date of this offering memorandum (each of the foregoing clauses (1) and (2), a "*Change in Tax Law*").

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer would be obligated to make such payment or withholding if a payment in respect of the Notes were 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 Notes pursuant to the foregoing, the Issuer will deliver to the Trustee an opinion of independent tax counsel (the choice of such counsel to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld)) to the effect that there has been such Change in Tax Law which would entitle the Issuer to redeem the Notes hereunder. In addition, before the Issuer publishes or mails notice of redemption of the Notes as described above, it will deliver to the Trustee an Officer's Certificate to the effect that it cannot avoid its or a Guarantor's obligation to pay Additional Amounts by the Issuer taking reasonable measures available to it.

The 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.

The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obligated to make at least one payment on the Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the Indenture.

Mandatory Redemption

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each holder of Notes will have the right to require the Issuer to repurchase all or any part (equal to €100,000 or integral multiples of €1,000 in excess thereof) of that holder's Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer will offer a payment in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased to the date of purchase (the "*Change of Control Payment*"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date. Unless the Issuer has unconditionally exercised its right to redeem all the Notes of a series as described under "*—Optional Redemption*" or all conditions to such redemption have been satisfied or waived, within 30 days following any Change of Control, the Issuer will mail a notice to each holder of the Notes at such holder's registered address or otherwise deliver a notice in accordance with the procedures described under "*—Selection and Notice*", with a copy to the Trustee, stating that a Change of Control Offer is being made and offering to repurchase Notes on the date (the "*Change of Control Payment Date*") specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indenture and described in such notice. The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the U.S. Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuer will comply with any applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The Paying Agent will promptly mail (or cause to be delivered) to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee (or its authenticating agent) will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a holder of the Notes' right to require the Issuer to repurchase such holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Issuer or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control 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 Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) a notice of redemption has been given pursuant to the Indenture as described above under the caption "*—Optional Redemption*", unless and until there is a default in payment of the applicable redemption price. 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 Issuer's ability to repurchase Notes pursuant to a Change of Control Offer following the occurrence of a Change of Control may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "*Risk Factors—Risks Related to our Indebtedness and the Notes—We may not be able to finance a change of control offer*".

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain. In addition, you should note that case law suggests that, in the event that incumbent directors are replaced as a result of a contested election, issuers may nevertheless avoid triggering a change of control under a clause similar to clause (4) of the definition of "Change of Control" if the outgoing directors were to approve the new directors for the purpose of such change of control clause.

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the 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 Notes prior to the occurrence of the Change of Control.

If and for so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, the Issuer will publish a public announcement with respect to the results of any Change of Control Offer in a leading newspaper of general circulation in Dublin (which is expected to be *The Irish Times*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Irish Stock Exchange (*www.ise.ie*).

Asset Sales

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(1) the Issuer (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Issuer or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as recorded on the balance sheet of the Issuer or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee), that are assumed by the transferee of any such assets and as a result of which the Issuer and its Restricted Subsidiaries are no longer obligated with respect to such liabilities or are indemnified against further liabilities;

(b) any securities, notes or other obligations received by the Issuer or any such Restricted Subsidiary from such transferee that are converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents within 90 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion;

(c) any Capital Stock or assets of the kind referred to in clauses (1)(b) or (d) of the next paragraph of this covenant;

(d) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary in such Asset Sales having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (d) that is at that time outstanding, not to exceed €10.0 million at the time of the receipt of such Designated Non-Cash Consideration (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);

(e) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Issuer and each other Restricted Subsidiary are released from any guarantee of such Indebtedness in connection with such Asset Sale; and

(f) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Issuer or any Restricted Subsidiary.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer (or the applicable Restricted Subsidiary, as the case may be) may:

(1) apply such Net Proceeds (at the option of the Issuer or Restricted Subsidiary):

(a) to prepay, repay or purchase:

(i) Obligations under the Revolving Credit Facility or other Senior Secured Indebtedness incurred pursuant to clause (1) of the second paragraph of "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*" and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto; or

(ii) unless included in (i), Notes and Senior Secured Indebtedness and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto; *provided* that if the Issuer or any Restricted Subsidiary shall so reduce Obligations constituting Senior Secured Indebtedness, the Issuer will equally and ratably reduce Obligations under the Notes through open-market purchases (such purchases being at or above 100% of the principal amount thereof) or by making an offer (a "*Notes Offer*") to all holders to purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, for the pro rata amount of the Notes; *provided*, *further*, that in each case under this clause (ii), such Notes and Senior Secured Indebtedness shall be other than Indebtedness owed to the Issuer or an Affiliate of the Issuer;

(b) to acquire all or substantially all of 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 *provided, however,* if the assets sold constitute Collateral or constitute all or substantially all of the assets of a Restricted Subsidiary whose Capital Stock has been pledged as Collateral, subject to the Agreed Security Principles set forth in the Indenture, the Issuer shall pledge or shall cause the applicable Restricted Subsidiary to pledge any acquired Capital Stock or assets (to the extent such assets were of a category of assets included in the Collateral as of the Issue Date) referred to in this clause (b) in favor of the Notes on a first-ranking basis;

(c) to make a capital expenditure; or

(d) to acquire other assets (other than Capital Stock) not classified as current assets under GAAP that are used or useful in a Permitted Business; or

(2) enter into a binding commitment to apply the Net Proceeds pursuant to clause (b), (c) or (d) of paragraph (1) above; *provided* that such binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated, and (y) the 180th day following the expiration of the aforementioned 365 day period.

Pending the final application of any Net Proceeds, the Issuer (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute "*Excess Proceeds*". When the aggregate amount of Excess Proceeds exceeds €10.0 million, within ten Business Days thereof, the Issuer will make an offer (an "*Asset Sale Offer*") to all holders of Notes and, to the extent the Issuer elects, to any holders of other Senior Secured Indebtedness, to purchase, prepay or redeem the maximum principal amount of Notes and such other Senior Secured Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price for the Notes in any Asset Sale Offer will be equal to 100% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, prepayment or redemption, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other Senior Secured Indebtedness tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds or if the aggregate amount of Notes tendered pursuant to an Asset Sale Offer exceeds the amount of the Net Proceeds so applied, the Trustee will select the Notes to be purchased on a *pro rata* basis (or in the manner described under "*—Selection and Notice*"), based on the amounts tendered or required to be prepaid or redeemed. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

To the extent that any portion of Net Proceeds payable in respect of the Notes is denominated in a currency other than euros, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in euros that is actually received by the Issuer upon converting such portion of the Net Proceeds into euros.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the U.S. 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 Notes pursuant to a Change of Control Offer or an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control or Asset Sale provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee, or the Registrar, as applicable, will select Notes for redemption on a *pro rata* basis (or, in the case of Notes issued in global form as discussed under "*—Book-Entry, Delivery and Form*", based on a method that most nearly approximates a *pro rata* selection as the Trustee or the Registrar deems fair and appropriate, including the pool factor), unless otherwise required by law or applicable stock exchange or depository requirements. Neither the Trustee nor the Registrar shall be liable for selections made by it in accordance with this paragraph.

No 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 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 Notes or a satisfaction and discharge of the 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. 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 Notes upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

For Notes which are represented by global certificates held on behalf of Euroclear or Clearstream, Luxembourg, notices may be given by delivery of the relevant notices to Euroclear or Clearstream, Luxembourg for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, any such notice to the holders of the relevant Notes shall also be published in a newspaper having a general circulation in Dublin (which is expected to be *The Irish Times*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Irish Stock Exchange (*www.ise.ie*) and, in connection with any redemption, the Issuer will notify the Irish Stock Exchange of any change in the principal amount of Notes outstanding.

Certain Covenants

Incurrence of Indebtedness and Issuance of Preferred Stock

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "*incur*") any Indebtedness (including Acquired Debt), and the Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided*, *however*, that the Issuer may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, and the Guarantors may incur Indebtedness (including Acquired Debt), issue Disqualified Stock or issue preferred stock, if:

(a) the Fixed Charge Coverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or such preferred stock is issued, as the case may be, would have been at least 2.00 to 1.00, in each case determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; and

(b) if such Indebtedness is Senior Secured Indebtedness, the Consolidated Senior Secured Leverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Senior Secured Indebtedness is incurred, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if such additional Senior Secured Indebtedness had been incurred, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period, would have been less than 4.50 to 1.00.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "*Permitted Debt*"):

(1) the incurrence by the Issuer and the Guarantors of additional Indebtedness under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed €135.0 million, *plus,* in the case of any refinancing of any Indebtedness permitted under this clause (1) 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 Proceeds of Asset Sales applied by the Issuer or any of its Restricted Subsidiaries since the Issue Date to permanently repay any Indebtedness under a Credit Facility and effect a corresponding commitment reduction thereunder pursuant to the covenant described above under the caption "*—Repurchase at the Option of Holders—Asset Sales*";

(2) (a) Indebtedness of the Issuer or any Restricted Subsidiary outstanding on the Issue Date and which remains outstanding after giving effect to the use of proceeds of the Notes; and (b) Indebtedness of the Issuer or any Restricted Subsidiary on the Issue Date and which is to be repaid after giving effect to the use of proceeds of the Notes during the pendency of the application of such proceeds;

(3) the incurrence by the Issuer and the Guarantors of Indebtedness represented by the Notes issued on the Issue Date, the related Note Guarantees and any "parallel debt" obligations under the Intercreditor Agreement or the Security Documents;

(4) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property (real or personal), plant or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) used in the business of the Issuer or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4), not to exceed the greater of €30.0 million and 10% of Tangible Assets of the Issuer and its Restricted Subsidiaries on a consolidated basis at any time outstanding;

(5) the incurrence by the Issuer or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under (a) the first paragraph of this covenant or (b) clauses (2)(a), (3), (5) or (16) of this paragraph;

(6) the incurrence by the Issuer or any Restricted Subsidiary of intercompany Indebtedness between or among the Issuer or any Restricted Subsidiary; *provided* that:

  (a) if the Issuer or any Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Issuer, or the Note Guarantee, in the case of a Guarantor; and

  (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Issuer or a Restricted Subsidiary and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Issuer or a Restricted Subsidiary, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the issuance by any Restricted Subsidiary to the Issuer or to any of its Restricted Subsidiaries of preferred stock; *provided* that:

  (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Issuer or a Restricted Subsidiary; and

  (b) any sale or other transfer of any such preferred stock to a Person that is not either the Issuer or a Restricted Subsidiary,

  will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);

(8) the incurrence by the Issuer or any Restricted Subsidiary of Hedging Obligations for *bona fide* hedging purposes of the Issuer and its Restricted Subsidiaries and not for speculative purposes;

(9) the guarantee by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary to the extent that the guaranteed Indebtedness was permitted to be incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to the Notes or a Note Guarantee, then the guarantee must be subordinated to the Notes or Note Guarantee to the same extent as the Indebtedness guaranteed;

(10) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, self-insurance obligations, captive insurance companies, bankers' acceptances, performance and surety bonds in the ordinary course of business and consistent with industry practice;

(11) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five Business Days of such incurrence;

(12) the incurrence by the Issuer and its Restricted Subsidiaries of Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for customary indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Equity Interests of a Subsidiary, *provided* that the maximum liability of the Issuer and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;

(13) the incurrence by the Issuer and its Restricted Subsidiaries of Indebtedness in respect of (A) letters of credit, surety, performance or appeal bonds, completion guarantees, judgment, advance payment, customs, VAT or other tax guarantees or similar instruments issued in the ordinary course of business of such Person and not in connection with the borrowing of money, including letters of credit or similar instruments in respect of self-insurance and workers compensation obligations, and (B) any customary cash management, cash pooling or netting or setting off arrangements; *provided*, *however*, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing;

(14) Indebtedness of the Issuer of any of its Restricted Subsidiaries in respect of Management Advances;

(15) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(16) Indebtedness of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any of its Restricted Subsidiaries (other than Indebtedness 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 of the Issuer or was otherwise acquired by the Issuer or any of its Restricted Subsidiaries); *provided*, *however*, with respect to this clause (16), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred (x) the Issuer would have been able to incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (16) or (y) the Fixed Charge Coverage Ratio of the Issuer would not be less than it was immediately prior to giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (16);

(17) Indebtedness incurred in any Qualified Securitization Financing; and

(18) the incurrence by the Issuer or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (18) not to exceed €35.0 million.

The Issuer and the Guarantors will not incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Note Guarantee on substantially identical terms; *provided*, however, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer solely by virtue of being unsecured or by virtue of being secured with different collateral 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 Indebtedness under Credit Facilities.

For purposes of determining compliance with this "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (18) above or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer, in its sole discretion, will be permitted to classify such item of Indebtedness on the date of its incurrence and only be required to include the amount and type of such Indebtedness in one of such clauses or paragraph, and will be permitted on the date of such incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, and from time to time to reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant, *provided* that Indebtedness incurred pursuant to clause (1) of the definition of Permitted Debt may not be reclassified. Indebtedness under the Revolving Credit Facility incurred or outstanding on the Issue Date will be deemed to have been incurred on such date in reliance on the exception provided in clause (1) of the definition of Permitted Debt.

The accrual of interest or preferred stock dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on preferred stock or Disqualified Stock in the form of additional shares of the same class of preferred stock or Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock or Disqualified Stock for purposes of this covenant. For purposes of determining compliance with any euro-denominated restriction on the incurrence of Indebtedness, the euro-equivalent principal amount of Indebtedness denominated in a different currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of Indebtedness incurred under a revolving credit facility; *provided*, *however*, that (i) if such Indebtedness denominated in non-euro currency is subject to a Currency Exchange Protection Agreement with respect to euro, the amount of such Indebtedness expressed in euro will be calculated so as to take account of the effects of such Currency Exchange Protection Agreement; and (ii) the euro-equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date. The principal amount of any refinancing Indebtedness incurred in the same currency as the Indebtedness being refinanced will be the euro-equivalent of the Indebtedness refinanced determined on the date such Indebtedness was originally incurred, except that to the extent that:

(1) such euro-equivalent was determined based on a Currency Exchange Protection Agreement, in which case the Refinancing Indebtedness will be determined in accordance with the preceding sentence; and

(2) the principal amount of the refinancing Indebtedness exceeds the principal amount of the Indebtedness being refinanced, in which case the euro-equivalent of such excess will be determined on the date such refinancing Indebtedness is being incurred.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with GAAP;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness 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 Indebtedness of the other Person.

Restricted Payments

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Issuer's or any of its Restricted Subsidiaries' Equity Interests in their capacity as holders (other than (i) dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer and (ii) dividends or distributions payable to the Issuer or a Restricted Subsidiary);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Issuer) any Equity Interests of the Issuer or any direct or indirect parent entity of the Issuer;

(3) make any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt or any Indebtedness of the Issuer or any Guarantor that is contractually subordinated in right of payment to the Notes or to any Note Guarantee (excluding any intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries), except (i) a payment of interest or principal at the Stated Maturity thereof or (ii) the purchase, repurchase or other acquisition of Indebtedness 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; or

(4) make any Restricted Investment,

(all such payments and other actions set forth in these clauses (1) through (4) above being collectively referred to as "*Restricted Payments*"), unless, at the time of any such 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 Issuer would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*"; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (5), (6), (7), (8), (11) and (12) of the next succeeding paragraph), is less than the sum, without duplication, of:

(i) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from the beginning of the fiscal quarter commencing immediately prior to the Issue Date to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*

(ii) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities received by the Issuer following the Completion Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Issuer (other than Disqualified Stock) or from the issue or sale of convertible or exchangeable Disqualified Stock of the Issuer or convertible or exchangeable debt securities of the Issuer, in each case that have been converted into or exchanged for Equity Interests of the Issuer (other than Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Issuer) or from the issuance or sale of Subordinated Shareholder Debt (other than an issuance or sale to a Subsidiary of the Issuer); *plus*

(iii) to the extent that any Restricted Investment that was made after the Issue Date is (a) sold, disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and the Fair Market Value of the property and marketable securities received by the Issuer or any Restricted Subsidiary (other than from a Person that is the Issuer or a Restricted Subsidiary), or (b) made in an entity that subsequently becomes a Restricted Subsidiary, 100% of the Fair Market Value of the Restricted Investment of the Issuer and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; *plus*

(iv) to the extent that any Unrestricted Subsidiary of the Issuer designated as such after the Issue Date is redesignated as a Restricted Subsidiary or is merged or consolidated into the Issuer or a Restricted Subsidiary, or all of the assets of such Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary, the lesser of (i) the Fair Market Value of the property received by the Issuer or Restricted Subsidiary or the Issuer's Restricted Investment in such Subsidiary as of the date of such redesignation, merger, consolidation or transfer of assets and (ii) such Fair Market Value as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary, in each case, to the extent such Investments reduced the Restricted Payments capacity under this clause (c) and were not previously repaid or otherwise reduced; *plus*

(v) upon the full and unconditional release of a Restricted Investment that is a guarantee made by the Issuer or one of its Restricted Subsidiaries to any Person, an amount equal to the amount of such guarantee; *plus*

(vi) 100% of any cash dividends or distributions received by the 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 Net Income of the Issuer for such period.

The preceding provisions will not prohibit:

(1) the payment of any dividend or the consummation of any redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of the Indenture;

(2) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Issuer) of, Equity Interests of the Issuer (other than Disqualified Stock), Subordinated Shareholder Debt or from the substantially concurrent contribution of common equity capital to the Issuer; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from the calculation of amounts under clause (c)(ii) of the preceding paragraph and will not be considered to be net cash proceeds from an Equity Offering for purposes of the "Optional Redemption" provisions of the Indenture;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer or any Guarantor that is contractually subordinated to the Notes or any Note Guarantee with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer or any Restricted Subsidiary held by any current or former officer, director, employee or consultant of the Issuer or any of its Restricted Subsidiaries 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 Equity Interests may not exceed €1.0 million in any calendar year; and *provided*, *further*, that such amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds from the sale of Equity Interests of the Issuer or a Restricted Subsidiary received by the Issuer or a Restricted Subsidiary during such calendar year, in each case to members of management, directors or consultants of the Issuer, any of its Restricted Subsidiaries or any of its direct or indirect parent companies and (B) the cash proceeds of key man life insurance policies, in each case to the extent the cash proceeds have not otherwise been applied to the making of Restricted Payments pursuant to clause (c)(ii) of the preceding paragraph or clause (2) of this paragraph;

(5) the repurchase of Equity Interests deemed to occur upon the exercise of stock options or warrants to the extent such Equity Interests represent a portion of the exercise price of those stock options or warrants;

(6) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Issuer or any preferred stock of any Restricted Subsidiary issued on or after the Issue Date in accordance with the covenant described above under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(7) payments of cash, dividends, distributions, advances or other Restricted Payments by the Issuer or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (x) the exercise of options or warrants or (y) the conversion or exchange of Capital Stock of any such Person;

(8) payments pursuant to any tax sharing agreement or arrangement among the Issuer and its Subsidiaries and other Persons with which the Issuer or any of its Subsidiaries is required or permitted to file a consolidated tax return or with which the Issuer or any of its Restricted

Subsidiaries is a part of a group for tax purposes; *provided, however,* that such payments will not exceed the amount of tax that the Issuer and its Subsidiaries would owe on a stand-alone basis and the related tax liabilities of the Issuer and its Subsidiaries are relieved by the payment of such amounts to a relevant taxing authority;

(9) so long as no Default or Event of Default has occurred and is continuing or would be caused thereby, following an Initial Public Offering of the Capital Stock of the Issuer or a Parent Entity, the payment of dividends on the Capital Stock of the Issuer in an amount per annum not to exceed 6% of the net cash proceeds received by the Issuer in any such Initial Public Offering; *provided*, that if such Initial Public Offering was of Capital Stock of a Parent Entity, 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 Entity;

(10) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Issuer or a Restricted Subsidiary to pay for the purchase or other acquisition for value of Equity Interests of the Issuer (other than Disqualified Stock), 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 (b) 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 Equity Interests of the Issuer (other than Disqualified Stock); *provided* that the total aggregate amount of Restricted Payments made under this clause (10) does not exceed €0.5 million in any calendar year;

(11) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests (other than the Issuer or any Restricted Subsidiary) on no more than a *pro rata* basis;

(12) Permitted Biologist Payments;

(13) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer or any Guarantor that is subordinated in right of payment to the Notes or to any Note Guarantee (other than any Indebtedness so subordinated and held by Affiliates of the Issuer) upon a Change of Control to the extent required by the agreements governing such Indebtedness at a purchase price not greater than 101% of the principal amount of such Indebtedness, but only if the Issuer shall have complied with its obligations under the covenants described under "*Repurchase at the Option of Holders—Change of Control*" and the Issuer repurchased all Notes tendered pursuant to the offer required by such covenants prior to offering to purchase, purchasing or repaying such Indebtedness;

(14) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Issuer or a Restricted Subsidiary of the Issuer by, Unrestricted Subsidiaries;

(15) 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; and

(16) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed €20.0 million since the Issue Date.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

Liens

The Issuer will not and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien (the "*Initial Lien*") of any kind securing Indebtedness upon any of their property or assets, now owned or hereafter acquired, except (a) in the case of any property or asset that does not constitute Collateral, (i) Permitted Liens or (ii) unless all payments due under the Indenture and the Notes (including a Note Guarantee in the case of Liens of a Guarantor) are secured on an equal and ratable basis with the Indebtedness so secured until such time as such Indebtedness is no longer secured by a Lien (and if such Indebtedness so secured is subordinated in right of payment to either the Notes or a Note Guarantee, on a senior priority basis); and (b) in the case of any property or asset that constitutes Collateral or the Issuer's rights under the Covenant Agreements, Permitted Collateral Liens; *provided* that no such Permitted Collateral Lien will be granted on assets or property unless such assets or property also secure the Notes and the Note Guarantees.

Any Lien created for the benefit of the holders pursuant to this covenant will provide by its terms that such Lien will be automatically and unconditionally released and discharged (a) upon the release and discharge of the Initial Lien with respect to clause (a) of the preceding paragraph other than as a consequence of an enforcement action with respect to the assets subject to such Lien or (b) as set forth under the heading "—*Security*".

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any Restricted Subsidiary;

(2) make loans or advances to the Issuer or any Restricted Subsidiary; or

(3) sell, lease or transfer any of its properties or assets to the Issuer or any 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 Issuer or any Restricted Subsidiary to other Indebtedness incurred by the Issuer or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Indebtedness and Credit Facilities as 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;

(2) the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement and the Security Documents;

(3) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*Certain Covenants—Incurrence of Indebtedness and*

Issuance of Preferred Stock" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the Notes than the encumbrances and restrictions contained in the Revolving Credit Facility and the Intercreditor Agreement, in each case, as in effect on the Issue Date (as determined in good faith by the Issuer);

(4) applicable law, rule, regulation or order or the terms of any license, authorization, concession or permit;

(5) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Issuer or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), 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; *provided* that, in the case of Indebtedness, such Indebtedness was permitted to be incurred by the terms of the Indenture;

(6) customary non-assignment and similar provisions in contracts, leases and licenses entered into in the ordinary course of business;

(7) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;

(8) any agreement for the sale or other disposition of the Capital Stock or all or substantially all of the property and assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(9) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(10) Liens permitted to be incurred under the provisions of the covenant described above under the caption "—*Liens*" that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements in the ordinary course of business (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements;

(12) 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;

(13) any encumbrance or restriction of a Securitization Subsidiary effected in connection with a Qualified Securitization Financing; *provided*, *however*, that such restrictions apply only to such Securitization Subsidiary; and

(14) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (13), or in this clause (14); *provided* that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced.

Merger, Consolidation or Sale of Assets

The Issuer will not directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole in one or more related transactions, to another Person, unless:

(1) either: (a) the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organized or existing under the laws of any member state of the Pre-Expansion European Union, Switzerland, Canada, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger with the Issuer (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Agreement, the Security Documents and the Covenant Agreements;

(3) immediately after such transaction, no Default or Event of Default exists;

(4) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made 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 Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" or (ii) have a Fixed Charge Coverage Ratio no less than it was immediately prior to giving effect to such transaction; and

(5) the Issuer delivers to the Trustee an Officer's Certificate and opinion of counsel, in each case, stating that such consolidation, merger or transfer and such supplemental indenture comply with this covenant; *provided* that in giving an opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (3) and (4) above.

A Guarantor (other than a Guarantor whose Note Guarantee is to be released in accordance with the terms of such Note Guarantee and the Indenture) will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Guarantor is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of such Guarantor and its Subsidiaries which are Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

  (a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Guarantor under its Note Guarantee, the Indenture, the Intercreditor Agreement and the Security Documents to which such Guarantor is a party pursuant to a supplemental indenture, accession agreement, Additional Intercreditor Agreement and appropriate Security Documents reasonably satisfactory to the Trustee; or

  (b) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture.

In addition, the Issuer will not, directly or indirectly, lease all or substantially all of the properties and assets of it and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to any other Person.

Clauses (3) and (4) of the first paragraph of this "Merger, Consolidation or Sale of Assets" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Issuer with or into any other Guarantor. Clauses (1) and (2)(b) of the second paragraph of this "Merger, Consolidation or Sale of Assets" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Guarantor with or into any other Guarantor. Clause (4) of the first paragraph of this "Merger, Consolidation or Sale of Assets" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Issuer or any Guarantor with or into an Affiliate solely for the purpose of reincorporating the Issuer or such Guarantor in another jurisdiction for tax reasons.

Transactions with Affiliates

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each, an "*Affiliate Transaction*") involving aggregate payments or consideration in excess of €1.0 million, unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person; and

(2) the Issuer delivers to the Trustee:

  (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €5.0 million, a resolution of the Board of Directors of the Issuer set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Issuer; and, in addition,

  (b) with respect to (i) any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €15.0 million or (ii) any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €5.0 million in which there are no disinterested members of the Board of Directors of the Issuer, an opinion of an accounting, appraisal or investment banking 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 related transactions is (x) fair from a financial point of view taking into account all relevant circumstances or (y) 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.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement, collective bargaining agreement, consultant, employee benefit arrangements with any employee, consultant, officer or director of the Issuer or any Restricted

Subsidiary, including under any stock option, stock appreciation rights, stock incentive or similar plans, entered into in the ordinary course of business;

(2) transactions between or among the Issuer and any Restricted Subsidiary, or between or among Restricted Subsidiaries;

(3) any transaction in the ordinary course of business between or among the Issuer or any Restricted Subsidiary and any Affiliate of the Issuer or an Associate or similar entity (in each case other than an Unrestricted Subsidiary of the Issuer) that would contribute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary or any Affiliate of the 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;

(4) payment of reasonable and customary fees and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) of Officers, directors, employees or consultants of the Issuer or any of its Restricted Subsidiaries;

(5) any issuance of Equity Interests (other than Disqualified Stock) of the Issuer to Affiliates of the Issuer;

(6) any Investment (other than a Permitted Investment) or other Restricted Payment, in either case, that does not violate the provisions of the Indenture described above under the caption "*—Restricted Payments*";

(7) Management Advances;

(8) any Permitted Investments (other than Permitted Investments described in clauses (3), (10), (13) and (15) of the definition thereof);

(9) the incurrence of any Subordinated Shareholder Debt;

(10) transactions pursuant to, or contemplated by any agreement in effect on the Issue Date and transactions pursuant to any amendment, modification or extension to such agreement, so long as such amendment, modification or extension, taken as a whole, is not more disadvantageous to the holders of the Notes in any material respect than the original agreement as in effect on the Issue Date;

(11) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services or providers of employees or other labor, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to the Issuer or the Restricted Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Issuer or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person;

(12) any payments or other transactions pursuant to a tax sharing agreement between the Issuer and any other Person or a Restricted Subsidiary of the Issuer and any other Person with which the Issuer or any of its Restricted Subsidiaries files a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is part of a group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation; *provided*, *however*, that any such tax sharing or arrangement and payment does not permit or require payments in excess of the amounts of tax that would be payable by the Issuer and its Restricted Subsidiaries on a stand-alone basis;

(13) any contribution to the capital of the Issuer in exchange for Capital Stock of the Issuer (other than Disqualified Stock and preferred stock);

(14) transactions between the Issuer or any of its Restricted Subsidiaries and any Person, a director of which is also a director of the Issuer or any direct or indirect parent of the Issuer; *provided*, *however*, that such director abstains from voting as a director of the Issuer or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(15) pledges of Equity Interests of Unrestricted Subsidiaries; and

(16) any transaction effected as a part of a Qualified Securitization Financing.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Issuer may designate any Restricted Subsidiary (including any newly acquired or newly formed Restricted Subsidiary) to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and its 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 "*—Restricted Payments*" or under one or more clauses of the definition of Permitted Investments, as determined by the Issuer. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The 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 Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the 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 "*—Restricted Payments*". If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described above under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*", the Issuer will be in default of such covenant. The Board of Directors of the 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 Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described above under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*", 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.

Maintenance of Listing

The Issuer will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on the Global Exchange Market of the Irish Stock Exchange for so long as such Notes are outstanding; *provided* that if the Issuer is unable to obtain admission to funding of the Notes on the Global Exchange Market of the Irish Stock Exchange or if at any time the Issuer determines that it will not maintain such listing, it will use its commercially reasonable efforts to obtain and maintain a listing of such Notes on another recognized stock exchange.

Limitation on Issuances of Guarantees of Indebtedness

The Issuer will not cause or permit any of its Restricted Subsidiaries that is not a Guarantor, directly or indirectly, to guarantee any Indebtedness of the Issuer or its Restricted Subsidiaries, or assume or in any other manner become liable with respect to any Indebtedness of the Issuer or its Restricted Subsidiaries under the Revolving Credit Facility or any refinancing Indebtedness in respect thereof, unless in each case such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the guarantee of the payment of the Notes by such Restricted

Subsidiary, which guarantee will be senior to or *pari passu* with such Restricted Subsidiary's guarantee of such other Indebtedness and on the same terms as the other Guarantees of the Notes by the guarantors except that:

(1) if such Indebtedness is by its terms expressly subordinated to the Notes or any Note Guarantee, any such assumption, guarantee or other liability of such Restricted Subsidiary with respect to such Indebtedness shall be subordinated to such Restricted Subsidiary's Guarantee of the Notes at least to the same extent as such Indebtedness is subordinated to the Notes or any other Guarantee; and

(2) no Note Guarantee shall be required if such Note Guarantee could reasonably be expected to give rise to or result in (A) personal liability for the officers, directors or shareholders of such Restricted Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Issuer or such Restricted Subsidiary, including, for the avoidance of doubt, "whitewash" or similar procedures or (C) any significant cost, expense, liability or obligation (including with respect of any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses Incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (B) undertaken in connection with, such Note Guarantee, which cannot be avoided through measures reasonably available to the Issuer or the Restricted Subsidiary.

The first paragraph of this covenant will not be applicable to any guarantees of any Restricted Subsidiary:

(a) 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;

(b) arising solely due to the granting of a Permitted Lien that would not otherwise constitute a guarantee of Indebtedness of the Issuer or any Guarantor; or

(c) given to a bank or trust company incorporated in any member state of the European Union as of the date of the Indenture or any commercial banking institution that is a member of the U.S. Federal Reserve System (or any branch, Subsidiary or Affiliate thereof), in each case having combined capital and surplus and undivided profits of not less than €500.0 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 Issuer's benefit or that of any Restricted Subsidiary.

Each such 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, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

The form of such guarantee shall be the same as the form of a Note Guarantee.

Each guarantee of the Notes shall be released in accordance with the provisions of the Indenture and the Intercreditor Agreement described under "*—Note Guarantees*" and "*Description of Other Indebtedness—Intercreditor Agreement*".

Payments for Consent

The 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 Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the

Indenture or the Notes unless such consideration is offered to be paid and is paid to all holders of the 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 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 Indenture, to exclude holders of Notes in any jurisdiction where (i) the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash, or (ii) the payment of the consideration therefor would require the 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 Issuer in its sole discretion determines (acting in good faith) (A) 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 (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Lines of Business

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

Additional Guarantor and Additional Collateral

The Issuer will cause as soon as reasonably practicable, and in any event no later than six months from the Issue Date, the Additional Guarantor to execute and deliver to the Trustee (a) a supplemental indenture pursuant to which the Additional Guarantor will guarantee payment of the Notes on the same terms and subject to the same conditions and limitations as the guarantees provided by the Initial Guarantors incorporated in Spain and (b) such Security Documents and other documents to cause first-ranking liens and security interests over all of the Additional Collateral to be provided and perfected.

Use of Proceeds

The Issuer and its Restricted Subsidiaries will use net proceeds received from the issuance of the Notes on the Issue Date to prepay in full the Existing Senior Facilities, Senior Mezzanine Loan and Junior Mezzanine Loan on the Issue Date and to prepay in full the Repaid Bilateral Bank Loans within 100 days of the Issue Date.

Impairment of Security Interest

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would or could reasonably be expected to have the result of materially impairing the security interests with respect to the Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interests with respect to the Collateral) or the Covenant Agreements for the benefit of the Trustee and the holders of the Notes, and the Issuer will not, and 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 Trustee and the holders of the Notes and the other beneficiaries described in the Security Documents, the Intercreditor Agreement, and the Covenant Agreement Assignment Document any interest whatsoever in any of the Collateral or Covenant Agreements; *provided* that (a) nothing in this provision shall restrict the discharge or release of the Collateral in accordance with the Indenture, the Security Documents and the Intercreditor Agreement or the discharge or release of the Covenant Agreement

Assignment in accordance with the Indenture or Covenant Agreement Assignment Document and (b) the Issuer and its Restricted Subsidiaries may incur Permitted Collateral Liens; and *provided further*, *however*, that no Security Document or Covenant Agreement Assignment Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced, or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the assets), the Issuer delivers to the Trustee either (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance reasonably satisfactory to the Trustee confirming the solvency of the 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 or (2) an opinion of counsel, in form and substance reasonably satisfactory to the Trustee (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, the Lien or Liens securing the Notes created under the Security Documents or Covenant Agreement Assignment Document so amended, extended, renewed, restated, supplemented, modified or replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

At the direction of the Issuer and without the consent of the holders of Notes, 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) (but subject to compliance with the immediately preceding paragraph) provide for Permitted Collateral Liens, (iii) add to the Collateral or (iv) make any other change thereto that does not adversely affect the rights of the holders of the Notes in any material respect. At the direction of the Issuer and without the consent of the holders of Notes, the Security Agent may from time to time enter into one or more amendments to the Covenant Agreement Assignment Document to (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) provide for Additional Notes to also benefit from the Covenant Agreement Assignment or (iii) make any other change thereto that does not adversely affect the rights of the holders of the Notes in any material respect.

In the event that the Issuer complies with this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from holders of the Notes.

Additional Intercreditor Agreements

At the request of the Issuer and without the consent of holders of the Notes, at the time of, or prior to, the incurrence by the Issuer or a Guarantor of Indebtedness permitted to share in the Collateral, the Issuer or the relevant Guarantor, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an additional intercreditor agreement (an "*Additional Intercreditor Agreement*") on substantially the same terms as the Intercreditor Agreement or an amendment to the Intercreditor Agreement (which amendment does not adversely affect the rights of the Trustee, the Security Agent or holders of the Notes).

At the request of the Issuer, without the consent of holders of the Notes, and at the time of, or prior to, the incurrence by the Issuer or a Guarantor of Indebtedness permitted to be incurred pursuant to the preceding paragraph, the Issuer or the relevant Guarantor, the Security Agent and the Trustee shall enter into one or more amendments to any Intercreditor Agreement or Additional Intercreditor Agreement to: (1) cure defects, resolve ambiguities or reflect changes, in each case, of a minor, technical or administrative nature, (2) increase the amount or types of Indebtedness covered by any Intercreditor Agreement or Additional Intercreditor Agreement that may be incurred by the Issuer or a Guarantor that is subject to any Intercreditor Agreement or Additional Intercreditor Agreement (*provided* that such amendment is consistent with the preceding paragraph), (3) add new Guarantors to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Notes, (5) make provision for the security securing Additional Notes to rank *pari passu* with the Collateral or (6) make any other change to any such Intercreditor Agreement or an Additional Intercreditor Agreement that does not adversely affect the rights of holders of the Notes in any material respect.

The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to the Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted by "Amendment, Supplement and Waiver" or as described in the preceding paragraph and the Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or the Security Agent or adversely affect the rights, duties, liabilities or immunities of the Trustee or the Security Agent under the Indenture, the Intercreditor Agreement or such Additional Intercreditor Agreement.

Each holder of the Notes shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have consented to and directed the Trustee and the Security Agent to enter into any Additional Intercreditor Agreement or any amendment of the Intercreditor Agreement or any Additional Intercreditor Agreement which complies with the foregoing provision and the conditions contained therein.

Suspension of Covenants When Notes Rated Investment Grade

If on any date following the Issue Date:

(1) the Notes have achieved Investment Grade Status; and

(2) no Default or Event of Default shall have occurred and be continuing on such date,

then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (such period, the "*Suspension Period*"), the covenants specifically listed under the following captions in this offering memorandum will no longer be applicable to the Notes and any related default provisions of the Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries:

(1) "*—Repurchase at the Option of Holders—Asset Sales*";

(2) "*—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(3) "*—Restricted Payments*";

(4) "*—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*";

(5) clause (4) of the first paragraph of the covenant described under "*—Merger, Consolidation or Sale of Assets*";

(6) "*—Transactions with Affiliates*"; and

(7) "*—Designation of Restricted and Unrestricted Subsidiaries*".

Such covenants will not, however, be of any effect with regard to the actions of Issuer and the Restricted Subsidiaries properly taken during the continuance of the Suspension Period; *provided* that (1) with respect to the Restricted Payments made after any such reinstatement, the amount of

Restricted Payments will be calculated as though the covenant described under the caption "—*Restricted Payments*" had been in effect prior to, but not during, the Suspension Period and (2) all Indebtedness incurred, or Disqualified Stock or preferred stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2) of the second paragraph of the caption "—*Incurrence of Indebtedness and Issuance of Preferred Stock*". Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero. There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

Reports

So long as any Notes are outstanding, the Issuer will furnish to the Trustee:

(1) within 120 days after the end of the Issuer's fiscal year beginning with the fiscal year ending December 31, 2010, annual reports containing the following information with a level of detail that is substantially comparable and similar in scope to this offering memorandum: (a) audited consolidated balance sheet of the Issuer as of the end of the most recent fiscal year (and comparative information for the end of the prior fiscal year) and audited consolidated income statement and statement of cash flow of the Issuer for the most recent fiscal year (and comparative information for the prior fiscal year), including footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions or dispositions (including, without limitation, any acquisitions or disposition that, individually or in the aggregate when considered with all other acquisition or dispositions that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, represent greater than 20% of the consolidated revenues, EBITDA, or assets of the Issuer on a *pro forma* basis) or 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 (2) below; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations (including a discussion by business segment, if any), financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (d) a description of the industry, business, management and shareholders of the Issuer, all material affiliate transactions, Indebtedness and material financing arrangements and a description of all material contractual arrangements, including material debt instruments; and (e) material risk factors and material recent developments;

(2) within 90 days following the end of each of the fiscal quarters ending March 31 and June 30, 2011 and within 60 days following the end of the fiscal quarter ending September 30, 2011 and the end of each of the first three fiscal quarters in each fiscal year thereafter beginning with the fiscal quarter ending March 31, 2012, quarterly reports containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the quarterly and year to date periods ending on the unaudited condensed balance sheet date, and the comparable prior year periods for the Issuer, together with condensed footnote disclosure; (b) *pro forma* income statement and balance sheet information, together with explanatory footnotes, for any material acquisitions or dispositions (including, without limitation, 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 quarter as to which such quarterly report relates, represents greater than 20% of the consolidated revenues, EBITDA or assets of the Issuer on a *pro forma* basis) or recapitalizations that have occurred since the beginning of the most recently completed fiscal

quarter as to which such quarterly report relates, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (1) or (2) of this covenant; (c) an operating and financial review of the unaudited financial statements (including a discussion by business segment, if any), including a discussion of the consolidated financial condition and results of operations of the Issuer and any material change between the current quarterly period and the corresponding period of the prior year; (d) material recent developments in the business of the Issuer and its Subsidiaries; and (e) any material changes to the risk factors disclosed in the most recent annual report with respect to the Issuer; and

(3) promptly after the occurrence of (a) a material acquisition, disposition or restructuring (including any acquisition or disposition that would require the delivery of *pro forma* financial information pursuant to clauses (1) or (2) above); (b) any senior management change at the Issuer; (c) any change in the auditors of the Issuer; (d) any resignation of a member of the Board of Directors of the Issuer as a result of a disagreement with the Issuer; (e) the entering into an agreement that will result in a Change of Control; or (f) any material events that the Issuer announces publicly, in each case, a report containing a description of such events,

provided, *however*, that the reports set forth in clauses (1) and (2) above will not be required to (i) contain any reconciliation to U.S. generally accepted accounting principles or (ii) include separate financial statements for any Guarantors and non-guarantor Subsidiaries of the Issuer.

If the Issuer has designated any of its Subsidiaries as Unrestricted Subsidiaries and such Subsidiaries are Significant Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph 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 Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

All financial statements shall be prepared in accordance with GAAP. In addition, all financial statement information and other reports required under this covenant will be presented in the English language.

In addition, for so long as any Notes remain outstanding and during any period during which the Issuer is not subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer has agreed that it will furnish to the holders of the Notes and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

The Issuer will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant (i) on the Issuer's website and (ii) if and so long as the Notes are listed on the Global Exchange Market and the rules of the Irish Stock Exchange so require, at the specified office of the Listing Agent in Dublin.

Events of Default and Remedies

Each of the following is an "*Event of Default*" under the Indenture:

(1) default for 30 days in the payment when due of interest or Additional Amounts, if any, with respect to the Notes;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;

(3) failure by the Issuer or relevant Guarantor to comply with the provisions described under the caption "*—Security—Post-Closing Matters*", "*—Certain Covenants—Additional Guarantor and Additional Collateral*" and "*—Certain Covenants—Consolidation, Merger or Sale of Assets*";

(4) failure by the Issuer to make a Change of Control Offer or Asset Sale Offer or to purchase Notes in accordance with the provisions described under "*—Repurchase at the Option of Holders—Change of Control*" and "*—Asset Sales*" or failure by the Issuer or relevant Guarantor for 30 days after written notice to the Parent by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes outstanding, voting as a single class, to comply with any other provision described under the captions "*—Repurchase at the Option of Holders—Change of Control*", "*—Asset Sales*" or "*—Use of Proceeds*";

(5) failure by the Issuer or relevant Guarantor for 60 days after written notice to the Issuer by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the agreements in the Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2), (3) or (4));

(6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the Issue Date, if that default:

    (a) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness at the Stated Maturity thereof prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "*Payment Default*"); or

    (b) results in the acceleration of such Indebtedness prior to its express maturity,

    and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €15.0 million or more;

(7) failure by the Issuer or any Restricted Subsidiary to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of €15.0 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal, waiver or otherwise, shall not have been in effect;

(8) (i) any security interest created by the Security Documents with respect to Collateral having in the aggregate a Fair Market Value in excess of €3.0 million or Covenant Agreement Assignment Document ceases to be in full force and effect (except as permitted by the terms of the Indenture, the Security Documents or Covenant Agreement Assignment Document), or an assertion by the Issuer or any of its Restricted Subsidiaries that any Collateral or Covenant Agreement Assignment is not subject to a valid, perfected security interest (except as permitted by the terms of the Indenture or the Security Documents or Covenant Agreement Assignment Document); or (ii) the repudiation by the Issuer of any of its material obligations under the Security Documents or Covenant Agreement Assignment Document;

(9) except as permitted by the Indenture, if any Note Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor, or any Person acting on behalf of any Guarantor, denies or disaffirms its obligations under its Note Guarantee and such Default continues for 20 days; and

(10) certain events of bankruptcy or insolvency described in the Indenture with respect to the Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together (based on the latest audited consolidated financial

statements for the Issuer and its Restricted Subsidiaries), would constitute a Significant Subsidiary.

In the case of an Event of Default specified in clause (10), all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes may and, if directed by holders of at least 25% in aggregate principal amount of the then outstanding Notes, the Trustee shall, declare all the Notes to be due and payable immediately.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any.

Upon becoming aware of an Event of Default, the Issuer shall deliver to the Trustee, promptly and in any event within 30 Business Days thereafter, written notice of any events which would constitute an Event of Default, their status, and what action the Issuer is taking or proposes to take in respect thereof.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of Notes unless such holders have offered to the Trustee indemnity or security satisfactory to it against any loss, liability or expense. Except (subject to the provisions described under "—*Amendment, Supplement and Waiver*") to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing;

(2) holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee to pursue the remedy;

(3) such holders have offered the Trustee security or indemnity satisfactory to it against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity; and

(5) holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The holders of not less than a majority in aggregate principal amount of the Notes outstanding may, on behalf of the holders of all outstanding Notes, waive any past default under the Indenture and its consequences, except a continuing default in the payment of the principal or premium, if any, any Additional Amounts or interest on any Note held by a non-consenting holder (which may only be waived with the consent of holders of the Notes holding 90% of the aggregate principal amount of the Notes outstanding under the Indenture).

Holders of Notes may not enforce the Security Documents, except as provided in the Intercreditor Agreement. The Indenture will provide that in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability.

The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Indenture.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or the Guarantors under the Notes, the Indenture, the Note Guarantees, the Security Documents, the Intercreditor Agreement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under applicable securities laws.

Legal Defeasance and Covenant Defeasance

The 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 Notes and all obligations of the Guarantors discharged with respect to their Note Guarantees ("*Legal Defeasance*") except for:

(1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest (including Additional Amounts) or premium, if any, on, such Notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's and the Guarantors' obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and the Guarantors released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers) that are described in the Indenture ("*Covenant Defeasance*") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, all Events of Default described under "*—Events of Default and Remedies*" (except those relating to payments on the Notes or, solely with respect to the Issuer, bankruptcy or insolvency events) will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in euros, non-callable European Government Obligations or a combination of cash in euros and non-callable European Government Obligations, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest (including Additional Amounts and premium, if any) on the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee:

   (a) an opinion reasonably acceptable to the Trustee of United States counsel confirming that (i) the 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 the applicable U.S. Federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders of the outstanding 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 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; and

   (b) an opinion of counsel in France reasonably acceptable to the trustee to the effect that (i) the holders of the outstanding Notes will not recognize income, gain or loss for French income tax purposes as a result of such Legal Defeasance and will be subject to French 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, and (ii) payments on the Notes will not become subject to any withholding or deduction for taxes imposed or levied by or on behalf of France or any taxing authority thereof as a result of such;

(3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee:

   (a) an opinion reasonably acceptable to the Trustee of United States counsel confirming that the holders of the outstanding 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; and

   (b) an opinion of counsel in France reasonably acceptable to the trustee confirming that (i) the holders of the outstanding Notes will not recognize income, gain or loss for French income tax purposes as a result of such Covenant Defeasance and will be subject to French 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, and (ii) payments on the Notes will not become subject to any withholding or deduction for taxes imposed or levied by or on behalf of France or any taxing authority thereof as a result of such;

(4) the Issuer must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and

(5) the Issuer must deliver to the Trustee an Officer's Certificate and an opinion of counsel, subject to customary assumptions and qualifications, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided otherwise in the succeeding paragraphs, the Indenture, the Notes, the 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 Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, the

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 Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Unless consented to by the holders of at least 90% of the aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), without the consent of each holder of Notes affected, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting holder):

(1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the caption "*—Repurchase at the Option of Holders*");

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) impair the right of any holder of Notes to receive payment of principal of and interest on such holder's Notes on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such holder's Notes or any Note Guarantee in respect thereof;

(5) waive a Default or Event of Default in the payment of principal of, or interest, Additional Amounts or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the Payment Default that resulted from such acceleration);

(6) make any Note payable in money other than that stated in the Notes;

(7) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest, Additional Amounts or premium, if any, on, the Notes;

(8) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "*—Repurchase at the Option of Holders*");

(9) release any Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement;

(10) release any Collateral or Covenant Agreement Assignment granted for the benefit of the holders of the Notes, except in accordance with the terms of the Indenture, the Intercreditor Agreement, the Security Documents or the Covenant Agreement Assignment Document; or

(11) make any change in the preceding amendment and waiver provisions.

Unless consented to by the holders of at least 90% of the aggregate principal amount of the then outstanding Notes, the Issuer and relevant Restricted Subsidiary shall not enter any amendment or supplement any of the Covenant Agreements except as provided in the immediately following paragraph.

Notwithstanding the preceding, without the consent of any holder of Notes, the Issuer, the Guarantors, the Restricted Subsidiaries, the Trustee and the Security Agent may amend or supplement the Indenture, the Notes, any Note Guarantee, any of the Security Documents, the Intercreditor Agreement, the Covenant Agreements or the Covenant Agreement Assignment Document:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Issuer's or a Guarantor's obligations to holders of Notes and Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder in any material respect;

(5) to conform the text of the Indenture, the Note Guarantees, the Security Documents, the Notes, the Covenant Agreements or the Covenant Agreement Assignment Document to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a verbatim recitation of a provision of the Indenture, the Note Guarantees, the Security Documents, the Notes, the Covenant Agreements or the Covenant Agreement Assignment Document;

(6) to enter into additional or supplemental Security Documents or Covenant Agreement Assignment Documents;

(7) to release any Note Guarantee in accordance with the terms of the Indenture;

(8) to release the Collateral in accordance with the terms of the Indenture and the Security Documents or to release the Covenant Agreement Assignment in accordance with the terms of the Indenture, Covenant Agreements and Covenant Agreement Assignment Document;

(9) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the Issue Date;

(10) to allow any Guarantor to execute a supplemental indenture or a Note Guarantee with respect to the Notes; or

(11) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture.

The consent of the holders of Notes is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

In formulating its opinion on such matters, the Trustee shall be entitled to rely absolutely on such evidence as it deems appropriate, including an opinion of counsel and an Officer's Certificate.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders, cash in euros, non-callable European Government Obligations or a combination of cash in euros and non-callable European Government Obligations, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

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

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

In addition, the Issuer must deliver an Officer's Certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge 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 (1), (2) and (3)).

Judgment Currency

Any payment on account of an amount that is payable in euros which is made to or for the account of any holder or the Trustee in lawful currency of any other jurisdiction (the "*Judgment Currency*"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer or any Guarantor, shall constitute a discharge of the Issuer or the Guarantor's obligation under the Indenture and the Notes or Note Guarantee, as the case may be, only to the extent of the amount of euros with such holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of euros that could be so purchased is less than the amount of euros originally due to such holder or the Trustee, as the case may be, the Issuer and the Guarantors shall indemnify and hold harmless the holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Concerning the Trustee and the Security Agent

Deutsche Trustee Company Limited will be the Trustee under the Indenture, and Deutsche Bank AG, London Branch will be the Security Agent under the Indenture and the Security Documents.

The Issuer shall deliver written notice to the Trustee within 30 Business Days of becoming aware of the occurrence of a Default or an Event of Default. If the Trustee becomes a creditor of the Issuer or any Guarantor, the Indenture limits the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The 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 Trustee.

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

The Issuer and the Guarantors will indemnify the 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. The Indenture will provide for the indemnification of the Security Agent and its relief from responsibility in connection with its actions in relation to the Collateral. The Security Agent will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of Notes, unless such Holder has offered the Security Agent security or indemnity satisfactory to it against any loss, liability or expense.

Neither the Trustee nor the Security Agent will be responsible for any unsuitability, inadequacy or unfitness of any of the Collateral as security in relation to the Notes and shall not be obliged to make any investigation into, and shall be entitled to assume, the suitability, adequacy and fitness of the Collateral as security for the Notes. Neither the Trustee nor the Security Agent will be responsible for any loss, expense or liability which may be suffered as a result of the Collateral being uninsured or inadequately insured.

Additional Information

Anyone who receives this offering memorandum may, following the Issue Date, obtain a copy of the Indenture, the form of Note, the Security Documents, the Intercreditor Agreement, the Covenant Agreements and the Covenant Agreement Assignment Document without charge by writing to the Issuer at 60-62, rue d'Hauteville, 75010, Paris, France.

So long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange shall so require, copies of the financial statements included in this offering memorandum may be obtained, free of charge, during normal business hours at the offices of the Listing Agent in Dublin.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Issuer and each Guarantor will appoint an agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Note Guarantees brought in any U.S. federal or New York state court located in the City of New York and will submit to such jurisdiction.

Enforceability of Judgments

Substantially all of the assets of the Issuer and the Guarantors are outside the United States. As a result, any judgment obtained in the United States against the Issuer or any Guarantor may not be collectable within the United States.

Prescription

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

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"*3i Related Parties*" means:

(1) 3i Group plc and any of its Affiliates;

(2) any fund, partnership, investment vehicle or other entity (whether corporate or otherwise) established in any jurisdiction and which is either (a) managed or advised by 3i Group plc or its Affiliates or (b) utilized for the purpose of allowing employees of 3i Group plc or its Affiliates (including former employees) to participate directly or indirectly in the growth in value of the Issuer ((a) and (b) together referred to as the "*3i Funds*"); and

(3) any company, fund, partnership, investment vehicle or other entity (whether corporate or otherwise) established in any jurisdiction and in or through which one or more 3i Funds separately or together hold a majority economic interest,

provided that the portfolio companies owned or controlled by the 3i Funds shall not constitute 3i Related Parties.

"*Acquired Debt*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Additional Guarantor*" means Labco Diagnostics España S.L. (or any successor thereto); *provided* that upon the release or discharge of such Person from its Note Guarantee in accordance with the Indenture, such Person ceases to be a Guarantor unless such Person is required to provide a guarantee under the covenant described under "*—Limitation on Issuances of Guarantees of Indebtedness*".

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control", as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling", "controlled by" and "under common control with" have correlative meanings.

"*Agreed Security Principles*" means the Agreed Security Principles set out in the annex to the Indenture, as applied reasonably and in good faith by the Issuer.

"*Applicable Premium*" means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of the Note; or

(2) the excess of:

(a) the present value at such redemption date of (i) the redemption price of the Note at , 2014, (such redemption price being set forth in the table appearing above under the caption "*—Optional Redemption*") plus (ii) all required interest payments due on the Note through , 2014 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over

(b) the principal amount of the Note.

For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation or duty of the Trustee, the Registrar or the Paying Agent.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any assets by the Issuer or any of its Restricted Subsidiaries; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "*—Repurchase at the Option of Holders—Change of Control*" and/or the provisions described above under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" and not by the provisions described under the caption "*—Repurchase at the Option of Holders—Asset Sales*"; and

(2) the issuance of Equity Interests by any Restricted Subsidiary or the sale by the Issuer or any of its Restricted Subsidiaries of Equity Interests in any of the Issuer's Subsidiaries (in each case, other than directors' qualifying shares).

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than €5.0 million;

(2) a transfer of assets or Equity Interests between or among the Issuer and any Restricted Subsidiary;

(3) an issuance of Equity Interests by a Restricted Subsidiary to the Issuer or to a Restricted Subsidiary;

(4) the sale, lease or other transfer of accounts receivable, inventory, trading stock, communications capacity and other assets (including any real or personal property) in the ordinary course of business (including the abandonment or other disposition of intellectual property that is, in the reasonable judgment of the Issuer, no longer economically practicable to maintain or useful in the conduct of business of the Issuer and its Restricted Subsidiaries taken as a whole);

(5) licenses and sublicenses by the Issuer or any of its Restricted Subsidiaries of software or intellectual property in the ordinary course of business;

(6) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(7) the granting of Liens not prohibited by the covenant described above under the caption "*—Liens*";

(8) the sale or other disposition of cash or Cash Equivalents;

(9) a Restricted Payment that does not violate the covenant described above under the caption "*—Certain Covenants—Restricted Payments*", a Permitted Investment or any transaction specifically excluded from the definition of Restricted Payment;

(10) 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;

(11) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(12) the disposition of assets to a Person who is providing services (the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person) related to such assets;

(13) any sale or other disposition of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary; and

(14) any sale, transfer or other disposition of Securitization Assets in connection with any Qualified Securitization Financing.

"*Asset Sale Offer*" has the meaning assigned to that term in the Indenture governing the Notes.

"*Associate*" means (i) any Person engaged in a Permitted Business of which the 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 Issuer or any Restricted Subsidiary of the Issuer.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "*Beneficially Owns*" and "*Beneficially Owned*" have a corresponding meaning.

"*Biologist Shareholders*" means holders of Capital Stock of the Issuer that (i) devote their professional activity to the development of the business of the Issuer and (ii) are subject to restrictions on their ability to carry out professional activities other than in respect of the business of the Issuer, as determined by the Board of Directors of the Issuer in good faith.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

For the avoidance of doubt, any reference to "Board of Directors" shall mean, in respect of the Issuer, its *Comité Stratégique* or any committee thereof duly authorized to act on behalf of such board.

"*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:

(1) "*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   , 2014, 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 Notes and of a maturity most nearly equal to , 2014; *provided*, *however*, that, if the period from such redemption date to , 2014 is less than one year, a fixed maturity of one year shall be used;

(2) "*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 Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) "*Reference German Bund Dealer*" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and

(4) "*Reference German Bund Dealer Quotations*" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the 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 Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany time on the third Business Day preceding the relevant date.

"*Business Day*" means a day (other than a Saturday, Sunday) on which banking institutions are open in London and Paris and which is a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Cash Equivalents*" means:

(1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the Pre-Expansion European Union, 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 or the United States of America, Switzerland or Canada, as the case may be, and which are not callable or redeemable at the Issuer's option;

(2) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits with maturities (and similar instruments) of 12 months or less

from the date of acquisition issued by a bank or trust company which is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the Pre-Expansion European Union 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 "A-2" or higher by Moody's or A or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P on the date of the investment and, in each case, maturing within one year after the date of investment; and

(5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to any Person (including any "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act) other than one or more Permitted Holders);

(2) the adoption of a plan relating to the liquidation or dissolution of the Issuer;

(3) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including any "person" as defined above) other than one or more Permitted Holders, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the issued and outstanding Voting Stock of the Issuer measured by voting power rather than number of shares; or

(4) during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the members on the Board of Directors of the Issuer (together with any new directors whose election by the majority of the members on the Board of Directors of the Issuer as applicable, or whose nomination for election by shareholders of the Issuer, as applicable, was approved by a vote of the majority of the members on the Board of Directors of the Issuer, as applicable, then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) ceased for any reason to constitute the majority of the members on the Board of Directors of the Issuer, as applicable, then in office.

"*Change of Control Offer*" has the meaning assigned to that term in the Indenture governing the Notes.

"*Collateral*" means the rights and assets securing the Notes and the Note Guarantees as described in the section entitled "*—Security*" and any rights or assets over which a Lien has been granted to secure the Obligations of the Issuer and the Guarantors under the Notes, the Note Guarantees and the Indenture.

"*Consolidated EBITDA*" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(1) provision for taxes based on income, profits and pursuant to the *Cotisation sur la valeur ajoutée des enterprises*, in each case of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; *plus*

(2) the Fixed Charges of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; *plus*

(3) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees) and other non-cash charges and expenses (including without limitation write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on the Issuer and its Restricted Subsidiaries for such period) of the Issuer and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) for such period; *plus*

(4) any income or charge 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; *plus*

(5) any expenses, charges or fees relating to any Equity Offering, Permitted Investment, acquisition or Indebtedness permitted to be Incurred by the Indenture (in each case, whether or not successful); *plus*

(6) all expenses incurred directly in connection with any early extinguishment of Indebtedness; *minus*

(7) non-cash items increasing such Consolidated Net Income for such period (other than any non-cash items increasing such Consolidated Net Income pursuant to clauses (1) through (13) of the definition of Consolidated Net Income), other than the reversal of a reserve 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 GAAP.

"*Consolidated Net Income*" means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis (excluding the net income (loss) of any Unrestricted Subsidiaries), determined in accordance with GAAP and without any reduction in respect of preferred stock dividends; *provided* that:

(1) any net after-tax extraordinary, non-recurring or exceptional gains or losses or income, expenses or charges (less all fees and expenses related thereto) and any severance expenses, will be excluded;

(2) the net income or loss of any Person that is not a Restricted Subsidiary or that is accounted for under 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 Restricted Subsidiary which is a Subsidiary of the Person;

(3) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph under the caption "*—Certain Covenants—Restricted Payments*", any net income or loss of any Restricted Subsidiary (other than any 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 Issuer (or any Guarantor that holds the Equity Interests of such Restricted Subsidiary, as applicable), 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 (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture and (c) 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 Notes than such restrictions in effect on the Issue Date), except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated 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 Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than any Guarantor), to the limitation contained in this clause);

(4) any net after-tax income or loss from discontinued operations and any net after-tax gains or losses on disposal of discontinued operations will be excluded;

(5) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Issuer or any Restricted 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 Issuer) will be excluded;

(6) (i) any one time non-cash charges or (ii) any amortization or depreciation resulting from purchase accounting, in each case, in relation to any acquisition, or merger or consolidation with, of another Person or business or resulting from any reorganization or restructuring involving the Issuer or its Subsidiaries will be excluded;

(7) the cumulative effect of a change in accounting principles will be excluded;

(8) any Permitted Biologist Payments will be included;

(9) 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;

(10) any non-cash compensation charge or expenses arising from any grant of stock, stock options or other equity based awards will be excluded;

(11) any goodwill or other intangible asset impairment charges will be excluded;

(12) all deferred financing costs written off and premium paid in connection with any early extinguishment of Indebtedness and any net gain or loss from any write-off or forgiveness of Indebtedness will be excluded; and

(13) any capitalized interest on any Subordinated Shareholder Debt will be excluded.

"*Consolidated Senior Secured Leverage*" means, as of any date of determination, the sum of the total amount of Senior Secured Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis, *provided*, *however*, that Indebtedness incurred pursuant to clause (17) of the second paragraph of the covenant "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" shall not be taken into account for the purpose of this definition.

"*Consolidated Senior Secured Leverage Ratio*" means, as of any date of determination, the ratio of (a)(i) the Consolidated Senior Secured Leverage of the Issuer and its Restricted Subsidiaries on a consolidated basis on such date, less (ii) cash and Cash Equivalents that are stated on the balance sheet of the Issuer and its Restricted Subsidiaries on such date on a consolidated basis, to (b) the Consolidated EBITDA of the Issuer for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) (in making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average daily balance of such Indebtedness during such period) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Senior Secured Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Senior Secured Leverage Ratio is made (for the purpose of this definition, the "*Calculation Date*"), then the Consolidated Senior Secured Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, 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.

In addition, for purposes of calculating the Consolidated EBITDA for such period:

(1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and increases in ownership of Subsidiaries which are Restricted Subsidiaries, 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 accounting or financial officer of the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) 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; and

(4) 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.

"*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 applicable GAAP.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that, in each case, does not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

   (a) for the purchase or payment of any such primary obligation; or

   (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*continuing*" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"*Credit Facilities*" means, one or more debt facilities, instruments or arrangements incurred by the Issuer or any Restricted Subsidiary or any Finance Subsidiary (including the Revolving Credit Facility and overdraft facilities) or commercial paper facilities or indentures or trust deeds or note purchase agreements, in each case, with banks, other institutions, funds or investors, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit, bonds, notes debentures or other corporate debt instruments or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or trustees or other banks or institutions and whether provided under the Revolving Credit Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "*Credit Facilities*" shall include any agreement or instrument (1) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"*Currency Exchange Protection Agreement*" means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar or agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates as to which such Person is a party.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Designated Non-cash Consideration*" means the Fair Market Value of non-cash consideration comprising assets (other than Capital Stock) classified as current assets under GAAP that are used or useful in a Permitted Business received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as "Designated Non-cash Consideration" pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the

Capital Stock, in whole or in part, on or prior to the sixth month anniversary of the date that the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "*—Certain Covenants—Restricted Payments*". For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Stock, such Fair Market Value to be determined as set forth herein.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Investors*" means (i) 3i Related Parties, (ii) Eric Souêtre, (iii) Stéphane Chassaing and (iv) senior management of the Issuer or its business participating through a management equity program.

"*Equity Offering*" means a sale of Capital Stock (x) that is a sale of Capital Stock of the Issuer (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the U.S. Securities Act or any similar offering in other jurisdictions, or (y) the proceeds of which are contributed as Subordinated Shareholder Debt or to the equity (other than through the issuance of Disqualified Stock) of the Issuer or any of its Restricted Subsidiaries.

"*European Government Obligations*" means direct obligations of, or obligations guaranteed by, a member state of the European Union, and for the payment of which such member state of the European Union pledges its full faith and credit.

"*Fair Market Value*" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by the Issuer's Chief Executive Officer, Chief Financial Officer or responsible accounting or financial officer of the Issuer.

"*Finance Subsidiary*" means a wholly owned subsidiary that is formed for the purpose of borrowing funds or issuing securities and lending the proceeds to the Issuer or a Guarantor and that conducts no business other than as may be reasonably incidental to, or related to, the foregoing.

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense (net of interest income) of such Person and its Subsidiaries which are Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt discount (but not debt issuance costs, commissions, fees and expenses), non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments), the interest component of deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings; *plus*

(2) the consolidated interest expense (but excluding such interest on Subordinated Shareholder Debt) of such Person and its Subsidiaries which are Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Subsidiaries which are Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Subsidiaries which are Restricted Subsidiaries; *plus*

(4) net payments and receipts (if any) pursuant to interest rate Hedging Obligations (excluding amortization of fees) with respect to Indebtedness; *plus*

(5) 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 Equity Interests payable to the 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 responsible accounting or financial officer of the Issuer.

"*Fixed Charge Coverage Ratio*" means, with respect to any 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 of its Subsidiaries which are Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowing and, in making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average daily balance of such Indebtedness during such period) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by the Issuer's Chief Financial Officer or a responsible financial or accounting officer of the Issuer) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, 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 Fixed Charge Coverage Ratio:

(1) acquisitions of business entities or property and assets constituting a division or line of business of any Person, acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, 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 the Issuer's Chief Financial Officer or Chief Accounting Officer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, 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 the specified Person or any of its Subsidiaries which are Restricted Subsidiaries following the Calculation Date;

(4) 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;

(5) 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

(6) if any Indebtedness bears a floating rate of interest and such Indebtedness is to be given *pro forma* effect, the interest expense on such Indebtedness 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 Indebtedness 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 Indebtedness).

"*French GAAP*" means the accounting principles and methods set out under the French *Plan Comptable Général* or otherwise generally accepted in France.

"*GAAP*" means (1) French GAAP in effect on the date of any calculation or determination required hereunder or (2) if the Issuer shall so elect by notifying the Trustee in writing in connection with the delivery of financial statements, IFRS; *provided* that (a) any such election once made shall be irrevocable and (b) in the event the Issuer makes such election (i) in connection with the delivery of financial statements for any of its first three financial quarters of any financial year, it shall restate its consolidated interim financial statements for such interim financial period and the comparable period in the prior year and (ii) in circumstances other than those described in clause (i), the Issuer shall provide consolidated historical financial statements prepared in accordance with IFRS for its two most recent financial years.

"*guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business, of all or any part of any Indebtedness (whether arising by agreements to keep-well, to take or pay or to maintain financial statement conditions, pledges of assets or otherwise).

"*Guarantors*" means the Initial Guarantors, the Additional Guarantor and any Person that subsequently becomes a Guarantor in accordance with the terms of the Indenture; *provided* that upon the release or discharge of such Person from its Note Guarantee in accordance with the Indenture, such Person ceases to be a Guarantor unless such Person is required to provide a guarantee under the covenant described under "*—Limitation on Issuances of Guarantees of Indebtedness*".

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates, including Currency Exchange Protection Agreements, or commodity prices.

"*IFRS*" means International Financial Reporting Standards as endorsed by the European Union and in effect on the date of any calculation or determination required hereunder.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables):

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments for which such Person is responsible or liable;

(3) representing reimbursement obligations in respect of letters of credit, bankers' acceptances or similar instruments (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of incurrence);

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; and

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person to the extent guaranteed by such Person; *provided*, *however*, that in the case of Indebtedness secured by a Lien, the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith) by the Issuer and (b) the amount of such Indebtedness of such other Person.

The term "Indebtedness" shall not include:

(1) Subordinated Shareholder Debt;

(2) any lease of property which would be considered an operating lease under GAAP;

(3) Contingent Obligations in the ordinary course of business;

(4) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter;

(5) the avoidance of doubt, any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes; or

(6) deferred or prepaid revenues.

"*Initial Guarantors*" means Labco Midi, Laboratoire de Biologie Médicale Jorion, Bioval, Biologistes Associés Regroupant des Laboratoires d'Analyses, Laboratoire de Biologie Médicale Delaporte, Biofrance, Biopaj, Laboratoire Goudaert-Dauchy-Leclerq-Capelle-Bourlart, Centre Biologique, SELAS Tixier-Pierfitte-Avot, anciennement Pokorny, Laboratoire Schaffner, Labco Artois, Analyses et Biologie du Littoral-Anabiol, Schemitick Vorlet et Associés, Laboratoire d'Analyses de Biologie Médicale Christine Pépin-Philippe Leluan-Patricia Sannier-Didier Guillo, Exsel Bio, Eslab, SEL de Directeurs et Directeurs Adjoints de Laboratoires d'Analyses de Biologie Médicale Normabio, Centre de Biologie Médicale Spécialisée, C.M.B.S., Norden, Laboratoire d'Analyses Médicales Roman Païs, Labco Finance, Labco Deutschland GmbH, AescuLabor-Karlsruhe GmbH, MVZ Dr. med. Sinterhauf, Dr. med. Lammert Laboratoriumsmedizin, Medizinische Mikrobiologie und Infektionsepidemiologie Gesundheitsförderungs GmbH, MVZ Medizinisches Fachlabor Dillenburg GmbH, Medizinisches Versorgungszentrum Labor Saar GmbH, Labco Italia S.r.l., C.A.M., Centro Analisi Monza S.p.A., Istituto il Baluardo S.p.A., Clinica de Diagnosticos Dr. Fernando Teixeira, S.A., Laboratório Médico Dr. David Santos Pinto, Flaviano Gusmão, Lda, General Lab Portugal, S.A. and Gnóstica—Laboratório de Análises Clínicas S.A., General Lab S.A., Sanilab S.A. and Sabater Analisis S.A., *provided* that upon release or discharge of such Person from its Note Guarantee in accordance with the Indenture, such Person ceases to be a Guarantor unless such Person is required to provide a guarantee under the covenant described under "*—Limitation on Issuances of Guarantees of Indebtedness*".

"*Initial Public Offering*" means the first Public Equity Offering of common stock or common equity interests of the Issuer or any Parent Entity (the "*IPO Entity*") following which there is a Public Market.

"*Intercreditor Agreement*" means the intercreditor agreement dated on or about the Issue Date made between, among others, the Issuer, the Guarantors, the Trustee, Natixis, as agent under the Revolving Credit Facility, and Deutsche Bank AG, London Branch, as Security Agent, as amended, restated or otherwise modified or varied from time to time.

"*Investment Grade Status*" shall occur when the Notes are rated Baa3 or better by Moody's and BBB− or better by S&P (or, if either such entity ceases to rate the Notes, the equivalent investment grade credit rating from any other Rating Agency).

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations, but excluding advances or extensions of credit to customers or suppliers made in the ordinary course of business), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as Investments on a balance sheet (excluding the footnotes) prepared in accordance with GAAP. If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "*—Certain Covenants—Restricted Payments*". The acquisition by the Issuer or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under the caption "*—Certain Covenants—Restricted Payments*". Except as otherwise provided in the Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

"*Issue Date*" means , 2011.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement or any lease in the nature thereof.

"*Management Advances*" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, managers, employees or consultants of the Issuer or any Restricted Subsidiary:

(1) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;

(2) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding €2.5 million in the aggregate outstanding at any time.

"*Moody's*" means Moody's Investors Service, Inc.

"*Net Proceeds*" means the aggregate cash proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any Designated Non-cash Consideration or other consideration received in non-cash form or Cash Equivalents substantially concurrently received in any Asset Sale), net of the direct costs relating to such Asset Sale and the sale of such Designated Non-cash Consideration or other consideration received in non-cash form, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, and all distributions and other payments required to be made to minority interest holders (other than the Issuer or any Subsidiary) in Subsidiaries or joint ventures as a result of such Asset Sale, and any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with GAAP.

"*Non-Recourse Debt*" means Indebtedness as to which neither the Issuer nor any of its Restricted Subsidiaries (1) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) or (2) is directly or indirectly liable as a guarantor or otherwise.

"*Note Guarantee*" means a guarantee by each Guarantor of the Issuer's obligations under the Indenture and the Notes, executed pursuant to the provisions of the Indenture and subject to the provisions of the Intercreditor Agreement.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Officer*" means, with respect to any Person, the Chief Executive Officer and the Chief Financial Officer of the Issuer or a responsible accounting or financial officer of the Issuer.

"*Officer's Certificate*" means a certificate signed by an Officer.

"*Parent Entity*" means any direct or indirect parent company or entity of the Issuer.

"*Permitted Biologist Payments*" means the amount of dividends paid in cash in respect of the relevant period to Biologist Shareholders.

"*Permitted Business*" means (i) any business, services or activities engaged in by the Issuer or any of its Restricted Subsidiaries on the Issue Date, and (ii) any businesses, services and activities 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 (x) Liens on the Collateral that are described in one or more of clauses (2), (3), (5), (6), (7), (8), (9), (14) and (18) of the definition of "Permitted Liens" and that, in each case, would not materially interfere with the ability of the Security Agent to enforce the security interest in the Collateral; (y) Liens on Collateral to secure Indebtedness of the Issuer or a Restricted Subsidiary that is permitted to be incurred under the first paragraph and clauses (1), (3), (4), (5) (if the original Indebtedness was so secured), (8), (9) (to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens) and (18) of the second paragraph of the covenant "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" and any Permitted Refinancing Indebtedness in respect of such Indebtedness; *provided, however,* that such Lien ranks either (a) equal to all other Liens on such Collateral securing Indebtedness of the Issuer or such Restricted Subsidiary, as applicable (except that a Lien in favor of Indebtedness incurred under clause (1) of the second paragraph of "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" and Priority Hedging Obligations may have super priority status not materially less favorable to the holders of the Notes than that accorded to the Revolving Credit Facility on the Issue Date pursuant to the Intercreditor Agreement) and in the case of liens on the Collateral to secure Additional Notes, all assets and properties that secure the Additional Notes secure the Notes or (b) junior to Liens securing the Notes and the Note Guarantees if the Lien secures Subordinated Indebtedness of the Issuer or the relevant Guarantor; and (z) Liens on the Issuer's rights under the Covenant Agreements to secure Additional Notes. Permitted Collateral Liens shall include any extension, renewal or replacement, in whole or in part, of any Lien described in the immediately preceding sentence; *provided* that any such extension, renewal or replacement will be no more restrictive in any material respect than the Lien so extended, renewed or replaced and will not extend in any material respect to any additional property or assets.

"*Permitted Holders*" means the Equity Investors and Related Parties. 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 Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investments*" means:

(1) any Investment in the Issuer or in a Restricted Subsidiary;

(2) any Investment in cash and Cash Equivalents;

(3) any Investment by the Issuer or any Restricted Subsidiary in a Person, if as a result of such Investment:

  (a) such Person becomes a Restricted Subsidiary; or

  (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "*—Repurchase at the Option of Holders—Asset Sales*";

(5) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes;

(6) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;

(7) any Investment in a Securitization Subsidiary or any Investment by a Securitization Subsidiary in any other Person 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 Indebtedness;

(8) Investments represented by Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant entitled "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(9) Investments in the Notes (including any Additional Notes) and any other Indebtedness of the Issuer or any Restricted Subsidiary;

(10) any guarantee of Indebtedness or performance and surety bonds, in each case permitted to be incurred by the covenant described above under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(11) any Investment existing on, or made pursuant to binding commitments 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 Indenture;

(12) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "*—Merger, Consolidation or Sale of Assets*" after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(13) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(14) any Investment to the extent made using as consideration Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Debt or Capital Stock of any Parent Entity;

(15) Management Advances;

(16) 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 (16) that are at the time outstanding not to exceed €20.0 million; *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 the covenant described above under the caption "*—Certain Covenants—Restricted Payments*", such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of "Permitted Investments" and not this clause; and

(17) Investments in joint ventures of the Issuer or any of its Restricted Subsidiaries not to exceed at any one time in the aggregate outstanding, €20.0 million; *provided*, that if any Investment pursuant to this clause (17) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (17) for so long as such Person continues to be a Restricted Subsidiary.

"*Permitted Liens*" means:

(1) Liens in favor of the Issuer or any of the Restricted Subsidiaries;

(2) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged with or into or consolidated with the Issuer or any Restricted Subsidiary; *provided* that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary or such merger or consolidation, were not incurred in contemplation thereof and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged with or into or consolidated with the Issuer or any Restricted Subsidiary;

(3) Liens to secure the performance of statutory obligations, trade contracts, insurance, surety or appeal bonds, workers' compensation obligations, leases, performance bonds or other obligations of a like nature incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);

(4) Liens to secure Indebtedness permitted by clause (4) of the second paragraph of the covenant entitled "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*" covering only the assets acquired with or financed by such Indebtedness;

(5) Liens existing on the Issue Date;

(6) Liens for taxes, assessments or governmental charges or claims that (x) are not yet due and payable or (y) are being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as will be required in conformity with GAAP will have been made;

(7) Liens imposed by law, such as carriers', warehousemen's, landlord's and mechanics' Liens, in each case, incurred in the ordinary course of business;

(8) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(9) Liens created for the benefit of (or to secure) the Notes (or any Note Guarantee);

(10) Liens securing Indebtedness under Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant described above under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(11) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the Indenture (excluding Liens to secure Permitted Refinancing Indebtedness initially secured pursuant to clause (26) of this definition); *provided*, *however*, that:

   (a) the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

   (b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged with such Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(12) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(13) filing of Uniform Commercial Code financing statements under U.S. state law (or similar filings under other applicable jurisdictions) in connection with operating leases in the ordinary course of business;

(14) bankers' Liens, rights of setoff or similar rights and remedies as to deposit accounts, Liens arising out of judgments or awards not constituting an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(15) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(16) 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;

(17) leases, licenses, subleases and sublicenses of assets in the ordinary course of business;

(18) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;

(19) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any real property leased by the Issuer or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(20) Liens on Securitization Assets and related assets incurred in connection with any Qualified Securitization Financing;

(21) 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;

(22) 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;

(23) Liens (including put and call arrangements) on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(24) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(25) Liens on property at the time the Issuer or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Issuer or any Restricted Subsidiary; *provided* that such Liens are not created, incurred or assumed in connection with, or in contemplation of, such acquisition and do not extend to any other property owned by the Issuer or any Restricted Subsidiary;

(26) Liens incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with respect to obligations that do not exceed €10.0 million at any one time outstanding; and

(27) any interest or title of a lessor under any operating lease.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Issuer or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange, defease or discharge other Indebtedness of the Issuer or any of its Restricted Subsidiaries (other than intercompany Indebtedness (other than any proceeds loan)); *provided* that:

(1) the aggregate principal amount (or accreted value, if applicable), or if issued with original issue discount, aggregate issue price) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has (a) a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (ii) after the final maturity date of the Notes and (b) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is expressly, contractually, subordinated in right of payment to the Notes or any Note Guarantee, as the case may be, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes or such Note Guarantee, as the case may be, on terms at least as favorable to the holders of Notes or the Note Guarantee, as the case may be, as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged; and

(4) if the Issuer or any Guarantor was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged, such Indebtedness is incurred either by the Issuer, a Finance Subsidiary or by a Guarantor.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Priority Hedging Obligations*" means at any time Hedging Obligations equal to 20% of all Hedging Obligations outstanding at that time.

"*Pre-Expansion European Union*" means the European Union as of January 1, 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after January 1, 2004.

"*Public Equity Offering*" means, with respect to any Person, a bona fide underwritten primary public offering of the shares of common stock or common equity interests of such Person, either:

(1) pursuant to a flotation on the main market of the London Stock Exchange or any other nationally recognized regulated stock exchange or listing authority in a member state of the Pre-Expansion European Union; or

(2) pursuant to an effective registration statement under the U.S. Securities Act (other than a registration statement on Form S-8 or otherwise relating to Equity Interests issued or issuable under any employee benefit plan).

"*Public Market*" means any time after:

(1) a Public Equity Offering of the IPO Entity has been consummated; and

(2) at least 20% of the total issued and shares of common stock or common equity interests 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 Issuer as of the Issue Date.

"*Qualified Securitization Financing*" means any financing pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person or grant a security interest in, any accounts receivable (and related assets) in an aggregate principal amount equivalent to the Fair Market Value of such accounts receivable (and related assets) of the Issuer or any of its Restricted Subsidiaries; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by the Issuer's Board of Directors or senior management) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Issuer's Board of Directors or senior management) at the time such financing is entered into and (c) such financing shall be non recourse to the Issuer or any of its Restricted Subsidiaries except to a limited extent customary for such transactions.

"*Rating Agencies*" means Moody's and S&P or, in the event Moody's or S&P no longer assigns a rating to the Notes, any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the U.S. Exchange Act selected by the Issuer as a replacement agency.

"*Related Party*" means:

(1) any controlling stockholder, partner or member, or any 50% (or more) owned Subsidiary, or immediate family member (in the case of an individual), of any Equity Investor; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding a 50% or more controlling interest of which consist of any one or more Equity Investors and/or such other Persons referred to in the immediately preceding clause.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the 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 Issuer that is not an Unrestricted Subsidiary: Consolidated EBITDA, Consolidated Net Income, Consolidated Senior Secured Leverage, Consolidated Senior Secured Leverage Ratio, Fixed Charges and Fixed Charge Coverage Ratio.

"*Revolving Credit Facility*" means the credit agreement for an amount of up to €125.0 million which may be increased to €135.0 million to be entered into on or prior to the Issue Date among the Issuer, certain Subsidiaries of the Issuer, as borrowers and guarantors, Credit Suisse International, Deutsche Bank AG, London Branch, Natixis and UBS Limited, as mandated lead arrangers, and Natixis, as facility agent, dated on or about the Issue Date 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 Indebtedness 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—Incurrence of Indebtedness and Issuance of Preferred Stock*") or altering the maturity thereof.

"*S&P*" means Standard & Poor's Ratings Group.

"*Securitization Assets*" means any accounts receivable or revenue streams 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 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 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.

"*Securitization Subsidiary*" means a Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Securitization Financing in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers Securitization Assets and related assets) which engages in no activities other than in connection with the financing of Securitization Assets of the Issuer or its Subsidiaries, all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer as a Securitization Subsidiary.

"*Security Documents*" means the capital stock pledges, pledges of intercompany loan receivables and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which the Collateral is pledged, assigned or granted to or on behalf of the Security Agent for the benefit of the holders of the Notes and the Trustee or notice of such pledge, assignment or grant is given.

"*Senior Debt*" means:

(1) all Indebtedness of the Issuer or any Guarantor outstanding under the Revolving Credit Facility, all Hedging Obligations and all Obligations with respect to any of the foregoing; and

(2) any other Indebtedness of the Issuer or any Guarantor permitted to be incurred under the terms of the Indenture, unless the instrument under which such Indebtedness is incurred expressly provides, in the case of the Issuer, that it is subordinated in right of payment to the Notes, or in the case of any Guarantor that has provided a Note Guarantee, that it is subordinated in right of payment to the Note Guarantee of such Guarantor and all Obligations with respect to any of the foregoing.

Notwithstanding anything to the contrary in the preceding, Senior Debt will not include:

(1) any liability for national, state, local or other taxes owed or owing by the Issuer or any of its Subsidiaries;

(2) any intercompany Indebtedness of the Issuer or any of its Subsidiaries to the Issuer or any of its Affiliates;

(3) any trade payables; or

(4) the portion of any Indebtedness that is incurred in violation of the Indenture; *provided* that Indebtedness under a Credit Facility will not cease to be "Senior Debt" by virtue of this clause (4) if it was advanced on the basis of an Officers' Certificate to the effect that it was permitted to be incurred under the Indenture.

"*Senior Secured Indebtedness*" means, as of any date of determination, (a) any Indebtedness that is secured by a Lien on assets other than Collateral, (b) any Indebtedness that is secured on a *pari passu* or senior basis by a Lien on Collateral that also secures the Notes or the Note Guarantees, and

(c) Indebtedness, Disqualified Stock or preferred stock of a Restricted Subsidiary of the Issuer that is not a Guarantor.

"*Significant Subsidiary*" means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries which are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Issuer or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Issuer.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Indebtedness*" means (a) with respect to the Issuer, any Indebtedness of the Issuer which is by its terms subordinated in right of payment to the Notes and (b) with respect to a Guarantor, any Indebtedness of such Guarantor which is by its terms subordinated in right of payment to its Note Guarantee.

"*Subordinated Shareholder Debt*" means, collectively, any debt provided to the Issuer by any direct or indirect parent of the Issuer or any Permitted Holder or Related Party, in exchange for or pursuant to any security, instrument or agreement 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 Subordinated Shareholder Debt; *provided* that such Subordinated Shareholder Debt:

(1) does not (including upon the happening of any event) mature or require any amortization, redemption or other payment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Issuer (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confers on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(4) is not secured by a lien on any assets of the Issuer or a Restricted Subsidiary and is not guaranteed by any Subsidiary of the Issuer;

(5) is subordinated in right of payment to the prior payment in full in cash of the Notes pursuant to its terms or the terms of the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement or to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or no less favorable in any material respect to holders of the Notes than those contained in the Intercreditor Agreement as in effect on the Issue Date with respect to "Subordinated Liabilities" (as defined therein);

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Issuer with its obligations under the Notes and the Indenture;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) 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 Notes mature other than into or for Capital Stock (other than Disqualified Stock) of the Issuer,

provided, *however*, that any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Debt, such Indebtedness shall constitute an incurrence of such Indebtedness by the Issuer, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Debt shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Debt.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association, *société d'exercice libéral* or other business entity of which more than 50% of the total voting power of shares of Capital 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 (a)(i) 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 shares of Capital 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 (ii) 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 shares of Capital 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 (b) 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 applicable GAAP; and

(2) any partnership or limited liability company (other than entities covered by clause (1) of this definition) of which (a) 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 (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Tangible Assets*" means, with respect to any specified Person, the total assets of such Person, as shown on the most recent balance sheet of such Person, determined on a consolidated or combined basis, as applicable, in each case excluding goodwill and intangible assets.

"*Tax*" means any tax, duty, levy, impost, assessment or other 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.

"*Unrestricted Subsidiary*" means any Subsidiary of the Issuer (other than the Issuer or any successor to the Issuer) that is designated by the Board of Directors of the Issuer as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) except as permitted by the covenant described above under the caption "*—Certain Covenants —Transactions with Affiliates*", is not party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer; and

(3) is a Person with respect to which neither the Issuer nor any Restricted Subsidiary has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results.

"*Voting Stock*" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) 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 Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amounts of such Indebtedness.

BOOK-ENTRY; DELIVERY AND FORM

General

Notes sold to qualified institutional buyers in reliance on Rule 144A will initially be represented by a global note in registered form without interest coupons attached (the "Rule 144A Global Note"). Notes sold outside the United States in reliance on Regulation S 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 will be deposited, on the closing date, with, or on behalf of, a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream, Luxembourg.

Ownership of interests in the Rule 144A Global Note (the "Rule 144A Book-Entry Interests") and ownership of interests in the Regulation S Global Note (the "Regulation S Book-Entry Interests" and, together with the Rule 144A Book-Entry Interests, the "Book-Entry Interests") will be limited to persons that have accounts with Euroclear and/or Clearstream, Luxembourg or persons that hold interests through such participants. Euroclear and Clearstream, Luxembourg will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, Euroclear and/or Clearstream, Luxembourg (or their respective nominees), as applicable, will be considered the sole holders of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and Clearstream, Luxembourg, and indirect participants must rely on the procedures of Euroclear and Clearstream, Luxembourg and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

None of us, the Paying Agent, the Transfer Agent, the Registrar or the Trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive definitive registered Notes in certificated form ("Definitive Registered Notes") only:

(1) if either Euroclear or Clearstream, Luxembourg notifies us that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream, Luxembourg following an event of default under the Indenture and enforcement action is being taken in respect thereof under the Indenture.

Euroclear and Clearstream, Luxembourg have advised us that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), their current procedure is to request that we issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests.

In such an event, the Registrar will 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 in the Indenture, unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, we, 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 the 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

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the common depositary or its nominee for Euroclear and Clearstream, Luxembourg. The common depositary will distribute such payments to participants in accordance with their customary procedures. We 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 Notes—Additional Amounts*". If any such deduction or withholding is required to be made, then, to the extent described under "*Description of the 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. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, we, the Trustee, the Registrar and the Paying Agents will treat the registered holders of the Global Notes (e.g., Euroclear or Clearstream, Luxembourg (or their respective nominees)) as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, 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 Notes—Transfer and Exchange*" and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Transfer Restrictions*".

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first-mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Information Concerning Euroclear and Clearstream, Luxembourg

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, Luxembourg, as applicable. We have provided the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. Neither we nor the 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 Notes only through Euroclear or Clearstream, Luxembourg participants.

Global Clearance and Settlement under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream, Luxembourg currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, any Guarantor, the 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.

Trustees' Powers

In considering the interests of the holders of Notes, while title to the Notes is registered in the name of a nominee of a clearing system, the Trustee may have regard to, and rely on, any information provided to it by that clearing system as to the identity (either individually or by category) of its accountholders with entitlements to Notes and may consider such interests as if such accountholders were the holders of the Notes.

Enforcement

For the purposes of enforcement of the provisions of the Indenture against the Trustee, the persons named in a certificate of the holder of the Notes in respect of which 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 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 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 are offering and selling the 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 Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the initial purchasers as follows:

(1) It understands and acknowledges that the Notes and the 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 Issuer or acting on behalf of the Issuer and it is either:

    (i) a QIB and is aware that any sale of Notes to it will be made in reliance on Rule 144A, and the acquisition of Notes will be for its own account or for the account of another QIB; or

    (ii) it is purchasing the Notes in an offshore transaction in accordance with Regulation S.

(3) It acknowledges that none of the 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 Issuer 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.

(5) 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 the 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 date of the Issue Date and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) only (i) to the 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 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 "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 these Notes as well as to holders of these Notes.

(6) It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.

(7) 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 Issuer and the Registrar that the restrictions set forth therein have been complied with.

(8) It acknowledges that the Issuer, 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 the Notes is no longer accurate, it shall promptly notify the 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.

(9) It understands that no action has been taken in any jurisdiction (including the United States) by the 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*".

CERTAIN 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 Issuer, (ii) Euroclear and Clearstream, Luxembourg, (iii) Euroclear's and Clearstream, Luxembourg's common depositary, (iv) Euroclear's and Clearstream, Luxembourg's common depositary's nominee or (v) another entity may be considered paying agent within the meaning of the Savings Directive depending on (a) the legal status of (ii), (iii) and (iv) and (b) the modalities of the payments made to the holders of the Notes.

However, throughout a transitional period, certain Member States (Luxembourg and 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 20% for a period of three years, starting on July 1, 2008, and 35% thereafter.

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 November 13, 2008, the European Commission published proposals for amendments to EC Council Directive 2003/48/EC, which, if implemented, would amend and broaden the scope of the requirements above. The European Parliament approved an amended version of this proposal on April 24, 2009.

Certain French Tax Consequences

The following description is only addressed to beneficial owners of Notes who are not French residents for French tax purposes, who do not hold their Notes in connection with a permanent establishment or a fixed base in France and who do not otherwise hold shares of our company (for the purposes of this section the "holders" of Notes).

It only represents a summary of certain provisions of French tax laws and regulations 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. It assumes that interest paid by the Issuer with respect to the Notes will qualify as a deductible charge of such Issuer for French corporate income tax purposes, notably pursuant to the provisions of Article 238A of the French tax code ("FTC"). Furthermore, it does not deal with any tax other than the withholding, income and transfer taxes as described below and is based on French tax and practices in effect on the date hereof, all of which are subject to changes or changes in interpretation, possibly on a retroactive basis. Therefore, prospective investors are advised to consult their own professional advisors.

Since March 1, 2010, income paid by a French debtor to a non-French tax resident in respect of debt securities is exempt from French withholding tax. As an exception to this general principle, when such income is paid by a French debtor into a non-cooperative state or territory within the meaning of Article 238-0A of the FTC ("NCST"), it is subject to a 50% withholding tax, except, notably, when it is paid in respect of the following instruments (pursuant to the ruling (*rescrit*) no. 2010/11 of the *Direction Générale des Impôts* dated 22 February 2010):

- instruments issued in a public offering within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a state other than an NCST (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);
- instruments 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 NCST 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 an NCST; or
- instruments admitted, at the time of their issue, to the clearing operations of a central depositary 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 depositaries or operators provided that such depositary or operator is not located in an NCST.

The Notes issued by the 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 Notes will be admitted to trading on the Irish Stock Exchange in Ireland which does not qualify as an NCST and that such market will be operated by a market operator which is not located in an NCST, and (ii) that the Notes will be admitted to the clearing operations of a central depositary 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 an NCST, payments made by the Issuer in respect of the Notes to their holders should benefit from at least one of the above-mentioned exceptions and consequently be exempt from any French withholding tax.

A holder of Notes who is not a resident of France for French tax purposes 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 unless such Notes form part of the business property of a permanent establishment or a fixed base that such holder has in France.

Transfers of Notes outside France are not subject to any stamp duty or other transfer taxes imposed in France.

Material United States Federal Income Tax Considerations

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFERING MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

* * * * *

The following is a summary of the material U.S. Federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations and rulings and decisions currently in effect, all of which are subject to change (possibly with retroactive effect). This summary assumes that investors purchase the Notes at the "issue price" (the first price at which a substantial amount of Notes are sold for money, excluding sales to underwriters, placement agents or wholesalers) in the initial offering and that they hold the Notes as capital assets within the meaning of Section 1221 of the Code. The discussion does not cover all aspects of U.S. Federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws other than the U.S. Federal income tax laws. This summary also does not address all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. Federal income tax laws (such as financial institutions, insurance companies, regulated investment companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax deferred accounts, tax exempt organizations, U.S. expatriates, dealers in securities or currencies, traders in securities who elect to apply a mark-to-market method of accounting, partnerships or other pass-through entities, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. Federal income tax purposes or investors whose functional currency is not the U.S. dollar).

As used herein, the term "U.S. Holder" means a beneficial owner of Notes that is, for U.S. Federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. Federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. Federal income tax without regard to its source or (iv) a 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 control all the substantial decisions of the trust, or if the trust has made a valid election to be treated as a U.S. person.

The U.S. Federal income tax treatment of a partner in a partnership (including for this purpose any entity treated as a partnership for U.S. Federal income tax purposes) that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax advisers concerning the U.S. Federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO

THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Payments of Interest

General

Interest on a Note (including any amounts withheld and any Additional Amounts paid in respect of withholding taxes imposed on payments on the Notes) will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for U.S. Federal income tax purposes. Interest paid by the Issuer on the Notes and original issue discount ("OID"), if any, accrued with respect to the Notes (as described below under "*—Original Issue Discount*") constitutes income from sources outside the United States. Prospective purchasers should consult their tax advisors concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

Euro Denominated Interest

The amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. A U.S. Holder generally will not have exchange gain or loss on the interest payment but may have exchange gain or loss when the holder disposes of any euros such holder receives (as discussed below under "*—Disposition of Euros*").

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in euros in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the Internal Revenue Service (the "IRS").

Upon an accrual basis U.S. Holder's receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in euros, the U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Original Issue Discount

The Notes may be issued with OID in an amount generally equal to the excess of the stated redemption price at maturity of the Notes over their issue price, unless the OID is less than a statutorily defined de minimis threshold (which is 0.0025 multiplied by the product of the stated redemption price at maturity and the number of complete years to maturity). The stated redemption price at maturity of a Note will be its principal amount. Accordingly, a U.S. Holder must include a portion of the OID in gross income as interest in each taxable year or portion thereof in which the U.S. Holder holds the Notes even if the U.S. Holder has not received a cash payment in respect of the OID.

U.S. Holders of Notes must include OID in income calculated on a constant yield method and generally will have to include in income increasingly greater amounts of OID over the life of the Notes. The amount of OID includible in income by a U.S. Holder of a Note is the sum of the daily portions of OID with respect to the Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Note ("accrued OID"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year, and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Note's adjusted issue price at the beginning of the accrual period and the Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of interest on the Note allocable to the accrual period. The "adjusted issue price" of a Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of payments previously made on the Note that were not interest payments.

OID for each accrual period will be determined in euros and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above under "*—Payments of Interest*". Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of a Note), a U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

The rules regarding OID are complex. U.S. Holders are strongly urged to consult their own tax advisors regarding the application of these rules in light of their particular circumstances.

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant yield method described above. This election generally applies only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. U.S. Holders should consult their tax advisors concerning the propriety and consequences of this election.

Sale and Retirement of the Notes

A U.S. Holder will generally recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement (not including any amounts that are attributable to accrued but unpaid interest, which will be taxable as ordinary interest income in accordance with the U.S. Holder's method of tax accounting as described above) and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note will generally be its U.S. dollar cost (as defined below) increased by any OID included in the U.S. Holder's income with respect to the Note and reduced by the amount of any principal paid on the Note. The "U.S. dollar cost" of a Note purchased with euros will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Notes traded on an established securities market that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). The amount realized on a sale or retirement for an amount in euros will be the U.S. dollar value of this amount on the date of sale or retirement, or the settlement date for the sale, in the case of Notes traded on an established securities market sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). If an accrual method taxpayer makes the election described in this paragraph, the election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

A U.S. Holder will recognize U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar value of the issue price for the Note on (i) the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest) will be realized only to the extent of total gain or loss realized on the sale or retirement, and will generally be treated as from sources within the United States for U.S. foreign tax credit limitation purposes. Prospective purchasers should consult their tax advisors as to the foreign tax credit implications of the sale or retirement of Notes.

Gain or loss in excess of exchange gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Note was held by the U.S. Holder for more than one year. Gain or loss realized by a U.S. Holder on the sale or retirement of a Note generally will be treated as U.S. source income or loss. In the case of an individual U.S. Holder, any such gain will be subject to preferential U.S. Federal income tax rates if that U.S. Holder satisfies certain prescribed minimum holding periods. The deductibility of capital losses is subject to significant limitations.

Disposition of Euros

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of the foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Backup Withholding and Information Reporting

In general, payments of principal, interest (including accrued OID, if any) on, and the proceeds of sale or other disposition of Notes, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable information reporting requirements. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise fails to comply with the applicable backup withholding rules. Certain U.S. Holders that provide an appropriate certification or otherwise qualify for exemption are not subject to backup withholding. U.S. Holders who are required to establish their exempt status generally must provide IRS Form W-9. Holders other than U.S. Holders generally will not be subject to U.S. information reporting or backup withholding. However, such holders may be required to provide certification of non-U.S. status (generally on IRS Form W-8BEN) in connection with payments received in the United States or through certain U.S.-related financial intermediaries. U.S. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment made to a holder generally may be claimed as a credit against such holder's U.S. Federal income tax liability, and a holder may obtain a refund of any excess amounts withheld by filing the appropriate claim for refund with the IRS in a timely manner and furnishing any required information.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. Under the relevant rules, if the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if this loss exceeds the relevant threshold amount (U.S.$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers are urged to consult their tax advisors regarding the application of these rules.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND THE SECURITY INTERESTS AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

Set forth below is a summary of certain limitations on the enforceability of the guarantees and the security interests, and a summary of certain insolvency law considerations in each of the jurisdictions in which the 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 Notes, the 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 Issuer, the Guarantors or any of the 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 Issuer and the Guarantors.

France

Insolvency

We conduct a part of our business activity in France and, to the extent that the center of our main interests is deemed to be in France, we would be subject to French insolvency proceedings affecting creditors, including court-assisted informal proceedings (*mandat ad hoc* or *conciliation* proceedings) and court-administered insolvency proceedings (*sauvegarde*) ("safeguard "), reorganization or liquidation proceedings (*redressement* or *liquidation judiciaire*). Similarly, French Guarantors will be subject to French insolvency proceedings. 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 guarantees granted by the French Guarantors and corresponding security interests.

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 of the French Civil Code (*Code civil*).

Pursuant to the provisions of this article, French courts may, in any civil proceeding involving the debtor, 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 decree) or that payments made shall first be allocated to repayment of principal. A court order made under Article 1244-1 of the French Civil Code will suspend any pending enforcement measures, and any contractual interest or penalty for late payment will not accrue or be due during the period ordered by the court.

Court-assisted Pre-insolvency Proceedings

A French company facing difficulties may request the opening of court-assisted pre-insolvency proceedings (*mandat ad hoc* or *conciliation*), the aim of which is to reach an agreement with the debtor's main creditors. *Mandat ad hoc* and *conciliation* are informal proceedings carried out under the supervision of the president of the court, which do not involve any stay of the proceedings.

French law does not provide for any specific rule in respect of *mandat ad hoc*. In practice, *mandat ad hoc* proceedings are used by debtors that are facing difficulties of an economic or financial nature but are not in a state of cessation of payments (*cessation de paiements*) (i.e., the debtor is considered in a state of cessation of payments where it is unable to pay its debts when they fall due with its liquid assets (taking into account available credit lines and existing rescheduling agreements)). They are confidential and are not limited in time. The agreement reached by the parties (if any) with the help of the court-appointed officer (*mandataire ad hoc*) is reported by the latter to the court but is not sanctioned by the court.

Conciliation proceedings are available to a debtor that faces actual or foreseeable difficulties of a legal, economic or financial nature but which has not been in a state of cessation of payments for more than 45 days. The debtor petitions the President of the Commercial Court for the appointment of a conciliator in charge of assisting the debtor in negotiating with all or part of its creditors and/or trade partners an agreement providing for the restructuring of its indebtedness. *Conciliation* proceedings are confidential and may last up to five months. During the proceedings, creditors may continue to sue individually for payment of their claims but the debtor retains the right to petition for debt rescheduling for a maximum of two years pursuant to Article 1244-1 of the Civil Code. Upon its execution, the agreement reached by the parties becomes binding upon them and creditors may not take action against the company in respect of claims governed by the agreement. In addition, without such formalities being an obligation on the parties, the agreement can be either:

- upon all parties' request, acknowledged (*constaté*) by the President of the court, which makes it immediately enforceable; or
- upon the debtor's request, sanctioned (*homologué*) by the Commercial Court if (i) the debtor is not insolvent at the time or if the rescheduling agreement has the effect of putting an end to the debtor's insolvency, (ii) if the rescheduling agreement effectively ensures that the company will survive as a going concern, and (iii) the agreement is not violating the interest of the non-signatory creditors; the judgment does not make public the terms of the agreement but discloses the guarantees and priorities (*privilèges*) granted to the creditors.

While the agreement (whether acknowledged, sanctioned or not) is being implemented, any individual proceedings by creditors with respect to the claims included in the agreement are suspended. Subject to having been sanctioned, creditors having extended new credits to the debtor are privileged in future proceedings. In case of breach of the agreement, any party to the agreement can petition the court for its termination.

Court-administered Proceedings—Safeguard, Reorganization and Liquidation Proceedings

Court-administered proceedings may be initiated:

- in the event of safeguard proceedings, upon petition by the debtor only; and
- in the event of judicial reorganization or liquidation, upon petition by the debtor, any creditor or the public prosecutor, or on the court's own initiative.

The debtor may file for safeguard proceedings at any time it is facing difficulties that it cannot overcome, as long as it is not in a state of cessation of payments. It is required to petition for the opening of judicial reorganization proceedings (if recovery is possible) or judicial liquidation proceedings (if recovery is manifestly not possible) within 45 days of the date upon which the cessation of payments occurred. If it fails to do so, its directors and officers are subject to civil liability.

The period from the date of the court decision commencing the proceedings (whether a safeguard or a judicial reorganization) to the date on which the court takes a decision on the outcome of the proceedings is called the observation period and may last up to 18 months. During the observation period, a court-appointed administrator, whose name can be suggested by the debtor in safeguard proceedings, investigates the business of the company. In safeguard proceedings, the administrator's mission is limited to either supervising or assisting the debtor's management and assisting it in preparing a safeguard plan for the company. In judicial reorganization proceedings, the administrator's mission is usually to assist the management and to make proposals for the reorganization of the company.

At the end of the observation period, if it considers that the company can survive as a going concern, the court will adopt a safeguard or reorganization plan which will entail a restructuring and/or rescheduling of debts and may entail the divestiture of some or all of the debtor's assets and businesses (a sale of the entire business is not possible in a safeguard plan). At any time during safeguard proceedings, the court may convert such proceedings into reorganization proceedings (i) upon its own initiative, if the debtor becomes in a state of cessation of payments, or (ii) at the debtors' request, if the approval of a safeguard plan is manifestly impossible and if the company would become insolvent should safeguard proceedings be closed. At any time during safeguard or reorganization proceedings, the court may convert such proceedings into liquidation proceedings if recovery of the debtor is manifestly impossible.

Creditors' Committees and Adoption of the Safeguard or Reorganization Plan

During the observation period, in the case of large companies (with more than 150 employees or turnover greater than €20 million), two creditors' committees (one for credit institutions having a claim against the debtor and the other for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers) have to be established. To be eligible to vote, suppliers must have their claims set forth in the list provided by the debtor to the administrator as certified by the debtor's statutory auditor.

If there are any outstanding debt securities in the form of *obligations* (such as bonds or notes), a general meeting gathering all holders of such debt securities will be established whether or not there are different issuances and no matter what the applicable law of those *obligations* is (the "bondholders' general assembly"). The Notes constitute *obligations* for the purposes of a safeguard or reorganization proceeding.

These two committees and the bondholders' general assembly will be consulted on the safeguard or reorganization plan drafted by the debtor's management during the observation period.

In the first instance, the plan must be approved by each of the two creditors' committees. Each committee must announce whether its members approve or reject such plan. Such approval requires the affirmative vote of creditors holding at least two-thirds of the amounts of the claims held by the members of such committee that participated in such vote.

Following the approval of the plan by the two creditors' committees, the plan will be submitted for approval to the bondholders' general meeting. The approval of the plan at such meeting requires the affirmative vote of bondholders representing at least two-thirds of the principal amount of the *obligations* held by creditors who voted in the bondholders' general meeting.

Following approval by the creditors' committees and the bondholders' general meeting, 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. Once approved by the relevant court, the safeguard or reorganization plan accepted by the committees and the bondholders' general meeting will be binding on all the members of the committees and all bondholders (including those who voted against the adoption of the plan). A safeguard or reorganization plan may include debt rescheduling, debt write-offs as well as debt-to-equity swaps.

In the event any of the committees or the bondholders' general meeting has refused to give its consent to the plan, the plan will not be approved by the court and a consultation of the creditors on an individual basis will take place. In those circumstances, the court has the right to impose unilateral debt deferrals for a maximum period of 10 years, but the court may not impose debt write-offs. The same rule applies in respect to creditors who are not members of the committees and who have not consented to the plan as adopted by the two committees and the bondholders' general meeting.

Accelerated Financial Safeguard

Pursuant to the banking and financial regulation law no. 2010-1249 dated October 22, 2010 (which will come into force on March 1, 2011), a debtor in the course of *conciliation* proceedings may request commencement of Accelerated Financial Safeguard proceedings. The Accelerated Financial Safeguard procedure has been designed to "fast-track" purely financial difficulties of large companies (with more than 150 employees or turnover greater than €20 million). The procedure relates only to debt owed to financial institutions and bondholders (i.e., debts towards credit institutions which are eligible to creditor's committees and debts towards bondholders, which are eligible to the bondholders' general assembly described above), which are subjected to an automatic stay and dealt with under the safeguard plan. The company continues to trade normally while the procedure is pending, thus reducing significantly the impact of a safeguard on operational companies. Other classes of creditors, such as trade creditors, are not affected by the procedure.

The Accelerated Financial Safeguard procedure is only available to companies which have failed to agree on a restructuring plan on a unanimous basis in the context of *conciliation* proceedings.

To be eligible to the Accelerated Financial Safeguard, the debtor must fulfil three conditions:

- as is the case for regular safeguard proceedings, the debtor must (i) not be in cessation of payments and (ii) face difficulties which it is not in a position to overcome;
- the debtor must be subject to ongoing *conciliation* proceedings when it applies for the opening of the Accelerated Financial Safeguard;
- in the context of *conciliation* proceedings, the debtor must have prepared a draft safeguard plan to protect its operations in the long run likely to be supported by financial creditors (i.e., credit institutions which are eligible to creditor's committees and bondholders, which are eligible to the bondholders' general assembly described above), representing a two-thirds majority of its financial indebtedness.

Where Accelerated Financial Safeguard is opened, the credit institution committee and the bondholders' general assembly are convened and are required to vote on the proposed safeguard plan within a minimum period of eight days of delivery of the proposed plan (as compared to a minimum period of 15 days for the regular safeguard).

For their claim to be taken into account in the safeguard plan, creditors which are members of the committee of credit institutions and bondholders must file a proof of claim within two months from the publication of the judgment opening the proceedings as this is the case for regular safeguard proceedings. However, if creditor members of the committee of credit institutions and the bondholders' general assembly do not file their claims within the above-mentioned two month period then (i) if they were party to the *conciliation* proceeding, their claims will be assumed to have been filed according to the list of claims established by the debtor and certified by its statutory auditors, which has to be provided to the court at the opening of the proceedings and (ii) if they were not party to the *conciliation* proceedings, their claim will not be enforceable during the Accelerated Safeguard Proceeding and will therefore not be included in the plan.

The total duration of the Accelerated Financial Safeguard (i.e., the period between the judgment opening the Accelerated Financial Safeguard and the judgment adopting the plan) is one month, unless the court decides to extend it by one additional month.

Status of Creditors during Safeguard, Accelerated Financial Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings

Contractual provisions pursuant to which the opening of the proceedings constitutes an event of default are not enforceable against the debtor, while 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. The court-appointed officer can, on the contrary, 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 it fully performs its post-petition contractual obligations.

In addition, during the observation period:

- accrual of interest is suspended (except in respect of loans providing for a term of at least one year, or contracts providing for a payment which is differed by at least one year);
- the debtor is prohibited from paying debts contracted prior to the date of the court decision commencing the proceedings, subject to specified exceptions which essentially cover the set-off

of related (*connexes*) debts and payments authorized by the bankruptcy judge to recover assets for which recovery is justified by the continued operation of the business; and

- creditors may not pursue any individual legal action against the debtor (or a guarantor of the debtor provided such guarantor is an individual) 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);
  - 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.

In Accelerated Financial Safeguard, the above rules only apply to the creditors which are subject to the Accelerated Financial Safeguard (i.e., credit institutions which are eligible to creditor's committees and bondholders, which are eligible to the bondholders' general assembly described above).

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of proceedings must file a claim with the creditors' representative within two months of the publication of the court decision in the *Bulletin Officiel des annonces civiles et commerciales*; this period is extended to four months for creditors domiciled outside France. Creditors who have not submitted their claims during the relevant period are, except with respect to very limited exceptions, barred from receiving distributions made in connection with the proceedings. Employees are not subject to limitations and are preferential creditors under French law.

If the court adopts a 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*), the proceeds of the sale will be allocated for the repayment of the 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 in charge of selling the assets of the company and settling the relevant debts in accordance with their ranking.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees, officials appointed by the insolvency court, creditors who, as part of the sanctioned *conciliation* agreement, have provided new money or goods or services, post-petition creditors, certain secured creditors essentially in the event of liquidation proceedings and the French State (taxes and social charges).

The "Suspect Period" in Judicial Reorganization and Liquidation Proceedings

The court determines the date on which the cessation of payments is deemed to have occurred. It can be any date within the 18 months preceding the date of the opening of the proceedings. This marks the beginning of the "suspect period" (*période suspecte*). Certain transactions entered into by the debtor during the suspect period are automatically void or voidable by the court.

Automatically 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, 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 such as the guarantees) previously incurred and provisional measures, unless the right of attachment or seizure predates the date of cessation of payments.

Transactions voidable by the court include payments made on accrued debts, transfers of assets 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 court determines that the creditor knew of the cessation of payments of the debtor. See "*Risk Factors—Risks Related to Our Indebtedness and the Notes—The insolvency 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 guarantees and the Security Interests, including fraudulent conveyance statutes, may adversely affect their validity and enforceability*" and "*—Fraudulent Transfer Provisions*".

Creditors' Liability

Pursuant to article L. 650-1 of the French Commercial Code, where insolvency proceedings or safeguard have been commenced, creditors may be held liable for the losses suffered as a result of facilities granted to the debtor on the following grounds (and may only be held liable on those grounds): (i) fraud; (ii) wrongful interference with the management of the debtor; and (iii) 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 Enforcement

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*; and
- a 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 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.

Accordingly, the guarantees by the French Guarantors are 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, or (ii) the amounts of such proceeds made available to such French Guarantor, and the controlled subsidiaries of that French Guarantor, via the group's cash-pooling arrangements or otherwise. See "*Description of the Notes—The 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.

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 third parties who do not hold the secured claim, unless they act as fiduciary under Article 2011 of the French Civil Code or as Security Agent under Article 2328-1 of the French Civil Code. The Intercreditor Agreement will provide for the creation of a "parallel debt". Pursuant to the 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 enforceability in France of certain rights (the filing of claims in safeguard proceedings) of a security agent benefiting from a parallel debt was recognized for the first time by a French court of appeal in September 2010, there is no assurance that such a structure will be effective in all cases before French courts. Indeed 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. 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.

Fraudulent Conveyance

French law contains specific provisions dealing with fraudulent conveyance both in and outside of bankruptcy, the so-called *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 it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its 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 bankruptcy of the relevant person by the bankruptcy trustee or receiver in a bankruptcy of the relevant person or by any of the creditors of the relevant person outside bankruptcy, 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 bankruptcy, 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 its 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 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 that 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 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 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.

Spain

Insolvency and Bankruptcy

A number of the Guarantors are organized under the laws of Spain and are headquartered there (the "Spanish Guarantors"). Accordingly, insolvency proceedings with respect to the Spanish Guarantors may proceed under, and be governed by, Spanish insolvency law.

The following is a brief description of certain aspects of the insolvency laws of Spain.

In Spain, bankruptcy proceedings are only triggered in the event of a debtor's insolvency. A debtor is deemed insolvent when it becomes unable to meet regularly its obligations as they become due. The bankruptcy proceedings may be initiated either by the debtor ("voluntary bankruptcy") or by any of its creditors ("compulsory bankruptcy"). Whether bankruptcy proceedings are voluntary or compulsory will affect the basis for the bankruptcy, as well as impact upon the debtor's capacity.

Voluntary Bankruptcy

If the debtor requests the bankruptcy, it must prove its current or imminent insolvency: a situation in which the debtor cannot meet its financial obligations consistently and on time, including obligations not yet due. The debtor is obligated to file a petition for a declaration of bankruptcy within two months after it becomes aware, or should have become aware, of its state of insolvency. It is presumed that the debtor becomes aware of its state of insolvency, unless otherwise proved, if any of the circumstances that qualify as the basis for a petition for compulsory bankruptcy occur. In the event of the debtor failing to file a petition for bankruptcy within the time period established by law, it may be unable to exercise certain courses of action (including, *inter alia*, the possibility of submitting a proposed settlement in advance) and the personal liability of the members of the management body is increased.

Compulsory Bankruptcy

If a creditor requests the bankruptcy, it must provide evidence of the debtor's insolvency in the terms and by the means stated under Section 2.4 of the Spanish Insolvency Act (*Ley 22/2003, de 9 de Julio, concursal*): (the "Spanish Insolvency Act") such as (i) generalized default on payments by the debtor, (ii) the occurrence of generalized attachments on the debtor's assets, (iii) hasty or loss-making liquidation of assets, or (iv) generalized default on certain tax, social security and employment obligations during the applicable statutory period (three (3) months).

Effects of the Bankruptcy for the Debtor

If the bankruptcy is voluntary, the debtor usually retains its powers to manage and dispose of its business, albeit under supervision by the bankruptcy authorities (*administración concursal*). If the bankruptcy is compulsory, then the debtor is removed from its power over its assets, which become subject to management by the bankruptcy authorities.

These situations may be modified at any time by the competent court.

Actions carried out by the debtor that breach any required supervision of the bankruptcy authorities may be declared null and void.

Effects of the Bankruptcy on Contracts

Under Section 61 of the Spanish Insolvency Act, all clauses that entitle any party to terminate an agreement based solely on the other party's declaration of bankruptcy are deemed void. The declaration of bankruptcy does not affect agreements with reciprocal obligations pending performance by either the insolvent or the other party. However, the bankruptcy authorities (together with the bankrupt or by their sole discretion if the bankrupt is not allowed to carry on its business) may request the court to terminate the relevant contract (on the grounds of convenience in the bankruptcy proceedings). There are cases in which the Spanish law expressly allows to establish an agreement for termination in the event of bankruptcy (e.g., agency contracts).

Rules on Priority of Credits

Under the Spanish Insolvency Act, the claims of the creditors of any debtor are divided into privileged, ordinary and subordinated. Privileged credits can have a special or general privilege, depending on whether the security was created over a specific asset (special privilege) or over all of the insolvency estate (general privilege). However, notwithstanding the three categories for credits mentioned above, there is a special and prioritized category of credits, the credits against the insolvency estate (*créditos contra la masa*), which are not subject to ranking or acknowledgement and, in principle, must be paid by the bankruptcy authority when they fall due.

As for *in rem* security interests, the Spanish Insolvency Act gives them the status of credits with special privilege, because the law includes in such category those in which the collateral is comprised of specific property or rights (mortgage, pledge or antichresis) or equivalent rights (financial lease agreement for the leased property).

The ranking of claims determines the order of payment of credits and their mandatory subjection to any composition with creditors that may be achieved. Privileged creditors are only bound by the composition if they accept it voluntarily.

Limitations to Enforcement by a Secured Creditor

Notwithstanding the rules on priority mentioned in "*Rules on Priority of Credits*" above, in the event of the debtor's insolvency and in accordance with the provisions of the Spanish Insolvency Act, the ability of a secured creditor to enforce the collateral is limited if such collateral is allocated to the debtor's professional or business activity or to a productive unit owned by the debtor.

In such instances, the enforcement or realization of security may not be commenced until (a) either (i) a composition is approved (the content of which does not affect this right) or (ii) one year elapses from the insolvency declaration without liquidation taking place, and (b) unless at the time of the insolvency declaration, the announcements to auction the collateral had been published.

Settlement

Once the debtor's assets and liabilities have been identified, the Spanish Insolvency Act encourages creditors to reach an agreement regarding payment of the bankrupt's debts. This agreement may be proposed either by the debtor or by the creditors, and it shall set forth how, when and up to what amount creditors are to be paid. Once executed, this agreement must be honored by the debtor and respected by the creditors.

The settlement should contain proposals for write-off and grace period. With regard to ordinary credits, the write-off may not be in excess of 50% and the grace period may not exceed five years. It may contain alternative proposals for all creditors or for certain classes, including conversion of the credit into shares or into profit-sharing credits. It may also include proposals for allocation of all assets or of certain assets to a specific person with a commitment from the acquirer to continue the activity and to pay off the debt as determined in the settlement.

The proposals in the settlement shall include a payment schedule.

The settlement must be approved by creditors representing at least one-half of the bankrupt's ordinary debts. If the settlement proposes payment in full of ordinary credits within a maximum term of three years, or a write-off of less than 20%, the favorable vote of a simple majority will be sufficient (privileged creditors voting in favor of the settlement will also be counted).

The holders of subordinated credits and those who have acquired their credits by means of *inter vivos* transactions subsequent to the declaration of bankruptcy are not entitled to vote.

A special case arises with an advance proposal for settlement. This has two main advantages: (i) in terms of time—it may be submitted along with the petition for voluntary bankruptcy or until conclusion of the term for giving notice of credits, allowing for it to be accepted prior to the settlement phase, and it may be approved by the court upon conclusion of the common phase; and (ii) in terms of contents—if the proposed settlement requires a write-off or grace period in excess of those allowed by Spanish law, the court may allow such legal limits to be exceeded. There is a condition, however, whereby the proposal must be submitted with the prior support of at least 20% of the total debt and it may only be submitted by diligent debtors (i.e., not those affected by legal prohibitions).

Liquidation

Liquidation is conceived as an outcome subsidiary to settlement. It operates where a composition is not reached or when it is decided upon by the instigator. The debtor is also obligated to file a petition for liquidation if, during the period while the settlement is in force, it becomes aware of no longer being able to meet the payment commitments and obligations undertaken after the approval of such settlement. If the debtor is a company, its dissolution will be declared, as well as the removal of its administrators and liquidators. Deferred credits will compulsorily fall due and credits consisting of other benefits are converted into cash credits.

The bankruptcy authority is required to prepare a liquidation plan that must be approved by the court. The aim of the Spanish Insolvency Act is to preserve companies or production units through their allocation as a block, except where it is more protective for the interests of the bankruptcy proceedings to divide them up or sell some or all the elements separately, with preference given to the alternatives allowing the continuity of the business.

The bankruptcy authority is required to report quarterly on the liquidation and has one year to complete it. If the liquidation is not completed within one year, the court may appoint a different bankruptcy authority.

Limitations on Enforcement

Under Spanish law, the Guarantee to be granted pursuant to the Indenture may only be granted by those Guarantors which are incorporated as stock companies under the laws of Spain (*sociedades anónimas*). This is due to the fact that all other subsidiaries which are incorporated as limited liability companies under the laws of Spain (*sociedades limitadas*) are subject to the prohibition contained in Section 402 of the Spanish Royal Decree 1/2010 dated July 2 on Spanish Corporations (*Ley de Sociedades de Capital*), which states that a limited liability company cannot execute nor secure a bond issuance or other debt securities.

Spanish law prohibits financial assistance (i) for stock companies (*sociedades anónimas*) in relation to the acquisition of their own shares or the shares of any direct or indirect parent company, and (ii) for limited liability companies (*sociedades de responsabilidad limitada*), in relation to the acquisition of their own shares and the shares of any member of their corporate group. Therefore, any guarantee or indemnity granted or assumed pursuant to the Indenture by any Guarantor incorporated under the laws of Spain shall not extend to any payment obligation incurred by the Issuer for the purpose of acquiring the shares of such Guarantor or the shares of its direct or indirect parent company, to the extent that such guarantee or indemnity would constitute unlawful financial assistance within the meaning of Article 150 of Spanish Decree 1/2010 dated July 2 on Spanish Corporations (*Ley de Sociedades de Capital*). Furthermore, any guarantee or indemnity granted or assumed pursuant to the Indenture by any Spanish Guarantor shall not apply to the extent the proceeds are used to repay existing indebtedness of the Issuer if such existing indebtedness was used for the purposes described above. No whitewash procedures are available.

Spanish law is based, *inter alia*, on the principle of specialty (*principio de especialidad*), by virtue of which a security interest can secure only a main obligation and its ancillary obligations, such as interest, costs, etc. As a general principle, where two different main obligations are to be secured, two different security interests must be created. However, such general principle is mitigated in certain regional laws (such as the Catalonian law).

Under Spanish law, while there is no express legal recognition of the grant of two or more pledges over the same asset or right, its permissibility has been based on the acceptance of the application of mortgage principles by analogy. Nevertheless, granting second-ranking or simultaneous first-ranking pledges over the same asset has become market practice in Spain and is generally considered acceptable in Spanish academic literature.

Hardening Periods and Fraudulent Transfer

The Spanish Insolvency Act provides that the Spanish insolvency court may only declare null and void acts and challenge actions that took place before the declaration of bankruptcy that are detrimental to the insolvency estate, as follows:

- Actions carried out in the two years preceding the declaration of insolvency may be challenged, even in the absence of fraudulent intent.
- Such actions must be "to the detriment of the insolvency estate", which is presumed:
  - without admission of proof to the contrary: (x) in actions of disposal for no consideration, except for ordinary largesse (*liberalidades de uso*); or (y) regarding payments or other actions cancelling obligations with a due date after the declaration of bankruptcy;
  - with admission of proof to the contrary: (x) in actions for valuable consideration carried out for any party especially related to the bankrupt (as defined by the Spanish Insolvency Act); or (y) in granting of *in rem* security covering preexisting debts or new debts incurred to cancel preexisting debts.

Otherwise, the damage must be proved by the person seeking rescission.

- Under no circumstances can actions carried out in the debtor's ordinary course of professional or entrepreneurial business and under market conditions be rescinded.
- Neither refinancing agreements, nor any transactions, acts and payments accomplished or any guarantees instituted in the performance of such agreements, will be subject to an action for rescission (save in the case of fraud), *provided* that: (i) the agreement has been entered into with creditors whose credits represent at least three-fifths of the debtor's liabilities as of the date of the agreement; (ii) such agreement is accompanied by a report submitted by an independent expert appointed by the Spanish Commercial Registry of the place where the debtor has its registered office, on the sufficiency of the information provided by the debtor, the reasonability of the viability plan and the proportionality of the guarantees undertaken in keeping with market conditions; and (iii) the refinancing agreement and the documents substantiating performance of conditions (i) and (ii) above are executed by way of a Spanish public deed.

Portugal

Insolvency

Some of the Guarantors have been incorporated under the laws of Portugal and have their registered office in Portugal. Consequently, insolvency proceedings with respect to the Portuguese Guarantors may be initiated in Portugal and be subject to Portuguese insolvency law. Insolvency proceedings in Portugal may be initiated either by the debtor, a creditor or the Public Prosecutor (*Ministério Público*) (representing entities which have their interests legally entrusted to it) when the debtor is deemed to be insolvent. Under Portuguese insolvency law, a debtor is deemed to be insolvent if it is unable to fulfill its debts as they fall due. A company will also be considered insolvent if it is proved to the satisfaction of the court that the value of the company's assets is significantly lower than the amount of its liabilities, according to the relevant accounting principles.

Furthermore, although the main rule under Portuguese law is that insolvency is assessed on the existing factual situation, should the directors determine that the company will become insolvent in the near future, they can file for insolvency.

Insolvency filing

The debtor must file for insolvency within 60 days of the date on which it becomes aware, or should have become aware, of its state of insolvency. If the debtor fails to do so, it may be declared by a Portuguese court to be in a state of "guilty insolvency" (*insolvência culposa*), which may lead to civil sanctions being imposed on the debtor and/or its administrators, such as the inhibition of performance of acts of commerce for a period ranging from two to ten years, the prohibition for its administrators to be appointed to the board of corporate entities, the loss of credits over the insolvency or over the insolvent estate, and the obligation to restore assets or rights received as a payment for those credits, and also to criminal sanctions, such as a fine or imprisonment of up to a year.

The creditor's insolvency claim

Any creditor is entitled, regardless of the nature of the debt owed to it, to file an insolvency claim against the debtor, even if such debt has not yet fallen due. A creditor must provide evidence of the existence, nature, origin and amount of the debt owed to it and it can do so by means of any type of evidence provided for in Portuguese law, notably the testimony of witnesses and presentation of documents.

In addition, a creditor's claim may only be filed upon the occurrence of certain events, such as a general suspension of payment of overdue obligations of the debtor, the default on one or more debts which, considering the amount of such debt or the circumstances of such default, reveals that the debtor is generally unable to fulfill its obligations, the dissipation, renunciation or hasty liquidation of debtor's assets, the fictitious constitution of credits, or the general default, during a prior period of six months, on certain tax, social security contribution and employment obligations.

Effects of the declaration of insolvency

When a debtor is declared insolvent by the court, an "insolvency administrator" (*administrador de insolvência*) is appointed and the administration of the debtor's assets is immediately transferred to the insolvency administrator. In some cases, Portuguese law allows the debtor's corporate bodies to maintain their management activities, subject, however, to the supervision and powers of the insolvency administrator.

The main effect on the debtor of being declared insolvent is its dissolution and the fact that its legal personality is restricted to the performance of acts necessary to liquidate its assets. If the insolvent debtor enters into contracts relating to assets included in the debtor's insolvent estate, these contracts are deemed non-enforceable.

If a court declares a debtor to be insolvent, the judge orders the apprehension, for immediate delivery to the insolvency administrator, of all of the assets of the debtor, even if seized, secured, mortgaged or by any means apprehended.

Once insolvency is declared, the claims over the insolvent entity become immediately due, except if subject to conditions precedent, in which case specific rules will apply.

Security interests *in rem* which are collateral to obligations of the insolvency estate, and are subject to registration but have not been registered yet (nor is its registration pending), are also automatically cancelled upon a declaration of insolvency. The same automatic cancellation is legally determined for security interests *in rem* over assets of the insolvency estate which are collateral to subordinated obligations pursuant to the insolvency rules.

Effects of the Insolvency on Executory Contracts

As a rule, executory contracts (i.e. a contract in which continuing obligations exist on both sides of the contract) shall be suspended when insolvency is determined (standstill effect) and, depending on the decision of the insolvency administrator, may be performed or terminated.

A decision by the insolvency administrator that an executory contract should be performed rather than terminated is deemed to be abusive in situations where timely performance of the contractual obligations by the insolvency estate is highly unlikely.

Specific rules govern the effects of insolvency on certain types of contracts.

Set aside (resolução) for the benefit of the insolvency estate

The insolvency administrator has the power to set aside certain acts, omissions or agreements entered into by the insolvent company.

Past acts or omissions that are considered detrimental to the insolvency estate may be set aside if entered into by the insolvent company within four years prior to the commencement of the insolvency proceedings. Acts that reduce, prevent, render more difficult, jeopardize or delay the payment of creditors are considered detrimental to the insolvency estate. The ability of the insolvency administrator to set aside acts or omissions generally requires bad faith on the part of the third party affected thereby.

Bad faith is presumed in the case of acts or omissions made within two years prior to the commencement of the insolvency proceedings by, or for the benefit of, a related party of the insolvent company (even if such beneficiary was not a related party at the time of the act or omission).

Certain events can be set aside for the benefit of the insolvency estate, without proving bad faith or the detrimental nature of the act or omission.

Rules on priority of credits

Under the Portuguese Code on Insolvency and Recovery of Companies, creditors' claims are divided into guaranteed, privileged, ordinary and subordinated claims.

Portuguese Law also recognizes "insolvency estate debts" (*dívidas da massa insolvente*), which must be settled in priority to all other claims. Such claims include the costs of the insolvency proceedings, the insolvency administrator's remuneration, debts arising from administration acts, liquidation and share of assets and, under certain circumstances, debts arising from the performance of executory agreements.

The claims accepted by the insolvency administrator and recognized by the court are paid according to a ranking, depending on the type of assets to be sold under the scope of the insolvency proceedings.

Liquidation of the insolvency estate or insolvency plan

The Portuguese Code on Insolvency and Recovery of Companies determines that creditors' claims may be satisfied by either a liquidation of the insolvency estate or by putting in place an insolvency plan. This decision is to be made solely by the creditors. In the case of liquidation of a debtor's insolvency estate, the debtor's assets will be sold and the amounts recovered from the proceeds of such sale will be, at a first stage, allocated to the "insolvency estate debts" (*dívidas da massa insolvente*) and thereafter to the payment of the credits accepted by the insolvency administrator and recognized by the court. An insolvency plan is a rescue mechanism which can be put in place as an alternative to the liquidation process.

Extrajudicial Conciliation Procedure

Portuguese law also provides for an out-of-court procedure, the Extrajudicial Conciliation Procedure (*Procedimento Extrajudicial de Conciliação*), which is a rescue mechanism pursuant to which an arrangement between a debtor in a financial difficulty and its creditors is established.

The Extrajudicial Conciliation Procedure is only applicable if the debtor is in a situation that would enable it to file for insolvency under the Code on Insolvency and Recovery of Companies. It does not, however, prevent any judicial or enforcement procedure against the debtor by any of its creditors.

Both the debtor and its creditors may require an Extrajudicial Conciliation Procedure, which will be mediated by the Institute of Support to Small and Medium Companies and Innovation (*Instituto de Apoio às Pequenas e Médias Empresas e à Inovação*) (the "IAPMEI"). For an Extrajudicial Conciliation Procedure to take place, the following requirements must be met:

- the creditors involved in the procedures must represent more than 50% of the debtor's creditors;
- the debtor must demonstrate future economic viability;
- the debtor must be in a situation of imminent or actual insolvency; and
- the time limit established by the Code on Insolvency and Recovery of Companies for the debtor to file for insolvency must not have ended.

Limitations on Enforcement

The guarantee and security provided by any Guarantor incorporated under the Portuguese law shall not include and shall not extend to cover any indebtedness used to fund the acquisition of or subscription of any shares in such Portuguese Guarantor or the acquisition of or subscription for any shares in its parent company (or, if applicable, in any other company which may indirectly control such Portuguese Guarantor) to the extent that by assuming such obligations such Portuguese Guarantor would be deemed to be providing financial assistance to the acquisition of own shares under article 322 of the Portuguese Companies Code (*Código das Sociedades Comerciais*). No whitewash procedures are available.

A Portuguese Guarantor is legally able to provide guarantees in relation to obligations of companies with which they are in a control or group relationship or if there is a justified corporate interest. Under Portuguese law, there is no specific corporate benefit test to comply with and this matter shall be considered by the directors of the guarantor company on a case-by-case basis. Thus the obligations of each Portuguese Guarantor will not extend to cover any indebtedness which would cause an infringement of article 6 number 3 of the Portuguese Commercial Companies Code (*Código das Sociedades Comerciais*).

The Security Interests granted over each Portuguese subsidiary and the relevant intercompany receivables will secure a total maximum amount equal to 120% of its net assets (as shown by its most recent audited annual financial statements on the date on which the relevant Security Document is executed), which is the maximum amount that can be recovered in the event of enforcement action on such Security Interest.

Hardening Periods and Fraudulent Transfer

Portuguese Law contains specific provisions dealing with fraudulent conveyance, irrespective of whether the debtor has been declared insolvent (*Impugnação Pauliana*) ("Paulian actions"). The Portuguese Civil Code offers creditors protection against the acts of the debtor which led to a decrease in their means of recovery.

A legal act performed by a debtor (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide, or provides security for any of its obligations or a third party's obligations or any other legal act having similar effect) can be challenged by any of the debtor's creditors if:

(i) the contested act has occurred after the creation of the credit (or before, if such act was performed with the intention to damage the creditor's means of recovery);

(ii) the contested act makes the recovery of the credit impossible or frustrates such recovery; and

(iii) at the time the act was performed both the debtor and the counterparty to the transaction knew or should have known that the act would be detrimental to the creditor, unless the act was entered into for no consideration, in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance.

Under the Portuguese Civil Code, a creditor may file a Paulian action within a period of five years as from the date on which the contested act took place. A creditor that successfully challenges a debtor under a Paulian action, will have the right to a restitution in proportion to its interest.

If a court considers that the issuance of the Notes, the granting of the security interests in the Collateral, or the granting of a guarantee involved a fraudulent conveyance that does 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 that lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not have the benefit of the Notes, the 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 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.

Germany

Insolvency

A number of Guarantors are incorporated or established in Germany (the "German Guarantors"). Consequently, in the event of an insolvency of any such Guarantor, insolvency proceedings may be initiated in Germany. Such proceedings would then be governed by German law.

The following is a brief description of certain aspects of the insolvency laws of Germany.

Under German law, insolvency proceedings over the assets of a legal entity can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) or illiquidity (*Zahlungsunfähigkeit*) of the debtor. The debtor is over-indebted if its liabilities exceed the value of its assets (according to temporary legislation being in force until end of 2013, the debtor is in any case not over-indebted if its continuation as a going concern is predominantly likely). The debtor is illiquid if it is unable to pay its debts as and when they fall due. In addition, the debtor can file for insolvency proceedings if it is imminently at risk to be unable to pay its debts as and when they fall due (*drohende Zahlungsunfähigkeit*). If a limited liability company (*Gesellschaft mit beschränkter Haftung*) or any other legal entity or any company without legal personality or not having an individual as personally liable shareholder or partner gets into a situation of illiquidity or over-indebtedness, the management of such company is obligated to file for insolvency without undue delay but not later than three (3) weeks after the reason to open insolvency proceedings has occurred. The insolvency proceedings are court controlled and the court opens the insolvency proceedings if certain formal requirements are met and if there are sufficient assets to cover at least the costs of the proceedings. If insolvency proceedings are opened, as a rule the court appoints an insolvency administrator who has full power to dispose of the debtor's assets, whereas the debtor is no longer entitled to dispose of its assets. The opening of insolvency proceedings may occur as late as two or three months after an insolvency petition has been filed. As an exception, the court may order insolvency proceedings to be run by the relevant debtor itself under the supervision of a custodian (*Sachwalter*), in which case the relevant debtor retains to a large extent its authority to dispose of its assets. Such order remains subject to review and may be repealed, in which case an insolvency administrator would be appointed. The insolvency administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's operations, and satisfaction of these liabilities as preferential debts of the estate (*Masseschulden*) will be preferred to any insolvency claim of an unsecured creditor (this also includes such portion of a secured creditor's claim which exceeds the amount obtained through a disposal of the relevant collateral).

All creditors who wish to assert claims against the debtor need to participate in the insolvency proceedings. Any individual enforcement action brought against the debtor by any of its creditors is subject to an automatic stay once insolvency proceedings have been opened. Whether or not, after the initiation of insolvency proceedings, a secured creditor remains entitled to enforce security granted to it by the relevant debtor depends on the type of security. However, even if the law vests the right of disposal regarding the relevant collateral in the insolvency administrator, the relevant secured creditor retains a right of preferred satisfaction with regard to the disposal proceeds. That means that the enforcement proceeds minus certain contributory charges for (i) assessing the value of the secured assets and (ii) realizing the secured assets are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. Remaining amounts are part of the insolvency assets and will be distributed among the unsecured creditors, generally, at the end of the insolvency proceedings. If the German Guarantors grant security over their assets to other creditors than the holders of the Notes, such security may result in a preferred treatment of creditors secured by such security. The excess proceeds resulting from such collateral may not be sufficient to satisfy the holders of the Notes under the Guarantees granted by the German Guarantors after such secured creditors have been satisfied. In addition, it may take several years before an insolvency dividend, if any, is distributed to unsecured creditors. A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and requires the consent of the debtor as well as the consent of each class of creditors in accordance with specific majority rules.

Under German insolvency law, there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity, from an insolvency law point of view, has to be dealt with separately (that is, there is no group insolvency concept under German insolvency law). As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of and vis-à-vis each entity have to be dealt with separately.

Other than secured and unsecured creditors, German insolvency law provides for certain creditors to be subordinated by law (in particular, but not limited to, claims made by shareholders (unless privileged) of the relevant debtor for the return of funds or payment of a consideration), while claims of a person who became a creditor of the insolvency estate only after the opening of insolvency proceedings generally rank senior to the claims of regular, unsecured creditors.

While powers of attorney granted by the relevant debtor and certain other legal relationships cease to be effective upon the opening of insolvency proceedings, most executory contracts become unenforceable at such time unless and until the insolvency administrator chooses fulfillment.

Limitations on Enforcement

All of the German Guarantors are incorporated and established in Germany in the form of a limited liability company (*Gesellschaft mit beschränkter Haftung*) ("GmbH"). Consequently, the grant of collateral by these companies is subject to certain provisions of the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) ("GmbHG"). Sections 30 and 31 GmbHG ("Sections 30 and 31") prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbH's net assets (i.e., assets minus liabilities and liability reserves) is or would fall below the amount of its stated share capital (*Stammkapital*). Guarantees, share pledges and any other collateral granted by a GmbH in order to guarantee or secure liabilities of a direct or indirect parent or sister company are considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to grant collateral to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31, it is standard market practice for credit agreements, guarantees and security documents to contain so-called "limitation language" in relation to subsidiaries in the legal form of a GmbH incorporated or established in Germany. Pursuant to such limitation language, the secured parties agree to enforce the collateral and the beneficiaries of the guarantees agree to enforce the guarantees against the GmbH only to the extent that such enforcement does not result in the GmbH's net assets falling below its stated share capital. Accordingly, the documentation in relation to the guarantees and the security interests, to the extent they concern the German Guarantors, contain such limitation language and such guarantees and security interests are limited in the manner described.

German capital maintenance rules are subject to ongoing court decisions. We cannot assure you that future court rulings may not further limit the access of shareholders to assets of their subsidiaries constituted in the form of a GmbH, which can negatively affect the ability of the Issuer to make payment on the Notes, of the German Guarantors to make payments on the guarantees, of the secured parties to enforce the collateral or of the beneficiaries of the guarantees to enforce the guarantees.

Parallel Debt

Under German law, certain ("accessory") security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor of the secured claim be the same person. Such security interests cannot be held on behalf of third parties who do not hold the secured claim. The holders of interests in Notes from time to time will not be party to the security documents. In order to permit the holders of Notes from time to time to benefit from the pledges granted to the Security Agent under German law the Intercreditor Agreement provides for the creation of a "parallel debt". Pursuant to the parallel debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under, in particular, the Notes and the Indenture. The pledges governed by German law will directly secure the parallel debt. The parallel debt procedure has not been tested under German law, and there is no certainty that that German courts will uphold such pledges granted to secure the parallel debt. See "*Risk Factors—Risks Relating to Our Indebtedness and the Notes—In certain jurisdictions, the 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*".

Disposal of Pledged Assets

Since German law does not generally permit for an appropriation of pledged assets by the pledge upon the occurrence of an enforcement event, an enforcement of a share pledge governed by German law usually requires the sale of the relevant collateral through a formal disposal process involving a public auction. Certain waiting periods and notice requirements may apply to such disposal process.

Foreclosure by Other Creditors

Under German law it is unclear whether all of the security interests in the collateral give the Security Agent a right to prevent other creditors of German Guarantors from foreclosing into and realizing the collateral. Some courts have held that certain types of security interests only give their holders priority (according to their rank) in the distribution of any proceeds of such realization, but not an intervention right. Accordingly, the Security Agent and the holders of the Notes may not be able to avoid foreclosure by unsecured creditors into the collateral, even if they consider such foreclosure untimely.

Hardening Periods and Voidable or Fraudulent Transfer

In the event of insolvency proceedings with respect to a German Guarantor based on and governed by the insolvency laws of Germany, the security interests granted as well as the guarantee provided by that entity could be subject to potential challenges by an insolvency administrator (*Insolvenzverwalter*) under the rules of avoidance as set forth in the German Insolvency Code (*Insolvenzordnung*).

Based on these rules, an insolvency administrator may challenge transactions that are deemed to be detrimental to insolvency creditors and were effected prior to the filing of the petition for the opening of insolvency proceedings or prior to the commencement of insolvency proceedings. Such transactions can include the payment of any amounts to the holders of the Notes as well as granting them any security interest. The insolvency administrator's right to challenge transactions can, depending on the circumstances, extend to transactions during the ten-year period prior to the filing of the petition for commencement of insolvency proceedings. In the event such a transaction is successfully avoided, the holders of the Notes would be under an obligation to repay the amounts received or to waive the guarantee or security interest.

In particular, an act (*Rechtshandlung*) or a transaction (*Rechtsgeschäft*) (which term includes the provision of security or the repayment of debt) may be avoided in the following cases:

- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction (i) if such act was performed during the last three months prior to the filing of the petition for the commencement of the insolvency proceedings and the debtor was illiquid (*zahlungsunfähig*) at the time when such act was taken and the creditor had knowledge of such illiquidity (or of circumstances that imperatively suggest that the debtor was illiquid) at such time, or (ii) if such act was performed after the filing of the petition for the commencement of the insolvency proceedings and the creditor had knowledge of the illiquidity of the debtor or the filing of such petition (or of circumstances imperatively suggesting such illiquidity or filing) (Section 130 of the German Insolvency Code);
- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction to which such creditor was not entitled or which was granted or obtained in a form or at a time to which or at which such creditor was not entitled to such security or satisfaction if: (i) such act was performed during the last month prior to the filing of the petition for the commencement of the insolvency proceedings or after such filing; (ii) such act was performed during the second or third month prior to the filing of the petition and the debtor was illiquid at such time; or (iii) such act was performed during the second or third month prior to the filing of the petition for the commencement of the insolvency proceedings and the creditor knew at the time the act was taken that such act was detrimental to the other insolvency creditors or had knowledge of circumstances that imperatively suggest such detrimental effect (Section 131 of the German Insolvency Code);

- any transaction by the debtor that is directly detrimental to the insolvency creditors or divests the debtor of a right or bars the debtor's claim to such right for the future or by which a proprietary claim against a debtor is obtained or becomes enforceable if (i) it was entered into during the three months prior to the filing of the petition of the commencement of the insolvency proceedings, the debtor was illiquid at the time of such transaction and the counterparty to such transaction had knowledge of the illiquidity at such time or (ii) it was entered into after such filing and the counterparty to such transaction had knowledge of either the debtor's illiquidity or such filing at the time of the transaction (Section 132 of the German Insolvency Code);
- any act performed by the debtor during the last ten years prior to the filing of the petition for the commencement of insolvency proceedings or after such filing with the intention to disadvantage the insolvency creditors and the other party was aware of the debtor's intention at the time of such act; such awareness shall be presumed if the other party knew of the debtor's imminent illiquidity, and that the act constituted a disadvantage for the creditors (Section 133 of the German Insolvency Code);
- any contract stipulating performance against remuneration (*entgeltlicher Vertrag*) between the debtor and a person with a close relationship to the debtor that is directly detrimental to the insolvency creditors and was entered into during the last two (2) years prior to the filing of the petition of the commencement of the insolvency proceedings unless the other party was not aware of the debtor's intention to disadvantage the insolvency creditors (Section 133 of the German Insolvency Code);
- any act whereby the debtor grants security for a third-party debt or a benefit, which might be regarded as having been granted gratuitously (*unentgeltlich*), if it was effected in the four (4) years prior to the filing of a petition for the commencement of insolvency proceedings against the debtor (Section 134 of the German Insolvency Code);
- any act that provides security or satisfaction for a shareholder loan made to the debtor or a similar claim if (i) in the case of the provision of security, the act occurred during the last ten (10) years prior to the filing of the petition for the commencement of the insolvency proceedings or after the filing of such petition, or (ii), in the case of satisfaction, the act occurred during the last year prior to the filing of the petition for the commencement of the insolvency proceedings or after the filing of such petition (Section 135 of the German Insolvency Code); and
- any act whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party if: (i) the transaction was effected in the last year prior to the filing of a petition for commencement of insolvency proceedings or thereafter; and (ii) a shareholder of the debtor had granted security or was liable as a guarantor (*Bürge*) (in which case the shareholder has to compensate the debtor for the amounts paid (subject to further conditions)) (Section 135 of the German Insolvency Code).

If any of the guarantees given or any security interest granted by any of the German Guarantors were avoided or held unenforceable for any reason, you would cease to have any claim in respect thereof. Any amounts received from a transaction that has been avoided would have to be repaid to the relevant insolvent estate.

Furthermore, even in the absence of an insolvency proceeding, a third-party creditor who has obtained an enforcement order but has failed to obtain satisfaction or its enforceable claims by a levy of execution or where such levy of execution can be expected not to result in full satisfaction of such claims, under certain circumstances, has the right to avoid certain transactions, such as the payment of debt and the granting of security pursuant to the German Code on Avoidance (*Anfechtungsgesetz*).

Belgium

Insolvency

One of the Guarantors is incorporated under the laws of Belgium (the "Belgian Guarantor"). Provided Belgium is the territory in which the center of the Belgian Guarantor's main interests is situated, insolvency proceedings may be initiated in Belgium. Such proceedings would then be governed by Belgian 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 procedures: a judicial restructuring procedure (*gerechtelijke reorganisatie/réorganisation judiciaire*) and a bankruptcy procedure (*faillissement/faillite*).

Judicial restructuring

A debtor may 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 long as the court overseeing a judicial restructuring has not issued a ruling on the restructuring petition, the debtor cannot be declared bankrupt or wound up by court order. In addition, during the period between the filing of the petition and the court's decision, 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 ten 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 be extended by six months. 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. 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.

Receivables pledged by the debtor in favor of a creditor prior to the opening of the judicial restructuring procedure are not covered by the moratorium, 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 or cash held on accounts can be enforced notwithstanding the enforcement prohibition imposed by the moratorium. 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. The moratorium also does not prevent the voluntary payment by the debtor of claims covered by the moratorium.

During the judicial restructuring procedure, the board of directors and management of the debtor continue 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 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. 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 procedure, 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.

Judicial restructuring by collective agreement, by amicable settlement or by court-ordered transfer of enterprise

A judicial restructuring procedure may result in an amicable settlement between the debtor and two or more of its creditors or a collective agreement.

In the case of a judicial restructuring by collective agreement, the creditors agree to a restructuring plan during the restructuring procedure. The plan must be filed with the Clerk's Office of the Commercial Court at least 14 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.

Within a period of 14 days following the ruling declaring the judicial restructuring procedure open, the debtor must inform each of its creditors individually of the amount of their claims against the debtor as recorded in the books of the debtor, as well as of details regarding security interests, if applicable. Creditors with preexisting 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 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.

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 his or her 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.

Bankruptcy

A bankruptcy procedure may be initiated by the debtor, by unpaid creditors or upon the initiative of the Public Prosecutor's office. 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 company 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 de 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*) 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. 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.

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 trustee 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.

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 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. However, a pledge on financial instruments or cash held on accounts can be enforced during the suspension period.

As from the date of the bankruptcy judgment, no further interest accrues against the bankrupt debtor on its unsecured debt.

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 be for the corporate benefit of the granting company.

The question of corporate benefit must be determined on a case-by-case basis and consideration has to be given to any direct and/or indirect benefit that the company would derive from the transaction. Two principles apply to such evaluation: (i) the risk taken by the company 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 company should not exceed its financial capabilities.

If the corporate benefit requirement is not met, the directors of the company 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 for up to the amount of the guarantee. Alternatively, the guarantee or collateral could be reduced to an amount corresponding to the corporate benefit or the creditor may be held liable for any guarantee amount in excess of such amount. These rules have been seldom 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 Indenture and the security documents will contain such limitation language and the guarantee of the Belgian Guarantor and the security will be so limited.

The Indenture for the notes will expressly provide 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 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 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 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 Notes.

Any guarantee granted by a Belgian Guarantor shall not include and shall not extent 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 of the Belgian Company Code. Therefore, such payment obligations shall be excluded from the concept of guarantee by a Belgian Guarantor.

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 under security interests such as pledges is debated under Belgian law.

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 under the Indenture. The pledges over receivables governed by Belgian law will secure the parallel debt and may not directly secure the obligations under the Notes and the other indebtedness secured by the Collateral. 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 Notes will not receive any proceeds from an enforcement of the security interest in the Collateral.

However, pledge agreements over the shares of Belgian companies 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 business transactions may be declared ineffective against third parties if concluded or performed during a 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 business transactions entered into during the hardening period which may be declared ineffective against third parties include, among others, (i) transactions entered into on extremely beneficial terms, (ii) payments other than in money for debts due, and (iii) security provided for existing debt.

The Belgian 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. 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.

Italy

Insolvency

A number of the Guarantors are incorporated under the laws of Italy (the "Italian Guarantors") and may be subject to Italian laws governing creditors rights and bankruptcy and restructuring proceedings.

The following is a brief description of certain aspects of the insolvency laws of Italy.

Italian creditors' rights and insolvency laws are generally considered to be more favorable to debtors than the regimes of certain other jurisdictions. In Italy, the courts play a central role in the insolvency process; moreover, the enforcement of security interests by creditors in Italy can be time consuming. A recent reform of Italian insolvency laws provided for out-of-court reorganization proceedings.

Under Italian law, the state of insolvency (*insolvenza*) of a company is ascertained and declared by a court. Insolvency occurs at a time when a debtor is no longer able to regularly meet its obligations as they fall due. This must be a permanent, and not a temporary, status.

The following restructuring or insolvency remedies and proceedings are available under Italian law for companies facing financial difficulties or in a state of temporary crisis, and for insolvent companies: debt restructuring arrangements with creditors (*accordi di ristrutturazione dei debiti*) and reorganization plans (*piani di risanamento*); court-supervised prebankruptcy composition with creditors (*concordato preventivo*); extraordinary administration for large insolvent companies pursuant to Italian Legislative Decree No. 270/99 (*amministrazione straordinaria delle grandi imprese in crisi di cui alla Legge Prodi bis*); extraordinary administration proceedings for large insolvent companies pursuant to Italian Law Decree No. 347/2003, as amended (*amministrazione straodinaria delle grandi imprese in crisi di cui alla Legge Marzano*); bankruptcy (*fallimento*); and post-bankruptcy composition with creditors (*concordato fallimentare*).

Bankruptcy

A request to declare a debtor bankrupt and to commence a bankruptcy proceeding (*fallimento*) for the judicial liquidation of a debtor can be made by the same debtor, one or more creditors and, in certain cases, by the Public Prosecutor. The bankruptcy is declared by a competent bankruptcy court. Upon the commencement of a bankruptcy proceeding:

- subject to certain exceptions, all actions of creditors are stayed and creditors must file claims within a defined period;
- the administration of the debtor and the management of its assets pass from the debtor to the receiver; and
- any act (including payments) made by the debtor, other than those made through the receiver, after a declaration of bankruptcy with respect to the creditors is ineffective.

The bankruptcy proceeding is carried out and supervised by a court-appointed receiver, a deputy judge and a creditors committee. The receiver is not a representative of the creditors and the creditors committee, as specifically provided for by law, has in some cases authorization power over the receiver and, in general, consultation functions over the latter and vigilance authority over the bankruptcy proceedings. The receiver is responsible for the liquidation of the assets of the debtor for the satisfaction of creditors. The proceeds from the liquidation are distributed in accordance with statutory priority. The liquidation of a debtor can take a considerable amount of time, particularly in cases where the debtor's assets include real property. Italian law provides for priority to the payment of certain preferential creditors, including employees and the Italian judicial and social security authorities.

The statutory priority assigned to creditors under Italian law may be different than priorities in the United States and certain other European jurisdictions. Under Italian law, the highest priority claims (after the costs of the proceedings are paid) are the claims of preferential creditors (*crediti prededucibili*), which include the claims of the Italian judicial, tax and social security authorities and claims for employee wages (including severance pay). The next priority is secured creditors with privileges (*crediti privilegiati*; a preference in payment in most circumstances, but not exclusively, provided for by law), mortgages (*crediti ipotecari*) and pledges (*crediti pignoratizi*) and then unsecured creditors (*crediti chirografari*).

Limitations on Enforcement

Limitations on guarantees and security interests

Under Italian Law the guarantee obligations under the Indenture of an Italian Guarantor are subject to compliance with the rules on corporate benefit and corporate authorisation. If the guarantee is being provided in the context of an acquisition, group reorganization or restructuring, financial assistance issues may also be triggered.

An Italian company granting a guarantee must receive a real and adequate benefit in exchange for the guarantee. The concept of real and adequate benefit is not defined in the applicable legislation and is determined on a case by case basis. In particular, in case of upstream and cross-stream guarantees for the financial obligations of group companies, examples include financial consideration in the form of a guarantee fee or access to cash flows in the form of intercompany loans from other members of the group.

The general rule is that the risk assumed by the Italian Guarantor must not be disproportionate to the direct or indirect economic benefit to the guarantor. To this extent, customary "limitation language" is usually inserted in indentures, credit agreements and guarantees for the purpose of limiting the amount guaranteed by the guarantor to an amount that is proportionate for the direct or indirect economic benefit to the guarantor derived from the transaction.

Absence of a real and adequate benefit could render the guarantee or the collateral *ultra vires* and potentially affected by conflict of interest. Thus, civil liabilities may be imposed on the directors of the guarantor if it is assessed that they did not act in the best interest of the guarantor and that the acts they carried out do not fall within the corporate purpose of the guarantor. The lack of corporate benefit could also result in the imposition of civil liabilities on those companies or persons ultimately exercising control over the guarantor or having knowingly received an advantage or profit from such improper control. Moreover, the guarantee could be declared null and void if the lack of corporate benefit was known or presumed to be known by the third party and such third party acted intentionally against the interest of the guarantor.

The rules on corporate benefit apply equally to security provided by subsidiaries in relation to the financial obligations of their parent or sister companies.

As to corporate authorizations and financial assistance, the granting of a guarantee or security by an Italian company must be permitted by the articles of association (*statuto*) of the Italian company and cannot include any liability which would result in unlawful financial assistance within the meaning of Article 2358 of the Italian civil code pursuant to which, subject to specific exceptions, it is unlawful for a company to give financial assistance (whether by means of loans, security, guarantees or otherwise) for the acquisition of its own shares by a third party.

Parallel Debt

There is no established concept of "trust" or "trustee" under Italian law and the precise nature, effect and enforceability of the duties, rights and powers of the Security Agent as agent or trustee for the holders of the Notes under security interests on Italian assets is debatable under Italian law.

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 under the Notes. The Security Interests governed by Italian law will also secure the parallel debt. The parallel debt procedure has not been tested in Italian Courts, and there is no certainty that it will eliminate or mitigate the risk of unenforceability posed by Italian law.

The Trustee will also be party to the relevant security documents—as secured party—for itself and as legal representative (*mandatario con rappresentanza*) of the holders of the Notes by virtue of the specific authority granted to the Trustee by the holders of the Notes. There is no certainty that this will eliminate all risks of unenforceability under Italian law.

Fraudulent Transfer Provisions

Upon the commencement of a bankruptcy, the following acts would be without effects (*privi di effetto*) as provided for by articles 64 and 65 of Royal Decree March 16, 1942, n. 267 *vis-à-vis* the creditors:

- transactions entered into by the debtor, should they have been entered into in the two years preceding the declaration of bankruptcy and should they be deemed gratuitous acts (such as those, under certain circumstances, for the benefit of third parties); and
- payments, which fall due on the day of the declaration of bankruptcy or thereafter, made in the two years preceding the declaration of bankruptcy.

In addition, upon the commencement of a bankruptcy, the following acts could be revoked (*revocati*) pursuant to Article 67 of the above-mentioned Royal Decree (the result of which is a declaration of ineffectiveness as to the bankruptcy), unless the defendant in the related action proves that it was unaware of the state of insolvency of the debtor:

- non-gratuitous acts (including guarantees, agreements and payments), made within one year preceding the declaration of bankruptcy, if the value of the obligation performed or entered into by the debtor exceeds by more than one-quarter of the value of what has been given or promised in exchange to it;

- acts aimed to satisfy the requests of payment of creditors, made by the debtor within one year preceding the declaration of bankruptcy, by non-ordinary means of payment;
- pledges and voluntary mortgages established within one year preceding the declaration of bankruptcy, for preexisting and unmatured debts; and
- pledges and voluntary and judicial mortgages established within six months preceding the declaration of bankruptcy, for past due debts.

Moreover, should the receiver prove that the defendant in the related action was aware of the state of insolvency of the debtor, the payment of debts past due and payable, non-gratuitous acts, and acts establishing a preemption right for debt including those of third parties, contextually arisen, made within six months preceding the declaration of bankruptcy, could be revoked. In any case, the receiver—who is the individual deputed to bring the above actions—could always resort to the action described in the following paragraph (as provided for by Article 66 of the abovementioned Royal Decree).

In addition, under Italian law, in certain circumstances, as well as in the ordinary course of business, an action can be brought by any creditor of a given debtor within five years from the date in which the latter enters into a guarantee, an agreement and any other act by which it disposes of any of its assets, in order to seek a clawback (*azione revocatoria*) pursuant to Article 2901 of the Italian Civil Code (which results in a declaration of ineffectiveness as to the acting creditor) of the said guarantee, agreement and other act that is purported to be prejudicial to the acting creditor's right of credit. An Italian court could revoke the said guarantee, agreement and other act only if it finds that, in addition to the ascertainment of the prejudice:

- the debtor was aware of the prejudice which the act would cause to the rights of the acting creditor or, if such act was prior to the existence of the claim or credit, that the act was fraudulently designed for the purpose of prejudicing the satisfaction of the claim or credit; or
- in the case of non-gratuitous acts, the third party involved was aware of the said prejudice and, if the act was prior to the existence of the claim or credit, that the said third party participated in the fraudulent scheme.

Sweden

Labco Diagnostics España S.L., upon conversion of its corporate form to *sociedad anónima*, will provide a pledge of the shares it holds in LABCO DIAGNOSTICS SWEDEN AB, a subsidiary incorporated under the laws of Sweden, thereby creating a security interest in such shares. The pledge will be governed by Swedish law.

Limitations on Enforcement

Subject to any legal restrictions applicable to the pledgor in its jurisdiction of incorporation, pursuant to the share pledge agreement governing the Security Interest granted in the shares of LABCO DIAGNOSTICS SWEDEN AB, the Security Agent may enforce the Security Interest by selling the pledged assets or any part thereof by private or public sale or auction or in such manner and on such terms as the Security Agent in its sole discretion deems fit. However, according to Swedish case law and legal principles, the Security Agent has a duty of care towards the pledgor when enforcing the Security Interest under the share pledge agreement. The duty of care implies, among other things, that the Security Agent must ensure that the Security Interest is enforced in such a way that a fair market value for the pledged assets is obtained.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement (the "Purchase Agreement") dated as of , 2011, the Issuer has agreed to sell to each initial purchaser, and each initial purchaser has agreed, severally and not jointly, to purchase the Notes from the Issuer.

The following table sets forth the amount of Notes to be purchased by each initial purchaser in the Offering:

Initial Purchasers(1)	Principal Amount of Notes
Credit Suisse (Europe) Limited	€
Deutsche Bank AG, London Branch	€
Natixis	€
UBS Limited	€
Total	€ 500,000,000

(1) Sales may be made through affiliates of the initial purchasers listed above.

The Purchase Agreement provides that the obligations of the initial purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel.

The initial purchasers propose to offer the Notes initially at the price indicated on the cover page hereof. After the initial offering, the offering price and other selling terms of the Notes may from time to time be varied by the initial purchasers without notice.

Labco has agreed to pay the initial purchasers certain customary fees for their services in connection with the Offering 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 Agreement provides that we will indemnify and hold harmless the initial purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the initial purchasers may be required to make in respect thereof. We have agreed, subject to certain limitations, that we will not offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, directly or indirectly, any securities of, or guarantees by, the Issuer, the Guarantors or any of the subsidiaries of the Issuer or the Guarantors that are substantially similar to the Notes without the prior written consent of Credit Suisse Securities (Europe) Limited, as representative of the initial purchasers, for a period of 180 days from the date of the pricing of the Offering.

The Notes and the guarantees have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except to QIBs in reliance on Rule 144A and in offshore transactions in reliance on Regulation S. Any offer or sale of Notes in the United States in reliance on Rule 144A will be made by broker-dealers who are registered as such under the U.S. Exchange Act. Terms used in this paragraph have the meanings given to them by Regulation S. Resales of the Notes are restricted as described under "*Transfer Restrictions*".

Each initial purchaser has represented, warranted and agreed that 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 issuance or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the 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 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 this purpose is required. Accordingly, the 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 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 Offering, the distribution of this offering memorandum and resale of the Notes. See "*Notice to Investors*".

The Notes are a new issue of securities for which there currently is no market. We will apply, through our listing agent, to list the Notes on the Official List of the Irish Stock Exchange and to have the Notes admitted to trading on the Global Exchange Market thereof; however, we cannot assure you that the Notes will be approved for listing or that such listing will be maintained.

The initial purchasers have advised us that they intend to make a market in the Notes after completing the Offering. The initial purchasers are not obligated, however, to make a market in the 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. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See "*Risk Factors—Risks Related to Our Indebtedness and the Notes—There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited*".

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this offering memorandum, which will be 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+ "). 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 wish to trade the Notes on the date of this offering memorandum or the next business days will be 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 Offering, the Stabilizing Manager, or persons acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager, or persons acting on its behalf, may bid for and purchase Notes in the open markets to stabilize the price of the Notes. The Stabilizing Manager, or persons acting on its behalf, may also over-allot Notes (provided that the aggregate principal amount of Notes allotted does not exceed 105% of the aggregate principal amount of the Notes that are the subject of the Offering), creating a syndicate short position, and may bid for and purchase 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 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 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 Notes. See "*Risk Factors—Risks Related to Our Indebtedness and the Notes—There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited*".

The initial purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the U.S. Exchange Act.

Over-allotment involves sales in excess of the offering size, which creates a short position for the relevant initial purchasers. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchase of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the initial purchasers to reclaim a selling concession from a broker or dealer when the Notes originally sold by that broker or dealer are purchased in a stabilizing or covering transaction to cover short positions.

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 Issuer and its affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. In addition, affiliates of each of the initial purchasers are acting as lead arrangers and as lenders under the Revolving Credit Facility, Deutsche Bank AG or affiliates of Deutsche Bank AG are acting as Trustee, Security Agent and other agent roles for the Notes and security agent under the Revolving Credit Facility, and Natixis or an affiliate of Natixis is acting as facility agent under the Revolving Credit Facility. Each will receive customary fees for their services in such capacities. Natixis is the agent and security agent and Natixis or affiliates of Natixis are lenders under our Existing Senior Facilities, which will be repaid with proceeds of the Offering.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for us by Shearman & Sterling LLP, as to matters of United States Federal and New York and French law. Certain legal matters in connection with the Offering will be passed upon for the initial purchasers by Cravath, Swaine & Moore LLP, as to matters of United States Federal and New York law, and by Bredin Prat, as to matters of French law.

INDEPENDENT AUDITORS

The French GAAP consolidated financial statements of Labco as of and for the years ended December 31, 2007, 2008 and 2009 have been audited by Constantin Associés and Cabinet Houdart, as stated in their reports appearing herein.

Our current auditors are Deloitte & Associés and Pierre-Henri Scacchi et Associés.

Constantin Associés is a member of the *Compagnie régionale des commissaires aux comptes de Versailles* and Cabinet Houdart, Deloitte & Associés and Pierre-Henri Scacchi et Associés are members of the *Compagnie régionale des commissaires aux comptes de Paris*.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer of the Notes and the Guarantors are organized under the laws of France, Germany, Italy, Belgium, Portgual and Spain. Each of the Security Documents relating to the Collateral will be governed by the laws of France, Germany, Italy, Belgium, Portugal, Spain and Sweden, as applicable. The Indenture (including the guarantees) and the Notes, the Covenant Agreements and the Covenant Agreements Assignments will be governed by New York law. The Intercreditor Agreement will be governed by English law. All of the directors and executive officers of the Issuer and each of the Guarantors are non-residents of the United States. Since substantially all of the assets of the Issuer and each of the Guarantors, and its and their directors and executive officers, are located outside the United States, any judgment obtained in the United States against the Issuer or a Guarantor or any such other person, including judgments with respect to the payment of principal, premium (if any) and interest on the Notes or any judgment of a U.S. court predicated upon civil liabilities under U.S. Federal or state securities laws, may not be collectible in the United States. Furthermore, although the Issuer and each of the Guarantors will appoint an agent for service of process in the United States and will submit to the jurisdiction of New York courts, in each case, in connection with any action in relation to the Notes and the Indenture or under U.S. securities laws, it may not be possible for investors to effect service of process on us or on such other persons as mentioned above within the United States in any action, including actions predicated upon the civil liability provisions of U.S. federal securities laws.

If a judgment is obtained in a U.S. court against the Issuer or a Guarantor or a security provider, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for the countries in which each of the Issuer 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 party to a treaty providing for 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*). Enforcement in France of such U.S. judgment could be obtained following proper (i.e., *non-ex parte*) proceedings if the 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 court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having jurisdiction over the matter in accordance with French rules of international conflicts of jurisdiction (including, without limitation, whether the dispute is clearly connected to the United States) and the French courts did not have exclusive jurisdiction over the matter;
- the court that rendered such judgment has applied a law which would have been considered appropriate under French rules of international conflicts of laws;
- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case;
- such U.S. judgment is not tainted with fraud; and

- such U.S. judgment does not conflict with a French judgment or a foreign judgment which has become effective in France and there are no proceedings pending before French courts at the time enforcement of the judgment is sought and having the same or similar subject matter as such U.S. judgment.

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 laws No. 80-538 of July 16, 1980 and No. 200-916 of September 19, 2000 (relating to 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.

We have been advised by our French counsel that if an original action is brought in France, French courts may refuse to apply the designated law if its application contravenes French public policy. 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.

Our French counsel has also advised us that according to Articles 14 and 15 of the French Civil Code, in the event that a party brings an action outside France against a French national (either a company or an individual), the latter may refuse to be brought before non-French courts and require the complainant to bring his or her action in France; in addition, a French national may decide to bring an action before the French courts, regardless of the nationality of the defendant. The French national may waive its rights to refuse to be brought before a non-French court or to bring an action before a French court against a non-French defendant.

Germany

The following discussion with respect to the enforceability of certain U.S. court judgments in Germany is based upon advice provided to us by our German legal advisors. The United States and Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters.

A final and conclusive judgment for payment of a specific amount of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would generally be recognized by a competent German court without review of the merits, unless:

- the relevant U.S. courts did not have jurisdiction in accordance with the principles on jurisdictional competence according to German law;
- the judgment was given in default of appearance and the defendant invokes such default or the defendant was not served with the document which instituted the proceedings properly or within sufficient time to enable him to arrange for his or her defense;
- the judgment is irreconcilable with a judgment given in Germany or a previous, recognizable foreign judgment or the proceedings leading to such judgment are irreconcilable with proceedings that were filed (*rechtshängig*) previously;
- such recognition entails results which are obviously irreconcilable with fundamental principles of German law (*ordre public*), including without limitation, fundamental rights under the constitution of Germany (*Grundrechte*). In this context, it should be noted that any component of a U.S. Federal or state court civil judgment awarding punitive damages or any other damages which do not serve a compensatory purpose, such as treble damages, will not be enforced in Germany. They are regarded to be in conflict with fundamental principles of German law; or
- the reciprocity of enforcement of judgments is not guaranteed.

Enforcement and foreclosure based on U.S. judgments may be sought against German defendants after having received an enforcement decision from a competent German court in accordance with the above principles. Subject to the foregoing, investors may be able to enforce judgments in Germany in civil and commercial matters obtained from U.S. Federal or state courts. However, we cannot assure you that those judgments will be enforceable. In particular, the remedies need to be of a specific kind and type for which an enforcement procedure exists under German law. In addition, it is doubtful whether a German court would accept jurisdiction and impose civil liability in an original action predicated solely upon U.S. federal securities laws.

Although this cannot be excluded on a general basis, it is doubtful whether a German court would assume jurisdiction and impose civil liability in an original action predicated solely upon U.S. Federal securities laws. However, if an original action is brought before a German court, and the court does not decline jurisdiction, the court may apply not only EU and German rules of civil procedure, but also certain substantive provisions of the EU and the German law that are regarded to as mandatory and may refuse to apply U.S. law provisions, particularly those relating to certain remedies, if the relevant application violates German public policy.

Italy

The following discussion with respect to the enforceability of certain U.S. court judgments in Italy is based upon advice provided to us by our Italian legal advisors. The United States and Italy currently do not have a bilateral treaty providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters.

Notwithstanding the above, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, will be recognized by an Italian court without a retrial, if the following conditions are met:

- the U.S. court which rendered the final judgment had jurisdiction according to Italian law principles of jurisdiction;
- the relevant summons and complaint was appropriately served on the defendants in accordance with U.S. law and during the proceeding the essential rights of the defendants have not been violated;
- the judgment is final and not subject to any further appeal in accordance with U.S. law;
- the parties to the proceeding appeared before the court in accordance with U.S. law or, in the event of default by the defendants, the U.S. court declared such default in accordance with U.S. law;
- the U.S. judgment is not in conflict with any final judgment previously rendered by an Italian court;
- there is no action pending in the Republic of Italy among the same parties and arising from the same facts and circumstances which commenced prior to the action in the United States; and
- the provisions of such judgment would not violate Italian public policy.

In addition, if an original action is brought before an Italian court, the Italian court may refuse to apply U.S. law provisions or to grant some of the remedies sought (e.g., punitive damages) if their application violates Italian public policy.

In cases of non-compliance with or objection to the recognition of a U.S. judgment, or when it is necessary to proceed with forceful execution, any interested person may apply to the court of appeals of the location of implementation for a determination of the existence of the recognition prerequisites above. The U.S. judgment, jointly with the decision allowing the application referred to above, constitutes entitlement to the implementation and forceful execution. If the objection to the U.S. judgment is raised in the context of other proceedings pending in Italy, the decision on the objection is made by the Italian judge with effects limited to those proceedings only.

The enforcement and, more generally, the use in court of guarantees (*fideiussioni*), which have been executed unilaterally by the guarantor or abroad, is currently subject to Italian registration tax (governed by Presidential Decree—D.P.R. April 26, 1986, n. 131) at the rate of the 0.5% of the guaranteed amount, unless such tax has already been previously paid.

In addition to the foregoing, the enforcement in Italy of a judgment issued by a foreign court, similar to judgments rendered by Italian courts, is currently subject to Italian registration tax at the following rates:

- 3% in the case of judgments ordering the payment of an amount of money, the performance of a service or the delivery of assets;
- 1% in the case of judgments which ascertain rights having an economical value; and
- a fixed fee of €168 in the case of judgments different from those indicated above or which declare any deed null or void, including judgments ordering the restitution of an amount of money or assets.

In original actions brought before Italian courts, there is doubt as to the enforceability of liabilities or remedies based solely on the U.S. federal securities laws. In addition, in original actions brought before Italian courts, Italian courts may apply not only Italian rules of civil procedure, but also certain substantive provisions of Italian law that are regarded as mandatory and may refuse to apply U.S. law provisions if the relevant application violates Italian public policy.

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 foreign courts can be declared enforceable 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*) and provided that, pursuant to Article 24 of the same Code, the following documents are produced in court by the claimant:

- an official copy of the judgment (*uitgifte van de beslissing/expédition de la décision*) fulfilling all conditions required for its authentification 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, enforcement can be refused in the circumstances described in Article 25 of the Belgian Code of International Private Law and notably, if, among other things:

- the rights of defense have been violated;
- such enforcement would be incompatible with Belgian public policy;
- the decision may still be appealed under the applicable foreign law (however, provisional enforcement could then be granted);

- the action was filed after the filing in Belgium of an action that is still pending between the same parties with respect to the same subject matter;
- the judgment is incompatible with a decision rendered in Belgium or a prior judgment rendered in another jurisdiction that can be recognized in Belgium;
- Belgian jurisdictions had exclusive jurisdictions in respect of that matter.

Portugal

Our Portuguese counsel has advised us that the United States and Portugal are not party to a treaty providing for reciprocal recognition and enforcement of judgments 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 Portugal.

Pursuant to the Portuguese Civil Procedure Code, a U.S. judgment or an arbitration decision on private rights (issued outside the European Union), will not be enforceable in Portugal without being recognized by a Portuguese court.

A party in whose favor such judgment was issued must initiate enforcement proceedings in Portugal (*acção de revisão e confirmação de sentença estrangeira*) before the relevant civil court (*Tribunal da Relação*) with territorial jurisdiction over the head office or domicile of the entity against who the judgment is to be enforced.

A judgment for payment issued by any Federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. Federal securities laws, would be recognized by a Portuguese court, if the following conditions are met:

- there are no doubts regarding the authenticity of the document in which the judgment lies nor about the contents of the verdict;
- the judgment has became final and not subject to any further appeal under the laws of the United States;
- such U.S. judgment is not tainted with fraud;
- the Portuguese courts did not have exclusive jurisdiction over the matters of such U.S. judgment;
- there is no possibility to invoke the exception of lis pendens (because there are no proceedings pending in Portugal over the matters of such U.S. judgment) or of *res judicata* based on a cause brought before a Portuguese court;
- the defendant was regularly summoned to the claim, under U.S. law, and the procedures have complied with the principles of contradictory and equality between the parties.
- such U.S. judgment does not contravene Portuguese international public policy rules.

Enforcement proceedings may only be challenged by the defendant, based on (i) the above-mentioned conditions not being met, (ii) the existence of a final judgment that proved the decision results from a crime committed by a judge in the performance of his tasks, (iii) the presentation of a document, unknown to the other party or that it could not have been used in the cause in which the verdict to be revised was issued, capable of alone modifying the verdict in a more favorable way to the losing party, (iv) the fact that the court dispute lies under an agreed simulation between the parties and the court, without realizing the existence of fraud, did not use the faculty of preventing the abnormal objective pursued by the parties, or (v) in the case the defendant is a Portuguese individual or company, the argument that the result of the case would have been more favorable if the U.S. court had judged the case under Portuguese law, when it should have solved the matter by recurring to conflicts provisions of the Portuguese law.

We cannot assure that a Portuguese court would enforce a U.S. judgment based on the legal institutes foreseen in U.S. law as some of Portuguese provisions are regarded as mandatory. In case the application of U.S. law violates Portuguese public policy, the foreign judgment would not be enforceable in Portugal.

Spain

The United States and Spain are not party to a treaty providing for 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, enforceable in the United States, would not directly be recognized or enforceable in Spain. A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in Spain for which purpose the following requirements under Spanish procedural law must be met:

- the judgment must be final, sworn-translated into Spanish and apostilled;
- the judgment shall not be contrary to Spanish public policy;
- there shall not be a pending proceeding between the same parties and in relation to the same issues in Spain;
- there shall not be a judgment rendered between the same parties and for the same cause of action in Spain or in another country provided that in this latter case the judgment has been recognized in Spain;
- where rendering the judgment, the courts rendering it must have not infringed an exclusive ground of jurisdiction provided for in Spanish law or have based their jurisdiction on exorbitant grounds;
- the rights of defense of the defendant should have been protected where rendering the judgment, including but not limited to a proper service of process carried out with sufficient time for the defendant to prepare its defense; and
- the obligation that the petitioner tries to execute has to be lawful in Spain.

The Spanish courts may express any such order in a currency other than euro in respect of the amount due and payable by the Issuer or a Spanish Guarantor but such order may be issued expressed in euro by reference to the official rate of exchange prevailing on the date of issue of such order.

LISTING AND GENERAL INFORMATION

1. Listing Information

Application will be made for the Notes to be admitted to the Official List of the Irish Stock Exchange and to be admitted to trading on the Global Exchange Market thereof.

For the life of the Listing Particulars, electronic copies of the following documents may be inspected and obtained at the registered office of the listing agent during normal business hours on any business day:

- the organizational documents of the Issuer and each of the Guarantors;
- the most recent audited historical consolidated financial statements and any interim financial statements of Labco;
- the Indenture (which includes the guarantees and the form of the Notes);
- the Revolving Credit Facility;
- the Intercreditor Agreement; and
- other material agreements described in this offering memorandum as to which we specify that copies thereof will be made available.

2. Litigation

Except as disclosed elsewhere in this offering memorandum, neither the Issuer 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 Labco's consolidated financial and trading position since December 31, 2009 (being the last day of the period in respect of which Labco published its latest annual audited consolidated financial statements).

4. Clearing Information

The 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 057745282 and 057773855, respectively. The international securities identification number ("ISIN") for the Notes sold pursuant to Regulation S is XS0577452823 and the ISIN for the Notes sold pursuant to Rule 144A is XS0577738551.

5. Legal Information

The Issuer is a *société par actions simplifiée* incorporated with limited liability under the laws of France. The Issuer was incorporated in France on June 5, 2003 and is registered with the *registre du commerce et des sociétés de Paris* under the registration number 448 650 085. The registered office of the Issuer is, and the members of the Strategic Committee and Executive Committee can be contacted at, 60-62, rue d'Hauteville, 75010 Paris, France, and its telephone number is +33(0)156026144.

The Issuer's fiscal year ends on December 31.

We estimate the expenses relating to admission of the notes to trading on the Irish Stock Exchange to be approximately €10,000.

6. Consents

The creation and issuance of the Notes has been authorized by resolutions of the shareholders and of the Strategic Committee of the Issuer dated December 12, 2010 and January 9, 2011, respectively.

7. Statement

The Issuer accepts responsibility for the information contained in this offering memorandum. The Issuer 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.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL DATA

Prior to July 1, 2008, we accounted for our interests in the following entities (and their subsidiaries, where applicable) in which we held 25% or less of the share capital and voting rights using the equity accounting method: SELAS du Beffroi, Laboratoire de Biologie Médicale Jorion, SELAS Labco Littoral, SELAS Barla, SELARL Du Marché, Laboratoire de Biologie Médicale Delaporte and Labco Midi SEL (together, the "French SELs"). As of July 1, 2008, we acquired exclusive control over the French SELs (and their subsidiaries) as a result of amendments to their by-laws or articles of incorporation and certain other contractual arrangements. Accordingly, we commenced accounting for the French SELs as consolidated subsidiaries under the full consolidation method as of July 1, 2008 (the "Change in Consolidation Method"). See "*Significant events of the year—Change in consolidation method*" in our audited financial statements for the year ended December 31, 2008 included elsewhere in this offering memorandum for further information.

Also during the year ended December 31, 2008, we acquired the operations of the following entities at different times during the year (together, the "2008 Acquisitions"):

- France: Schemitick Vorlet et Associés, Greil (renamed Bioval Laboratoires), Laboratoire d'Analyses de Biologie Médicale du Val d'Orne, SEL de Directeurs et Directeurs Adjoints de Laboratoires d'Analyses de Biologie Médicale Normabio, Laboratoire d'Analyses de Biologie Médicale Christine Pépin—Philippe Leluan—Patricia Sannier—Didier Guillo, Laboratoire Analyses Médicales Anabio, Buatois-Chamard (renamed Laboratoire de l'Avenue), Société d'Exercice Libéral Bio Fin et Associés, De Bisschop (renamed Laboratoire Diètre-Simon), Laboratoire de Biologie Médicale Cayrou-Gorse-Bourjeili, Laboratoire d'Analyses de Biologie Médicale Bigo Maudens (LABM Bigo Maudens) and Analyses et Biologie du Littoral—Anabiol;
- Iberia: Analisis Clinicos Bioclinic S.L., Questao Em Aberto S.A. and the subgroup Sampletest S.A.;
- Germany: Labco Pflegezentrum Köln GmbH, MVZ Medizinisches Fachlabor Dillenburg GmbH, MVZ Labor Marburg GmbH, MVZ Labor Duisburg GmbH, Medizinisches Versorgungszentrum Labor Saar GmbH, MVZ Dr. med. Sinterhauf, Dr. med. Lammert Laboratoriumsmedizin, Medizinische Mikrobiologie und Infektionsepidemiologie Gesundheitsförderungs GmbH, Elgesa Laborgesellschaft GmbH & co.KG, Elgesa Laborgesellschaft Geschaftsführungsgesellshaft GmbH, and Tulab GbR;
- Belgium: Labco Belgium SA, Ellipsys and Laboratoire d'analyses médicales Roman Païs; and
- Italy: Labco Italia S.r.l., Istituto il Baluardo S.p.A. and Baluardo Servizi Sanitari S.r.L.

The unaudited pro forma financial information set forth below includes the 2008 Unaudited Pro Forma Income Statement, which has been prepared to show the consolidated income statement of Labco for the year ended December 31, 2008, after giving effect to (i) the consolidation, in accordance with the full consolidation method, of the French SELs on the basis of a controlling interest of approximately 100% as if the Change in Consolidation Method had applied from January 1, 2008 and (ii) the 2008 Acquisitions as if such acquisitions had each occurred on January 1, 2008. The 2008 Unaudited Pro Forma Income Statement includes all pro forma effects that have been deemed to be necessary to reflect the Change in Consolidation Method, and differ from the limited pro forma information presented in Note 17 of our audited historical consolidated financial statements for the year ended December 31, 2008 included elsewhere in this offering memorandum, due to the inclusion in "*Financial expenses*" of an estimate of interest expenses associated with the debt drawn for financing the 2008 Acquisitions as if such debt had been drawn on January 1, 2008 and due to an adjustment in "*Revenue*".

The 2008 Unaudited Pro Forma Income Statement is provided as a basis for comparing Labco's results of operations in the year ended December 31, 2009 with Labco's results of operations in the year ended December 31, 2008 in a meaningful way. We believe a comparison of the results of operations in the year ended December 31, 2009 with our historical audited consolidated financial statements for the year ended December 31, 2008 would not be a meaningful comparison of our year-on-year results of operations because the Change in Consolidation Method was effective on July 1, 2008 and the 2008 Acquisitions occurred at several dates throughout 2008 and, consequently, the consolidated results of operations of Labco and the acquired businesses were only partially reflected in our historical audited consolidated financial statements for the year ended December 31, 2008. You should note, however, that our results of operations for the year ended December 31, 2009 are not fully comparable with those presented in our Unaudited 2008 Pro Forma Income Statement as a result of our 2009 Acquisitions.

The 2008 Unaudited Pro Forma Income Statement is based on available information and various assumptions, including with respect to prevailing market interest rates and average outstanding balances on revolving credit facilities, that management believes are reasonable. **Nevertheless, the 2008 Unaudited Pro Forma Income Statement is for informational purposes only, and is not necessarily indicative of what our financial performance would have been had the Change in Consolidation Method been applicable and the 2008 Acquisitions occurred on January 1, 2008. It is not indicative of our financial performance, nor does it purport to represent our results of operations for future periods.**

The unaudited pro forma financial information set forth below has not been prepared in accordance with the requirements of French GAAP, 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 or U.S. GAAS. The unaudited pro forma financial information set forth below should be read in conjunction with our historical audited consolidated financial statements and the notes thereto included elsewhere in this offering memorandum, "Unaudited Pro Forma Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operation".

	Year ended December 31, 2008*	Adjustments relating to Change in Consolidation Method[1]	Adjustments relating to 2008 Acquisitions	Note	Pro forma Year ended December 31, 2008*
		(unaudited)	(unaudited)		(unaudited)
		(thousands of euros)			
Revenue	235,634	77,437	88,979	(2)	402,049
Cost of purchases incurred and consumed	(87,538)	(27,676)	(33,284)	(2)	(148,498)
Personnel expense	(99,889)	(28,019)	(32,797)	(2)	(160,705)
Other taxes	(4,615)	(54)	(598)	(2)	(5,267)
Depreciation, amortization and provision expense, net	(8,278)	(1,613)	(2,713)	(2)	(12,604)
Other operating income and expense	(1,338)	274	(786)	(2)	(1,850)
Profit from operations	**33,977**	**20,348**	**18,801**	(2)	**73,125**
Net financial result	(12,808)	(2,973)	(13,379)	(3)	(29,160)
Profit on ordinary activities from consolidated companies	**21,169**	**17,375**	**5,423**		**43,966**
Extraordinary profit (loss)	(2,801)	1,899	(2,826)	(2)	(3,729)
Income tax	(3,396)	(6,058)	(5,766)	(4)	(15,220)
Net profit from consolidated companies	**14,971**	**13,215**	**(3,169)**		**25,017**
Net goodwill amortization expense	(12,958)	—	(13,382)	(5)	(26,340)
Share of associates earnings attributable to the group	4,261	(3,537)	—		724
Total consolidated net profit (loss)	**6,274**	**9,678**	**(16,551)**		**(599)**
Minority interests	4,678	—	—	(6)	4,678
Net profit (loss)—Group share	**1,596**	**9,678**	**(16,551)**		**(5,277)**
EBITDA**	**42,254**	**21,961**	**21,514**		**85,729**
Adjusted EBITDA**	**38,232**	**21,961**	**21,514**		**81,707**

* Our 2008 Consolidated Income Statement as of and for the year ended December 31, 2008 is adjusted to reflect the IFRS Income Statement Presentation changes and is not presented as in our historical audited consolidated financial statements for the year ended December 31, 2008. The IFRS Income Statement Presentation changes pertain to (i) €12.0 million payments to certain external medical personnel which we reclassified from "Cost of purchases incurred and consumed" to "Personnel expense" so as to regroup in one single line-item all personnel costs, and to (ii) €0.6 million related to the disposal of securities and long term financial assets which we reclassified from "Extraordinary profit (loss)" to "Net

Financial result". For more detail see the Consolidated Income Statement in our historical audited consolidated financial statements for the year ended December 31, 2009 included elsewhere in this offering memorandum.

** EBITDA represents profit from operations plus depreciation, amortization and provision expense, net. EBITDA as presented here differs from the definition of "Consolidated EBITDA" contained in the Indenture. EBITDA is not a measure of financial performance under French GAAP, and you should not consider EBITDA as an alternative to operating income or any other performance measure derived in accordance with French GAAP.

Adjusted EBITDA represents EBITDA minus the amount of the Priority Dividends, which Labco considers should be treated as payroll expenses and therefore be deducted from EBITDA.

The reconciliation of our operating income to EBITDA and Adjusted EBITDA is as follows:

	Year ended December 31, 2008*	Adjustments relating to Change in Consolidation Method(1)	Adjustments relating to 2008 Acquisitions	Note	Pro forma Year ended December 31, 2008*
		(unaudited)	(unaudited)		(unaudited)
		(thousands of euros)			
Profit from operations	33,977	20,348	18,801	(2)	73,125
Depreciation, amortization and provision expense, net	8,278	1,613	2,713	(2)	12,604
EBITDA	42,254	21,961	21,514		85,729
Priority Dividends	(4,022)	—	—		(4,022)
Adjusted EBITDA	38,232	21,961	21,514		81,707

Note (1) Represents the effect of the full consolidation of our French SELs from January 1, 2008 to June 30, 2008 as if controlled by Labco and accounted for as part of its consolidated group under the full consolidation method during this period, including the elimination of net results of those entities under equity method.

Note (2) Represents the results of operation of entities acquired during the year 2008, as if they had been acquired as at January 1, 2008. The adjustments to the various income statement items are based on estimates of Labco management in the respective jurisdictions in which such acquisitions occurred and actual results where available. Anticipated synergies from acquisitions are not included for the period for which the adjustments have been made.

Note (3) Represents the additional finance expense associated with the debt drawn for financing the 2008 Acquisitions as if such debt had been drawn as of January 1, 2008. Finance expense has been estimated using the Euribor 8-month interest rate as of January 1, 2008 plus the margin of each financing agreements.

Note (4) Represents the additional income tax expenses for the 2008 Acquisitions as if such acquisitions had occurred on January 1, 2008, including the tax impact of the additional financial expense described in note (3). The additional income tax expense has been calculated using the effective tax rate applicable of each relevant country.

Note (5) Represents the additional goodwill amortization expense for the 2008 Acquisitions as if such acquisitions had occurred on January 1, 2008 and as if our French SELs had been fully consolidated from January 1, 2008. Under French GAAP, we amortize goodwill over 15 years. Pro forma goodwill amortization has been computed based on the gross amount of goodwill after giving pro forma effect to the Change in Consolidation Method and the 2008 Acquisitions. The amounts presented in the Pro Forma 2008 Acquisitions column relate to both the 2008 Acquisitions and the Change in Consolidation Method. The effect of the Change in Consolidation described in "*Significant events of the year—Change in consolidation method*" in our financial statements for the year ended December 31, 2008 is already included in the historical audited consolidated financial statements for such year and includes a badwill of €10.0 million recorded in our income statement and netted against goodwill amortization.

Note (6) Minority interests mainly consist of the Priority Dividends. Such Priority Dividends are recognized when assessed and have therefore been recorded for the full amount due for the full-year operations of our French subsidiaries in our historical audited consolidated financial statements for the year ended December 31, 2008. As a result, we estimate there is no significant pro forma adjustment to be made to reflect the pro forma effect of the Change in Consolidation Method and the 2008 Acquisitions. See "*Bases for Preparing the Financial Statements—Accounting rules and methods—Minority interests*" in our historical audited consolidated financial statements for the year ended December 31, 2008 for a description of the accounting treatment of Priority Dividends.

ANNEX A

SUMMARY OF CERTAIN DIFFERENCES BETWEEN FRENCH GAAP AND IFRS

The audited historical consolidated financial statements included elsewhere in the offering memorandum, together with the notes thereto, have been prepared in accordance with generally accepted accounting principles in France (“French GAAP”). Certain differences exist between French GAAP and International Financial Reporting Standards as adopted by the European Union (“IFRS”) that may be material to the financial information presented therein.

The discussion set forth below summarizes certain differences identified between French GAAP as applied by Labco and IFRS, following a limited analysis of both sets of principles. Labco is responsible for preparing the summary below and has not prepared a reconciliation of its consolidated financial information from French GAAP to IFRS. These differences, which have not been quantified, were identified as potentially having an impact on total consolidated net result and shareholders’ equity. Had Labco undertaken such quantification or reconciliation, other potentially significant accounting and disclosure differences may have come to its attention, which are not identified below. Accordingly, there can be no assurance that these are the only differences in accounting principles that would have an impact on Labco’s total consolidated net result or shareholders’ equity.

In making an investment decision, investors must rely upon their own examination of Labco, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between French GAAP and IFRS and how those differences might affect the financial information herein. Potential investors should not take this summary to be an exhaustive list of all differences between French GAAP and IFRS.

There may also be significant differences between the presentation of Labco’s consolidated financial statements and the notes thereto and the presentation that would be required under IFRS. These differences have not been addressed in the discussion below.

Acquisition Costs Related to Business Combinations

Under French GAAP, acquisitions costs incurred in relation to a business combination are capitalized as part of the cost of the business combination.

Under IFRS, as a result of the application of the revised version of IFRS 3 *Business Combinations (2008)*, acquisition-related costs are expensed as incurred in the period in which the costs are incurred and the services are received.

Amortization of Goodwill

Under French GAAP, Labco capitalizes goodwill and other intangible assets and amortizes them over their useful life, not exceeding 15 years. French GAAP requires an impairment review of goodwill and other intangibles whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Under IFRS, goodwill is not amortized, but is tested for impairment annually and whenever there is an indication of impairment. Goodwill resulting from a business combination must be allocated to each of the acquirer’s cash-generating units (“CGU”), or groups of CGUs, that are expected to benefit from the synergies of the combination. A CGU is typically at a lower level than a reporting unit. Each CGU or group of CGUs for goodwill impairment testing cannot be larger than an operating segment determined in accordance with IFRS 8 *Operating Segments*.

The annual impairment test may be performed at any time during an annual period, provided the test is performed at the same time every year. The impairment test requires comparing the carrying amount of a CGU, or group of CGUs, including goodwill allocated, with the recoverable amount, defined as the higher of fair value less costs to sell or the value in use. If the carrying amount exceeds the recoverable amount, an impairment charge is recorded to reduce the carrying amount of the CGUs to its recoverable amount. The impairment charge is recognized first to reduce the carrying amount of goodwill allocated to the CGU (or group of CGUs) under review to zero. Allocation is then made to the CGU's (or group of CGUs), other assets pro rata on the basis of the carrying amount of each asset in the CGU (for group of CGUs).

Accounting for Assets under Finance Leases

Labco uses equipment for its medical analyses. As customary in the clinical laboratories testing industry, certain contracts for use of this equipment stipulate that the equipment provided in exchange for Labco agreeing to exclusively buy from the supplier chemical reagents for a certain indicative volume during the term of the contract.

Under French GAAP, transactions that do not have the form of a lease contract are not accounted for as such, and all payments have been expensed under cost of purchases incurred and consumed.

Under IFRS, a lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the asset. Examples of situations that lead to a lease being characterized as a finance lease include the lease term is for the major part of the economic life of the asset even if title is not transferred and the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset at the inception of the lease.

Under IFRS, subject to further analysis, some of these arrangements for use of equipment may result in identifying a right to control the use of these identified assets under the meaning of IFRIC 4 *Determining Whether an Arrangement Contains a Lease* and thus require lease accounting under IAS 17 to be applied to the lease embedded in the purchase or supply arrangement. Accordingly, the price paid by Labco for reagents may be split under IFRS between the reagent itself and the rental of the equipment, and, for certain equipment that qualifies as finance lease, a tangible asset and a financial debt recognized on the balance sheet, based on the purchase value of the equipment and the amount of rentals over five years provided by suppliers.

Under French GAAP, we opted to capitalize assets held under finance lease contracts for all contracts effective since January 1, 2008.

Under IFRS, all assets under finance leases must be capitalized in accordance with IAS 17 *Leases*.

Accounting for Financial Liabilities—Amortized Cost and Interest Method

Under French GAAP, financial liabilities are initially recorded at face value. Directly attributable transaction costs, premiums and discounts are recognized separately as assets and amortized on a straight-line basis over the term of the financial liability. Interest expense is recognized based on the contractual interest rate.

Under IFRS, financial liabilities are initially measured at fair value less directly attributable transaction costs. Financial liabilities are subsequently measured at their amortized cost using the effective interest method. The amortized cost of a financial liability is the amount at which the financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial liability or, when appropriate, a shorter period to the net carrying amount of the financial liability. When calculating the effective interest rate, cash flows are estimated considering all contractual terms of the financial instrument (such as prepayment, call and similar options) but not considering future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Derivative Financial Instruments

Labco uses financial instruments to manage exposures to changes in interest rates. Interest rate risk is managed through the use of swaps. The aim is to reduce exposure to interest rate fluctuations and not to speculate. Under French GAAP, all open positions at year-end with regard to derivatives are not recognized in the consolidated balance sheet and presented as off-balance sheet items.

Under IFRS, derivatives are required to be recorded on the balance sheet as an asset or liability. They are initially measured at fair value on the acquisition date. IFRS requires subsequent measurement of all derivatives at their fair values, regardless of any hedging relationship that might exist. Changes in fair value are required to be recognized currently in earnings, unless specific hedge accounting criteria are met. Hedge accounting is permitted under IFRS provided that the entity meets stringent qualifying criteria in relation to documentation and hedge effectiveness.

Priority dividends granted to employees

Labco pays priority dividends to certain shareholders who are also employees. The amount of the dividends is calculated based on certain performance targets of the entity. Payment of the priority dividends is not discretionary. The group is required to pay priority dividends to these employees if the target is actually met.

Under French GAAP, priority dividends were included in the share of the non-controlling interests in the net profit of the period.

Under IFRS, priority dividends would be considered variable remuneration as part of the employee compensation. Accordingly, priority dividends would be expensed (as personnel costs) when incurred and included in net profit—group share.

Share-based payment

Under French GAAP there are no specific accounting rules which deal with the remuneration of employees with shares, options or share warrants when they are granted. Generally, the accounting treatment involves an increase of share capital once the equity instrument is exercised or the shares granted.

Under IFRS, services received from employees as consideration for equity instruments are recognized as an expense in the income statement, with the matching entry recognized in equity. The expense corresponds to the fair value of the equity instrument at the date of grant, and is charged to income on a straight-line basis over the vesting period of the plan.

The fair value of equity instruments is measured at the grant date using a valuation model. This initial measurement is not subsequently adjusted except where an adjustment is required to reflect the actual cancellation rate and the effect of this adjustment is material.

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INDEX TO FINANCIAL STATEMENTS

GROUP LABCO

Unaudited Interim Consolidated Financial Statements

September 30, 2010

For the Interim Period Ended September 30, 2010

CONTENTS

BALANCE SHEET

(In thousands of euros)	Note	30/09/2010	31/12/2009
Assets			
Goodwill	1	529.438	525.788
Intangible assets	2	5.135	5.050
Property, plant and equipment	3	36.257	35.529
Long term financial assets	4	4.730	3.394
Interests in associates	5	2.043	2.964
Fixed Assets		**577.603**	**572.724**
Inventory and work in progress	6	8.149	7.070
Trade receivables	7	76.693	69.539
Other receivables and accruals	7	39.869	35.223
Marketable securities	8	22.876	20.098
Cash and cash equivalents	8	65.072	70.217
Current assets		**212.659**	**202.148**
Total assets		**790.262**	**774.872**
Liabilities			
Share capital		43.064	42.995
Additional paid-in capital		204.188	204.188
Consolidated reserves		(7.753)	17.231
Net profit (loss)		(21.657)	(24.899)
Shareholders'equity		**217.842**	**239.515**
Minority interests		**4.833**	**3.478**
Provisions for contingencies and losses	9	**11.658**	**8.477**
Borrowings and others financial liabilities	10	460.717	424.688
Trade payables and related accounts	11	42.322	38.092
Other payables and accruals	11	52.890	60.622
Debts		**555.929**	**523.402**
Total liabilities		**790.262**	**774.872**

INCOME STATEMENT

(In thousands of euros)	Note	30/09/2010	31/12/2009	30/09/2009
Revenue	17	332.063	424.453	313.832
Cost of purchases incurred and consumed		(129.777)	(166.337)	(121.773)
Personnel expense	14	(134.961)	(166.996)	(122.705)
Other taxes		(2.289)	(3.763)	(2.539)
Depreciation, amortization & provision expense		*(11.668)*	*(15.680)*	*(10.266)*
Depreciation, amortization & provision reversals		*115*	*647*	*335*
Depreciation, amortization & provision expense, net		(11.553)	(15.033)	(9.932)
Other operating expense		*(3.188)*	*(3.372)*	*(3.906)*
Other operating income		*2.813*	*3.074*	*1.742*
Other operating income and expense		(375)	(297)	(2.163)
Profit from operations		**53.108**	**72.026**	**54.720**
Financial expense		*(23.527)*	*(30.598)*	*(23.099)*
Financial income		*402*	*1.453*	*763*
Net financial result	12	(23.125)	(29.145)	(22.337)
Profit on ordinary activities from consolidated companies		**29.983**	**42.881**	**32.383**
Extraordinary expense		*(6.415)*	*(8.810)*	*(4.457)*
Extraordinary income		*1.342*	*2.647*	*2.038*
Extraordinary profit (loss)	13	(5.073)	(6.163)	(2.419)
Income tax	15	(12.166)	(18.302)	(12.367)
Net profit from consolidated companies		**12.745**	**18.415**	**17.598**
Net goodwill amortization expense		(31.198)	(39.418)	(29.144)
Share of associated earnings attribuable to the group		385	838	675
Total consolidated net profit (loss)		**(18.068)**	**(20.165)**	**(10.872)**
Minority interests		3.589	4.734	3.453
Net profit (loss)—Group share		**(21.657)**	**(24.899)**	**(14.325)**
Average number of shares		43.053.280	42.567.292	42.567.292
Net earnings per share (in euros)		**(0,50)**	**(0,58)**	**(0,34)**
Net earnings per share diluted (in euros)[1]		**(0,50)**	**(0,58)**	**(0,34)**
EBITDA[2]		**64.661**	**87.059**	**64.652**

(1) Given the net result is a loss, the net earnings per share diluted is the same as the net earnings per share.

(2) Ebitda definition and computation is detailed in the note Cash flow statement.

CHANGE IN SHAREHOLDERS' EQUITY

(In thousands of euros)	Shares (number)	Share capital	Additional paid-in capital	Consolidated reserves	Result for the period	Total attributable to the Group	Total attributable to minority interests
Position at December 31, 2008	**40.413.243**	**40.413**	**169.573**	**16.724**	**1.596**	**228.307**	**2.969**
Dividend distribution				0		0	(3.713)
Allocation of earnings				1.596	(1.596)	0	
Profit for the year					(24.899)	(24.899)	4.734
Share capital increase	2.581.962	2.582	34.615			37.197	
Treasury shares				(1.600)		(1.600)	
Subsidiaries disposed of (N/A)						0	
Others changes				511		511	(512)
Position at December 31, 2009	**42.995.205**	**42.995**	**204.188**	**17.231**	**(24.899)**	**239.515**	**3.478**
Dividend distribution				0		0	(2.410)
Allocation of earnings				(24.899)	24.899	0	
Profit for the year					(21.657)	(21.657)	3.589
Share capital increase	68.680	69	0			69	
Treasury shares						0	
Subsidiaries disposed of (N/A)						0	
Others changes				(85)		(85)	175
Position at September 30, 2010	**43.063.885**	**43.064**	**204.188**	**(7.753)**	**(21.657)**	**217.842**	**4.832**

(1) Changes in LABCO SAS share capital and additional paid in capital derive from exercise of warrant approved by general shareholder's meeting on February 12, 2010 for 69 K€.

(2) The change in Minority Interests results from:

a. a distribution of priority dividends comprised of €2,655 K balance on 2009 dividends almost entirely paid during the first 9 months of 2010.

b. the recognition in Minority Interest of the pro-rata of 2010 priority dividend payable to biologists in 2010 in the amount of €3,373 K, the remainder representing other minority interests.

(3) Existing Financial instrument schemes on Labco shares:

During the year ended 31 December 2008, three financial instrument schemes have been issued by the Company which entitle the holders upon exercise of the instrument to subscribe other financial instruments or shares of the Company at a fix price of Euro 1 per share.

The number of warrants that can be exercised depends on the ability of the Group to meet certain financial and operational targets. The exact terms of the exchange at the exercise dates were determined when the Company entered into the issuance agreements. Subject to the fulfillment of their conditions, the warrants are exercisable at any time during a period of 15 years after their date of subscription.

A total of 4,223,394 "ABSA C1" were issued, i.e. 4,223,394 Class C shares to which were attached a total of 16,893,576 warrants of four different kinds, giving the right to subscribe a maximum of 4,113,531 new Class C shares at a price of Euro 1 per share.

A total of 80,878 shares were issued in 2009 by exercise of 80,878 warrants attached to the "ABSA C1", pursuant to their terms and conditions.

A total of 4,223,394 "ABSA C2" were issued, i.e. 4,223,394 Class C shares to which were attached a total of 8,446,788 warrants of two different kinds, giving the right to subscribe a maximum of 2,323,852 new Class C shares at a price of Euro 1 per share.

A total of 27,049 shares were issued in 2010 by exercise of 27,049 warrants attached to the "ABSA C2", pursuant to their terms and conditions.

A total of 1,967,083 "BEABSA" were issued, i.e. 1,967,083 options giving the right to subscribe a maximum of 2,097,145 "ABSA C3", i.e. 2,097,145 Class C shares to which could be attached a total of 4,541,820 warrants of two different kinds, giving the right to subscribe a maximum of 1,176,860 new Class C shares at a price of Euro 1 per share.

A total of 2,020,660 "ABSA C3" was issued in 2009 by exercise of the 1,967,083 "BEABSA", pursuant to their terms and conditions.

A further three warrant schemes have been issued by the Company in July 2008. These warrants entitle the holders upon exercise of the instrument to buy one share of the Company at either a fixed price of Euro 1 (mezzanine B and C) or Euro 14,206582 (mezzanine A) per share. The warrants were granted at a price of Euro 0.0001 per warrant.

A total of 494,241 Senior Mezzanine warrants, split in 313,243 Senior Mezzanine A, 38,752 Senior Mezzanine B and 142,246 Senior Mezzanine C, were issued.

6,018 shares were issued in 2010 by exercise of 6,018 Senior Mezzanine B warrants, pursuant to their terms and conditions.

A total of 1,464,175 Junior Mezzanine warrants, split in 927,975 Junior Mezzanine A, 114,800 Junior Mezzanine B and 421,400 Junior Mezzanine C, were issued.

17,829 shares were issued in 2010 by exercise of 17,829 Junior Mezzanine B warrants, pursuant to their terms and conditions.

A total of 1,460,443 Junior additional Mezzanine warrants, split in 925,609 Junior Additional Mezzanine A, 114,508 Junior Additional Mezzanine B and 420,326 Junior Additional Mezzanine C, were issued.

17,784 shares were issued in 2010 by exercise of 17,784 Junior Additional Mezzanine B warrants, pursuant to their terms and conditions.

(4) Share based payment schemes:

On 24 March 2005, the Company established two manager share warrant schemes (denominated "BSA 2005-1-1" and "BSA 2005-1-2") that entitle key management personnel to subscribe new shares in the Company, subject to the fulfillment of the conditions detailed in the issuance agreements. On 7 June 2006 ("BSA 2006-1-1"), 13 March 2007 ("BSA 2007-1-1"), 30 December 2007 ("BSA 2007-1-2") and 5 March 2008 ("BSA 2008-1-1"), further manager share warrant schemes were implemented in favor of key management personnel of the Group.

Each share warrant gives the beneficiary the right to subscribe one share of the Company at an exercise price determined at allocation date, on predetermined graded vesting dates. The exercise conditions were mainly depending on certain financial targets and, the case may be, included an employment condition. The Strategic Committee of the Company held on 23 April 2008 stated that the exercise conditions of the three categories of share warrants issued on 7 June 2006, 13 March 2007 and 30 December 2007 ("BSA 2006-1-1", "BSA 2007-1-1" and "BSA 2007-1-2") were fulfilled, pursuant to their terms and conditions, in order to allow the holders to exercise such share warrants at any time. The general meeting of shareholders held on 30 December 2008, modified the terms and conditions of the two categories of share warrants issued on 24 March 2005 ("BSA 2005-1-1" and "BSA 2005-1-2") to remove all constraints in order to allow the holders to exercise such share warrants at any time. According to these decisions and to the modified schemes, the beneficiaries can exercise the granted share warrant of these five schemes at any moment, within a period of 10 years following the date of subsciption. For the "BSA 208-1-1" scheme, the share warrants vest in 2009, 2010 and 2011.

Terms and conditions of the manager share warrant schemes:

The terms and conditions relating to the grants of share warrants are as follows; all share warrants are to be settled by physical delivery of shares:

Plan	Number of instruments	Exercise period	Exercise price	Share warrant price	Average fair value at grant date
BSA 2005-1-1	907,067	Each moment between 30 December 2008 and 23 June 2015	1	0.10	0.21
BSA 2005-1-2	108,782	Each moment between 30 December 2008 and 23 June 2015	1	0.10	0.21
BSA 2006-1-1	6,796	Each moment between 23 April 2008 and 7 June 2016	1	0.10	1.08
BSA 2007-1-1	109,806	Each moment between 23 April 2008 and 13 March 2017	2.5	0.25	1.34
BSA 2007-1-2	104,337	Each moment between 23 April 2008 and 30 December 2017	2.5	0.25	3.74
BSA 2008-1-1	438,317	Each moment between 1 January 2009, 1 January 2010 and 1 January 2011 (each tranche 1/3 of the options) and 5 March 2018	8	0.8	4.97
Total	**1,675,105**				

CASH FLOW STATEMENT

(In thousands of euros)	30/09/2010	31/12/2009	30/09/2009
EBITDA[1]	**64.661**	**87.059**	**64.652**
Cash from (used in) net financial profit (loss)	(16.601)	(24.057)	(18.793)
Including dividends received from associates	262	311	311
Cash from (used in) extraordinary profit (loss)	(4.866)	(6.638)	(2.463)
Change in working capital requirements[2]	(7.659)	(4.898)	(5.699)
Income taxes paid	(9.651)	(16.408)	(12.627)
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES (A)	**26.146**	**35.368**	**25.381**
Payments for additions to or acquisitions of fixed assets	(10.749)	(13.244)	(9.757)
Proceeds from disposals of fixed assets	1.277	2.041	1.856
Impact of changes in the scope of consolidation[3]	(42.440)	(82.690)	(75.735)
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(51.911)**	**(93.893)**	**(83.637)**
Proceeds from Share capital increase	69	37.197	37.197
Dividends paid	(2.400)	(3.714)	(2.179)
Borrowings issued	53.191	62.580	55.085
Repayment of financial debt	(26.762)	(39.142)	(24.588)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**24.098**	**56.921**	**65.516**
TOTAL CASH FLOWS (A+B+C)	**(1.667)**	**(1.604)**	**7.260**
Cash and cash equivalents at the end of the period	84.189	85.856	94.720
Cash and cash equivalents at the beginning of the period	85.856	87.460	87.460
Net increase (decrease) in cash and cash equivalents	**(1.667)**	**(1.604)**	**7.260**

(1) EBITDA is defined as follows:

	30/09/2010	31/12/2009	30/09/2009
Net operating income	**53.108**	**72.026**	**54.720**
Depreciation, amortization and provision expense, net	(11.553)	(15.033)	(9.932)
EBITDA	**64.661**	**87.059**	**64.652**

(2) Change in net working capital requirements breaks down as follows:

Change in working capital requirements	30/09/2010	31/12/2009	30/09/2009
Change in inventory	(394)	1.305	797
Change in trade and other receivables from operations	(2.817)	(2.349)	(2.974)
Change in trade and other payables from operations	1.294	(1.594)	(3.110)
Change in sundry receivables and payables	(5.742)	(2.260)	(412)
Total	**(7.659)**	**(4.898)**	**(5.699)**

(3) Change in consolidation scope impacts cash as follows:

	Acquisition cost	Cash acquired	Change in debt related to share purchases	Total
Impact of new acquisitions	35.407	(4.681)	(1.604)	29.122
Payment of debt related to purchase of shares/price complements/goodwill	359	0	12.597	12.956
Price adjustments	263	0	0	263
Other changes	132	(218)	185	99
Total	**36.161**	**(4.899)**	**11.178**	**42.440**

GENERAL INFORMATION

LABCO SAS is a limited liability company under French law (Société par actions simplifiée) whose registered office is 60-62, rue d'Hauteville, 75010 Paris, France. LABCO SAS and its subsidiaries (the Group) are in the medical diagnostic business.

The Group's statements were approved by the Strategy Committee on December 2, 2010.

Unless otherwise indicated, all figures are given in thousands of euros.

SIGNIFICANT EVENTS OF THE PERIOD

Acquisitions during the period

Significant acquisitions and newly consolidated companies during the reporting period are shown below by country:

Acquisition date	Country	Entities	Goodwill (In thousands of euros)
27/07/2010	France	Tranchond Turcon	4.797
27/09/2010	France	Medilabo	4.064
27/09/2010	France	Verdun de Lore	3.402
31/07/2010	Spain	Laboser	2.547
15/04/2010	Italy	Remaining 80% of C.A.M. Centro Analisi Monza S.p.A. Group	18.140

Entities merged during the period

In France

- Ricard was absorbed by FFC

In Italy

- CAB was absorbed by C.A.M. Centro Analisi Monza S.p.A. (C.A.M. Centro Analisi Monza S.p.A.)
- Labco Liguria was absorbed by Istituto Il Baluardo

In Spain

- Doctor Badal business was absorbed by General Lab

SIGNIFICANT SUBSEQUENT EVENTS

None.

BASES FOR PREPARING FINANCIAL STATEMENTS

The consolidated financial statements were prepared in accordance with French law and regulations (regulation 99-02 and 2005-10 of the Comité de la Réglementation Comptable). The interim consolidated financial statements have been prepared using the same accounting rules as the one applied for preparing financial statements as at December 31, 2009.

The interim financial year for which the statements are presented began on January 1, 2010 and ended September 30, 2010.

The parent company closes its books at December 31, as do all of the other companies within the scope of consolidation.

The interim consolidated financial statements are prepared using assumptions and estimates set by senior management that impact the value of assets and liabilities at the date of closing and income and expense during the period.

That said, the estimates were developed in a fast-changing economic and market environment. Accordingly, we cannot rule out new information coming to light or new events occurring such that certain assumptions that seem reasonable at this point would have to be seriously revised.

Preparing the financial statements in accordance with French accounting principles requires LABCO senior management to make estimates and assumptions that may have an impact not only on the euro amounts of assets, liabilities, equity, income and expense but also on the disclosures made in the Notes. These assumptions are formulated in light of the information available at the time they are made and based on comparable historical data and other factors considered reasonable under the circumstances.

At each closing date, these assumptions and estimates may be revised if the circumstances on which they are based have changed or if management is made aware of new information. To the degree these assumptions change, the items appearing on future financial statements could vary from current estimates.

The main assumptions used are the following:

Goodwill, intangible assets and impairment tests:

As of September 30, 2010 LABCO management believed there is no reason for impairment losses on intangible assets with an indefinite life (no impairment indicator identified) and therefore performed no impairment tests.

ACCOUNTING RULES AND METHODS

- **Consolidation method**

The companies are fully consolidated whenever the Group exercises exclusive control, de jure or de facto. In the case of joint ventures, investments are proportionately consolidated. Companies over which the Group has significant influence (associates) are consolidated using the equity method.

- **Minority interests**

"Minority interests" are the rights of minority shareholders in companies controlled by LABCO SAS and represent the share of profit or loss, as well as net financial situation, not owned by the Group. In the case of medical biology companies, whether controlled de jure or de facto, minority interests of other shareholders, i.e. laboratory doctors, should be assessed based on the financial rights attached to their shares rather than voting rights. These shares of stock are entitled to a priority dividend, calculated on a formula defined in each company's by-laws so long as their holders are professionally active in the company. However, their right to any surplus on liquidation (net assets) are strictly limited, which gives this portion a non-material accounting value.

Most by-laws of consolidated French companies call for two classes of stock. Class A shares are held by medical biologists associated in the SELs (Sociétés d'exercice liberal), private practice companies under French law. They are awarded a priority dividend according to a formula worked out in the by-laws of each company. The share of earnings acquired under this priority dividend is recognized, once it is assessed, as minority interest. The companies concerned and the amount of priority dividend allocated for the financial year 2010 are presented in the following table:

	Priority dividends declared on 2010 earnings	Interim dividend 2010	Outstanding balance of priority dividends
TOTAL	**3.373**	**0**	**3.373**

- **Consolidation criteria**

A company comes within the scope of consolidation when the Group has taken control of it, regardless of the legal form through which this control is obtained.

Investments whose contribution to the Group's sales revenue, net operating income, net earnings, liabilities or net financial position is not material are not consolidated.

- **Intra-group transactions**

All material reciprocal transactions between consolidated companies are eliminated.

With regard to consolidated companies, write-down charges and reversals on equity investments and related receivables are eliminated as they are redundant once the concerned companies are consolidated.

- **Standardization**

The Group companies' financial statements are prepared according to the accounting rules in force in their home countries and adjusted when necessary to comply with the Group's financial reporting standards.

- **First-time consolidation**

Once a company has been taken over, all the identifiable assets and liabilities of that company are measured at fair value. Goodwill is measured as the excess of the acquisition cost over the carrying amount of the fair value of assets and liabilities of the acquired company. The intangible business assets that are at times recognized in local accounting but do not meet the identification criteria of CRC 99-02 are not treated as identifiable assets but reclassified as goodwill and amortized accordingly.

The acquisition cost of shares equals the funds paid to the seller plus costs directly attributable to the purchase and any price adjustments that can be measured reliably and payment of which is probable.

The initial measurement of goodwill may be adjusted within a time period ending with the close of the financial year following the year of acquisition.

Positive goodwill is generally amortized over a period of 15 years. Badwill is recognized in profit and loss over a period reflecting the assumptions used and the objectives set at the time of the acquisition.

Positive goodwill is tested for impairment when events or circumstances indicate that a loss in value may have occurred. Such events or circumstances include material and lasting adverse changes that impact the economic environment or the assumptions made or objectives held at the time of the acquisition.

Whether an impairment loss should be recorded is determined by comparing the consolidated carrying amount (book value) of the business with its current value.

Current value is the greater of market value and value in use. Market value equals to the best estimate of the value of the business if sold in an arm's length transaction, less disposal costs. This estimate is made on the basis of available market information, taking into account any specific circumstances. Value in use equals the present value of future benefits expected from the company, as determined at the time of purchase. When an impairment loss is identified, an extraordinary amortization is recognized in order to reduce the carrying amount of goodwill to its current value.The Group companies' financial statements are prepared according to the accounting rules that apply in their home countries and if necessary are adjusted to be compatible with the Group's standards.

- **Deferred taxes and income taxes**

As at September 30, 2010 and September 30, 2009, the income tax charges have been calculated locally based on an estimate of tax result and rationalised, when necessary, with the effective tax rate expected at year end.

Temporary differences between accounting profits and taxable profits are recorded as deferred taxes, accounted for under the balance sheet liability method.

To be conservative, tax loss carry-forwards are not recorded as a deferred tax asset unless forecast earnings suggest a strong probability that the tax losses will be used in the near future. Deferred taxes are not discounted to their present value.

- **Segment analysis**

The Group is engaged in one single industry, in the medical diagnostics sector. Consequently there is no need for a segment analysis, which is therefore not provided except a breakdown of revenues by country is provided in Note 17. Iberia corresponds to the aggregate of Portugal and Spain.

• **Intangible assets**

Intangible assets consist primarily of software, lease agreements and licenses. Intangible assets are amortized straight-line over useful lives of 5 years or less.

Research costs are systematically expensed in the year in which they are incurred.

Development costs are recognized as assets if the criteria for capitalization are met. There were no capitalizations during the first 9 months of 2010.

• **Property, plant & equipment**

Property, plant & equipment primarily consists of fixtures, furniture and IT hardware.

These are measured at acquisition cost and are straight-line depreciated over their economic useful life. If property, plant & equipment is intended to be used over its entire useful life, no residual value is used when determining the basis for depreciation.

The principal useful lives used are the following:

• Buildings	15 years
• Fixtures and fittings	3 to 10 years
• Technical plants	2 to 10 years
• Equipment and tools	2 to 10 years
• Other property, plant & equipment	2 to 10 years

Both tangible and intangible assets are tested for impairment when some indication of a loss of value has been identified at the balance sheet date.

Fixed assets acquired under finance leases are restated. For this the Group applies the preferential method mentioned in regulation CRC 99-02 of the CRC.

• **Unconsolidated equity investments, other long-term investments and marketable securities**

"Long term financial assets" are comprised of unconsolidated equity investments and their associated receivables, other securities held as long-term investments and deposits and guaranties.

The gross value of these financial assets equals their acquisition cost. When their value in use, primarily measured on their future earnings prospects or on a benchmark value, has fallen below their gross value at the balance sheet date, an impairment loss is recognized.

• **Derivative financial instruments**

The Group may use financial derivatives to hedge its exposure to interest rate risk arising from variable rate loans. These financial derivatives qualifying as hedging instruments are not accounted for. Disclosure is provided in Note 15, "Off-balance sheet commitments".

• **Inventories**

Inventories consist of reagents and consumables. The costs of inventories is based on the weighted average unit costs and a depreciation is recorded if net realizable value is lower than carrying value.

• **Receivables and payables**

Receivables and payables are recognized at nominal value. Certain receivables are written down through provisions to take into account difficulties in collection likely to be incurred in light of information known on the date of closing.

• **Bonds, other financial liabilities and new issue costs**

Borrowings are measured at nominal value.

Bond issuance costs are treated as assets and amortized over the life of the bond.

• **Provisions for contingencies and losses**

Pursuant to the regulation 2006-06 of the CRC concerning liabilities, provision for contingencies and losses are booked when probable outflows of resources to outside parties without compensation to the company may ocur. These provisions are measured in light of the most likely assumptions at the balance sheet date.

• **Obligations arising from pensions, retirement and similar post-employment benefits**

"Retirement obligations" largely consist of end-of career benefits owed to employees upon retirement in France. They are measured based on an actuarial calculation taking into account primarily the age structure, employee turnover and mortality rates by age group as presented in official tables. The amounts obtained are adjusted to account for assumed inflation and present-discounted from the payment date(s). Actuarial gains and losses arising from changes in assumptions are recognized immediately through the income statement. In Italy, legal indemnities are to be paid to employees when they leave (so-called TFR) and have been recorded as long term employee benefit.

• **Cash and Cash equivalents**

"Cash and Cash equivalents" are comprised of liquid assets that present no risk of short-term loss of value, such as banks deposits, and marketable securities with virtually no risk of depreciation.

Marketable securities are recognized at acquisition cost and are written down at the balance sheet date if their market price is lower than their acquisition cost.

For the purposes of the consolidated cash flow statement, "cash and cash and equivalents" includes cash and cash equivalents as defined above, net of bank overdrafts.

• **Treasury shares**

LABCO SAS shares held by the parent company are deducted from consolidated shareholders' equity.

• **Net profit from operations**

Net profit from operations reflects the current operating performance of the Group various business units.

• **Net profit from extraordinary items**

Extraordinary (non-recurring) income and expense consist of material items which because of their nature and their unusual and non-recurring character cannot be considered inherent to the Group's operations. Examples would be capital gains and losses on disposals, reorganization costs, extraordinary amortization and depreciation of assets, costs related to discontinued acquisitions or major lawsuits.

• **EBITDA (earnings before interest, taxes, depreciation and amortization)**

EBITDA is calculated from net profit from operations, adjusted for the net expenses resulting from the recovery of provisions and depreciation and amortization charges.

- **Earnings per share**

Earnings per share are calculated by dividing net income for by the average number of shares outstanding during the period. Earnings per share diluted are calculated by dividing net income by the sum of the average number of shares outstanding during the period and the average number of shares that could be issued given the outstanding exercisable warrants during the period.

SCOPE OF CONSOLIDATION

The consolidation scope at September 30, 2010, at December 31, 2009 and at September 30, 2009 was established as follows:

FRENCH ENTITIES

	Parent company: 0001 LABCO SAS								
	30/09/2010			31/12/2009			30/09/2009		
Designated entities	**% of control**	**Method of consolidation**	**% interest**	**% of control**	**Method of consolidation**	**% interest**	**% of control**	**Method of consolidation**	**% interest**
AGDL	98,03%	FC	96,94%	98,03%	FC	96,94%	98,03%	FC	96,94%
LGESTION	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
AUBERT H	99,45%	FC	99,45%	99,45%	FC	99,45%	99,45%	FC	99,45%
AUBERT J	99,50%	FC	99,50%	99,50%	FC	99,50%	99,50%	FC	99,50%
BIOFRANCE	99,16%	FC	99,16%	99,16%	FC	99,16%	99,16%	FC	99,16%
BIOSAMBRE	98,31%	FC	98,31%	98,31%	FC	98,31%	98,31%	FC	98,31%
NORDEN	98,56%	FC	98,56%	98,56%	FC	98,56%	98,56%	FC	98,56%
ISLE	99,13%	FC	99,13%	99,13%	FC	99,13%	99,13%	FC	99,13%
LABCO MIDI—VAULTIER (MOSSON)	99,96%	FC	99,96%	99,96%	FC	99,96%	99,96%	FC	99,96%
DELAPORTE	99,99%	FC	99,99%	99,99%	FC	99,99%	99,99%	FC	99,99%
ESLAB	99,79%	FC	99,79%	99,79%	FC	99,79%	99,79%	FC	99,79%
SCHAFFNER	98,89%	FC	98,89%	98,89%	FC	98,89%	98,89%	FC	98,89%
LABCO ARTOIS	98,70%	FC	98,70%	98,70%	FC	98,70%	98,70%	FC	98,70%
LABOCENTRE—MARCOUT	99,83%	FC	99,83%	99,83%	FC	99,83%	99,83%	FC	99,83%
BARLA	99,84%	FC	99,84%	99,84%	FC	99,84%	99,84%	FC	99,84%
LABORATOIRE CENTRAL—GAUPILLAT	99,44%	FC	99,44%	99,44%	FC	99,44%	99,44%	FC	99,44%
BIOPAJ	97,27%	FC	97,28%	97,27%	FC	97,27%	97,27%	FC	97,27%
BIOVAL	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
BIOSYNTHESE	98,90%	FC	98,90%	98,90%	FC	98,90%	98,90%	FC	98,90%
CARRON	99,87%	FC	99,87%	99,87%	FC	99,87%	98,87%	FC	98,87%
LABO DU BEFFROI	99,92%	FC	99,92%	99,92%	FC	99,92%	99,92%	FC	99,92%
LABCO LITTORAL—CHARRIERE-LEVY	98,80%	FC	98,80%	98,80%	FC	98,80%	98,80%	FC	98,80%
TIXIER—POKORNY	96,93%	FC	96,93%	96,93%	FC	96,93%	96,93%	FC	96,93%
SUEUR—RICOUX	96,92%	FC	96,92%	96,92%	FC	96,92%	96,92%	FC	96,92%
CTRE BIOL. CALAIS	99,75%	FC	99,75%	99,75%	FC	99,75%	99,75%	FC	99,75%
LABO DU MARCHE	99,99%	FC	99,99%	99,99%	FC	99,99%	99,99%	FC	99,99%
TREGUIER LEMOINE	98,85%	FC	98,85%	98,85%	FC	98,85%	98,85%	FC	98,85%
AQUILAB	98,89%	FC	98,89%	98,89%	FC	98,89%	98,89%	FC	98,89%
VAL DE GARONNE	49,37%	EM	49,37%	49,37%	EM	49,37%	49,37%	EM	49,37%
JORION	99,95%	FC	99,95%	99,95%	FC	99,95%	99,95%	FC	99,95%
GROUPE BIOLOGIC	99,91%	FC	99,91%	99,91%	FC	99,91%	99,91%	FC	99,91%
CBM CHARTRES	96,92%	FC	96,92%	96,92%	FC	96,92%	96,92%	FC	96,92%
LOISON	97,26%	FC	97,27%	97,26%	FC	97,26%	97,26%	FC	97,26%
SIROS-ROY	99,12%	FC	99,12%	99,12%	FC	99,12%	99,12%	FC	99,12%
BIO ADOUR	99,12%	FC	99,12%	99,12%	FC	99,12%	99,12%	FC	99,12%
BRIGOUT	48,88%	EM	48,88%	48,88%	EM	48,88%	48,88%	EM	48,88%
PORT	98,61%	FC	98,59%	98,61%	FC	98,61%	98,61%	FC	98,61%
JPBS ROUEN	98,69%	FC	98,69%	98,69%	FC	98,69%	98,69%	FC	98,69%
BIOLIANCE	97,27%	FC	97,25%	97,27%	FC	97,27%	97,27%	FC	97,27%
ERDRE—LOIRE	87,19%	FC	87,17%	87,19%	FC	87,19%	87,19%	FC	87,19%
CBMS	87,18%	FC	87,15%	87,18%	FC	87,18%	87,18%	FC	87,18%
EXSEL BIO	87,18%	FC	87,16%	87,18%	FC	87,18%	87,18%	FC	87,18%
BOUREL—ASSOCIES	43,15%	EM	43,15%	43,15%	EM	43,15%	43,15%	EM	43,15%
BUATOIS—CHAMARD	99,94%	FC	99,92%	99,94%	FC	99,94%	99,94%	FC	99,94%
ANABIO	98,83%	FC	98,83%	98,83%	FC	98,83%	98,83%	FC	98,83%
GREIL	98,55%	FC	98,55%	98,55%	FC	98,55%	98,55%	FC	98,55%
VAL D'ORNE	99,82%	FC	99,82%	99,82%	FC	99,82%	99,82%	FC	99,82%
TYBERGHIEN	99,74%	FC	99,74%	99,74%	FC	99,74%	99,74%	FC	99,74%
BGCB	98,54%	FC	98,54%	98,54%	FC	98,54%	98,54%	FC	98,54%
DEGRAEF POULIQUE	43,50%	EM	43,49%	43,50%	EM	43,50%	43,50%	EM	43,50%
Bigo Maudens	97,26%	FC	97,27%	97,26%	FC	97,26%	97,26%	FC	97,26%
Anabiol	98,79%	FC	98,79%	98,79%	FC	98,79%	98,79%	FC	98,79%

	Parent company: 0001 LABCO SAS								
	30/09/2010			31/12/2009			30/09/2009		
Designated entities	**% of control**	**Method of consolidation**	**% interest**	**% of control**	**Method of consolidation**	**% interest**	**% of control**	**Method of consolidation**	**% interest**
Bisschop	98,69%	FC	98,69%	98,69%	FC	98,69%	98,69%	FC	98,69%
Pépin	98,28%	FC	98,28%	98,28%	FC	98,28%	98,28%	FC	98,28%
Schemitick	99,48%	FC	99,48%	99,48%	FC	99,48%	99,48%	FC	99,48%
Normabio	96,91%	FC	96,91%	96,91%	FC	96,91%	96,91%	FC	96,91%
Bio Fin	98,30%	FC	98,30%	98,30%	FC	98,30%	98,30%	FC	98,30%
VERNEAU	99,99%	FC	99,91%	99,99%	FC	99,93%	99,99%	FC	99,93%
FROMENT	99,99%	FC	98,84%	99,99%	FC	98,84%	99,99%	FC	98,84%
RICARD		MERGER		99,99%	FC	98,83%	99,99%	FC	98,83%
REFERENTIEL BIOLOGIE	98,40%	FC	98,40%	100,00%	FC	100,00%	99,99%	FC	100,00%
Tranchond Turcon	98,68%	FC	98,68%						
Maieur	96,91%	FC	96,91%						
Sainte victoire	93,55%	FC	93,55%						
Medilabo	98,63%	FC	98,63%						
Verdun de Lore	99,75%	FC	99,75%						
SCM Vallée de la MEUSE	49,28%	NC	49,28%	49,28%	NC	49,28%	49,28%	NC	49,28%
SCM LAD	99,47%	FC	99,47%	99,47%	FC	99,47%	99,47%	FC	99,47%
SCM GROUPEMENT LABO	65,90%	FC	65,90%	65,90%	FC	65,90%	65,90%	FC	65,90%
LABO CENTRE	63,57%	FC	63,57%	63,57%	FC	63,57%	63,57%	FC	63,57%
SCM LE CENTRE	99,87%	NC	99,87%	99,87%	NC	99,87%	99,87%	NC	99,87%
SCM BIOESSOR	44,48%	EM	44,48%	44,48%	EM	44,48%	44,48%	EM	44,48%
SCM AZURLAB	28,39%	EM	42,50%	28,39%	EM	28,39%	28,39%	EM	28,39%
SCM Biologis	65,02%	FC	64,91%	65,02%	FC	65,02%	65,02%	FC	65,02%
SCM VAL DE RHONE	40,00%	EM	39,97%	40,00%	EM	39,97%	39,99%	EM	39,99%
SCM GRAM	39,48%	EM	39,48%	39,48%	EM	39,48%	39,48%	EM	39,48%
SCM BIO 76	0,01%	NC	0,01%	0,01%	NC	0,01%	0,01%	NC	0,01%
SCM PIERRE BACHET	9,91%	NC	9,91%	9,91%	NC	9,91%	9,91%	NC	9,91%
GIE LABCO 06	99,44%	NC	99,44%	99,44%	NC	99,44%	99,44%	NC	99,44%
GIE LABCO 07	100,00%	FC	98,19%	100,00%	FC	98,19%	98,19%	FC	98,19%
SAL	57,71%	FC	57,71%	57,71%	FC	57,71%	57,71%	FC	57,71%
ENVIRONNEMENT & SANTE	54,72%	NC	54,72%	54,72%	NC	54,72%	54,72%	NC	54,72%

EM = Equity Method / FC = Fully consolidated / PC = Proportionately consolidated / NC = not consolidated.

FOREIGN ENTITIES

Designated entities	30/09/2010 % of control	30/09/2010 Method of consolidation	30/09/2010 % interest	31/12/2009 % of control	31/12/2009 Method of consolidation	31/12/2009 % interest	30/09/2009 % of control	30/09/2009 Method of consolidation	30/09/2009 % interest
	Parent company: 0001 LABCO SAS								
					Sweden				
LABCO DIAGNOSTICS SWEDEN AB	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
					Italy				
LABCO LOMBARDIA	100,00%	FC	100,00%	84,00%	FC	84,00%	84,00%	FC	84,00%
LABCO LIGURIA		MERGER		100,00%	FC	100,00%	100,00%	FC	100,00%
C.A.M. Centro Analisi Monza S.p.A.	100,00%	FC	100,00%	20,00%	EM	20,00%	20,00%	EM	20,00%
LABCO ITALIA	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
ISTITUTO IL BALUARDO SPA	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
BALUARDO SERVIZI SANITARI Srl	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
CENTRO DIAGNOSTICO MISSORI SRL	50,00%	FC	50,00%	10,00%	EM	10,00%	10,00%	EM	10,00%
C.A.M. Centro Analisi Monza S.p.A. ECO SERVICE SRL	41,00%	EM	41,00%	8,20%	EM	8,20%	8,20%	EM	8,20%
CAB		MERGER		20,00%	EM	20,00%	20,00%	EM	20,00%
					Germany				
LABCO DEUTSCHLAND	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
LABCO PFLEGEZENTRUM	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Aesculabor	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
MVZ SINTERHAUF	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Labco Labor Köln	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
MVZ DILLENBURG	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
MVZ MARBURG	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
MVZ DUISBURG 2	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
MVZ SAAR	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
ELGESA LABORGESELLSCHAFT GMBH & CO. KG		MERGER			MERGER		100,00%	MERGER	100,00%
ELGESA LABORGESELLSCHAFT GESCHAFTS-FÜHRUNGSGESEL	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
					Spain				
LABCO ESPANA	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
General Lab—Holding	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
ANALISIS CLINICOS BIOCLINIC SL	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
VIDAL GENERAL LAB	75,00%	FC	75,00%	75,00%	FC	75,00%	75,00%	FC	75,00%
TRIALS GENERAL LABORATORIES	75,00%	FC	75,00%	75,00%	FC	75,00%	75,00%	FC	75,00%
HELIDIA DIAGNOSTICOS	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
EGARA LABORATORIS SL		DISPOSAL			DISPOSAL		45,00%	DISPOSAL	45,00%
Lab Dos Analisis SL	40,00%	EM	40,00%	40,00%	EM	40,00%	40,00%	EM	40,00%
GENETICA MOLECULAR LABORATORIO SL	30,00%	EM	30,00%	30,00%	EM	30,00%	30,00%	EM	30,00%
Laboser	100,00%	FC	30,00%						
Amparo Perea, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Analisis Clínicos Jose Luis Vallejo, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Avivar Analistas Asociados, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Centro De Patologia Celular Y Diagnostico Prenatal, S.A.(*)	84,70%	FC	84,70%	84,70%	FC	84,70%	84,70%	FC	84,70%
Centro Médico Analítico Otte-Lopez, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Citopath, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Dispensaris Mèdics Dexeus, S.L.(*)	97,00%	FC	97,00%	97,00%	FC	97,00%	97,00%	FC	97,00%
Histocitomed, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%

	Parent company: 0001 LABCO SAS								
	30/09/2010			31/12/2009			30/09/2009		
Designated entities	**% of control**	**Method of consolidation**	**% interest**	**% of control**	**Method of consolidation**	**% interest**	**% of control**	**Method of consolidation**	**% interest**
Inmunogen, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Institut De Citologia I Histopatologia, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Laboratorio Biofac, S.L.		MERGER			MERGER		100,00%	FC	100,00%
Laboratorio Canga Arqueros, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Laboratorio Clínica Del Pilar, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Laboratorio De Análisis Clínicos Doctor Badal, S.A.(*)		MERGER		52,90%	FC	52,90%	52,90%	FC	52,90%
Laboratorio Médico Dr. Valor, S.A.(*)		MERGER			MERGER		100,00%	FC	100,00%
Laboratorios Stauros, S.L.(*)	74,00%	FC	74,00%	74,00%	FC	74,00%	74,00%	FC	74,00%
Olot Análisis, S.L.(*)	75,00%	FC	75,00%	75,00%	FC	75,00%	75,00%	FC	75,00%
Patología Diagnóstica, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Picornell Salva, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Raban (Gibraltar) Limited(*)		DISPOSAL			DISPOSAL		100,00%	FC	100,00%
Sabater Análisis, S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Sabater Pharma, S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Sabater Tobella Análisis, S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Sampletest Spain, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Sanilab, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Sanz Estebaranz, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Xarxa—Idea, S.L.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
					Belgium				
LABCO BELGIUM	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
ROMAN PAIS	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
ELLIPSYS	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
					Portugal				
QUESTAO EM ABERTO SA	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
GENERAL LAB PORTUGAL SA	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
SOCIEDADE DE PREPARACAO LABORATORIAL LDA	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
GERMILAB	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Analisis Clinicos Sabater, S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Ascensão Afonso, Lda.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Biohemo KX 2000, SL	100,00%	FC	100,00%	100,00%	FC	100,00%	—	—	—
Cal & Silveira—Análises Clínicas, Lda.(*)		MERGER			MERGER		100,00%	FC	100,00%
Clínica De Diagnóstico Laboratorial Dr. Miguel Pereira & Filhos, Lda.(*)		MERGER			MERGER		100,00%	FC	100,00%
Clínica De Diagnósticos Da Azambuja, Dr. Fernando Teixeir	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Clínica De Diagnósticos De Ferreira Do Alentejo, Dr. Ferna	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Clínica De Diagnósticos Dr. Fernando Teixeira, S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Clinova 2- Centro De Diagnóstio Laboratorial De Almerim, Lda.(*)		MERGER			MERGER		100,00%	FC	100,00%
Clinova—Centro De Diagnóstio Laboratorial De Torres Nov	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Délio Morgado, Limitada(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Endoclab—Laboratório De Endocrinologia E Patologia Clíni	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Flaviano Gusmão, Lda.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Gnóstica—Laboratório De Análises Clínicas, S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
José Júlio De Castro Fernandes, S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Labor- Análises Clínicas Dr. Fernando Godinho, Lda.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Laboratório Análises Drª Graça Duarte Nunes, S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%

	Parent company: 0001 LABCO SAS								
	30/09/2010			31/12/2009			30/09/2009		
Designated entities	**% of control**	**Method of consolidation**	**% interest**	**% of control**	**Method of consolidation**	**% interest**	**% of control**	**Method of consolidation**	**% interest**
Laboratório De Análises Clínicas—Susana Pereira Rosas, Ld	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Laboratório De Análises Clínicas Da Covilha, S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Laboratório De Análises Clínicas Dr. Francisco Ferreira Cres	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Laboratório De Patologia Clínica, Lda.	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Laboratório Dra. Margarida Fanha, Lda.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Laboratório J. Marinheira Monteiro—Laboratorio Médico D	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Laboratório Médico Dr. David Santos Pinto, S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Laboratórios De Análises Clínicas Do Dr. João Ribeiro E Dra	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Louro E Pires, Lda.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Lpd—Laboratório Português De Análises Clínicos, Lda.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Magalhães & Moura, Lda.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Maria Do Sameiro Sequeira, Lda.(*)		MERGER			MERGER		100,00%	FC	100,00%
Miranalise—Laboratório De Análises Clínicas Mira D' Aire,	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Novanalise—Laboratório De Análises Clínicas De Torres No	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Partilab S.G.P.S., S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Previlabor—Análises Clínicas, Saúde Ocupacional E Preven	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Rotarobal, Sgps, S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Sampletest—Consultoria E Gestão De Laboratórios De Aná	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Sampletest Ii—Consultoria E Gestão De Laboratórios De An	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Sgus Madeira—S.G.P.S., S.A.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%
Sscp—Serviços De Saúde Curativos Preventivos, Lda.(*)	100,00%	FC	100,00%	100,00%	FC	100,00%	100,00%	FC	100,00%

EM = Equity Method / FC = Fully consolidated / PC = Proportionately consolidated / NC = not consolidated.

(*) Entities included in the sub-consolidation of Questao subgroup.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GOODWILL

The line item Goodwill changed over the year as follows:

	Goodwill
Gross amount at 31/12/2009	**602.799**
Acquisition or change in scope of consolidation(1)	34.924
Substrations	0
Gross amount at 30/09/2010	**637.723**
Accumulated amortization at 31/12/2009	**(77.011)**
Amortization expense	(31.275)
Reversals	0
Changes in consolidation scope	0
Accumulated amortization at 30/09/2010	**(108.286)**
Net carrying amount at 31/12/2009	**525.788**
Net carrying amount at 30/09/2010	**529.437**

(1) Change in consolidation scope mainly relates to goodwill on acquisition of the following companies:

- France (Maier, Tranchand Turcon, Ste Victoire, Verdun de Lore and Medilabo) in the amount of 13,4 M€.
- Italy and Spain (acquisition of remaining 80% in C.A.M. Centro Analisi Monza S.p.A. (C.A.M. Centro Analisi Monza S.p.A.) group and Laboser) in the amount of 20,6 M€.

Goodwill at 30/09/2010 breaks down by country as follows:

Country	Gross amount	Accumulated amortization	Carrying amount at 30/09/2010	Carrying amount at 31/12/2009
Germany	106.402	20.176	86.226	91.551
Belgium	16.303	2.794	13.510	14.524
Iberia	257.254	40.522	216.732	226.864
France	227.766	41.623	186.143	182.423
Italy	29.997	3.171	26.827	10.425
Sweden	—	—	—	—
	637.723	**108.286**	**529.437**	**525.788**

Labco management did not identify any triggering event as at September 30, 2010, as such no impairment test was conducted and no impairment loss was recognized.

2. INTANGIBLE ASSETS

Intangible assets change as follows:

	Concessions, licenses, patents	Other	Total
Gross amount at 31/12/2009	9.629	1.530	11.159
Accumulated amortization at 31/12/2009	(5.667)	(442)	(6.109)
Carrying amount at 31/12/2009	**3.962**	**1.088**	**5.050**
Acquisitions	1.183	(153)	1.030
Substrations	(24)	(5)	(29)
Changes in the scope of consolidation(1)	433	3.762	4.195
Other changes	507	(551)	(44)
Gross amount at 30/09/2010	**11.728**	**4.583**	**16.311**
Amortization expense	(1.456)	(88)	(1.544)
Reversals	20	4	24
Changes in the scope of consolidation(1)	(419)	(3.129)	(3.548)
Other changes	(144)	144	0
Accumulated amortization at 30/09/2010	**(7.666)**	**(3.511)**	**(11.177)**
Carrying amount at 30/09/2010	**4.062**	**1.073**	**5.135**

(1) The flows related to change in consolidation scope are mostly due to the acquisition of C.A.M. Centro Analisi Monza S.p.A.

Intangible assets at 30/09/2010 break down by country as follows:

Country	Concessions, licenses, patents	Others	Total
Germany	984	0	984
Belgium	128	—	128
Iberia	1.098	74	1.172
France	1.790	536	2.327
Italy	62	462	524
Sweden	—	—	—
	4.062	**1.073**	**5.135**

3. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment changed as follows:

	Buildings and land	Technical Plant	Other (furnishings, hardware, etc.)	Total
Gross amount at 31/12/2009	19.453	66.464	36.557	122.474
Accumulated depreciation at 31/12/2009	(10.444)	(50.813)	(25.688)	(86.945)
Carrying amount at 31/12/2009	**9.009**	**15.651**	**10.869**	**35.529**
Acquisitions	616	2.403	4.248	7.267
Substractions	(42)	(1.180)	(1.814)	(3.036)
Changes in consolidation scope(1)	4	4.922	2.749	7.675
Other changes(2)	400	(3.143)	2.735	(8)
Gross amount at 30/09/2010	**20.431**	**69.466**	**44.475**	**134.372**
Depreciation expense	(1.290)	(3.384)	(3.051)	(7.725)
Reversals	0	697	1.534	2.231
Changes of scope of consolidation(1)	0	(4.074)	(1.631)	(5.705)
Other changes(2)	(189)	1.907	(1.689)	29
Accumulated depreciation at 30/09/2010	**(11.923)**	**(55.667)**	**(30.525)**	**(98.115)**
Carrying amount at 30/09/2010	**8.508**	**13.799**	**13.950**	**36.257**

(1) The changes in consolidation scope mainly relate to C.A.M. Centro Analisi Monza S.p.A.

(2) Other changes refer to reclassifications of items within property, plant & equipment.

Property, plant & equipment at 30/09/2010 break down by country as follows:

Country	Buildings and land	Technical Plant	Other (furnishings, hardware, etc.)	Total
Germany	1.503	2.134	1.505	5.142
Belgium	—	609	997	1.606
Iberia	5.024	5.536	1.109	11.669
France	1.761	3.028	9.888	14.677
Italy	219	2.493	451	3.163
Sweden	—	—	—	—
	8.507	**13.800**	**13.950**	**36.257**

4. LONG TERM FINANCIAL ASSETS

Long term financial assets break down as follows:

	Non-consolidated equity investments	Deposits and guaranties	Other long term financial assets	Total
Gross amount at 30/09/2010	391	2.124	957	3.472
Accumulated write-down at 30/09/2010	(78)	0	0	(78)
Carrying amount at the beginning of the year	**313**	**2.124**	**957**	**3.394**
Additions	(7)	660	598	1.251
Substractions	36	(596)	(133)	(693)
Changes in consolidation scope(1)	0	681	26	707
Other changes	157	0	(24)	133
Gross amount at 30/09/2010	**578**	**2.869**	**1.424**	**4.871**
Allocations	(10)	0	0	(10)
Reversals	0	0	0	0
Changes in consolidation scope	0	0	(52)	(52)
Other changes	(1)	0	0	(1)
Accumulated write-downs at end of period	**(89)**	**0**	**(52)**	**(141)**
Carrying amount at 30/09/2010	**489**	**2.869**	**1.372**	**4.730**

(1) The change in consolidation scope mainly relate to C.A.M. Centro Analisi Monza S.p.A.

The principal equity investments in unconsolidated companies held by the group are as follows:

	30/09/2010	% ownership	31/12/2009	% ownership
SCI La Salicorne	*88*	*58,03%*	*88*	*58,03%*
SCI Nancy Haut	*13*	*3,16%*	*13*	*3,16%*
Clinique Jules Vernes	*108*	*2,28%*	*108*	*2,28%*
Clinique Saint Charles	*33*	*0,06%*	*33*	*0,06%*
Labco Finance	*18*	*100,00%*		
Other unconsolidated equity investments	*229*		*72*	
Total unconsolidated equity investments	**489**		**314**	

The entity Salicorne is not consolidated because the main financial aggregates are not significant and accounting information are not available on a timely basis.

The entity Labco Finance is not consolidated as at September 2010, because it has been set up in June 2010 and still does not have any activity. The UK joint venture with Sodexo, Integrated Pathology Partnerships (iPP), has recently been set up, but funding by Labco SAS shareholder have still not be called and operations will start only in 2011.

5. INTERESTS IN ASSOCIATES

Participating interests accounted for following the equity method at 30/09/2010 are as follows:

	Restated shareholders' equity	% interest	Equity amount accounted for at 30.09.2010	Provision for negative equity	Shareholders' equity at 31.12.2009	Equity amount accounted for at 31.12.2009
VAL DE GARONNE	2.340	49%	1.147	0	2.275	1.115
BRIGOUT	416	49%	203	0	413	202
SEVRE et LOIRE BIOLOGIE	580	43%	248	0	533	230
DEGRAEF-POULIQUEN	178	44%	75	0	97	42
SCM CAB MED ST COME	0	46%	0	0	0	0
SCM BIOESSOR	(131)	44%	(9)	49	(115)	(2)
SCM AZURLAB	(3)	28%	(1)	0	(6)	(2)
SCM VAL de RHONE	27	40%	11	0	27	11
SCM GRAM	(8)	39%	(3)	0	(9)	(3)
SCI ST COME	(122)	48%	0	58	(122)	0
C.A.M. Centro Analisi Monza S.p.A. ECO SERVICE	161	41%	66	0	148	12
CONSORZIO	61	25%	15	0	61	3
CONSORZIO GENETICO	54	50%	27	0	54	5
LAB DOS ANALISIS	464	40%	186	0	443	177
GENETICA MOLECULAR LABORATORIO SL	258	30%	77	0	306	92
C.A.M. Centro Analisi Monza S.p.A.	—	—	—	—	4.686	940
CENTRO DIAGNOSTICO MISSORI	—	—	—	—	306	31
CAB	—	—	—	—	550	110
Total	**4.275**		**2.043**	**108**	**9.647**	**2.964**

The entities C.A.M. Centro Analisi Monza S.p.A., Centro Diagnostico Missori and CAB are fully consolidated in 2010 following the acquisition of the remaining 80% of C.A.M. Centro Analisi Monza S.p.A. group during 1st semester 2010.

6. INVENTORIES

Inventories break down as follows:

	Cost at 30/09/2010	Write downs at 30/09/2010	Net amount at 30/09/2010	Net amount at 31/12/2009
Supplies and raw materials	810	0	810	604
Reagents	7.384	(45)	7.339	6.466
Total	**8.194**	**(45)**	**8.149**	**7.070**

7. RECEIVABLES FROM OPERATIONS

Receivables from operations breakdown as follows:

	Gross amount at 30/09/2010	Write downs at 30/09/2010	Net amount at 30/09/2010	Net amount at 31/12/2009
Trade and related receivables	**82.574**	**(5.881)**	**76.693**	**69.539**
Down payments and deposits paid	1.762	0	1.762	1.613
Collectible Tax assets and payroll on-costs(1)	12.994	0	12.994	12.807
Current accounts	1.165	0	1.165	706
Deferred charges(2)	11.026	0	11.026	10.315
Prepaid expenses	6.989	0	6.989	4.345
Other receivables(3)	8.891	(2.958)	5.933	5.438
Receivables and accruals	**42.827**	**(2.958)**	**39.869**	**35.223**
Total	**125.401**	**(8.839)**	**116.562**	**104.762**

(1) Collectible Tax assets and payroll on-costs include deferred tax assets for an amount of €6.8 million largely referring to Questao in a net amount of €2.0 million and LABCO Diagnostics Espana in the amount of €0.8 million.

(2) Deferred charges represent the debt issuing fees of French and foreign companies, which are amortized over the life of the debt.

(3) The write down of Other Receivables relate to the Duisburg dispute in the amount of €2.0 million and a €0,9 million receivable in the books of Roman Pais in dispute with INAMI.

Most of other receivables are due within one year except for Duisburg receivables for a net amount of € 1.1 million and deferred tax assets from Questao for € 2,0 million that have maturities before five years.

8. CASH & CASH EQUIVALENTS

Cash and cash equivalents consist of:

	Gross amount at 30/09/2010	Write downs at 30/09/2010	Carrying amounts at 30/09/2010	Carrying amounts at 31/12/2009
Marketable securities	22.876	0	22.876	20.098
Cash on hand and balances with banks	65.072	0	65.072	70.218
Total	**87.948**	**0**	**87.948**	**90.316**

Marketable securities correspond to liquid assets that represent no risk of short-term loss of value, such as banks deposits, marketable securities with virtually no risk of depreciation.

The Group's net cash position breaks down as follows:

	30/09/2010	31/12/2009
Current used banking facilities	87.948	90.316
Bank overdrafts and advances	(3.760)	(4.460)
Net Cash position	**84.188**	**85.856**

9. PROVISIONS

Provisions recorded break down as follows:

	Provisions for disputes and litigation	Provisions for pensions, retirement benefits and similar obligations[4]	Deferred tax liability[3]	Badwill[2]	Other provisions[1]	Total
Balance as at 31/12/2009	**107**	**4.912**	**2.457**	**634**	**367**	**8.477**
Expense, posted to operating income/ expense	0	1.355	0	0	0	1.355
Expense, posted to financing income/ expense	0	0	0	0	0	0
Expense, posted to extraordinary income/ expense	(7)	0	0	0	0	(7)
Reversals, posted to operating income/ expense	(30)	0	0	(78)	(15)	(123)
Reversals, posted to financing income/ expense	0	0	0	0	0	0
Reversals, posted to extraordinary income/ expense	0	0	0	0	0	0
Changes in consolidation scope[5]	0	1.727	0	65	0	1.792
Other changes	0	0	164	0	0	164
Balance as at 30/09/2010	**70**	**7.994**	**2.621**	**621**	**352**	**11.658**

(1) Other provisions largely refer to social security and other payroll on-costs.

(2) Badwill primarily relates to the Baluardo Servizi company in Italy and Tulab in Germany.

(3) Deferred tax liabilities primarily involve the GDLCB company in the amount of €1.9 million and refer to deferred capital gains taxes.

(4) Assumptions used in calculating the provision for retirement and similar benefits have only to do with France and are as follows:

- Voluntary retirement: 100%
- Discount rate: 3.95%
- Employer payroll on-cost expense ratio: 45%
- Employer contribution ratio: 50%
- Low turnover rate

Update of assumptions as at September 30, 2010 compared to December 31, 2009 have been limited to the discount rate updated from 5,09% as at 31/12/2009 to 3,95% as at 30/09/2010. It has a negative impact amounting to 1,3 M€, net of a deferred tax asset impact of 0,45 M€.

(5) Change in consolidation scope impact corresponds to the acquisition of C.A.M. Centro Analisi Monza S.p.A., with the TFR (legal indemnity to be paid to employees in Italy when they leave) being recorded as long term employee benefit.

10. FINANCIAL LIABILITIES

Financial liabilities break down as follows:

	Bank borrowings	Amounts related to assets held under finance lease	Accrued interest not yet due	Current used banking facilities	Other financial liabilities	Total
Amount at 31/12/2009	**412.554**	**2.213**	**3.658**	**4.460**	**1.802**	**424.687**
Increase(1)	50.561	413	6.093	0	2.884	59.951
Decrease	(23.099)	(735)	(1.133)	0	(1.722)	(26.689)
Change in scope of consolidation(2)	3.246	330	(5)	(16)	(0)	3.555
Net change				(490)		(490)
Other(3)	6.512	10	(5.774)	(194)	(854)	(297)
Amount at 30/09/2010	**449.774**	**2.231**	**2.839**	**3.760**	**2.110**	**460.717**

(1) The increase in bank borrowings is largely due to the following borrowing:

- by Labco Diagnostic Espana of € 12,5 million of mezzanine junior
- by Labco Deutschland of € 7,7 million of senior debt
- by MVZ Dillenburg of € 6 million of senior debt
- by JPBS of € 7,4 million of senior debt

Note that issuance costs for all loans issued are treated as deferred charges (assets) in accordance with French GAAP.

(2) The change in consolidation scope refers primarily to C.A.M. Centro Analisi Monza S.p.A. and the French entities (Sainte Victoire, Medilabo).

(3) The other variations correspond mainly to the capitalization of PIK interests on the mezzanine loans.

Loans are broken down by maturity herewith:

	< 1 year	From 1 to 5 years	> 5 years	Total
Mezzanine debt 1	0	0	70.637	70.637
Mezzanine debt 2	0	0	48.724	48.724
Senior debt	25.616	203.319	0	228.935
Other borrowings	24.953	75.878	646	101.478
Total	**50.570**	**279.197**	**120.007**	**449.774**

The maturities of finance lease liabilities are:

	< 1 year	Due 1 to 5 years	> 5 years	Total
Finance lease liabilities	**700**	**1.529**	**2**	**2.231**

10. FINANCIAL LIABILITIES (Continued)

The essential features of the bank borrowings are shown below (in thousands of euros):

Bank	Portfolio	Issue date	End date	Rate	Initial amount	Loan at 30/09/2010
NATIXIS	Dette senior A	19/07/2008	30/06/2014	Euribor 3mois + 2,5%	158.876	144.366
NATIXIS	Dette Senior A Additionnelle	14/04/2010	30/06/2014	Euribor 3 mois + 2,5%	11.370	11.149
NATIXIS	Dette senior B	19/07/2008	30/06/2015	Euribor 3mois + 3%	68.089	68.089
NATIXIS	Dette Senior B Additionnelle	14/04/2010	30/06/2015	Euribor 3 mois + 3%	5.330	5.330
NATIXIS	Dette senior Capex	19/07/2008	30/06/2014	Euribor 3mois + 2,5%	21.706	21.706
NATIXIS	Dette senior Capex	14/04/2010	30/06/2014	Euribor 3 mois + 2,5%	19.900	19.900
ICG PLC	Mezzanine Senior	29/07/2008	29/07/2017	Intérêt Cash: EURIBOR + 4%	46.825	48.724
				Intérêt PIK: EURIBOR + 4%	0	0
ICG PLC	Mezzanine Junior	29/07/2008	29/01/2018	Intérêt PIK: EURIBOR + 5.5%	44.415	47.205
ICG PLC	Mezzanine Junior Additionnelle	9/12/2008	9/06/2018	Intérêt PIK: EURIBOR + 5.5%	10.933	10.933
ICG PLC	Mezzanine Junior Additionnelle	16/02/2010	16/08/2019	Euribor 3 mois + 5,5%	12.500	12.500
APO	Bilatéral	4/07/2009	4/09/2014	3,50%	2.655	2.095
BPNORD	Bilatéral	24/06/2004	4/06/2011	Euribor 3mois + 1,8%	8.775	1.254
CIC-BSD	Bilatéral	1/06/2005	1/06/2012	Euribor 3mois + 1,8%	3.500	1.000
CIC-BSD	Bilatéral	15/10/2007	15/10/2014	Euribor 3mois	2.100	1.414
CIC-BSD	Bilatéral	5/06/2006	5/06/2013	Codevi + 0,6%	2.398	1.136
CIC-CIO	Bilatéral	20/06/2007	20/06/2014	3,60%	2.000	1.143
LCL	Bilatéral	4/05/2006	4/05/2013	2,20%	8.837	3.527
LCL	Bilatéral	31/07/2007	31/07/2014	2,70%	2.048	1.178
LCL	Bilatéral	30/11/2007	30/11/2014	4,70%	3.093	3.093
LCL	Bilatéral	30/11/2007	30/11/2014	4,60%	7.133	4.330
LCL	Bilatéral	28/01/2008	28/01/2015	3,20%	1.843	1.189
LCL	Bilatéral	5/10/2006	5/10/2013	2,40%	2.688	1.240
LCL	Bilatéral	22/07/2007	22/12/2013	2,90%	2.304	1.206
Total borrowings above €1 million					**449.318**	**413.707**
Total borrowings below €1 million					**98.997**	**36.067**
Total borrowings					**548.315**	**449.774**

11. TRADE AND OTHER PAYABLES

The Group's trade and other payables break down as follows:

	30/09/2010	31/12/2009
Trade payables	**42.322**	**38.092**
Down payments and deposit received	17	419
Taxes payable, payroll and on-cost amount payable	36.249	32.362
Amounts payable to fixed assets suppliers	632	1.007
Amounts payable on acquisition of participating interests[(1)]	10.782	20.871
Other liabilities	5.210	5.963
Total other payables and accruals	**52.890**	**60.622**
Total other trade and other payables	**95.212**	**98.714**

(1) Most Trade and other payables are due in less than one year.

11. TRADE AND OTHER PAYABLES (Continued)

(1) The line item "Amounts payable on acquisition of participating interests" breaks down as follows. The reduction in these liabilities is primarily due to payments made in 2010, especially on Dillenburg for 6 M€ and Bisschop for 3,2 M€.

Country	Entities	Amounts payable on acquisitions	Related participating interest acquisitions	Maturities −1 year	Maturities 1 to 5 years	Maturities +5 years
France	JORION	225	Chamard Acquisition	225		
France	BIOSYNTHESE	288	Trequier Lemoine Acquisition	288		
France	JPBS	484	Tranchand Turcond acquisition	484		
France	JPBS	954	Medilabo Acquisition	954		
France	VAL D'ORNE	1.310	Verdun de Lore Acquisition	1.310		
Germany	MVZ DILLENBURG	3.287	Business assets	3.287		
Germany	MVZ MARBURG	675	Business assets	675		
Spain	LABCO ESPANA	3.310	Primarily involves Général Lab acquisition	3.310		
Other	Other	249	Other	249		
Total		**10.782**		**10.782**	**0**	**0**

12. NET FINANCIAL RESULT

Net financial results breaks down as follows:

	30/09/2010	31/12/2009	30/09/2009
Revenue from equity investments and marketable securities	56	268	197
Interest expense and related expense	(15.111)	(21.683)	(17.581)
Net charges to provisions of financial nature	0	0	0
Other financial expense[(1)]	(8.416)	(8.916)	(5.519)
Other financial income	346	1.186	566
Other Financial result	**(23.125)**	**(29.145)**	**(22.337)**

(1) Other financial expense refers principally for the period ending September 30, 2010 to €5.4 million of commission costs on financial derivatives purchased by the Group to hedge its debt, as well as waiver fees in relation with mezannine loan.

As at September 30, 2009, other financial expense corresponds mainly to commission costs on financial derivatives purchased by the group to hedge its debt.

13. EXTRAORDINARY PROFIT (LOSS)

Extraordinary loss breaks down as follows:

	30/09/2010	31/12/2009	30/09/2009
Proceed from disposal of assets	626	612	667
Net carrying amount of assets sold	(824)	(989)	(691)
Other extraordinary expense[(1)]	(5.583)	(7.800)	(3.810)
Other extraordinary income	716	1.161	1.347
Net charges to provisions of an extraordinary nature	(8)	853	68
Net profit (loss) from extraordinary items	**(5.073)**	**(6.163)**	**(2.419)**

(1) Other extraordinary expense mainly include these non-recurring costs as at September 30, 2010:

a. 3,7 M€ at LABCO SAS largely for governance restructuring related expenses (1,8 M€), and non-recurring costs expensed in relation to refinancing projects preparation (1,5 M€).

b. 0,9 M€ of severance costs mainly in France (0,4 M€) and in Iberia (0,5 M€) in relation to restructuring activities.

As at September 30, 2009, other extraordinary expenses include mainly non recurring costs amounting to 0,6M€ for former COO dismissal within Labco GIE and 0,6 M€ of external advisors fees on discontinued acquisition projects at Labco SAS.

14. PERSONNEL EXPENSE

Personnel expense consists in the following:

	30/09/2010	31/12/2009	30/09/2009
Wages and salaries	95.731	119.019	87.867
Payroll taxes and other on-costs	30.527	38.080	27.650
Subcontracting/outside personnel	8.703	9.897	7.188
Total	**134.961**	**166.996**	**122.705**

15. INCOME TAXES

	30/09/2010	31/12/2009	30/09/2009
Current income tax	(11.778)	(17.851)	(12.125)
Deferred taxes	(388)	(452)	(242)
Total	**(12.166)**	**(18.302)**	**(12.367)**

The computed effective corporate income tax rate for the group amounts to 48,8% as at September 30, 2010 and 41,3% as at September 30, 2009 and is mainly explained by the fact that some loss generating holdings could not recognize deferred taxes for tax losses carried forward.

16. DETAILED ON DEFERRED TAXES

	30/09/2010	31/12/2009
Deferred tax assets[(1)]	6.865	6.241
Deferred tax liabilities	(2.620)	(2.457)
Net deferred taxes	**4.245**	**3.784**

(1) Capitalized tax losses carried-forward primarily represent Questao in the amount of € 2.0 million and Labco Diagnostic Espana in the amount of € 0.8 million as at 30 September 2010.

17. INFORMATION BY COUNTRY

Detailed of revenue by country break down as follows:

	30/09/2010	31/12/2009	30/09/2009
Germany	41.648	55.716	40.570
Belgium	14.765	18.596	13.615
Iberia	100.156	134.879	100.040
France	158.388	206.564	153.272
Italy	17.106	8.698	6.335
Sweden	0	0	0
Revenue	**332.063**	**424.453**	**313.832**

18. OFF BALANCE SHEET COMMITMENTS

Derivative financial instruments

According to the financing agreements entered into by the Labco Group (senior and mezannine borrowings) with floating rate based on Euribor, it was mandatory to hedge the interest rate risks with variable to fixed rate instruments. As part of its interest rate hedging strategy, the Group has therefore put the following instruments in place:

Issue Date	Instrument	Bank	Rate	Index	Maturity Date	Nominal amount (in K€)	Fair value at 30/09/2010 (in K€)
10/10/2008	Exotic	Natixis	N.C.	N.C.	30/09/2011	85.000	(2.021)
11/10/2008	Interest rate swap	Natixis	4,35	Euribor + 1 year	23/07/2011	32.000	(951)
12/10/2008	Interest rate swap	CIC	4,35	Euribor + 1 year	25/07/2011	28.000	(834)
13/10/2008	Cap Floor	CIC	4,75	Euribor + 3M	30/09/2011	85.000	0
14/10/2008	Cap Floor	CIC	3,46	Euribor + 3M	30/09/2011	85.000	(2.018)
29/10/2007	Swaption	BNP Paribas	3,85	Euribor + 3M	31/10/2017	1.200	(300)
							(6.124)

18. OFF BALANCE SHEET COMMITMENTS (Continued)

Off-balance sheet commitments given and received

The Group's off-balance sheet commitments consist of security given in the course of its investing and financing activities. At September 30, 2010 the list of off-balance sheet commitments was as follows:

FRANCE

	LABCO SAS	
	Description	**Beneficiaries**
SHARES AND BONDS PLEDGED	All the shares of SELs Biofrance, Biosambre, Schaffner, AGDL, ESLAB, Aubert J, Aubert H	BPN
	65 220 convertible bonds of Aubert H	SNVB
	471 670 convertible bonds of Schaffner	BSD et BPN
	60 000 convertible bonds	
	18 700 simple bonds of GDLCB	Crédit Lyonnais
	18 750 simple bonds of Carron	BSD et Crédit Lyonnais
	14 850 simple bonds of Biosynthese	Crédit Lyonnais
	59 600 simple bonds of Biosynthese	Crédit Lyonnais
	48 494 simple bonds of Tixier	CIC-CIO
	65 855 convertible bonds of Delaporte	BSD et BPN
	16 000 simple bonds of Bio Sambre	Natixis
	12 000 simple bonds of Aubert J	BRO et CM
	43 165 convertible bonds of ESLAB	BNP
	9 053 simple bonds of Isles	LCL
	246 670 convertible bonds of Labco Midi	BRO et CM
	60 000 convertible bonds of GDLCB	BSD et BPN
	5 300 simple bonds of Loison	CCM
	4 680 simple bonds of Sueur	Natixis et CIC
	22 765 simple bonds of JPBS	Natixis et CIC
	3 850 simple bonds of GDLCB	Crédit Lyonnais
	94 211 simple bonds of Biopaj	LCL
Pledge of financial assets	Totality of shares held in Laco Midi (ex Laboratoire Vaultier)	Natixis
	Totality of shares held in Laboratoire d'Analyses de Biologie Médicale Delaporte	Natixis
	Totality of shares held in Barla	Natixis
	Totality of shares held in Laboratoires d'Analyses médicales Jorion	Natixis
	Totality of shares held in Laboratoire du Beffroi	Natixis
	Totality of shares held in Bioval	Natixis
	187 shares held in Labco Artois	SG et BPN
	Bank account balance	Natixis
Pledged (under Spanish legislation)	Totality of shares held in Labco Diagnostics Espana	Natixis
Pledged (under German legislation)	Totality of shares held in Labco Deutschland GmbH	Natixis, CIC et Intermediate Capital group PLC
Pledged (under Italian legislation)	Totality of shares held in Labco Italy	Natixis
Pledged of receivables	Bond issued by Biopaj and Labco Artois entities	Natixis

18. OFF BALANCE SHEET COMMITMENTS (Continued)

LABCO SAS

	Description	Beneficiaries
Joint Guarantees	By Bioliance SAS for the obligation of the general partners of the SEL Chauvet-Douet-Lissajoux	
Letter of intent	Commitments to mobilize resources to Biopaj in order to reimburse its loan	Crédit Lyonnais
Delegation of receivables	Key managers insurance policies signed by M. Chassaing and M. Souetre	Natixis
Guarantees and security agreements (direct or joint)	Labco is directly or jointly guaranteeing some of its subsidiaries especially in the context of guaranting to the banks the reimbursement of their loans in case of default of the subsidiaries having subscribed borrowings (for a total samount of 18M€)	Natixis, SG, BNP, LCL, CA, Banque Populaire, BSD/BPN, CIO, Palatine,

GDLCB (formerly AGDL)

	Description	Beneficiaries
PLEDGED	2 192 992 shares of Biopaj	Banque Scalbert Dupont and Banque Populaire du Nord
	Irrevocable commitment to pledge any additional shares acquired in Biopaj	Banque Scalbert Dupont and Banque Populaire du Nord
	85 797 shares of Pokorny	Crédit Lyonnais
	Irrevocable commitment to pledge any additional shares acquired in Tixier-Pierfitte (ex Pokorny)	Crédit Lyonnais
JOINT GUARANTEE	Financing of the acquisition of shares of Tiry Dietre Multam; maximum of 567002€ Additional financing of acquisition of shares in SELCA Tiry Dietre Multam; 125 400 € maximum	

AQUILAB

	Description	Beneficiaries
PLEDGED	535 000 shares of Laboratoire d'analyses Médicales Anabio	Natixis
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Anabiol	Natixis

AUBERT H

	Description	Beneficiaries
PLEDGED	5 997 shares of "Laboratoire d'analyses de biologie médicale Gaupillat et associés"	Société Nancéienne Varin-Bernier

18. OFF BALANCE SHEET COMMITMENTS (Continued)

	AUBERT J	
	Description	**Beneficiaries**
PLEDGED	994 shares of Biosynthèse	Banque Régionale de l'Ouest and Crédit Mutuel du Centre
PLEDGE OF FINANCIAL ASSETS	481 700 shares of Laboratoires Schemitick Vorlet et Associés	Natixis
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Schemitick Vorlet et Associés	Natixis

	BARLA	
	Description	**Beneficiaries**
PLEDGED	16 999 shares of Laboratoire d'analyses de biologie médicale Marcout Lionel	Banque Populaire Côte d'Azur

	BIO SAMBRE	
	Description	**Beneficiaries**
PLEDGE OF FINANCIAL ASSETS	3 599 990 shares of SEL Bio Fin et Associés	Natixis
	52 800 shares of Referentiel Biologie	Natixis
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Referentiel Biologie	Natixis

	BIOLIANCE	
	Description	**Beneficiaries**
GUARANTEE	Guarantee granted to a loan to SELAS CBMS for 195 000 €	SG
	Guarantee granted to a loan to SELARL Erdre and Loire Biologie pour 280 000 €	SG, CIO et CIC
	Guarantee granted to a loan to SELARL Exsel Bio for 350 000 €	SGet CIC
	Guarantee granted to a loan to SELARL Degraef Pouliquen pour 167 000 €	
PLEDGED	497 shares of SELCA Erdre et Loire	Crédit Lyonnais

18. OFF BALANCE SHEET COMMITMENTS (Continued)

BIOPAJ

	Description	Beneficiaries
PLEDGED	14 100 shares of Biolance	Crédit Lyonnais
	36 900 shares of Laboratoire d'analyses médicales Bigo Maudens	Natixis
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignments of amounts collectible in the event the warranty against claims clause in the acquisition agreement of Bioliance is exercised	Crédit Lyonnais

BIOSYNTHESE

	Description	Beneficiaries
PLEDGED	96 241 shares of Aquilab	Crédit Lyonnais
	3 698 shares of Tréguier Lemoine	Crédit Lyonnais

CARRON

	Description	Beneficiaries
PLEDGED	1 064 640 shares of Centre biologique	Banque Scalbert Dupont and Crédit Lyonnais
	Bank accounts at Crédit Lyonnais	Banque Scalbert Dupont and Crédit Lyonnais

CBMS

	Description	Beneficiaries
GUARANTEES	Garantee of two loans extended to SELARL Degraef Pouliguen for 334 000 €	CA and CIO
	Garantee of 2 loans extended to SCM Biologie for 192 000 €	CA
PLEDGED	Business asset of laboratoire CBMS (456 000 €)	CA and CIO

CENTRE BIOLOGIQUE

	Description	Beneficiaries
PLEDGED	36 995 shares of LABM Tyberghein	BNP
	equipment for an amount of 850 000 €	HSBC

DELAPORTE

	Description	Beneficiaries
PLEDGED	985 269 shares of Biofrance	Banque Scalbert Dupont and Banque Populaire du Nord
	204 776 shares of Biofrance	Banque Scalbert Dupont and Banque Populaire du Nord
	899 964 shares of Schaffner	Banque Scalbert Dupont and Banque Populaire du Nord
	Business asset in guarantee of the loan contracted for the acquisition of medical laboratory located in Douchy	

18. OFF BALANCE SHEET COMMITMENTS (Continued)

ERDRE ET LOIRE (anciennement Chauvet—Douet—Lequere—Cheviet)

	Description	Beneficiaries
PLEDGED	Business asset of laboratoire de Sainte Luce (1 829 000 €)	CA
	Business asset of laboratoire des Belges	CA, CIO and SG
	of shares CBMS and EXSEL BIO (1 398 K€)	CA, CIO and SG

ESLAB

	Description	Beneficiaries
PLEDGED	59 798 shares of "SEL Aubert H"	BNP Paribas
	73 523 shares of "SEL Aubert J"	BNP Paribas
	Business asset in guarantee of the loan contracted (130 000 €)	Fortis

EXSEL BIO

	Description	Beneficiaries
PLEDGED	Business asset of laboratoire Jourdon Quinton (794 000 €)	CIO, CA and SG

BIOVAL Laboratoire (ex GREIL)

	Description	Beneficiaries
PLEDGED	742 800 shares of the entity laboratoire d'analyses de biologie médicale Bensaïd Gorse Cayrou Bourjeli	Natixis
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Bensaid Gorse Cayrou	Natixis

ISLES

	Description	Beneficiaries
PLEDGED	404 998 shares of laboratoire Bio Adour	LCL
	19 995 shares of laboratoire Roy	LCL

18. OFF BALANCE SHEET COMMITMENTS (Continued)

	JPBS	
	Description	**Beneficiaries**
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Tranchand Turcon	Natixis
	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Medilabo	Natixis
PLEDGED	34 550 shares of Medilabo	Natixis
JOINT GUARANTEE	Guarantee given (400 000 €) within the framework of the acquisition of Tranchand Turcon	M. Tranchand and Mrs Turcon

	JORION	
	Description	**Beneficiaries**
PLEDGED	5 200 shares of "Laboratoire d'analyses de biologie médicale J Buatois et P. Chamard"	Natixis
	Bank account	Natixis
	16 071 shares of Groupe Biologic	Crédit Lyonnais
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire J. Buatois et P. Chamard	Natixis

	LABCO ARTOIS	
	Description	**Beneficiaries**
PLEDGED	548 990 shares of SELAS JPBS	Banque Scalbert Dupont
	104 900 shares of Laboratoire de Bisschop	Natixis
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire de Bisschop	Natixis

	LABCO MIDI	
	Description	**Beneficiaries**
PLEDGED	Business asset of medical laboratory (garantee of a loan for the acquisition of a laboratory in Montpellier)	Banque Populaire du Midi
	99 906 shares of Laboratoire d'analyses médicales Carron	Banque CCF et Banque Palatine
	14 996 shares of Eslab	Banque régionale de l'Ouest and Crédit Mutuel

18. OFF BALANCE SHEET COMMITMENTS (Continued)

	LABOCENTRE	
	Description	**Beneficiaries**
PLEDGED	87 900 shares of LABM du Val d'Orne Bank account	Natixis Natixis
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of LABM du Val d'Orne	Natixis

	MEDILABO	
	Description	**Beneficiaries**
PLEDGED	Business asset in guarantee of a loan	CIC

	NORDEN	
	Description	**Beneficiaries**
PLEDGED	238 000 shares of la "SEL Jean-Denis Greil" Bank accounts	Natixis Natixis
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of SEL Jean-Denis Greil	Natixis

	TIXIER PIERFIT AVOT formerly POKORNY	
	Description	**Beneficiaries**
PLEDGED	264 485 shares of Centre de Biologie médicales et de pathologie de la rue Georges Fessard	Crédit industriel de l'Ouest

	SCHAFFNER	
	Description	**Beneficiaries**
PLEDGED	7 768 shares of A.G.D.L	Banque Scalbert Dupont and Banque Populaire du Nord
	100% of shares of Labco Artois	Banque Populaire du Nord et SG
	Business asset in guarantee of a loan for the acquisition of a laboratory	
JOINT GUARANTEES	733 000 € within the framework of the acquisition of laboratoire Delval	

18. OFF BALANCE SHEET COMMITMENTS (Continued)

	SUEUR	
	Description	**Beneficiaries**
PLEDGE OF FINANCIAL ASSETS	49 900 shares of "SEL de directeurs et directeurs adjoints de laboratoires d'analyses de biologie médicale Normabio"	Natixis
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of SEL Normabio	Natixis

	TREGUIER LEMOINE	
	Description	**Beneficiaries**
PLEDGE OF FINANCIAL ASSETS	2 400 shares of "Laboratoire Christine Pépin, Philippe Leluan, Patricia Sannier, Didier Guillo"	Natixis
	37 190 shares of "Laboratoire Froment Fernandez Clos Manescau"	Natixis
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Christine Pépin, Philippe Leluan, Patricia Sannier, Didier Guillo	Natixis
	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty or the acquisition of Laboratoire FFC	Natixis
OTHER GUARANTEES	Other commitments agiven for 515 000 €	

	VAL D'ORNE	
	Description	**Beneficiaries**
PLEDGED	Business asset of a medical laboratory located in ARGENTAN (1 982 K€)	CA Normandie
	2 990 shares of Verdun de Lore	Natixis
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Verdun de Lore	Natixis

	NORMABIO	
	Description	**Beneficiaries**
OTHER GUARANTEES	Other commitments given for 475 220 €	

18. OFF BALANCE SHEET COMMITMENTS (Continued)

SPAIN

LABCO DIAGNOSTICS ESPANA

	Description	Beneficiaries
PLEDGED	100% of shares held in General Lab	Natixis
	49700 bonds issued by "SEL Aubert J"	Prêteurs Mezzanine Junior
	50300 bonds issued by Treguier Lemoine and related bank accounts (receiving interest expenses)	Prêteurs Mezzanine Junior
	415 shares of Roman Païs	Natixis
	11000 shares held in Labco Sweden	Natixis
	Shares held in Laboser	Natixis
ASSIGNMENT AGREEMENT regarding Claims under	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of	Natixis
DEED OF PLEDGE of credit rights	Deed of pledge of credt rights in conetxt of Laboser acquisition agreement	Natixis

SAMPLETEST SPAIN

	Description	Beneficiaries
PLEDGED	Bank accounts	
	Shares held in Sabater	Natixis

SWEDEN

LABCO DIAGNOSTICS SWEDEN AB

	Description	Beneficiaries
PLEDGED	Guarantees on shares held in Questao em Aberto SA	
	18600 shares held in Labco Belgium	Natixis
	Bank accounts (receiving dividends)	Natixis

BELGIUM

LABCO BELGIUM SPRL

	Description	Beneficiaries
PLEDGED	Guarantees on shares held in Questao em Aberto SA	Natixis
	Bank accounts (receiving dividends)	Natixis
	Right related to Intercompany loan to Questao em Aberto SA	

ROMAN PAIS

	Description	Beneficiaries
PLEDGED AS REAL PROPERTY	Business asset of Roman Pais	Fortis
COLLATERAL	Bank accounts	Fortis

18. OFF BALANCE SHEET COMMITMENTS (Continued)

PORTUGAL

QUESTAO EM ABERTO SA

	Description	Beneficiaries
PLEDGED	Bank accounts (receiving dividends)	Natixis

CDFT

	Description	Beneficiaries
PLEDGED	Business asset of CDFT	
	shares held in Sampletest Spain	Natixis
	Bank accounts	Natixis

ITALY

LABCO ITALIA

	Description	Beneficiaries
PLEDGED	100% of shares held in Baluardo	Natixis
	100% ok shares held in C.A.M. Centro Analisi Monza S.p.A.	Natixis
	Bank accounts	
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Baluardo and C.A.M. Centro Analisi Monza S.p.A.	Natixis

DEUTSCHLAND

MVZ DUISBURG, MVZ SAAR, MVZ DILLENBURG, MVZ MARBURG, MVZ AESCULABOR

	Description	Beneficiaries
REAL PROPERTY COLLATERAL	Guarantee taken on inventories and tangible and intangible assets (without real estate assets) held by entities during the acquisition	Natixis

LABCO DEUTSCHLAND

	Description	Beneficiaries
PLEDGED	Shares held in Labco Pfegezentrum	Natixis
	Bank account	Natixis

LABCO PFEGEZENTRUM

	Description	Beneficiaries
PLEDGED	Shares held in MVZ Marburg	Natixis
	Shares held in MVZ Dillenburg	Natixis
	Shares held in MVZ Saar	Natixis
	Shares held in MVZ Duisburg	Natixis
	Shares held in Aesculabor	Natixis
	Bank account	Natixis
ASSIGNMENT AGREEMENT regarding Claims under acquisition agreement	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Aesculabor	Natixis

CABINET HOUDART
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92300 LEVALLOIS-PERRET

LABCO S.A.S.

SAS (Société par action simplifiée)—A Limited liability Company under French law

27, avenue de l'Opéra
75001 Paris, France

Statutory Auditors' Report on the consolidated financial statements

Year ended December 31, 2009

CONTENTS

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This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditor's 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 explanatory paragraphs discussing the auditors' assessment of certain significant accounting and auditing matters. These assessments were made 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 also includes information relating to the specific verification of information given in the group management report.

This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

LABCO

SAS (Société par action simplifiée)—A Limited liability Company under French law

27, avenue de l'Opéra
75001—Paris, France

Statutory Auditors' Report
on the consolidated financial statements

Year ended December 31, 2009

To the shareholders,

To the Chairman,

In compliance with the assignment entrusted to us by your shareholders at their annual meeting, we hereby report to you for the year ended December 31, 2009, on:

- the audit of the accompanying consolidated financial statements of LABCO;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements were closed by the Strategic Committee. 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 significant 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 above mentioned consolidated financial statements are giving, according to the French generally accepted accounting principles and regulations, a true and fair view of the assets and liabilities, of the financial position and of the results of the Group formed by the entities included within the scope of consolidation.

Without qualifying our opinion, we draw your attention to the matters set out in the note "Change of Presentation" on page 9 of the notes to the consolidated financial statements and relating to the modification in 2009 of the accounting codification.

II. Justification of our assessments

The 2008 financial crisis, which was gradually accompanied by an economic crisis in 2009, has many consequences on the companies, particularly as regards their activity and their financing. The lack of visibility on the future create specific conditions this year for the preparation of the consolidated financial statements, especially with respect to the accounting estimates which are required under the accounting principles. Such is the context in which we made our own assessments that we bring to your attention in accordance with the requirements of article L 823-9 of the French Commercial Code ("Code de Commerce").

Goodwill was accounted and evaluated using the method described in the paragraph "First-time Consolidation" on page 12 of the Notes. Our audit involved assessing the data and assumptions used for this estimate as well as how goodwill was calculated. As part of our assessments, we have verified the reasonableness of these estimates.

We also bring the following matter to your attention:

The paragraph on page 9, "Change in Presentation", describes the accounting principles used by your company with respect to the modification in 2009 of the accounting codification, mainly concerning the expenses for outside personnel henceforth classified as personnel expenses.

As part of our assessment of the accounting principles followed by your Company, we verified the appropriateness of the aforementioned accounting policies as well as the information disclosed in the notes and ensured such policies were correctly applied.

We also ensured of the justification of the aforementioned change in accounting policies and of their presentation.

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.

Paris and Levallois-Perret, June 9, 2010

The Statutory Auditors

CABINET HOUDART	CONSTANTIN ASSOCIES	
(signature)	(signature)	(signature)
Jean-Luc HOUDART	Dominique LAURENT	Laurent LEVESQUE

LABCO Group

Consolidated Statutory Financial Statements

2009

For the Financial Year Ended December 31, 2009

BALANCE SHEET

(In thousands of euros)	Note	31/12/2009	31/12/2008
Assets			
Goodwill	1	525,788	526,786
Intangible assets	2	5,050	3,438
Property, plant and equipment	3	35,529	36,166
Long term financial assets	4	3,394	2,785
Interests in associates	5	2,964	2,740
Fixed assets		**572,724**	**571,914**
Inventory and work in progress	6	7,070	7,730
Trade receivables	7	69,539	66,736
Other receivables and accruals	7	35,223	38,912
Marketable securities	8	20,098	41,278
Cash and cash equivalents	8	70,217	58,062
Current assets		**202,148**	**212,718**
Total assets		**774,872**	**784,632**
Liabilities			
Share capital		42,995	40,413
Additional paid-in capital		204,188	169,573
Consolidated reserves		17,231	16,724
Net profit (loss)		(24,899)	1,596
Shareholders' equity		**239,515**	**228,307**
Minority interests		**3,478**	**2,969**
Provisions for contingencies and losses	9	**8,477**	**11,138**
Borrowings and other financial liabilities	10	424,688	399,968
Trade payables and related accounts	11	38,092	40,344
Other payables and accruals	11	60,622	101,906
Debts		**523,402**	**542,218**
Total liabilities		**774,872**	**784,632**

INCOME STATEMENT

(In thousands of euros)	Note	31/12/2009 2009 Presentation	31/12/2008 2009 Presentation	31/12/2008 Published
Revenue		424,453	235,634	235,634
Cost of purchases incurred and consumed		(166,337)	(87,538)	(99,506)
Personnel expense	14	(166,996)	(99,889)	(87,889)
Other taxes		(3,763)	(4,615)	(4,646)
Depreciation, amortization & provision expense		*(15,680)*	*(9,474)*	*(9,474)*
Depreciation, amortization & provision reversals		*647*	*1,196*	*1,196*
Depreciation, amortization and provision expense, net		(15,033)	(8,278)	(8,278)
Other operating expense		*(3,372)*	*(2,958)*	*(2,958)*
Other operating income		*3,074*	*1,620*	*1,620*
Other operating income and expense		(297)	(1,338)	(1,338)
Profit from operations		**72,026**	**33,977**	**33,977**
Financial expense		*(30,598)*	*(15,595)*	*(15,216)*
Financial income		*1,453*	*2,787*	*1,763*
Net Financial result	12	(29,145)	(12,808)	(13,453)
Profit on ordinary activities from consolidated companies		**42,881**	**21,169**	**20,524**
Extraordinary expense		*(8,810)*	*(11,191)*	*(11,570)*
Extraordinary income		*2,647*	*8,389*	*9,413*
Extraordinary profit (loss)	13	(6,163)	(2,801)	(2,156)
Income tax	15	(18,302)	(3,396)	(3,396)
Net profit from consolidated companies		**18,415**	**14,971**	**14,971**
Net goodwill amortization expense		(39,418)	(12,958)	(12,958)
Share of associates earnings attributable to the group		838	4,261	4,261
Total consolidated net profit (loss)		**(20,165)**	**6,274**	**6,274**
Minority interests		4,734	4,678	4,678
Net profit (loss)—Group share		**(24,899)**	**1,596**	**1,596**
Average number of shares		42,054,480	40,413,243	40,413,243
Net earnings per share (in euros)		**(0.59)**	**0.04**	**0.04**
EBITDA		**87,059**	**42,254**	**42,254**

Note that the 2008 income statement does not give a standard picture of the LABCO SAS twelve-month earnings, given:

- the effect of the change in consolidation method used as at July 1, 2008 for certain French entities, which went from being accounted for using the equity method to full consolidation, so that only flows for the second half of 2008 are individually consolidated, while first-half earnings are recognized as associates earnings attributable to the group; and
- the effect of numerous acquisitions made throughout 2008.

Furthermore, as mentioned in "Significant Events of the Year", the 2008 income statement restated along the 2009 charter of accounts includes the following reclassifications:

	31/12/2008	**Payroll-based taxes**	**Outside personnel**	**Reclassification from Financial to Extraordinary**	**31/12/2008**
	2009 Presentation (12 months)				**Published (12 months)**
Cost of purchases incurred and consumed	(87,538)		11,968		(99,506)
Personnel expense	(99,889)	(31)	(11,968)		(87,889)
Other taxes	(4,615)	31			(4,646)
Other operating expense	(2,958)				(2,958)
Financial expense	(15,595)			(379)	(15,216)
Extraordinary expense	(11,191)			379	(11,570)
Financial income	2,787			1,024	1,763
Extraordinary income	8,389			(1,024)	9,413
Total	**(210,609)**	**0**	**0**	**0**	**(210,609)**

The main reclassifications concern expenses for outside personnel, and result in the costs of medical personnel and biologists being recorded as personnel costs for both group employees and outside contractors. Reclassification from "extraordinary" to "financial" involved reclassifying as financial the proceeds from the disposal of securities and long term financial assets previously recognized in extraordinary income.

CHANGE IN SHAREHOLDERS' EQUITY

(In thousands of euros)	Shares (number)	Share capital	Additional paid-in capital	Consolidated reserves	Profit for the year	Total attributable to the Group	Total attributable to minority interests
Position at January 1, 2008	**28,509,321**	**28,509**	**36,143**	**10,929**	**5,727**	**81,308**	**197**
Dividend distribution				0		0	(5,040)
Allocation of earnings				5,727	(5,727)	0	
Profit for the year					1,596	1,596	4,678
Share capital increase	11,903,922	11,904	133,431			145,335	
Other changes				68		68	3,136
Position at December 31, 2008	**40,413,243**	**40,413**	**169,573**	**16,724**	**1,596**	**228,307**	**2,969**
Dividend distribution				0		0	(3,713)
Allocation of earnings				1,596	(1,596)	0	
Profit for the year					(24,899)	(24,899)	4,734
Share capital increase	2,581,962	2,582	34,615			37,197	
Treasury shares				(1,600)		(1,600)	
Subsidiaries disposed of						0	
Other changes				511		511	(512)
Position at December 31, 2009	**42,995,205**	**42,995**	**204,188**	**17,231**	**(24,899)**	**239,515**	**3,478**

(1) Changes in LABCO SAS share capital and additional paid in capital result from the following:

Date of meeting	Transaction	Share capital	Paid-in	Total
2/24/2009	Decision of LABCO SAS Chairman			
	Exercise of warrants	81		81
	Exercise of warrants with shares	2,021	27,966	29,987
3/31/2009	Extraordinary Shareholders Meeting: Share capital increase	480	6,649	7,129
	Total	**2,582**	**34,615**	**37,197**

(2) The change in Minority Interests results from:

a. a distribution of priority dividends comprised of €2,125 K balance on 2008 dividends paid during the 1st half of 2009 and €1,680 K 2009 interim priority dividends paid in the 2nd half of the year.

b. the recognition in Minority Interest of the 2009 priority dividend payable to biologists in 2010 in the amount of €4,335 K, the remainder representing other minority interests.

CASH FLOW STATEMENT

For purposes of comparison, the 2008 Cash Flow Statement was modified in order to analyze the flows from operations starting with EBITDA instead of net profit as in 2008. This change in presentation had no impact on the aggregates shown, with the exception of a reclassified €3,489 K change in financial liabilities now included in the calculation of cash from (used in) net financial profit (loss), whereas this amount had originally been included in Cash flow from financing activities. Cash from (used in) non-recurring extraordinary profits (loss) equals extraordinary income and expense after elimination of provision expense/reversals for the year.

(In thousands of euros)	31/12/2009	31/12/2008
EBITDA[(1)]	**87,059**	**42,254**
Cash from (used in) net financial profit (loss)	(24,057)	(15,065)
Including dividends received from associates	311	5,562
Cash from (used in) extraordinay profit (loss)	(6,638)	(241)
Change in working capital requirements[(2)]	(4,898)	(1,519)
Income taxes paid	(16,408)	(10,991)
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES (A)	**35,368**	**14,438**
Payments for additions to or acquisitions of fixed assets	(13,244)	(11,858)
Proceeds from disposals of fixed assets	2,041	(609)
Impact of changes in the scope of consolidation[(3)]	(82,690)	(257,760)
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(93,893)**	**(270,227)**
Proceeds from Share capital increase	37,197	141,167
Dividends paid	(3,714)	(1,897)
Borrowings issued	62,580	275,683
Repayment of financial debt	(39,142)	(71,452)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**56,921**	**343,501**
TOTAL CASH FLOWS (A+B+C)	**(1,604)**	**87,712**
Cash and cash equivalents at the end of the year	85,856	87,460
Cash and cash equivalents at the beginning of the year	87,460	(252)
Net increase (decrease) in cash and cash equivalents	**(1,604)**	**87,712**

(1) EBITDA is defined as follows:

	31/12/2009	31/12/2008
Profit from operations	**72,026**	**33,977**
Depreciation, amortization and provision expense, net	(15,033)	(8,278)
EBITDA	**87,059**	**42,254**

(2) Change in working capital requirements breaks down as follows:

Change in working capital requirements	31/12/2009	31/12/2008
Change in inventory	1,305	(1,822)
Change in trade and other receivables from operations	(2,349)	(13,718)
Change in trade and other payables from operations	(1,594)	10,298
Change in sundry receivables and payables	(2,260)	3,723
Total	**(4,898)**	**(1,519)**

(3) Change in consolidation scope in 2009 impacts cash as follows:

	Acquisition cost	Cash acquired	Change in debt related to share purchases	Total
Impact of new acquisitions	(37,563)	(5,624)	128	(43,060)
Payment of debt related to purchase of shares/price complements/goodwill	(743)	0	(42,452)	(43,195)
Price adjustments	(288)	0	1,393	1,105
Other changes	708	1,223	529	2,460
Total	**(37,886)**	**(4,401)**	**(40,402)**	**(82,690)**

GENERAL INFORMATION

LABCO SAS is a limited liability company under French law (Société par actions simplifiée) whose registered office is 27, avenue de l'Opéra, Paris. LABCO SAS and its subsidiaries (the Group) are in the medical diagnostics business.

The Group's statements were approved by the Strategic Committee on June 3, 2010. Unless otherwise indicated, all figures are given in thousands of euros.

SIGNIFICANT EVENTS OF THE YEAR

Acquisitions during the year

Significant acquisitions and newly consolidated companies during the reporting period are shown below by country. Biohemo was acquired within the Portuguese sub-tier Questao. These acquisitions led to an increase in goodwill of €47.3 million.

Acquisition date	Country	Entity
30/01/2009	France	Verneau
17/04/2009	France	Froment
30/03/2009	France	Référentiel Biologique
01/07/2009	France	Ricard
31/03/2009	Germany	Aesculabor

Entities merged during the year

In France

- Laboratoire Littoral was absorbed by Anabiol

In Spain

- Biofac was absorbed by Bioclinic

In Germany

- Duisburg 1 was absorbed by Duisburg 2
- Elguesa was absorbed by SAAR

In Portugal

- Clinova 2 was absorbed by Clinova
- Cal & Silveira was absorbed by Louro & Pires
- Both Miguel Pereira & Filhos and Maria do Sameiro Sequeira were absorbed by J. Marinheira Monteiro
- Labor Dr Valor was absorbed by Sanilab

Changes in presentation

In preparation for the adoption of International Financial Reporting Standards and to present more consistently expenses according to their function, the Group's chart of accounts evolved in 2009 to adopt line- items allowing for presentation of the income statement under the function-of-expense method rather than the nature-of-expense method. This change in presentation had no impact on the sales, operating profit or net earnings aggregates. For the sake of clarity, material impact on certain accounts within these aggregates are shown in a 2008 income statement restated alongside the 2009 chart of accounts. In particular, the main reclassifications concern expenses for outside personnel, and result in the costs of medical personnel and biologists being recorded as personnel costs for both group employees and outside contractors. Reclassification from "extraordinary income" to "financial income" involved reclassifying as financial the proceeds from the disposal of securities and non-current financial assets previously recognized in extraordinary income.

Increase in Share Capital

In the first quarter of 2009, three transactions in LABCO SAS equity were carried out and are detailed in the note on changes in shareholders' equity.

SIGNIFICANT SUBSEQUENT EVENTS

Significant acquisitions

On February 18, 2010 the Group signed an agreement to acquire an additional interest in and control of C.A.M. Centro Analisi Monza S.p.A., a pool of Italian laboratories consolidated since 2007 under the equity method. The C.A.M. Centro Analisi Monza S.p.A. group includes 24 laboratories employing 400 people and generated € 23.5 million sales in 2008.

Other

As far as French entities are concerned, the French Budget Law of December 30, 2009 has replaced the business tax known as the *Taxe Professionnelle* with two new corporate contributions, starting in 2010:

- The *Cotisation Foncière des Entreprises* (C.F.E.), levied on the property rental values.
- The *Cotisation sur la Valeur Ajoutée des Entreprises* (C.V.A.E), levied on the value added as calculated from the company's statutory financial statements.

In a release of last January 14, the French accounting board, the *Conseil National de la Comptabilité,* stated that it was up to each company to use its own judgment in qualifying the CVAE. The Group has looked into the accounting treatment that should be applied to the CVAE. As the tax is levied on value added, it is the Group's view that it qualifies as a corporate income tax as understood in IAS 12 of the IFRS and by extension in French GAAP. In fact, as stated by the IFRIC, the scope of IAS 12 includes any tax calculated on a netting of income and expense, whether this amount is different from net accounting result or not. The methods for determining value added that are specified in Article 1586 (vi) of the French General Tax Code and introduced by the aforementioned Budget Law of 2010, meet this definition. Value added, which is the basis for calculating the CVAE, is a net and not a gross aggregate. Moreover, experience shows that certain taxes imposed in other countries on the basis of income statement item aggregates are commonly treated as income tax under IAS 12. With a view to ensuring company-wide consistency, LABCO has therefore concluded that the CVAE fulfils the characteristics of a corporate income tax and in the consolidated financial statements as at December 31, 2009 it has recognized a non-material deferred tax liability arising from temporary differences in assets and liabilities that are part of the taxable basis of the CVAE.

Additionally, starting from the 2010 financial year, the total of current and deferred CVAE expense shall be shown on the "Tax expense" line of the consolidated income statement.

BASES FOR PREPARING THE STATEMENTS

The consolidated financial statements were prepared in accordance with French law and regulations (regulation 99-02 and 2005-10 of the *Comité de la Réglementation Comptable*).

The financial year for which the statements are presented began on January 1, 2009 and ended December 31, 2009.

The parent company closes its books at December 31, as do all of the other companies within the scope of consolidation.

The consolidated financial statements are prepared using assumptions and estimates set by senior management that impact the value of assets and liabilities at the date of closing and income and expense during the year.

That said, the estimates were developed in a fast-changing economic and market environment. Accordingly, we cannot rule out new information coming to light or new events occurring such that certain assumptions that seem reasonable at this point would have to be seriously revised.

Preparing the financial statements in accordance with French accounting principles requires LABCO's senior management to provide estimates and make assumptions that may have an impact not only on the euro amounts of assets, liabilities, equity, income and expense but also on the disclosures made in the Notes. These assumptions are formulated in light of the information available at the time they are made and based on comparable historical data and other factors considered reasonable under the circumstances.

At each closing date, these assumptions and estimates may be revised if the circumstances on which they are based have changed or if management is made aware of new information. To the degree these assumptions change, the items appearing on future financial statements could vary from current estimates.

The main assumptions used are the following:

Goodwill, intangible assets and impairment tests:

As of December 31, 2009 LABCO management believed there is no reason for impairment losses on intangible assets with an indefinite life and therefore performed no impairment tests.

ACCOUNTING RULES AND METHODS

- **Consolidation method**

The companies are fully consolidated whenever the Group exercises exclusive control, *de jure* or *de facto*. In the case of joint ventures, investments are proportionately consolidated. Companies over which the Group has significant influence (associates) are consolidated using the equity method.

- **Minority interests**

"Minority interests" are the rights of minority shareholders in companies controlled by LABCO SAS and represent the share of profit or loss, as well as net financial situation, not owned by the Group. In the case of medical biology companies, whether controlled *de jure* or *de facto*, minority interests of other shareholders, i.e. laboratory doctors, should be assessed based on the financial rights attached to their shares, rather than voting rights. These shares are entitled to a priority dividend, calculated on a formula defined in each company's by-laws for so long as their holders are professionally active in the company. However, their right to any surplus on liquidation (net assets) are strictly limited, which gives this portion a non-material accounting value.

Most by-laws of consolidated French companies call for two classes of stock. Class A shares are held by medical biologists associated in the SELs (Sociétés d'exercice liberal), private practice companies under French law. They are awarded a priority dividend according to a formula worked out in the by-laws of each company. The share of earnings acquired under this priority dividend is recognized, once it is assessed, as minority interest. The companies concerned and the amount of priority dividend allocated for the financial year 2009 are presented in the following table:

	Priority dividends declared on 2009 earnings	Interim dividend 2009	Outstanding balance of priority dividends
TOTAL	**4,335**	**1,680**	**2,655**

- **Consolidation criteria**

A company comes within the scope of consolidation when the Group has taken control of it, regardless of the legal form through which this control is obtained.

Investments whose contribution to the Group's revenue, profit from operations, net earnings, liabilities or net financial position is not material are not consolidated.

- **Intra-group transactions**

All material reciprocal transactions between consolidated companies are eliminated.

With regard to consolidated companies, write-down charges and reversals on equity investments and related receivables are eliminated as they are redundant once the concerned companies are consolidated.

- **Standardization**

The Group companies' financial statements are prepared according to the accounting rules in force in their home countries, adjusted when necessary to comply with the Group's financial reporting standards.

- **First-time consolidation**

Once a company has been taken over, all the identifiable assets and liabilities of that company are measured at fair value. Goodwill is measured as the excess of the acquisition cost over the carrying amount of the fair value of assets and liabilities of the acquired company. The intangible business assets that are at times recognized in local accounting but do not meet the identification criteria of CRC 99-02 are not treated as identifiable assets but reclassified as goodwill and amortized accordingly.

The acquisition cost of shares equals the funds paid to the seller plus costs directly attributable to the purchase and any price adjustments that can be measured reliably and payment of which is probable.

The initial measurement of goodwill may be adjusted within a time period ending with the close of the financial year following the year of acquisition.

Positive goodwill is generally amortized over a period of 15 years. Badwill is recognized in profit and loss over a period reflecting the assumptions used and the objectives set at the time of the acquisition.

Positive goodwill is tested for impairment when events or circumstances indicate that a loss in value may have occurred. Such events or circumstances include material and lasting adverse changes that impact the economic environment or the assumptions made or objectives held at the time of the acquisition.

Whether an impairment loss should be recorded is determined by comparing the consolidated carrying amount (book value) of the business with its current value.

Current value is the greater of market value and value in use. Market value equals to the best estimate of the value of the business if sold in an arm's length transaction, less disposal costs. This estimate is made on the basis of available market information, taking into account any specific circumstances. Value in use equals the present value of future benefits expected from the company, as determined at the time of purchase. When an impairment loss is identified, an extraordinary amortization is recognized in order to reduce the carrying amount of goodwill to its current value.

- **Deferred taxes**

Temporary differences between accounting profits and taxable profits are recorded as deferred taxes, accounted for under the balance sheet liability method.

To be conservative, tax loss carry-forwards are not recorded as a deferred tax asset unless forecast earnings suggest a strong probability that the tax losses will be used in the near future. Deferred taxes are not discounted to their present value.

- **Segment analysis**

The Group is engaged in one single industry, the medical diagnostics sector. Consequently, there is no need for a segment analysis, which is therefore not provided. A country by country analysis is not provided for reasons of confidentiality.

- **Intangible assets**

Intangible assets consist primarily of lease agreements, licenses and software. Intangible assets are amortized straight-line over useful lives of 5 years or less.

Research costs are systematically expensed in the year in which they are incurred.

Development costs are recognized as assets if the criteria for capitalization are met. There were no capitalizations during the 2009 year.

- **Property, plant & equipment**

Property, plant & equipment primarily consists of fixtures, furniture and information technology hardware.

These are measured at acquisition cost and are straight-line depreciated over their economic useful life. If property, plant & equipment is intended to be used over its entire useful life, no residual value is used when determining the basis for depreciation.

The principal useful lives used are the following:

- Buildings .... 15 years
- Fixtures and fittings .... 3 to 10 years
- Technical plants .... 2 to 10 years
- Equipment and tools .... 2 to 10 years
- Other property, plant & equipment .... 2 to 10 years

Both tangible and intangible assets are tested for impairment when some indication of a loss of value has been identified at the balance sheet date.

Fixed assets acquired under finance leases are restated. For this the Group applies the preferential method mentioned in regulation CRC 99-02 of the CRC.

- **Unconsolidated equity investments, other long term investments and marketable securities**

"Long term financial assets" are comprised of unconsolidated equity investments and their associated receivables, other securities held as long-term investments and deposits and guarantees.

The gross value of these financial assets equals their acquisition cost. When their value in use, primarily measured on their future earnings prospects or on a benchmark value, has fallen below their gross value at the balance sheet date, an impairment loss is recognized.

- **Derivative financial instruments**

The Group may use financial derivatives to hedge its exposure to interest rate risk arising from variable rate loans. These financial derivatives are not accounted for. Disclosure is provided in Note 19, "Off-balance sheet commitments".

- **Receivables and payables**

Receivables and payables are recognized at nominal value. Certain receivables are written down through provisions to take into account difficulties in collection likely to be incurred in light of information known on the date of closing.

- **Bonds, other financial liabilities and new issue costs**

Borrowings are measured at nominal value.

Bond issuance costs are treated as assets and amortized over the life of the bond.

• **Provisions for contingencies and losses**

Pursuant to the regulation 2006-06 of the CRC concerning liabilities, provision for contingencies and losses are booked when probable outflows of resources to outside parties without compensation to the company may occur. These provisions are measured in light of the most likely assumptions at the balance sheet date.

• **Obligations arising from pensions, retirement and similar post-employment benefits**

Retirement obligations largely consist of end-of-career benefits owed to employees upon retirement. They are measured based on an actuarial calculation taking into account primarily the age structure, employee turnover and mortality rates by age group as presented in official tables. The amounts obtained are adjusted to account for assumed inflation and present-discounted from the payment date(s).

• **Cash and Cash equivalents**

"Cash and Cash equivalents" are comprised of liquid assets that present no risk of short-term loss of value, such as banks deposits, and marketable securities with virtually no risk of depreciation.

Marketable securities are recognized at acquisition cost and are written down at the balance sheet date if their market price is lower than their acquisition cost.

For the purposes of the consolidated cash flow statement, "cash and cash equivalents" includes cash and cash equivalents as defined above, net of bank overdrafts.

• **Treasury shares**

LABCO SAS shares held by the parent company are deducted from consolidated shareholders' equity.

• **Net profit from operations**

Net profit from operations reflects the current operating performance of the Group's various business units.

• **Net profit from extraordinary items**

Extraordinary (non-recurring) income and expense consist of material items which because of their nature and their unusual and non-recurring character cannot be considered inherent to the Group's operations. Examples would be capital gains and losses on disposals, reorganization costs, extraordinary amortization and depreciation of assets, costs related to discontinued acquisitions or major lawsuits.

• **EBITDA (earnings before interest, taxes, depreciation and amortization)**

EBITDA is calculated from net profit from operations, adjusted for the net expenses resulting from the recovery of provisions and depreciation and amortization charges.

• **Earnings per share**

Earnings per share are calculated by dividing net income by the average number of shares outstanding during the period.

SCOPE OF CONSOLIDATION

The consolidation scope at December 31, 2009 was established as follows:

FRENCH ENTITIES

	Parent company: 0001 LABCO SAS					
	31/12/2009			31/12/2008		
Entity name	% control	Consolidation method	% interest	% control	Consolidation method	% interest
AGDL	98.03%	FC	96.94%	98.03%	FC	96.94%
LGESTION	100.00%	FC	100.00%	100.00%	FC	100.00%
AUBERTH	99.45%	FC	99.45%	99.45%	FC	99.45%
AUBERTJ	99.50%	FC	99.50%	99.50%	FC	99.50%
BIOFRANCE	99.16%	FC	99.16%	99.16%	FC	99.16%
BIOSAMBRE	98.31%	FC	98.31%	98.31%	FC	98.31%
NORDEN	98.56%	FC	98.56%	98.56%	FC	98.56%
ISLE	99.13%	FC	99.13%	99.13%	FC	99.13%
LABCOMIDI-VAULTIER (MOSSON)	99.96%	FC	99.96%	99.96%	FC	99.96%
DELAPORTE	99.99%	FC	99.99%	99.99%	FC	99.99%
ESLAB	99.79%	FC	99.79%	99.79%	FC	99.79%
SCHAFFNER	98.89%	FC	98.89%	98.89%	FC	98.89%
LABCOARTOIS	98.70%	FC	98.70%	98.70%	FC	98.70%
LABOCENTRE-MARCOUT	99.83%	FC	99.83%	99.83%	FC	99.83%
BARLA	99.84%	FC	99.84%	99.84%	FC	99.84%
LABORATOIRECENTRAL-GAUPILLAT	99.44%	FC	99.44%	99.44%	FC	99.44%
BIOPAJ	97.27%	FC	97.27%	97.27%	FC	97.27%
BIOVAL	100.00%	FC	100.00%	100.00%	FC	100.00%
BIOSYNTHESE	98.90%	FC	98.90%	98.90%	FC	98.90%
CARRON	99.87%	FC	99.87%	99.87%	FC	99.87%
LABODUBEFFROI	99.92%	FC	99.92%	99.92%	FC	99.92%
LABCOLITTORAL-CHARRIERE-LEVY	98.80%	FC	98.80%	98.80%	FC	98.80%
TIXIER-POKORNY	96.93%	FC	96.93%	96.93%	FC	96.93%
SUEUR-RICOUX	96.92%	FC	96.92%	96.92%	FC	96.92%
CTREBIOL.CALAIS	99.75%	FC	99.75%	99.75%	FC	99.75%
LABODUMARCHE	99.99%	FC	99.99%	99.99%	FC	99.99%
TREGUIERLEMOINE	98.85%	FC	98.85%	98.85%	FC	98.85%
AQUILAB	98.89%	FC	98.89%	98.89%	FC	98.89%
VALDEGARONNE	49.37%	EM	49.37%	49.37%	EM	49.37%
JORION	99.95%	FC	99.95%	99.95%	FC	99.95%
GROUPEBIOLOGIC	99.91%	FC	99.91%	99.91%	FC	99.91%
CBMCHARTRES	96.92%	FC	96.92%	96.92%	FC	96.92%
LOISON	97.26%	FC	97.26%	97.26%	FC	97.26%
SIROS-ROY	99.12%	FC	99.12%	99.12%	FC	99.12%
BIOADOUR	99.12%	FC	99.12%	99.12%	FC	99.12%
BRIGOUT	48.88%	EM	48.88%	48.88%	EM	48.88%
PORT	98.61%	FC	98.61%	98.61%	FC	98.61%
JPBSROUEN	98.69%	FC	98.69%	98.69%	FC	98.69%
BIOLIANCE	97.27%	FC	97.27%	97.27%	FC	97.27%
ERDRE-LOIRE	87.19%	FC	87.19%	87.19%	FC	87.19%
CBMS	87.18%	FC	87.18%	87.18%	FC	87.18%
EXSELBIO	87.18%	FC	87.18%	87.18%	FC	87.18%

	Parent company: 0001 LABCO SAS					
	31/12/2009			31/12/2008		
Entity name	% control	Consolidation method	% interest	% control	Consolidation method	% interest
BOUREL-ASSOCIES	43.15%	EM	43.15%	43.15%	EM	43.15%
BUATOIS-CHAMARD	99.94%	FC	99.94%	99.94%	FC	99.94%
ANABIO	98.83%	FC	98.83%	98.83%	FC	98.83%
GREIL	98.55%	FC	98.55%	98.55%	FC	98.55%
VAL D'ORNE	99.82%	FC	99.82%	99.82%	FC	99.82%
TYBERGHIEN	99.74%	FC	99.74%	99.74%	FC	99.74%
BGCB	98.54%	FC	98.54%	98.54%	FC	98.54%
DEGRAEF POULIQUE	43.50%	EM	43.50%	43.50%	EM	43.50%
Bigo Maudens	97.26%	FC	97.26%	97.26%	FC	97.26%
Anabiol	98.79%	FC	98.79%	98.79%	FC	98.79%
Bisschop	98.69%	FC	98.69%	98.69%	FC	98.69%
Pépin	98.28%	FC	98.28%	98.28%	FC	98.28%
Schemitick	99.48%	FC	99.48%	99.48%	FC	99.48%
Normabio	96.91%	FC	96.91%	96.91%	FC	96.91%
Bio Fin	98.30%	FC	98.30%	98.30%	FC	98.30%
VERNEAU	99.99%	FC	99.93%	—	—	—
FROMENT	99.99%	FC	98.84%	—	—	—
RICARD	99.99%	FC	98.83%	—	—	—
REFERENTIEL BIOLOGIE	100.00%	FC	100.00%	—	—	—
SCM Vallée de la MEUSE	49.28%	NC	49.28%	49.28%	NC	49.28%
SCM LAD	99.47%	FC	99.47%	99.47%	FC	99.47%
SCM GROUPEMENT LABO	65.90%	FC	65.90%	65.90%	FC	65.90%
LABO CENTRE	63.57%	FC	63.57%	63.57%	FC	63.57%
SCMLE CENTRE	99.87%	NC	99.87%	99.87%	NC	99.87%
SCMBIOESSOR	44.48%	EM	44.48%	44.48%	EM	44.48%
SCMAZURLAB	28.39%	EM	28.39%	28.39%	EM	28.39%
SCM Biologis	65.02%	FC	65.02%	65.02%	FC	65.02%
SCM VAL DE RHONE	40.00%	EM	39.97%	20.00%	EM	20.00%
SCM GRAM	39.48%	EM	39.48%	39.48%	EM	39.48%
SCMBIO 76	0.01%	NC	0.01%	0.01%	NC	0.01%
SCMPIERRE BACHET	9.91%	NC	9.91%	9.91%	NC	9.91%
GIE LABCO 06	99.44%	NC	99.44%	99.44%	NC	99.44%
GIE LABCO 07	100.00%	FC	98.19%	100.00%	FC	98.19%
SAL	57.71%	FC	57.71%	57.71%	FC	57.71%
ENVIRONNEMENT & SANTE	54.72%	NC	54.72%	54.72%	NC	54.72%

EM = Equity Method / FC = Fully consolidated / PC = Proportionately consolidated.

FOREIGN ENTITIES

Entity name	Parent company: 0001 LABCO SAS					
	31/12/2009			31/12/2008		
	% control	Consolidation method	% interest	% control	Consolidation method	% interest
Sweden						
LABCO DIAGNOSTICS SWEDENAB	100.00%	FC	100.00%	100.00%	FC	100.00%
Italy						
LABCOLOMBARDIA	84.00%	FC	84.00%	84.00%	FC	84.00%
LABCO LIGURIA	100.00%	FC	100.00%	100.00%	FC	100.00%
C.A.M. Centro Analisi Monza S.p.A.	20.00%	EM	20.00%	20.00%	EM	20.00%
LABCO ITALIA	100.00%	FC	100.00%	100.00%	FC	100.00%
ISTITUTO IL BALUARDO SPA	100.00%	FC	100.00%	100.00%	FC	100.00%
BALUARDO SERVIZI SANITARI Srl	100.00%	FC	100.00%	100.00%	FC	100.00%
CENTRO DIAGNOSTICO MISSORI SRL	10.00%	EM	10.00%	10.00%	EM	10.00%
CAMECO SERVICE SRL	8.20%	EM	8.20%	8.20%	EM	8.20%
CAB	20.00%	EM	20.00%	20.00%	EM	20.00%
Germany						
LABCODEUTSCHLAND	100.00%	FC	100.00%	100.00%	FC	100.00%
LABCOPFLEGEZENTRUM	100.00%	FC	100.00%	100.00%	FC	100.00%
Aesculabor	100.00%	FC	100.00%	—	—	—
MVZ SINTERHAUF	100.00%	FC	100.00%	100.00%	FC	100.00%
Labco Labor Köln	100.00%	FC	100.00%	100.00%	FC	100.00%
MVZ DILLENBURG	100.00%	FC	100.00%	100.00%	FC	100.00%
MVZ MARBURG	100.00%	FC	100.00%	100.00%	FC	100.00%
MVZ DUISBURG2	100.00%	FC	100.00%	100.00%	FC	100.00%
MVZ SAAR	100.00%	FC	100.00%	100.00%	FC	100.00%
ELGESALABORGESELL-SCHAFT GMBH & CO. KG	Merger		100.00%	Merger	100.00%	
ELGESALABORGESELL-SCHAFT GESCHAFTSFÜHRUNG-SGESELLSHAFT G	100.00%	FC	100.00%	100.00%	FC	100.00%
Spain						
LABCOESPANA	100.00%	FC	100.00%	100.00%	FC	100.00%
General Lab—Holding	100.00%	FC	100.00%	100.00%	FC	100.00%
ANALISIS CLINICOS BIOCLINIC SL	100.00%	FC	100.00%	100.00%	FC	100.00%
VIDAL GENERAL LAB	75.00%	FC	75.00%	75.00%	FC	75.00%
TRIALS GENERAL LABORATORIES	75.00%	FC	75.00%	75.00%	FC	75.00%
HELIDIADIAGNOSTICOS	100.00%	FC	100.00%	100.00%	FC	100.00%
EGARALABORATORIS SL		Disposal		45.00%	Disposal	45.00%
Lab Dos Analisis SL	40.00%	EM	40.00%	40.00%	EM	40.00%
GENETICAMOLECULAR LABORATORIO SL	30.00%	EM	30.00%	30.00%	EM	30.00%
Amparo Perea, S.L.[*]	100.00%	FC	100.00%	100.00%	FC	100.00%

	Parent company: 0001 LABCO SAS					
	31/12/2009			31/12/2008		
Entity name	% control	Consolidation method	% interest	% control	Consolidation method	% interest
Analisis Clínicos Jose Luis Vallejo, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Avivar Analistas Asociados, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Centro De Patologia Celular YDiagnostico Prenatal, S.A.(*)	84.70%	FC	84.70%	84.70%	FC	84.70%
Centro Médico Analítico Otte-Lopez, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Citopath, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Dispensaris Mèdics Dexeus, S.L.(*)	97.00%	FC	97.00%	97.00%	FC	97.00%
Histocitomed, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Inmunogen, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Institut De Citologia I Histopatologia, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Laboratorio Biofac, S.L.		Merger		100.00%	FC	100.00%
Laboratorio Canga Arqueros, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Laboratorio Clínica Del Pilar, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Laboratorio De Análisis Clínicos Doctor Badal, S.A.(*)	52.90%	FC	52.90%	52.90%	FC	52.90%
Laboratorio MédicoDr. Valor, S.A.(*)		Merger		100.00%	FC	100.00%
Laboratorios Stauros, S.L.(*)	74.00%	FC	74.00%	74.00%	FC	74.00%
Olot Análisis, S.L.(*)	75.00%	FC	75.00%	75.00%	FC	75.00%
Patología Diagnóstica, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Picornell Salva, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Raban (Gibraltar) Limited(*)		Disposal		100.00%	FC	100.00%
Sabater Análisis, S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Sabater Pharma, S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Sabater Tobella Análisis, S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Sampletest Spain, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Sanilab, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Sanz Estebaranz, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Xarxa- Idea, S.L.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Belgium						
LABCO BELGIUM	100.00%	FC	100.00%	100.00%	FC	100.00%
ROMAN PAIS	100.00%	FC	100.00%	100.00%	FC	100.00%
ELLIPSYS	100.00%	FC	100.00%	100.00%	FC	100.00%
Portugal						
QUESTAO EM ABERTO SA	100.00%	FC	100.00%	100.00%	FC	100.00%
GENERAL LAB PORTUGAL SA	100.00%	FC	100.00%	100.00%	FC	100.00%
SOCIEDADE DE PREPARACAO LABORATORIAL LDA	100.00%	FC	100.00%	100.00%	FC	100.00%
GERMILAB	100.00%	FC	100.00%	100.00%	FC	100.00%

	Parent company: 0001 LABCO SAS					
	31/12/2009			31/12/2008		
Entity name	% control	Consolidation method	% interest	% control	Consolidation method	% interest
Analisis Clinicos Sabater, S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Ascensão Afonso, Lda.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Biohemo KX 2000, SL	100.00%	FC	100.00%	—	—	—
Cal & Silveira—Análises Clínicas, Lda.(*)		Merger		100.00%	FC	100.00%
Clínica De Diagnóstico Laboratorial Dr. Miguel Pereira & Filhos, Lda.(*)		Merger		100.00%	FC	100.00%
Clínica De Diagnósticos Da Azambuja, Dr. Fernando Teixeir	100.00%	FC	100.00%	100.00%	FC	100.00%
Clínica De Diagnósticos De Ferreira Do Alentejo, Dr. Ferna	100.00%	FC	100.00%	100.00%	FC	100.00%
Clínica De Diagnósticos Dr. Fernando Teixeira, S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Clinova 2—Centro De Diagnóstio Laboratorial De Almerim, Lda.(*)		Merger		100.00%	FC	100.00%
Clinova—Centro De Diagnóstio Laboratorial De Torres Nov	100.00%	FC	100.00%	100.00%	FC	100.00%
Délio Morgado, Limitada(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Endoclab—Laboratório De Endocrinologia E Patologia Clíni	100.00%	FC	100.00%	100.00%	FC	100.00%
Flaviano Gusmão, Lda.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Gnóstica—Laboratório De Análises Clínicas, S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
José Júlio De Castro Fernandes, S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Labor- Análises Clínicas Dr. Fernando Godinho, Lda.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Laboratório Análises Drª Graça Duarte Nunes, S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Laboratório De Análises Clínicas—Susana Pereira Rosas, Ld	100.00%	FC	100.00%	100.00%	FC	100.00%
Laboratório De Análises Clínicas Da Covilha, S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Laboratório De Análises Clínicas Dr. Francisco Ferreira Cres	100.00%	FC	100.00%	100.00%	FC	100.00%
Laboratório De Patologia Clínica, Lda.	100.00%	FC	100.00%	100.00%	FC	100.00%
Laboratório Dra. Margarida Fanha, Lda.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Laboratório J. Marinheira Monteiro—Laboratorio Médico D	100.00%	FC	100.00%	100.00%	FC	100.00%

	Parent company: 0001 LABCO SAS					
	31/12/2009			31/12/2008		
Entity name	**% control**	**Consolidation method**	**% interest**	**% control**	**Consolidation method**	**% interest**
Laboratório Médico Dr. David Santos Pinto, S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Laboratórios De Análises Clínicas Do Dr. João Ribeiro E Dra	100.00%	FC	100.00%	100.00%	FC	100.00%
Louro E Pires, Lda.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Lpd—Laboratório Português De Análises Clínicos, Lda.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Magalhães & Moura, Lda.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Maria Do Sameiro Sequeira, Lda.(*)		Merger		100.00%	FC	100.00%
Miranalise—Laboratório De Análises Clínicas Mira D'Aire,	100.00%	FC	100.00%	100.00%	FC	100.00%
Novanalise—Laboratório De Análises Clínicas De Torres No	100.00%	FC	100.00%	100.00%	FC	100.00%
Partilab S.G.P.S., S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Previlabor—Análises Clínicas, Saúde Ocupacional E Preven	100.00%	FC	100.00%	100.00%	FC	100.00%
Rotarobal, Sgps, S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Sampletest—Consultoria E Gestão De Laboratórios De Aná	100.00%	FC	100.00%	100.00%	FC	100.00%
Sampletest Ii—Consultoria E Gestão De Laboratórios De na	100.00%	FC	100.00%	100.00%	FC	100.00%
Sgus Madeira—S.G.P.S., S.A.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%
Sscp—Serviços De Saúde Curativos Preventivos, Lda.(*)	100.00%	FC	100.00%	100.00%	FC	100.00%

(*) Companies included in the Questao sub-consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of euros)

1. GOODWILL

The line item Goodwill changed over the year as follows:

	Goodwill
Gross amount at 31/12/2008	**561,459**
Acquisitions or Change in scope of consolidation(1)	41,341
Subtractions	0
Gross amount at 31/12/2009	**602,799**
Accumulated amortization at 31/12/2008	**(34,675)**
Amortization expense	(39,417)
Reversals	0
Changes in consolidation scope	2,919
Accumulated amortization at 31/12/2009	**(77,011)**
Net carrying amount at 31/12/2008	**526,784**
Net carrying amount at 31/12/2009	**525,788**

(1) Change in consolidation scope mainly relates to goodwill on acquisition of the following companies:

- France (Froment, Référentiel Biologique, Ricard, Verneau) in the amount of €11.1 million
- Germany (Aesculabor) in the amount of €36.1 million

Goodwill at 31/12/2009 breaks down by country as follows:

Country	Gross value	Accumulated amortization	Carrying amount at 31/12/2009	Carrying amount at 31/12/2008
Germany	106,407	14,856	91,551	69,293
Belgium	16,503	1,978	14,524	14,931
Spain	54,391	7,294	47,097	47,089
France	213,274	30,851	182,423	187,929
Italy	11,973	1,548	10,425	11,227
Portugal	200,251	20,484	179,767	196,317
Sweden	0	0	0	—
	602,799	**77,011**	**525,788**	**526,785**

Given the absence of indication of loss in value, no impairment test was conducted and no impairment loss was recognized.

2. INTANGIBLE ASSETS

Intangible assets changed as follows:

	Concessions, licenses, patents	Other	Total
Gross amount at 31/12/2008	5,893	1,571	7,464
Accumulated amortization at 31/12/2008	(3,711)	(316)	(4,027)
Carrying amount at 31/12/2008	**2,182**	**1,255**	**3,437**
Acquisitions	2,589	459	3,048
Subtractions	(178)	(13)	(191)
Changes in the scope of consolidation[1]	581	21	602
Other changes	744	(508)	236
Gross amount at 31/12/2009	**9,629**	**1,530**	**11,159**
Amortization expense	(1,489)	(201)	(1,690)
Reversals	176	12	188
Changes in the scope of consolidation[1]	(392)	(21)	(413)
Other changes	(251)	84	(167)
Accumulated amortization at 31/12/2009	**(5,667)**	**(442)**	**(6,109)**
Carrying amount at 31/12/2009	**3,962**	**1,088**	**5,050**

(1) The flows related to change in consolidation scope are mostly due to the acquisition of Froment and Aesculabor.

Intangible assets at 31/12/2009 break down by country as follows:

Country	Concessions, licenses, patents	Other	Total
Germany	941	0	941
Belgium	204	—	204
Spain	903	341	1,244
France	1,790	693	2,483
Italy	22	17	38
Portugal	104	37	141
Sweden	0	0	—
	3,962	**1,088**	**5,050**

3. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment changed as follows:

	Buildings and land	Technical Plant	Other (furnishings, hardware, etc.)	Total
Gross amount at 31/12/2008	13,801	54,943	45,889	114,633
Accumulated depreciation at 31/12/2008	(6,346)	(39,392)	(32,729)	(78,467)
Carrying amount at beginning of the year	**7,455**	**15,551**	**13,160**	**36,166**
Acquisitions	1,189	3,191	4,147	8,527
Subtractions	(80)	(1,910)	(2,079)	(4,069)
Change in consolidation scope(1)	894	2,221	1,461	4,576
Other changes(2)	3,647	8,019	(12,861)	(1,195)
Gross amount at 31/12/2009	**19,451**	**66,464**	**36,557**	**122,472**
Depreciation expense	(1,247)	(5,050)	(3,871)	(10,168)
Reversals	51	1,757	1,825	3,633
Change in consolidation scope(1)	(684)	(308)	(670)	(1,662)
Other changes(2)	(2,218)	(7,819)	9,757	(280)
Accumulated depreciation at the end of the year	**(10,444)**	**(50,812)**	**(25,688)**	**(86,944)**
Carrying amount at 31/12/2009	**9,007**	**15,652**	**10,869**	**35,528**

(1) The changes in the scope of consolidation mainly relate to Froment, Verneau and Référentiel Biologie among French companies and, among foreign companies, Aesculabor.

(2) Other changes refer to reclassifications of items within property, plant & equipment.

Property, plant and equipment at 31/12/2009 breaks down by country as follows:

Country	Buildings and land	Technical Plant	Other (furnishings, hardware, etc.)	Total
Germany	752	3,369	770	4,891
Belgium	—	355	545	900
Spain	2,251	2,778	428	5,457
France	2,706	3,743	8,246	14,694
Italy	298	1,688	49	2,035
Portugal	3,000	3,719	833	7,551
Sweden	—	—	—	—
	9,007	**15,652**	**10,869**	**35,528**

4. LONG TERM FINANCIAL ASSETS

Long term financial assets changed as follows:

	Non-consolidated equity investments	Deposits and guarantees	Other long term financial assets	Total
Gross amount at 31/12/2008	785	1,635	1,268	3,688
Accumulated write-downs at 31/12/2008	(295)	0	(610)	(905)
Carrying amount at beginning of the year	**490**	**1,635**	**660**	**2,785**
Additions	1	184	851	1,036
Subtractions	(298)	(103)	(895)	(1,296)
Changes in consolidation scope	0	103	75	178
Other changes(1)	(96)	305	(342)	(134)
Gross amount at 31/12/2009	**392**	**2,124**	**957**	**3,472**
Allocations	0	0	0	0
Reversals	267	0	558	825
Changes in consolidation scope	0	0	0	0
Other changes(1)	(50)	0	52	2
Accumulated write-downs at end of period	**(78)**	**0**	**0**	**(78)**
Carrying amount at 31/12/2009	**314**	**2,124**	**957**	**3,394**

The principal equity investments in unconsolidated companies held by the group are as follows:

	31/12/2009	% ownership	31/12/2008	% ownership
Non-consolidated equity investments	314		490	
SCI La Salicorne	*88*	*58.03%*	*88*	*58.03%*
SCI Nancy Haut	*13*	*3.16%*	*13*	*3.16%*
Clinique Jules Vernes	*108*	*2.28%*	*108*	*2.28%*
Clinique Saint Charles	*33*	*0.06%*	*33*	*0.06%*
Clinevora	*0*	—	*72*	*37.00%*
C.M Delfos	*0*	—	*87*	*1.54%*
Other unconsolidated equity investments	*72*		*89*	
Total unconsolidated equity investments	**314**		**490**	

5. INTERESTS IN ASSOCIATES

Participating interests accounted for following the equity method at 31/12/2009 are as follows:

	Restated shareholders' equity	% interest	Equity amount accounted for at 31/12/2009	Provision for negative equity	Shareholders' equity at 31/12/2008	Equity amount accounted for at 31/12/2008
VAL DE GARONNE	2,275	49%	1,115	0	2,434	1,201
BRIGOUT	413	49%	202	0	411	199
LABOCENTRE	—	—	—	—	(33)	(10)
SEVRE et LOIRE BIOLOGIE	533	43%	230	0	451	194
DEGRAEF-POULIQUEN	97	44%	42	0	(7)	(3)
SCM CAB MED ST COME	0	46%	0	0		
SCM BIOESSOR	(115)	44%	(2)	49		
SCM AZURLAB	(6)	28%	(2)	0	(12)	(1)
SCM VAL de RHONE	27	40%	11	0	23	1
SCM GRAM	(9)	39%	(3)	0		
SCI ST COME	(122)	48%	0	58		
C.A.M. Centro Analisi Monza S.p.A.	4,686	20%	940	0	2,933	586
CENTRO DIAGNOSTICO MISSORI	306	10%	31	0	238	24
C.A.M. Centro Analisi Monza S.p.A. ECO SERVICE	148	8%	12	0	131	10
CONSORZIO	61	5%	3	0	55	3
CONSORZIO GENETICO	54	10%	5	0	63	6
CAB	550	20%	110	0	287	57
EGARA MABORATORIS	0	45%	0	0	589	265
LAB DOS ANALISIS	443	40%	177	0	416	166
GENETICA MOLECULAR LABORATORIO SL	306	30%	92	0	144	43
Total	**9,647**		**2,964**	**108**	**8,121**	**2,740**

6. INVENTORIES

Inventories break-down as follows:

	Cost at 31/12/2009	Write downs at 31/12/2009	Net amount at 31/12/2009	Net amount at 31/12/2008
Supplies and raw materials	604	0	604	293
Reagents	6,517	(51)	6,466	7,437
Total	**7,121**	**(51)**	**7,070**	**7,730**

7. RECEIVABLES FROM OPERATIONS

With the exception of deferred tax assets and the Duisburg receivable with a net value of €2.2 million,most ofthe Group's receivables are due within one year and break down as follows:

	Gross amount at 31/12/2009	Write downs at 31/12/2009	Net amount at 31/12/2009	Net amount at 31/12/2008
Trade and related receivables	**75,489**	**(5,950)**	**69,539**	**66,736**
Down payments and deposits paid	1,613	0	1,613	565
Collectible Tax assets and payroll on-costs[(1)]	12,807	0	12,807	13,731
Current accounts	706	0	706	440
Deferred charges[(2)]	10,315	0	10,315	10,862
Prepaid expenses	4,345	0	4,345	5,427
Other receivables[(3)]	7,254	(1,816)	5,438	7,885
Receivables and accruals	**37,039**	**(1,816)**	**35,223**	**38,910**
Total	**112,528**	**(7,766)**	**104,762**	**105,646**

(1) Deferred tax assets largely refer to Questao in a net amount of €2.9 million and LABCO Diagnostics Spain in the amount of €0.8 million.

(2) Deferred charges represent the debt issuing fees of French and foreign companies, which are amortized over the life of the debt.

(3) The write down of Other Receivables relate to the Duisburg dispute in the amount of €0.9 million and a €0.9 million receivable in the books of Roman Pais in dispute with INAMI.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	Gross amount at 31/12/2009	Write-downs at 31/12/2009	Carrying amounts at 31/12/2009	Carrying amounts at 31/12/2008
Marketable securities	20,098	0	20,098	41,278
Cash on hand and balances with banks	70,217	0	70,217	58,062
Total	**90,315**	**0**	**90,315**	**99,340**

The Group's net cash position breaks down as follows:

	31/12/2009	31/12/2008
Cash and equivalents	90,316	99,340
Current used banking facilities	(4,460)	(11,881)
Net Cash position	**85,856**	**87,460**

9. PROVISIONS

Accounting provisions are recognized for the following purposes:

	Provisions for disputes and litigation	Provisions for pensions, retirement benefits and similar obligations	Deferred tax liability[3]	Badwill[2]	Other provisions[1]	Total
Balance as at 31/12/2008	**140**	**4,382**	**2,392**	**3,566**	**658**	**11,138**
Expense, posted to operating income/ expense	45	543	0	0	75	663
Expense, posted to financing income/ expense	0	0	0	0	0	0
Expense, posted to extraordinary income/ expense	30	0	0	0	3	33
Reversals, posted to operating income/ expense	0	(92)	0	(1)	(78)	(171)
Reversals, posted to financing income/ expense	0	0	0	0	0	0
Reversals, posted to extraordinary income/ expense	(125)	(35)	0	0	0	(160)
Change in consolidation scope	0	114	(4)	(6)	17	121
Other changes	17	0	69	(2,925)	(308)	(3,147)
Balance as at 31/12/2009	**107**	**4,912**	**2,457**	**634**	**367**	**8,477**

(1) Other provisions largely refer to social security and other payroll on-costs.

(2) Badwill primarily relates to the Baluardo Servizi company in Italy and Tulab in Germany. Other changes in badwill represent the offset of negative goodwill by positive goodwill related to two French entities.

(3) Deferred tax liabilities primarily concern the GDLCB company in the amount of €1.9 million and refer to deferred capital gains taxes.

(4) Assumptions used in calculating the provision for retirement and similar benefits have only to do with France and are as follows:

- Voluntary retirement: 100%
- Discount rate: 5.09%
- Employer payroll on-cost expense ratio: 45%
- Employer contribution ratio: 50%
- Low turnover rate

10. FINANCIAL LIABILITIES

Financial liabilities break down as follows:

	Bank borrowings	Amounts related to assets held under finance lease	Accrued interest not yet due	Current used banking facilities	Other financial liabilities	Total
Amounts at 31/12/2008	**379,909**	**2,759**	**3,580**	**11,881**	**1,839**	**399,969**
Increases(1)	60,471	392	8,090	0	1,718	70,671
Decrease	(35,885)	(1,087)	(3,764)	0	(2,171)	(42,907)
Change in scope of consolidation(2)	3,694	149	0	68	1	5,177
Net change				(5,977)		(5,977)
Other	4,365	(0)	(4,248)	(1,512)	415	(2,245)
Amounts at 31/12/2009	**412,554**	**2,213**	**3,658**	**4,460**	**1,802**	**424,688**

(1) The increase in bank borrowings is largely due to the following borrowing:

- By Pflegezentrum:
  i. of €26 million of senior debt,
- By Tréguier Lemoine:
  i. of €8 million of senior debt,
- By Sinterhauf:
  i. of €10 million of senior debt,
- By Labor Saar:
  i. of €5 million of senior debt

Note that issuance costs for all loans issued are treated as deferred charges (assets) in accordance with French GAAP.

(2) The change in consolidation scope refers primarily to Froment and Aesculabor.

Bank borrowings are broken down by maturity herewith:

	< 1 year	1 to 5 years	> 5 years	Total
Mezzanine debt 1	0	0	55,348	55,348
Mezzanine debt 2	0	0	46,825	46,825
Senior debt	18,179	201,548	0	219,727
Other borrowings	25,263	64,887	504	90,654
Total	**43,442**	**266,435**	**102,677**	**412,554**

10. FINANCIAL LIABILITIES (Continued)

The maturities of finance lease liabilities are:

	< 1 year	1 to 5 years	> 5 years	Total
Germany	0	0	0	—
Belgium	40	195	1	236
Spain	14	2	0	16
France	344	472	0	816
Italy	241	751	0	993
Portugal	24	129	0	153
Sweden	0	0	0	0
Total	**664**	**1,549**	**1**	**2,213**

The essential features of the bank borrowings are shown below (in thousands of euros):

Bank	Portfolio	Issue date	End date	Rate	Initial amount	Loan at 31/12/2009
NATIXIS	Senior debt A	7/19/2008	6/30/2014	3 mo. Euribor + 2.25%	158,876	151,638
NATIXIS	Senior debt B	7/19/2008	6/30/2015	3 mo. Euribor + 2.75%	68,089	68,089
NATIXIS	Capex Senior debt	7/19/2008	6/30/2014	3 mo. Euribor + 2.25%	21,706	21,706
ICG PLC	Senior mezzanine	7/29/2008	7/29/2017	Cash interest EURIBOR + 4%	46,825	46,825
				PIK interest: EURIBOR + 4%	0	0
ICG PLC	Junior mezzanine	7/29/2008	1/29/2018	PIK interest: EURIBOR + 5.5%	44,415	44,415
ICG PLC	Add'l Junior mezzanine	12/9/2008	6/9/2018	PIK interest: EURIBOR + 5.5%	10,933	10,933
APO	Bilateral	7/4/2009	9/4/2014	3.50%	2,655	2,458
BNP Paribas	Bilateral	3/20/2008	3/20/2015	4.40%	1,430	1,113
BPNORD	Bilateral	6/1/2005	6/1/2012	3 mo. Euribor + 1.8%	3,300	1,179
BPNORD	Bilateral	6/24/2004	6/4/2011	3 mo. Euribor + 1.8%	8,775	1,880
CAGRI	Bilateral	5/15/2003	5/15/2013	3 mo. Euribor + 0.05%	2,603	1,041
CIC-BSD	Bilateral	6/1/2005	6/1/2012	3 mo. Euribor + 1.8%	3,500	1,250
CIC-BSD	Bilateral	10/15/2007	10/15/2014	3 mo. Euribor	2,100	1,566
CIC-BSD	Bilateral	6/5/2006	6/5/2013	Codevi + 0.6%	2,398	1,302
CIC-CIO	Bilateral	6/20/2007	6/20/2014	3.60%	2,000	1,429
LCL	Bilateral	5/4/2006	5/4/2013	2.20%	8,837	4,483
LCL	Bilateral	7/31/2007	7/31/2014	2.70%	2,048	1,392
LCL	Bilateral	11/30/2007	11/30/2014	4.70%	3,093	3,093
LCL	Bilateral	11/30/2007	11/30/2014	4.60%	7,133	5,095
LCL	Bilateral	10/19/2006	10/19/2013	2.70%	2,048	1,169
LCL	Bilateral	1/28/2008	1/28/2015	3.20%	1,843	1,379
LCL	Bilateral	10/5/2006	10/5/2013	2.40%	2,688	1,528
LCL	Bilateral	5/31/2006	5/30/2013	2.20%	2,455	1,245
LCL	Bilateral	7/22/2007	12/22/2013	2.90%	2,304	1,469
SOCGEN	Bilateral	10/2/2008	9/2/2015	4.55%	1,190	1,004
Total borrowings above €1 million					**413,244**	**378,680**
Total borrowings below €1 million						**33,874**
Total borrowings						**412,554**

11. TRADE AND OTHER PAYABLES

The Group's trade and other payables break down as follows:

	31/12/2009	31/12/2008
Trade payables	**38,092**	**40,344**
Down payments and deposits received	419	1,390
Taxes payable, payroll and on-cost amounts payable	32,362	26,422
Amounts payable to fixed assets suppliers	1,007	94
Amounts payable on acquisition of participating interests[1]	20,871	63,158
Other liabilities	5,963	10,842
Total other payables and accruals	**60,622**	**101,906**
Total other trade and other payables	**98,714**	**142,250**

Most Trade and other payables are due in less than one year.

(1) The line item "Amounts payable on acquisition of participating interests" breaks down as follows . The reduction in these liabilities is primarily due to repayments made in 2009.

Country	Entities	Amounts payable on acquisitions	Related participating interest acquisitions	Maturities −1 year	Maturities 1 to 5 years	Maturities +5 years
France	JORION	225	Chamard Acquisition		225	
France	BIOSYNTHESE	288	Trequier Lemoine acquisition	288		
France	LABCO ARTOIS IG	3,171	Bisschop acquisition	1,021	2,150	
France	AQUILAB	515	Anabio acquisition	515		
Germany	MVZ DILLENBURG	9,774	Business assets	9,774		
Germany	MVZ MARBURG	1,318	Business assets	1,318		
Spain	LABCO ESPANA	3,619	Primarily involves General Lab acquisition	3,309	310	
Portugal	QUESTAO EM ABERTO SA	1,815	Primarily involves Sample Test	1,815		
Other	Other	146	Other	146		
Total		**20,871**		**18,186**	**2,685**	**0**

12. NET FINANCIAL RESULT

Net Financial Result breaks down as follows:

	31/12/2009	31/12/2008
Revenue from equity investments and marketable securities	268	1,512
Interest expense and related expense	(21,683)	(15,108)
Net charges to provisions of a financial nature	0	(102)
Other financial expense[1]	(8,916)	(6)
Other financial income	1,186	251
Net Financial Result	**(29,145)**	**(13,453)**

(1) Other financial expense refers principally to €4.9 million of commission costs on financial derivatives purchased by the Group to hedge its debt.

13. EXTRAORDINARY PROFIT (LOSS)

Extraordinary profit (loss) breaks down as follows:

	31/12/2009	31/12/2008
Proceeds from Disposal of Assets	612	4,310
Net carrying amount of assets sold	(989)	(3,655)
Other extraordinary expense[1]	(7,800)	(5,578)
Other extraordinary income	1,161	4,691
Net charges to provisions of an extraordinary nature	853	(1,925)
Net profit (loss) from extraordinary items	**(6,163)**	**(2,157)**

(1) Other extraordinary expense mainly include these non-recurring costs:

a. €1.8 million at LABCO SAS largely for agency fees on a discontinued project.

b. €0.8 million at LABCO GIE Gestion.

c. €2.5 million at LABCO Labor Köln related to litigation over acquiring the Leverkusen laboratory.

(2) Net extraordinary charge to provisions is negative, due to a €0.8 million reversal of a write-down on long term financial assets at CBMP.

14. PERSONNEL EXPENSE

Personnel expense consists in the following:

	31/12/2009	31/12/2008 2009 Presentation	31/12/2008 Published
Wages and salaries	119,020	65,600	65,600
Payroll taxes and other on-costs	38,079	22,320	22,289
Subcontracting/outside personnel	9,897	11,968	
Total	**166,996**	**99,889**	**87,889**

The sharp increase in personnel expense is due largely to the non- standard effect in 2008 of a change in the method of presentation, resulting in full consolidation of of six months of personnel costs for fully consolidated French companies after July 1, 2008 and to the impact of acquisitions of companies during 2008.

The workforce breaks down as follows:

	31/12/2009	31/12/2008
Management	264	257
Staff	3,542	3,106
Total	**3,806**	**3,363**

15. INCOME TAXES

	31/12/2009	31/12/2008
Taxes payable	(17,851)	(6,547)
Deferred taxes	(452)	3,151
Total	**(18,302)**	**(3,396)**

Tax Reconciliation

	31/12/2009
Consolidated net profit(loss)	(20,165)
Share of associates earnings attributable to the group	838
Goodwill amortization expense	(39,418)
Tax expense	(18,302)
Consolidated profit before tax	**36,718**
Tax rate	33.33%
Theoretical tax (1)	**(12,238)**
Actual tax (2)	**(18,302)**
Difference (2) − (1)	**(6,064)**
Permanent deferrals	439
Unrecognized deferred tax assets − Unused tax loss carry forwards	(6,804)
Other (incl. tax credits and tax rate differential)	300
TOTAL EXPLAINED	**(6,064)**

16. DETAIL ON DEFERRED TAXES

(in thousands of euros)	**31/12/2009**
Deferred tax assets from temporary Income tax/payroll tax differences	2,113
Deferred tax liabilities from temporary Income tax/payroll tax differences	(2,531)
Tax loss carry-forwards[(1)]	4,358
Timing differences/retirement obligations	(60)
Timing differences/fixed assets (lease)	(210)
Other	114
Net deferred taxes	**3,784**
—incl. deferred tax assets	6,241
—incl. deferred tax liabilities	(2,457)
Net deferred taxes	**3,784**

(1) Capitalized tax loss carry-forwards primarily represent Questao Em Aberto S.A. in the amount of €3.4 million.

17. EXECUTIVE COMPENSATION

No information is given concerning the compensation received by members of the parent company's management bodies for their duties in associate companies, since that would result in disclosing individual compensation amounts.

18. INFORMATION BY COUNTRY

Information not provided for reasons of confidentiality.

19. OFF-BALANCE SHEET COMMITMENTS

Derivative financial instruments

As part of its interest rate hedging strategy, the Group has put the following instruments in place (in €,000):

Instrument	Bank	Rate	Index	Maturity date	Nominal amount	Fair value at 31/12/2009
Exotic	Natixis	N.C.	N.C.	9/30/2011	85,000	(2,964)
Interest rate swaps	Natixis	4.35	Euribor + 1 yr	7/23/2011	32,000	(1,280)
Interest rate swaps	CIC	4.35	Euribor + 1 yr	7/25/2011	28,000	(1,564)
Cap Floor	CIC	4.75	Euribor + 3 month	9/30/2011	85,000	32
Cap Floor	CIC	3.46	Euribor + 3 month	9/30/2011	85,000	(3,009)
						(8,785)

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

Off-balance sheet commitments given & received

The Group's off-balance sheet commitments consist of security given in the course of its investing and financing activities. At December 31, 2009, the list of off-balance sheet commitments given was as follows:

FRANCE

	LABCO SAS	
	Description	**Beneficiaries**
PLEDGED	The entirety of shares purchased (in the SELs Biofrance, Biosambre, Schaffner, AGDL, ESLAB, Aubert J and Aubert H)	BPN
	65,220 Convertible bonds	SNVB
	10,284 Convertible bonds	BSD and BPN
	18,700 bonds	Crédit Lyonnais
	9,375 bonds	BSD and Crédit Lyonnais
	14,850 bonds	Crédit Lyonnais
	8,500 bonds	Crédit Lyonnais
	3,850 bonds	Crédit Lyonnais
	94,211 bonds	LCL
PLEDGE OF FINANCIAL ASSETS	Entirety of shares held in Laboratoire Vaultier	Natixis
	Entirety of shares held in Laboratoire d'Analyses de Biologie Médicale Delaporte	Natixis
	Entirety of shares held in Biologistes Associés	Natixis
	Entirety of shares held in Laboratoire d'Analyses médicales Jorion	Natixis
	Entirety of shares held in the Laboratoire du Beffroi	Natixis
	Entirety of shares held in Bioval	Natixis
	Bank account balance	Natixis
PLEDGED UNDER SPANISH LAW	Entirety of shares held in LABCO Diagnostics España	Natixis
PLEDGED UNDER GERMAN LAW	Entirety of shares held in LABCO Deutschland GmbH	Natixis, CIC and Intermediate Capital group PLC
PLEDGED UNDER ITALIAN LAW	Entirety of shares held in LABCO Italy	Natixis
RECEIVABLES PLEDGED	Bonds issued by Biopaj and LABCO Artois	Natixis
JOINT AND SEVERAL GUARANTEES	Commitments given by De La Mosson SEL (substituting for Jean-Paul Vaultier)	Banque Populaire du Midi
	The three loans taken out by Erdre & Loire in the amount of €3,593,000	CIO, CA et SG
	One loan taken out by LABCO Gestion GIE in the amount of €750,000	Natixis

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

LABCO SAS

	Description	Beneficiaries
GUARANTEES	The three loans taken out by CMBS in the amount of €362,000	CA
	The three loans taken out by Exsel Bio in the amount of €1,593,000 in acquiring the Jourdain-Quinton client base	CIO, CA et SG
	The three loans taken out by Exsel Bio in the amount of €1,413,000 in acquiring the Tharreau-Caudal client base	CIO, CA et SG
JOINT AND SEVERAL GUARANTEE	With Biolance SAS for the obligation of the general partners of the SEL Chauvet-Douet-Lissajoux	
LETTER OF COMFORT	Guarantee of the loan in connection with the acquisition of Labor Duisburg	Mme GJAVOTCHANOFF
LETTER OF INTENT	Commitment to provide Biopaj the ability to repay its loan	Crédit Lyonnais
ASSIGNED RECEIVABLES	Key-man insurance taken out on Mr. Chassaing and Mr. Souetre	Natixis

AGDL

	Description	Beneficiaries
PLEDGED	2,192,992 shares of Biopaj	Banque Scalbert Dupont and Banque Populaire du Nord
	Irrevocable commitment to pledge any additional shares acquired in Biopal	Banque Scalbert Dupont and Banque Populaire du Nord
	85,797 shares of Pokomy	Crédit Lyonnais
	Irrevocable commitment to pledge any additional shares acquired in Pokomy	Crédit Lyonnais
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Biopaj	Banque Scalbert Dupont and Banque Populaire du Nord
JOINT AND SEVERAL GUARANTEES	Financing of the acquisition of shares of Tiry Dietre Multam; maximum of €567,002	
	Additional financing of acquisition of shares in Tiry Dietre Multam SELCA; maximum of €125,400	

AQUILAB

	Description	Beneficiaries
PLEDGED	535,000 shares of the medical analysis lab Anabiol	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Anabiol	Natixis

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

AUBERT H

	Description	Beneficiaries
PLEDGED	29,985 shares of Laboratoire d'analyses de biologie médicale Gaupillat et associés	Société Nancéienne Varin-Bernier

AUBERT J

	Description	Beneficiaries
PLEDGED	994 shares of Biosynthèse	Banque Régionale de l'Ouest and Crédit Mutuel du Centre
FINANCIAL ASSETS PLEDGED	481,700 shares of Laboratoires Schemitick Vorlet et Associés	Natixis
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Biosynthese	Banque Régionale de l'Ouest
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Schemitick Vorlet et associés	Natixis

BARLA

	Description	Beneficiaries
PLEDGED	16,999 shares of Laboratoire d'analyses de biologie médicale Marcout Lionel	Banque Populaire Côte d'Azur

BIO SAMBRE

	Description	Beneficiaries
FINANCIAL ASSETS PLEDGED	3,599,990 shares of the SEL Bio Fin et Associés	Natixis
	52,800 shares of Referentiel Biologie	Natixis

BIOLIANCE

	Description	Beneficiaries
GUARANTEES	Guarantee of a loan to SELAS CBMS for €195,000 Guarantee of a loan to SELARL Erdre et Loire Biologie for €280,000 Guarantee of a loan to SELARL Degraef Pouliquen for €167,000	SG
PLEDGED	Ownership in SELCA Erdre et Loire Biologie (€723,000)	Crédit Lyonnais

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

BIOPAJ

	Description	Beneficiaries
PLEDGED	14,100 shares of Biolance 36,900 shares in the Bigo Maudens medical diagnostics laboratory	Crédit Lyonnais Natixis
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Biolance	Crédit Lyonnais
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Bigo Maudens	Natixis

BIOSYNTHESE

	Description	Beneficiaries
PLEDGED	96,241 shares of Aquilab 3,698 shares of Tréguier Lemoine	Crédit Lyonnais Crédit Lyonnais

CARRON

	Description	Beneficiaries
PLEDGED	1,064,640 shares of Centre biologique	Banque Scalbert Dupont and Crédit Lyonnais
	Cash account in the company's name opened at Crédit Lyonnais	Banque Scalbert Dupont and Crédit Lyonnais

CBMS

	Description	Beneficiaries
GUARANTEES	Guarantee of two loans extended to the SELARL Degraef Pouliquen for €334,000	CA and CIO
	Guarantee of two loans extended to the SCM Biologie for €192,000	CA
PLEDGED	Business assets of the lab CBMS (€456,000)	CA and CCF

CENTRE BIOLOGIQUE

	Description	Beneficiaries
PLEDGED	36,995 shares of medical biology analysis lab Tyberghein	BNP Paribas

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

DELAPORTE

	Description	Beneficiaries
PLEDGED	985,269 shares of Biofrance	Banque Scalbert Dupont and Banque Populaire du Nord
	204,776 shares of Biofrance	Banque Scalbert Dupont and Banque Populaire du Nord
	899,964 shares of Schaffner	Banque Scalbert Dupont and Banque Populaire du Nord
	Business assets securing the loan taken to acquire the medical lab located in Douchy	
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Biofrance	Banque Scalbert Dupont and Banque Populaire du Nord
	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Schaffner	Banque Scalbert Dupont and Banque Populaire du Nord

ERDRE ET LOIRE

	Description	Beneficiaries
PLEDGED	Business assets of the lab Sainte Luce (€1,829,000)	CA
	Ownership in the medical biology center and EXSEL BIO (€2,217 K)	CA

ESLAB

	Description	Beneficiaries
PLEDGED	59,798 shares of the SEL Aubert H	BNP Paribas
	73,523 shares of the SEL Aubert J	BNP Paribas
	Business assets securing the loan taken (€91,000)	Fortis

EXSEL BIO

	Description	Beneficiaries
PLEDGED	Business assets of the lab Jourdon Quinton (€794,000)	CIO, CA and SG

GREIL

	Description	Beneficiaries
PLEDGED	742,800 shares in the company of deputy directors of the medical analysis lab Bensaid Gorse Cayrou Bourjeli	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Bensaïd Gorse Cayrou Bourjeli	Natixis

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

	JORION	
	Description	**Beneficiaries**
PLEDGED	Shares of the analysis laboratory of medical biology	Natixis
	Bank accounts	Natixis
	16,071 shares of Groupe Biologic	Crédit Lyonnais
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire J. Bautois et P. Chamard	Natixis

	LABCO ARTOIS	
	Description	**Beneficiaries**
PLEDGED	548,990 shares of the SELAS JP BS	Banque Scalbert Dupont
	Shares of Laboratoire de Bisschop	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire de Bisschop	Natixis

	LABCO MIDI	
	Description	**Beneficiaries**
PLEDGED	Business assets of a medical lab (securing a bank loan for the acquisition of a lab in Montpellier)	Banque Populaire du Midi
	Business assets of a medical lab (securing a bank loan for the acquisition of a lab in Montpellier)	Banque Populaire du Midi
	99,906 shares of the medical analysis lab Carron	Banque CCF and Banque Palatine
	14,996 shares of Eslab	Banque Régionale de l'Ouest
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Eslab	Banque régionale de l'Ouest and Caisse fédérale de Crédit Mutuel du Centre

	LABOCENTRE	
	Description	**Beneficiaries**
PLEDGED	87,900 shares of medical biology analysis lab du Val d'Orne	Natixis
	Bank accounts	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of LABM du Val d'Orne	Natixis

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

NORDEN

	Description	Beneficiaries
PLEDGED	238,000 shares of the SEL Jean-Denis Greil Bank accounts	Natixis Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of SEL Jean-Denis Greil	Natixis

TIXIER PIERFIT AVOT formerly POKORNY

	Description	Beneficiaries
PLEDGED	264,485 shares in the Centre de Biologie médicales et de pathologie de la rue Georges Fessard	Crédit industriel de l'Ouest

SCHAFFNER

	Description	Beneficiaries
PLEDGED	7,768 shares of A.G.D.L	Banque Scalbert Dupont and Banque Populaire du Nord
	100% of the shares of Labco Artois Business assets of a medical lab securing a bank loan for the acquisition of a lab	Banque Populaire du Midi
JOINT AND SEVERAL GUARANTEES	In the amount of €733,000 in the acquisition of the Laboratoire Delval	
ASSIGNMENT	Assignment of amounts collectible in the event the warranty against claims clause in the acquisition agreement of AGDL is exercised	Banque Scalbert Dupont

SUEUR

	Description	Beneficiaries
FINANCIAL ASSETS PLEDGED	49,900 shares in the SEL of the directors and deputy directors of the medical biology analysis lab Normabio	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of SEL Normabio	Natixis

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

	TREGUIER LEMOINE	
	Description	**Beneficiaries**
FINANCIAL ASSETS PLEDGED	2,400 shares of Laboratoire Christine Pépin, Philippe Leluan, Patricia Sannier, Didier Guillo	Natixis
	37,190 shares of Laboratoire Froment Fernandez Clos Manescau	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Christine Pépin, Philippe Leluan, Patricia Sannier, Didier Guillo	Natixis
OTHER GUARANTEES	Other commitments made in the amount of €515,000	

	VAL D'ORNE	
	Description	**Beneficiaries**
PLEDGED	Business assets of the medical analysis lab located in Argentan	

	NORMABIO	
	Description	**Beneficiaries**
OTHER GUARANTEES	Other commitments made in the amount of €475,220	

SPAIN

	LABCO DIAGNOSTICS ESPANA	
	Description	**Beneficiaries**
PLEDGED	100% of shares held in General Lab	Natixis
	Bonds issued by the SEL Aubert J	Junior mezzanine lenders
	Bonds issued by Treguier Lemoine	Junior mezzanine lenders
	415 shares of Roman Païs	Natixis
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Roman Païs	Natixis
	Shares held in LABCO Sweden	Natixis
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of General Lab and Roman Païs	Natixis

	SAMPLETEST SPAIN	
	Description	**Beneficiaries**
PLEDGED	Bank account	
	Shares held in Sabater	Natixis

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

SWEDEN

LABCO DIAGNOSTICS SWEDEN AB

	Description	Beneficiaries
PLEDGED	Agreement concerning the shares held in Quaesto em Aberto SA	
	Shares held in LABCO Belgium	Natixis
	Bank account (receiving the dividends)	

BELGIUM

LABCO BELGIUM

	Description	Beneficiaries
PLEDGED	Agreement concerning the shares held in Quaesto em Aberto SA	
	Bank account (receiving the dividends)	
	Rights from the intra-Group loan to Quaesto em Aberto SA	

PORTUGAL

QUESTAO EM ABERTO SA

	Description	Beneficiaries
PLEDGED	Bank account (receiving the dividends)	

CDFT

	Description	Beneficiaries
PLEDGED	Business assets of CDFT	
	Shares held in Sampletest Spain	Natixis
	Bank account	Natixis

ITALY

LABCO ITALIA

	Description	Beneficiaries
PLEDGED	Shares held in Baluardo	Natixis
	Shares held in C.A.M. Centro Analisi Monza S.p.A.	Natixis
	Bank accounts	
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Baluardo and C.A.M. Centro Analisi Monza S.p.A.	Natixis

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

GERMANY

	MVZ TROBISH, MVZ LEVERKUSEN, MVZ LATZA, MVZ DILLENBURG, MVZ HERDEN	
	Description	**Beneficiaries**
COLLATERAL	Security on inventories and property, plant & equipment and intangible assets (excluding real property) owned by the companies at the time of acquisition	Natixis

	LABCO DEUTSCHLAND	
	Description	**Beneficiaries**
PLEDGED	Shares held in LABCO Pfegezentrum	Natixis
	Bank account	Natixis

	LABCO PFEGEZENTRUM	
	Description	**Beneficiaries**
PLEDGED	Shares held in MVZ Marburg	Natixis
	Shares held in MVZ Dillenburg	Natixis
	Shares held in MVZ Latza	Natixis
	Shares held in MVZ Trobisch	Natixis
	Shares held in Aesculabor	Natixis
	Shares held in MVZ Trobisch	Natixis
	Bank account	Natixis

20. AUDITORS' FEES

Total LABCO Group auditors' fees for the period from January 1, 2009 to December 31, 2009 amount to €330K (excl. tax) to Cabinet Constantin and €154K to Mr. Jean-Luc Houdart. These are the fees for all the statutory mandates within the LABCO Group (LABCO SAS and certain French subsidiaries) and the IFRS transition review assignment.

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Statutory Auditors' Report on the consolidated financial statements

Year ended December 31, 2008

CONTENTS

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This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditor's 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 explanatory paragraphs discussing the auditors' assessment of certain significant accounting and auditing matters. These assessments were made 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 also includes information relating to the specific verification of information given in the group management report.

This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

LABCO S.A.S.

SAS (Société par action simplifiée)—A Limited liability Company under French law

27, avenue de l'Opéra
75001—Paris

Statutory Auditors' Report on the consolidated financial statements

Year ended December 31, 2008

To the shareholders,

To the Chairman,

In compliance with the assignment entrusted to us by your shareholders at their annual meeting, we hereby report to you for the year ended December 31, 2008, on:

- the audit of the accompanying consolidated financial statements of LABCO;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements were closed by the Strategic Committee. 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 significant 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 above mentioned consolidated financial statements are giving, according to the French generally accepted accounting principles and regulations, a true and fair view of the assets and liabilities, of the financial position and of the results of the Group formed by the entities included within the scope of consolidation.

Without qualifying our opinion, we draw your attention to the matter set out in notes "Changing in the consolidation method" and "Other changes of methods" presented on Page 10 of the notes to the consolidated financial statements and relating to the change in the consolidation method of French companies and to the implementation of the CRC 99-02 preferential method relating to finance lease agreements.

II. Justification of our assessments

The 2008 financial crisis, which was gradually accompanied by an economic crisis in 2009, has many consequences on the companies, particularly as regards their activity and their financing. The lack of visibility on the future create specific conditions this year for the preparation of the consolidated financial statements, especially with respect to the accounting estimates which are required under the accounting principles. Such is the context in which we made our own assessments that we bring to your attention in accordance with the requirements of article L. 823-9 of the French Commercial Code ("Code de Commerce").

Goodwill was accounted and evaluated using the method described in the paragraph "First-time Consolidation" on page 13 of the Notes. Our audit involved assessing the data and assumptions used for this estimate as well as how goodwill was calculated. As part of our assessments, we have verified the reasonableness of these estimates.

We also bring the following matters to your attention:

The paragraphs on Page 10 of the Notes entitled "Change in consolidation method" and "Other change of method" are respectively presenting the accounting policies related to the change in method of consolidation of French companies, which are now fully consolidated, and the application of the preferential method according to the CRC 99-02 rules relative to finance lease agreements.

As part of our assessment of the accounting policies used by your Company, we verified the appropriateness of the aforementioned accounting policies as well as the information disclosed in the notes and ensured such policies were correctly applied.

We also ensured of the justification of the aforementioned change in accounting policies and of their presentation.

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.

Paris and Levallois-Perret, June 9, 2010

The Statutory Auditors

CABINET HOUDART	CONSTANTIN ASSOCIES	
(signature)	(signature)	(signature)
Jean-Luc HOUDART	Dominique LAURENT	Laurent LEVESQUE

LABCO GROUP

Consolidated Statutory Financial Statements

2008

For the Financial Year Ended December 31, 2008

BALANCE SHEET

(In thousands of euros)	Note	Dec. 31, 2008	Dec. 31, 2007
Assets			
Goodwill	1	526 786	60 416
Intangible assets	2	3 438	905
Property, plant & equipment	3	36 166	7 581
Long term financial assets	4	2 785	49 502
Interests in associates	5	2 740	9 568
Fixed assets		**571 914**	**127 972**
Inventory and work in progress	6	7 730	1 342
Trade receivables and related accounts	7	66 736	17 431
Other receivables and accruals	7	38 912	3 403
Marketable securities	8	41 278	
Cash and cash equivalents	8	58 062	2 293
Current assets		**212 718**	**24 469**
Total assets		**784 632**	**152 442**
Liabilities			
Share capital		40 413	28 509
Additional paid-in capital		169 573	36 143
Consolidated reserves		16 724	10 929
Net profit (loss)		1 596	5 727
Shareholders' equity		**228 307**	**81 308**
Minority interests		**2 969**	**197**
Provisions for contingencies and losses	9	**11 138**	**127**
Borrowings & other financial liabilities	10	399 968	44 972
Trade payables and related accounts	11	40 344	12 499
Other payables and accruals	11	101 906	13 339
Debts		**542 218**	**70 810**
Total liabilities		**784 632**	**152 442**

INCOME STATEMENT

(In thousands of euros)	Note	Dec. 31, 2008	Dec. 31, 2007
Revenue		235 634	2 206
Cost of sold goods		(27 894)	(100)
Cost of raw materials		(28 258)	(812)
Other costs of purchases incurred and consumed		(43 355)	(2 736)
Personnel expense	14	(87 889)	(1 457)
Other taxes		(4 645)	(36)
Depreciation, amortization, and provision expense, net		(8 278)	(116)
Other operating expense		(1 338)	405
Profit (loss) from operations		**33 977**	**(2 645)**
Net financial result	12	(13 453)	1 449
Profit (loss) on ordinary activities from consolidated companies		**20 524**	**(1 196)**
Extraordinary profit (loss)	13	(2 156)	112
Income tax	15	(3 396)	(62)
Net profit (loss) from consolidated companies		**14 971**	**(1 146)**
Net goodwill amortization expense		(12 958)	(482)
Share of associates earnings attributable to the group		4 261	7 355
Total consolidated net profit (loss)		**6 274**	**5 727**
Minority interests		4 678	0
Net profit (loss)—Group share		**1 596**	**5 727**

CHANGE IN SHAREHOLDERS' EQUITY

(In thousands of euros)	Share capital	Additional paid-in capital	Consolidated reserves	Profit for the year	Total attributable to the Group	Total attributable to minority interests
Position at January 1, 2007	**24 061**	**7 890**	**11 436**		**43 417**	**6**
Dividend distribution					0	
Profit for the year				5 727	(5 727)	
Share capital increase	4 528	28 253			32 781	
Share capital decrease	(80)		(120)		200	
Other changes			(417)		417	191
Position at December 31, 2007	**28 509**	**36 143**	**10 929**	**5 727**	**81 308**	**197**
Dividend distribution			0		0	(5 040)
Allocation of earnings			5 727	(5 727)	0	
Profit for the year				1 596	1 596	4 678
Share capital increase	11 904	133 431			145 335	
Other changes			68		68	3 136
Position at December 31, 2008	**40 413**	**169 573**	**16 724**	**1 596**	**228 307**	**2 969**

(1) The €145.3 million increase in share capital is comprised of €141.2 million proceeds, €8.2 million in debt for equity swaps and €4.1 million in new issue fees allocated to additional paid-in capital.

The changes in LABCO SAS share capital and additional paid-in capital before allocating new issue fees to additional paid-in capital result from the following:

Shareholders meeting date	Operation	Share capital	Paid-in	Total
January 31, 2008	Extraordinary SM—Share capital increase	3 253	22 771	26 024
July 21, 2008	Combined SM—Share capital increase	8 651	114 349	123 000
	Exercise of warrants for financial year 2007 1-2		26	26
	Exercise of warrants for financial year 2007 1-1		351	351
	Exercise of warrants (July 21, 2008 combined SM)		1	1
	Total	**11 904**	**137 498**	**149 402**

(1) The changes in Minority interests results from:

a. Changes disclosed in the "other changes" line item due to reconstituting (as a consequence of the change of method) the 2007 priority dividends to be paid out to biologists in 2008.

b. A distribution of priority dividends comprised of 2007 dividends, paid during the 1st half of 2008 in the amount of €3,143K and €1,897K 2008 interim priority dividends paid during the 2nd half of the year.

CASH FLOW STATEMENT

(In thousands of euros)	Dec. 31, 2008	Dec. 31, 2007
Group total profit (loss)	1 596	5 727
Minority interests—Profit (loss)	4 678	0
Share of associates earnings attributable to the group	(4 260)	(1 664)
Dividends received from associates	5 562	
Depreciation, amortization and provision expense	21 933	620
Change in deferred taxes	(3 151)	(6)
Capital gains or losses from fixed asset sales	(11)	(7)
Disbursements relative to borrowing costs	(10 765)	
Free cash flow	**15 582**	**4 670**
Change in working capital (excluding deferred tax change)(1)	(4 633)	1 872
TOTAL CASH FLOW FROM (USED IN) OPERATING ACTIVITIES (A)	**10 949**	**6 541**
Payments for acquisition of intangible assets	(1 931)	(1)
Payments for acquisition of property, plant & equipment	(9 409)	(26)
Payments for acquisition of other long term investments	0	(14 665)
Increase of other long term financial assets	(523)	(4 893)
Proceeds from sale or decrease of fixed assets	(609)	4 991
Impact of changes in the scope of consolidation	(257 760)	(29 456)
TOTAL CASH FLOW FROM INVESTING ACTIVITIES (B)	**(270 227)**	**(44 050)**
Proceeds from Share capital increase	141 167	3 503
Treasury shares buy-back	0	(200)
Dividend paid	(1 897)	
Increase in borrowing from credit institutions	279 222	32 621
Increase in other financial liabilities	0	58
Decrease in borrowing from credit institutions	(71 502)	(811)
Decrease in other financial liabilities	0	(156)
TOTAL CASH FLOW FROM FINANCING ACTIVITIES (C)	**346 990**	**35 015**
Total cash flow (A+B+C)	**87 712**	**(2 493)**
Cash and cash equivalents at the end of the year	87 460	(252)
Cash and cash equivalents at the beginning of the year	(252)	2 241
Net increase (decrease) in cash and cash equivalents	**87 712**	**(2 493)**

(1) Change in working capital requirements break down as follows:

Change in working capital requirements	**December 31, 2008**
Change in Inventory	(1 822)
Change in trade and other receivables from operations	(12 388)
Change in trade and other payables from operations	10 298
Change in sundry receivables	13 816
Change in sundry payables	(11 760)
Change in accruals—assets	(2 683)
Change in accruals—liabilities	(94)
Change in working capital requirements	**(4 633)**

GENERAL INFORMATION

LABCO SAS is a limited liability company under French law (Société par actions simplifiée) whose registered office is 27, avenue de l'Opéra, Paris. LABCO SAS and its subsidiaries (the Group) are in the medical diagnostics business.

The Group's statements were approved by the Strategic Committee on June 3, 2010. Unless otherwise indicated, all figures are given in thousands of euros.

SIGNIFICANT EVENTS OF THE YEAR

Acquisitions during the year

Acquisitions and newly consolidated companies during the accounting period are presented below by country:

France	Italy	Germany	Spain/Portugal	Belgium	Sweden
Schémitick	LABCO Italia	LABCO Pflegezentrum	Sampletest subgroup acquired by Questao Em Aberto	Ellipsys	LABCO Sweden
Greil	Baluardo SpA	MVZ Dillenburg	Analisis Bioclinic	LABCO Belgium	
Val d'Orne	Baluardo Servizi Sanitori	MVZ Marbug	Questao Em Aberto	Roman Pais	
Normabio	Missori	MVZ Duisburg 2			
Pépin-Leluan-Sannier-Guillo	C.A.M. Centro Analisi Monza S.p.A. Services	MVZ SAAR			
Anabio	Consorzio	MVZ Sinterhauf			
Buatois-Chamard	Consorzio genetico	LABCO Leverkusen			
Biofin	CAB	Elgeza GM			
De Bisschop		Elgeza GE			
BGCB		Tulab			
Bigo Maudens					
Anabiol					
Tyberghien					
Degraef Pouliquen					

Goodwill is amortized over a 15-year period. The major 2008 acquisitions, in the form of shares or asset acquisitions, result in the following goodwill amounts:

Spain/Portugal: € 201.9 million, Belgium: € 16 million, Italy: € 7.9 million, France: € 21.8 million, along with asset/business acquisitions in Germany: € 75.1 million.

Change in consolidation method

The consolidation method was changed with an effective date of July 1, 2008 for the French subsidiaries SELAS Du Beffroi, SELAS Jorion, SELAS LABCO Littoral, SELAS Barla and SELARL Du Marché, as well as for the sub-tiers Delaporte and LABCO Midi, organized as SELs (Sociétés d'exercice liberal), private practice companies under French law.

Indeed, Labco SAS has obtained, as of July 1, 2008, a controlling influence over the above-mentioned subsidiaries as a result of amended by-laws and articles of incorporation of the SELs, as well as of certain provisions in other contractual agreements, calling for the consolidation of these subsidiaries according to the full consolidation method as of this date, on the basis of an interest close to 100%.

The minority interests held by other shareholders, i.e. laboratory doctors, should indeed, be analyzed in terms of the financial rights attached to their shares rather than of voting power. These shares are entitled to a priority dividend, calculated on a formula defined in each company's articles of association, for so long as their holders are professionally active within the company. However, their right to any surplus on liquidation (net assets) are strictly limited, which gives this portion a non-material accounting value.

As a result of this change in consolidation method, we have consolidated starting July 1, 2008, 100% of the net financial position of the companies concerned, which generates significant changes across the various balance sheet items. Moreover, on the 2008 income statement, the first 6 months of earnings from these same companies are recorded as part of the "Share of associates earnings attributable to the group" line item.

The impact of this change of method on the calculation of goodwill for the entities concerned can be broken down as follows (amounts expressed in euros):

Net goodwill before change of method on June 30, 2008	Badwill calculated at change of control date (June 30, 2008)	Badwill netted against goodwill (II)	Badwill posted to earnings	Increase in goodwill (III)	Impact of change of method on positive goodwill	Net goodwill after change of method on June 30, 2008
20 523 299	**(14 094 284)**	**(5 068 747)**	**10 038 126**	**1 012 589**	**(4 056 158)**	**16 467 141**

Other change of method

Beginning on January 1, 2008, the Group decided to apply the preferential method set forth in the CRC 99-02 guide for the treatment of finance lease agreements. As a result, the accounting treatment of finance lease agreements entered into by companies acquired during the financial year, as well as lease agreements held by French companies at the time of the changeover in consolidation method, has been adjusted resulting in the recognition of both a capital lease fixed asset and a finance lease liability. The impact of this change with respect to December 31, 2007, is not significant.

Share capital increases

Two increases in share capital took place on January 31 and July 21, 2008, raising the company's share capital from €28,509,000 to €40,413,000. Warrants were issued on both of these occasions.

SIGNIFICANT SUBSEQUENT EVENTS

The following significant acquisitions were completed in 2009:

Acquisition date	Country	Entity
January 30, 2009	France	Verneau
April 17, 2009	France	Froment
March 30, 2009	France	Référentiel Biologie
July 1, 2009	France	Ricard
March 31, 2009	Germany	Aesculabor

BASES FOR PREPARING THE FINANCIAL STATEMENTS

The consolidated financial statements were prepared in accordance with French law and regulations (regulation 99-02 and 2005-10 of the *Comité de la Réglementation Comptable*).

The financial year for which these financial statements are presented began on January 1, 2008 and ended at December 31, 2008.

The parent company closes its books at December 31, as do all of the other companies within the scope of consolidation.

The consolidated financial statements are prepared using assumptions and estimates set by senior management that impact the value of assets and liabilities on the balance sheet date and income and expense during the period.

That said, the estimates were developed in a fast-changing economic and market environment. Accordingly, we cannot rule out new information coming to light or new events occurring such that certain assumptions that seem reasonable at this point would have to be seriously revised.

Preparing the financial statements in accordance with French accounting principles requires LABCO's senior management to provide estimates and make assumptions that may have an impact not only on the euro amounts of assets, liabilities, equity, income and expense but also on the disclosures made in the Notes. These assumptions are formulated in light of the information available at the time they are made and based on comparable historical data and other factors considered reasonable under the circumstances.

At each balance sheet date, these assumptions and estimates may be revised if the circumstances on which they are based changed or if management is made aware of new information. To the degree these assumptions change, the items appearing on future financial statements could vary from current estimates.

Goodwill, intangible assets and impairment tests:

As indicated in the note on Significant Events of the Financial Year, LABCO purchased a number of medical biology laboratories. The valuation of intangible assets at December 31, 2008 is based on the values underlying the various purchase offers, as determined subsequent to structured processes of acquisition due diligence. In the context of the economic crisis ongoing on December 31, 2008, and resulting uncertainties, LABCO management believed there to be no reason for impairment losses on intangible assets with an indefinite life and therefore performed no impairment tests.

ACCOUNTING RULES AND METHODS

• Change of method

Various contractual arrangement and provisions in the by-laws and articles of association have given Labco SAS a greater right to exert a controlling influence over such SELs, allowing it to achieve exclusive control over such SELs starting July 1, 2008.

As a result, such exclusively controlled SELs were consolidated using the full consolidation method starting July 1, 2008. This change in consolidation method applies to the following companies: SELAS Du Beffroi, SELAS Jorion, SELAS LABCO Littoral, SELAS Barla and SELARL Du Marché, along with the sub-tiers Delaporte and LABCO Midi. These companies had been previously consolidated under the equity method.

Beginning on January 1, 2008, the Group decided to apply the preferential method set forth in the CRC 99-02 guide for the treatment of finance leases. As a result, the accounting treatment of finance lease agreements entered into by companies acquired during the financial year, as well as lease agreements held by French companies controlled by the group at the time of the changeover in consolidation method, has been adjusted and results in the recognition of both a long-term capital asset and a finance lease liability.

• Consolidation method

The companies are fully consolidated whenever the Group exercises exclusive control, *de jure* or *de facto*. In the case of joint ventures, investments are proportionately consolidated. Companies over which the Group has significant influence (associates) are consolidated using the equity method.

• Minority interests

"Minority interests" are the rights of minority shareholders in companies controlled by LABCO SAS and represent the share of profit or loss, as well as net financial situation, not owned by the Group. In the case of medical biology companies, whether controlled *de jure* or *de facto*, minority interests of other shareholders, i.e. laboratory doctors, should be assessed based on the financial rights attached to their shares, rather than voting rights. These shares are entitled to a priority dividend, calculated on a formula defined in each company's by-laws for so long as their holders are professionally active in the company.. However, their right to any surplus on liquidation (net assets) are strictly limited, which gives this portion a non-material accounting value.

Most by-laws of consolidated French companies call for two classes of stock. Class A shares are held by medical biologists associated in SELs (Sociétés d'exercice liberal), private practice companies under French law. They are awarded a priority dividend according to a formula worked out in the by-laws of each company. The share of earnings acquired under this priority dividend is recognized, once it is assessed, as Minority interest. The companies concerned and the amount of priority dividend allocated for the financial year 2009 are presented in the following table:

	Priority dividends declared on 2008 earnings	Interim dividend 2008	Outstanding balance of priority dividends
TOTAL	**4 022**	**1 897**	**2 125**

- **Consolidation criteria**

A company comes within the scope of consolidation when the Group has taken control of it, regardless of the legal form through which this control is obtained.

Investments whose contribution to the Group's revenue, net profit from operations, net earnings, liabilities or net financial position is not material are not consolidated.

- **Intra-group transactions**

All material reciprocal transactions between consolidated companies are eliminated.

With regard to consolidated companies, write-down charges and reversals on equity investments and related receivables are eliminated as they are redundant once the concerned companies are consolidated.

- **Standardization**

The Group companies' financial statements are prepared according to the accounting rules in force in their home countries, adjusted when necessary to comply with the Group's financial reporting standards.

- **First-time consolidation**

Once a company has been taken over, all the identifiable assets and liabilities of that company are measured at fair value.

Goodwill is measured as the excess of the acquisition cost over the carrying amount of the fair value of assets and liabilities of the acquired company . The intangible business assets that are at times recognized in local accounting but do not meet the identification criteria of CRC 99-02 are not treated as identifiable assets but reclassified as goodwill and amortized accordingly.

The acquisition cost of shares equals the funds paid to the seller plus costs directly attributable to the purchase and any price adjustments that can be measured reliably and payment of which is probable.

The initial measurement of goodwill may be adjusted within a time period ending with the close of the financial year following the year of acquisition.

Positive goodwill is generally amortized over a period of 15 years. Badwill is recognized in profit and loss over a period reflecting the assumptions used and the objectives set at the time of the acquisition.

Positive goodwill is tested for impairment when events or circumstances indicate that a loss in value may have occurred. Such events or circumstances include material and lasting adverse changes that impact the economic environment or the assumptions made or objectives held at the time of the acquisition.

Whether an impairment loss should be recorded is determined by comparing the consolidated carrying amount (book value) of the business with its current value.

Current value is the greater of market value and value in use. Market value equals to the best estimate of the value of the business if sold in an arm's length transaction, less disposal costs. This estimate is made on the basis of available market information, taking into account any specific circumstances. Value in use equals the present value of future benefits expected from the company, as determined at the time of purchase. When an impairment loss is identified, an extraordinary amortization is recognized in order to reduce the carrying amount of goodwill to its current value.

- **Deferred taxation**

Temporary differences between accounting profits and taxable profits are recorded as deferred taxes, accounted for under the balance sheet liability method.

To be conservative, tax loss carry-forwards are not recorded as a deferred tax asset unless forecast earnings suggest a strong probability that the tax losses will be used in the near future. Deferred taxes are not discounted to their present value.

- **Segment analysis**

The Group is engaged in one single industry, in the medical diagnostics sector. Consequently there is no need for a segment analysis, which is therefore not provided. A country by country analysis is not provided for reasons of confidentiality.

- **Intangible assets**

Intangible assets consist primarily of lease agreements, licenses and software. Intangible assets are amortized straight-line over useful lives of 5 years or less.

Research costs are systematically expensed in the year in which they are incurred.

Development costs are recognized as assets if the criteria for capitalization are met. There were no capitalizations during the 2008 year.

- **Property, plant & equipment**

Property, plant & equipment primarily consists of fixtures, furniture and information technology hardware.

These are measured at acquisition cost and are straight-line depreciated over their economic useful life. If property, plant & equipment is intended to be used over its entire useful life, no residual value is used when determining the basis for depreciation.

The principal useful lives used are the following:

• Buildings	15 years
• Fixtures and fittings	3 to 10 years
• Technical plants	2 to 10 years
• Equipment and tools	2 to 10 years
• Other property, plant & equipment	2 to 10 years

Both tangible and intangible assets are tested for impairment when some indication of a loss of value has been identified at the balance sheet date.

Fixed assets acquired under finance leases are restated. For this the Group applies the preferential method mentioned in regulation CRC 99-02 of the CRC.

- **Unconsolidated equity investments, other long term investments and marketable securities**

"Long term financial assets" are comprised of unconsolidated equity investments and their associated receivables, other securities held as long-term investments and deposits and guarantees.

The gross value of these financial assets equals their acquisition cost. When their value in use, primarily measured on their future earnings prospects or on a benchmark value, has fallen below their gross value at the balance sheet date, an impairment loss is recognized.

- **Derivative financial instruments**

The Group may use financial derivatives to hedge its exposure to interest rate risk arising from variable rate loans. These financial derivatives are not accounted for. Disclosure is provided in Note 19, “Off-balance sheet commitments”.

- **Receivables and payables**

Receivables and payables are recognized at nominal value. Certain receivables are written down through provisions to take into account difficulties in collection likely to be incurred in light of information known on the date of closing.

- **Bonds, other financial liabilities and new issue costs**

Borrowings are measured at nominal value.

Bond issuance costs are treated as assets and amortized over the life of the bond.

- **Provisions for contingencies and losses**

Pursuant to the regulation 2006-06 of the CRC concerning liabilities, provisions for contingencies and losses are booked when probable outflows of resources to outside parties without compensation to the company may occur. These provisions are measured in light of the most likely assumptions at the balance sheet date.

- **Obligations arising from pensions, retirement and similar post-employment benefits**

“Retirement obligations” largely consist of end-of-career benefits owed to employees upon retirement. They are measured based on an actuarial calculation taking into account primarily the age structure, employee turnover and mortality rates by age group as presented in official tables. The amounts obtained are adjusted to account for assumed inflation and present-discounted from the payment date(s).

- **Cash and cash equivalents**

“Cash and cash equivalents” are comprised of liquid assets that present no risk of short-term loss of value, such as banks deposits, and marketable securities with virtually no risk of depreciation.

Marketable securities are recognized at acquisition cost and are written down at the balance sheet date if their market price is lower than their acquisition cost.

For the purposes of the consolidated cash flow statement, “cash and cash equivalents” includes cash and cash equivalents as defined above, net of bank overdrafts.

- **Net profit from operations**

Net profit from operations reflects the current operating performance of the Group various business units.

- **Net income from extraordinary items**

Extraordinary (non-recurring) income and expense consist of material items which because of their nature and their unusual and non-recurring character cannot be considered inherent to the Group’s operations. Examples would be capital gains and losses on disposals, reorganization costs, extraordinary amortization and depreciation of assets, costs related to discontinued acquisitions or major lawsuits.

- **Earnings per share**

Earnings per share are calculated by dividing net income by the average number of shares outstanding during the period.

SCOPE OF CONSOLIDATION

The scope of consolidation at December 31, 2008 was established as follows:

Entity name	Parent company: 0001 LABCO SAS					
	December 31, 2008			December 31, 2007		
	% control	Consolidation method	% interest	% control	Consolidation method	% interest
AGDL	98.03%	FC	96.94%	—	NC*	24.23%
LGESTION	100.0%	FC	100.0%	100.0%	FC	43.73%
AUBERT H	99.45%	FC	99.45%	—	NC**	24.84%
AUBERT J	99.50%	FC	99.50%	—	NC**	24.85%
BIOFRANCE	99.16%	FC	99.16%	—	NC*	24.78%
BIOSAMBRE	98.31%	FC	98.31%	—	NC*	24.60%
NORDEN	98.56%	FC	98.56%	—	NC*	24.63%
ISLE	99.13%	FC	99.13%	—	NC*	24.78%
LABCO MIDI—VAULTIER (MOSSON)	99.96%	FC	99.96%	100.0%	FC	24.96%
DELAPORTE	99.99%	FC	99.99%	100.0%	FC	24.99%
ESLAB	99.79%	FC	99.79%	—	NC**	24.92%
SCHAFFNER	98.89%	FC	98.89%	—	NC*	24.72%
LABCO ARTOIS	98.70%	FC	98.70%	—	NC*	24.67%
LABOCENTRE—MARCOUT	99.83%	FC	99.83%	100.0%	FC	24.93%
BARLA	99.84%	FC	99.84%	100.0%	FC	24.93%
LABORATOIRE CENTRAL—GAUPILLAT	99.44%	FC	99.44%	—	NC**	24.83%
BIOPAJ	97.27%	FC	97.27%	—	NC*	21.57%
BIOVAL	100.0%	FC	100.00%	100.0%	FC	100.00%
BIOSYNTHESE	98.90%	FC	98.90%	—	NC**	24.70%
CARRON	99.87%	FC	99.87%	—	NC**	24.94%
LABO DU BEFFROI	99.92%	FC	99.92%	100.0%	FC	24.99%
LABCO LITTORAL—CHARRIERE-LEVY	98.80%	FC	98.80%	100.0%	FC	25.00%
TIXIER—POKORNY	96.93%	FC	96.93%	—	NC*	24.23%
SUEUR—RICOUX	96.92%	FC	96.92%	—	NC*	24.23%
CTRE BIOL CALAIS	99.75%	FC	99.75%	—	NC**	24.91%
LABO DU MARCHE	99.99%	FC	99.99%	100.0%	FC	25.00%
TREGUIER LEMOINE	98.85%	FC	98.85%	—	NC**	24.69%
AQUILAB	98.89%	FC	98.89%	—	NC**	24.70%
VAL DE GARONNE	49.37%	EM	49.37%	—	NC**	12.46%
JORION	99.95%	FC	99.95%	100.0%	FC	25.00%
GROUPE BIOLOGIC	99.91%	FC	99.91%	100.0%	FC	24.99%
CBM CHARTRES	96.92%	FC	96.92%	—	NC*	24.23%
LOISON	97.26%	FC	97.26%	—	—	—
SIROS—ROY	99.12%	FC	99.12%	—	NC*	24.77%
BIO ADOUR	99.12%	FC	99.12%	—	NC*	24.77%
BRIGOUT	48.88%	EM	48.88%	—	NC**	12.23%
PORT	98.61%	FC	98.61%	40.00%	EM	9.97%

NC*: consolidated within the Delaporte sub-tier, consolidated by EM into LABCO in 2007.

NC**: consolidated within the Delamosson sub-tier, consolidated by EM into LABCO in 2007.

EM = Equity method / FC = Full consolidation / PC = Proportionate consolidation.

	Parent company: 0001 LABCO SAS					
	December 31, 2008			December 31, 2007		
Entity name	**% control**	**Consolidation method**	**% interest**	**% control**	**Consolidation method**	**% interest**
JPBS ROUEN	98.69%	FC	98.69%	—	NC*	24.67%
BIOLIANCE	97.27%	FC	97.27%	—	NC*	21.57%
ERDRE—LOIRE	87.19%	FC	87.19%	100.0%	FC	29.16%
CBMS	87.18%	FC	87.18%	100.0%	FC	26.24%
EXSEL BIO	87.18%	FC	87.18%	100.0%	FC	26.24%
BOUREL—ASSOCIES	43.15%	EM	43.15%	49.50%	EM	12.99%
BUATOIS—CHAMARD	99.94%	FC	99.94%	—	—	—
ANABIO	98.83%	FC	98.83%	—	—	—
GREIL	98.55%	FC	98.55%	—	—	—
VAL D'ORNE	99.82%	FC	99.82%	—	—	—
TYBERGHIEN	99.74%	FC	99.74%	—	—	—
BGCB	98.54%	FC	98.54%	—	—	—
DEGRAEF POULIQUEN	43.50%	EM	43.50%	—	—	—
Bigo Maudens	97.26%	FC	97.26%	—	—	—
Anabiol	98.79%	FC	98.79%	—	—	—
Bisschop	98.69%	FC	98.69%	—	—	—
Pépin	98.28%	FC	98.28%	—	—	—
Schémitick	99.48%	FC	99.48%	—	—	—
Normabio	96.91%	FC	96.91%	—	—	—
Bio Fin	98.30%	FC	98.30%	—	—	—
SCM DE LA MARNE	—	—	—	—	NC*	24.99%
SCM Vallée de la MEUSE	49.28%	NC	49.28%	NC		
SCM LAD	99.47%	FC	99.47%	—	NC**	24.84%
SCM GROUPEMENT LABO	65.90%	FC	65.90%	—	NC**	16.46%
SCMST COME	—	—	—	—	NC*	11.40%
LABO CENTRE	63.57%	FC	63.57%	—	NC**	4.01%
SCI Centre Médical CLAYE SOUILLY	—	—	—	—	NC*	12.00%
SCM LE CENTRE	99.87%	NC	99.87%	NC		
SCM BIOESSOR	44.48%	EM	44.48%	—	NC**	11.23%
SCM AZURLAB	28.39%	EM	28.39%	—	—	—
SCM Biologis	65.02%	FC	65.02%	—	—	—
SCM VAL DE RHONE	5.00%	EM	5.00%	—	—	—
SCM GRAM	39.48%	EM	39.48%	—	—	—
SCM BIO 76	0.01%	NC	0.01%	—	—	—
SCM PIERRE BACHET	9.91%	NC	9.91%	—	—	—
FCE SAMBRE AVENOIS	—	—	—	—	NC*	24.77%
GIE LABCO 06	99.44%	NC	99.44%	—	—	—
SAL	57.71%	FC	57.71%	—	NC**	14.41%
ENVIRONNEMENT & HEALTH	54.72%	NC	54.72%	—	—	—

NC*: consolidated within the Delaporte sub-tier, consolidated by EM into LABCO in 2007.

NC**: consolidated within the Delamosson sub-tier, consolidated by EM into LABCO in 2007.

FOREIGN ENTITIES

Entity name	Parent company: 0001 LABCO SAS					
	December 31, 2008			December 31, 2007		
	% control	Consolidation method	% interest	% control	Consolidation method	% interest
			Sweden			
LABCO DIAGNOSTICS SWEDEN AB	100.0%	FC	100.0%	—	—	—
			Italy			
LABCO LOMBARDIA	84.00%	FC	84.00%	100.0%	FC	84.00%
LABCO LIGURIA	100.0%	FC	100.0%	100.0%	FC	98.00%
C.A.M. Centro Analisi Monza S.p.A.	20.00%	EM	20.00%	20.00%	EM	20.00%
LABCO ITALIA	100.0%	FC	100.0%	—	—	—
ISTITUTO II BALUARDO SPA	100.0%	FC	100.0%	—	—	—
BALUARDO SERVIZI SANITARI Srl	100.0%	FC	100.0%	—	—	—
CENTRO DIAGNOSTICO MISSORI Srl	10.00%	EM	10.00%	—	—	—
C.A.M. Centro Analisi Monza S.p.A. ECO SERVICE Srl	8.20%	EM	8.20%	—	—	—
CAB	20.00%	EM	20.00%	—	—	—
			Germany			
LABCO DEUTSCHLAND	100.0%	FC	100.0%	100.0%	FC	100.0%
LABCO PFLEGEZENTRUM	100.0%	FC	100.0%	100.0%	FC	100.0%
MVZ SINTERHAUF	100.0%	FC	100.0%	—	—	—
LABCO Labor Köln	100.0%	FC	100.0%	—	—	—
MVZ DILLENBURG	100.0%	FC	100.0%	—	—	—
MVZ MARBURG	100.0%	FC	100.0%	—	—	—
MVZ DUISBURG 2	100.0%	FC	100.0%	—	—	—
MVZ SAAR	100.0%	FC	100.0%	—	—	—
Elgesa Laborgesellschaft GmbH & Co.	100.0%	FC	100.0%	—	—	—
Elgesa Laborgesellschaft Geschaftuhrungs	100.0%	FC	100.0%	—	—	—
			Spain / Belgium			
LABCO ESPANA	100.0%	FC	100.0%	100.0%	FC	100.0%
General Lab—Holding	100.0%	FC	100.0%	100.0%	FC	100.0%
ANALISIS CLINICOS BIOCLINIC SL	100.0%	FC	100.0%			
VIDAL GENERAL LAB	75.00%	FC	75.00%	100.0%	FC	100.0%
TRIALS GENERAL LABORATORIES	75.00%	FC	75.00%	100.0%	FC	100.0%
HELIDIA DIAGNOSTICOS	100.0%	FC	100.0%	100.0%	FC	100.0%
EGARA LABORATORIS SL	45.00%	EM	45.00%	100.0%	FC	100.0%
Lab Dos Analisis SL	40.00%	EM	40.00%	—	—	—
GENETICA MOLECULAR LABORATORIO	30.00%	EM	30.00%	—	—	—
LABCO BELGIUM	100.0%	FC	100.0%	—	—	—
ROMAN PAIS	100.0%	FC	100.0%	—	—	—
ELLIPSYS	100.0%	FC	100.0%	—	—	—

	Parent company: 0001 LABCO SAS					
	December 31, 2008			December 31, 2007		
Entity name	% control	Consolidation method	% interest	% control	Consolidation method	% interest
Amparo Perea, S.L.(*)	100.0%	FC	100.0%	—	—	—
Analisis Clinicos Jose Luis Vallejo SL(*)	100.0%	FC	100.00%	—	—	—
Avivar Analistas Asociados SL(*)	100.0%	FC	100.00%	—	—	—
Centro De Patologia Celular y Diagnostico... SA(*)	84.70%	FC	84.70%	—	—	—
Centro Médico Analitico Otte-Lopez, SL(*)	100.0%	FC	100.00%	—	—	—
Citopath, SL(*)	100.0%	FC	100.00%	—	—	—
Dispensaris Médics Dexeus, SL(*)	97.00%	FC	97.00%	—	—	—
Histocitomed, SL(*)	100.0%	FC	100.00%	—	—	—
Immunogen, SL(*)	100.0%	FC	100.00%	—	—	—
Institut De Citologia Histopatologia, SL(*)	100.0%	FC	100.00%	—	—	—
Labomedica	100.0%	FC (Merger)	100.00%	—	—	—
Laboratori D'Analisi Artigalas SI	100.0%	FC (Merger)	100.00%	—	—	—
Laboratorio Biofac, SL	100.0%	FC	100.00%	—	—	—
Laboratorio Canga Arqueros, SL(*)	100.0%	FC	100.00%	—	—	—
Laboratorio Clinica Del Pilar, SL(*)	100.0%	FC	100.00%	—	—	—
Laboratorio De Analisis Clinicos Dr. Badal SA(*)	52.90%	FC	52.90%	—	—	—
Laboratorio Médico Dr. Valor SA(*)	100.0%	FC	100.00%	—	—	—
Laboratorios Stauros SL(*)	74.00%	FC	74.00%	—	—	—
Olot Analisis SL(*)	75.00%	FC	75.00%	—	—	—
Patologia Diagnostica SL(*)	100.0%	FC	100.00%	—	—	—
Picornell Salva SL(*)	100.0%	FC	100.00%	—	—	—
Raban (Gibraltar) Limited(*)	100.0%	FC	100.00%	—	—	—
Sabater Analisis SA(*)	100.0%	FC	100.00%	—	—	—
Sabater Pharma SA(*)	100.0%	FC	100.00%	—	—	—
Sabater Tobella Analisis SA(*)	100.0%	FC	100.00%	—	—	—
Sampletest Spain SL(*)	100.0%	FC	100.00%	—	—	—
Sanilab SL(*)	100.0%	FC	100.00%	—	—	—
Sanz Esterbaranz SL(*)	100.0%	FC	100.00%	—	—	—
Xarxa—Idea SL(*)	100.0%	FC	100.00%	—	—	—
			Portugal			
QUESTAO EM ABERTO SA	100.0%	FC	100.0%	—	—	—
GENERAL LAB PORTUGAL SA	100.0%	FC	100.0%	—	—	—
SOCIEDADE DE PREPARACAO LABORATORIAL	100.0%	FC	100.0%	—	—	—
GERMILAB	100.0%	FC	100.0%	—	—	—
Cal & Silveira—Analises Clinicas, Lda(*)	100.0%	FC	100.0%	—	—	—

	Parent company: 0001 LABCO SAS					
	December 31, 2008			December 31, 2007		
Entity name	**% control**	**Consolidation method**	**% interest**	**% control**	**Consolidation method**	**% interest**
Clinica De Diagnostico, Dr. Miguel Pereira &	100.0%	FC	100.0%	—	—	—
Clinica De Diagnosticos Da Azambuja, Dr. Teixeira	100.0%	FC	100.0%	—	—	—
Clinica De Diagnosticos De Ferreira Do Alentejo	100.0%	FC	100.0%	—	—	—
Clinica De Diagnosticos, Dr. Fernando Teixiera SA(*)	100.0%	FC	100.0%	—	—	—
Clinova 2—Centro De Diagnostico, De Almerim, Lda	100.0%	FC	100.0%	—	—	—
Clinova—Centro De Diagnostico, Torres Novas Lda	100.0%	FC	100.0%	—	—	—
Délio Morgado, Limitada(*)	100.0%	FC	100.0%	—	—	—
Endolab—Laboratorio De Endocrinologia E Patologia	100.0%	FC	100.0%	—	—	—
Flaviano Gusmao, Lda(*)	100.0%	FC	100.0%	—	—	—
Gnostica—Laboratorio De Analises Clinicas SA(*)	100.0%	FC	100.0%	—	—	—
Jose Julio De Castro Fernandes SA(*)	100.0%	FC	100.0%	—	—	—
Labor Analises Clinicas Dr. Fernando Godinho Lda	100.0%	FC	100.0%	—	—	—
Laboratorio Analises Dr. Graca Duarte Nunes SA(*)	100.0%	FC	100.0%	—	—	—
Labor Analises Clinicas-Susana Pereira Rosas Lda	100.0%	FC	100.0%	—	—	—
Labor Analises Clinicas Da Covilha SA(*)	100.0%	FC	100.0%	—	—	—
Labor Analises Clinicas-Francisco Ferreira Crespo	100.0%	FC	100.0%	—	—	—
Laboratorio De Patologia Clinica Lda	100.0%	FC	100.0%	—	—	—
Laboratorio Dra. Margarida Fanha Lda	100.0%	FC	100.0%	—	—	—
Laboratorio J. Marinheira Monteiro-Labor Médico	100.0%	FC	100.0%	—	—	—
Laboratorio Médico Dr. David Santos Pinto SA(*)	100.0%	FC	100.0%	—	—	—
Laboratorios De Analises—Dr. Joao Ribeiro E Dra	100.0%	FC	100.0%	—	—	—
Louro E Pires Lda(*)	100.0%	FC	100.0%	—	—	—
Lpd—Laboratorio Portugues De Analises Lda(*)	100.0%	FC	100.0%	—	—	—
Magalhaes & Moura Lda(*)	100.0%	FC	100.0%	—	—	—
Maria Do Sameiro Sequeira Lda(*)	100.0%	FC	100.0%	—	—	—
Miranalise-Laboratorio de Analises Mira D'Aire Lda(*)	100.0%	FC	100.0%	—	—	—

	Parent company: 0001 LABCO SAS					
	December 31, 2008			December 31, 2007		
Entity name	**% control**	**Consolidation method**	**% interest**	**% control**	**Consolidation method**	**% interest**
Novanalise-Laboratorio de Analises Torres Novas	100.0%	FC	100.0%	—	—	—
Partilab S.G.P.S. SA(*)	100.0%	FC	100.0%	—	—	—
Previlabor-Analises Clinicas, Saude Ocupacional E	100.0%	FC	100.0%	—	—	—
Rotarobal, Sgps SA(*)	100.0%	FC	100.0%	—	—	—
Sampletest-Consultoria E Gestao De Laboratorios	100.0%	FC	100.0%	—	—	—
Sampletest Li—Consultoria E Gestao De	100.0%	FC	100.0%	—	—	—
Sgus Madeira—S.G.P.S. SA(*)	100.0%	FC	100.0%	—	—	—
Analisis Clinicos Sabater SA(*)	100.0%	FC	100.0%	—	—	—

(*) Companies included within the Questao sub-consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of euros)

1. GOODWILL

The line item Goodwill changed over the year as follows:

	Dec. 31, 2008	Dec. 31, 2007
Gross amount at opening	**62 021**	**7 195**
Change of method	161 187	0
Decreases	0	0
Change in scope of consolidation(1)	339 170	54 826
Other changes	(919)	0
Gross amount at closing	**561 459**	**62 021**
Accumulated amortization at opening	**(1 605)**	**(1 122)**
Change of method	(9 053)	0
Amortization expense	(23 875)	(482)
Write-downs following value impairment tests	0	0
Change in scope of consolidation	(0)	0
Other changes	(141)	0
Accumulated amortization at closing	**(34 675)**	**(1 605)**
Net carrying amount at opening	**60 416**	**6 073**
Net carrying amount at closing	**526 784**	**60 416**

(1) Change in scope of consolidation mainly relates to goodwill on acquisitions, in the form of corporate or asset acquisitions:

- Spain/Portugal: €201.9 million, Belgium: €16 million, Italy: €7.9 million, France: €21.8 million, along with asset/business acquisitions in Germany totaling €75.1 million.

Goodwill breaks down by country at December 31, 2008 as follows:

Country	Gross value	Amortization	Net carrying amount Dec. 31, 2008	Net carrying amount Dec. 31, 2007
Germany	75 330	6 038	69 293	149
Belgium	15 810	879	14 931	0
Spain	50 162	3 074	47 089	50 865
France	204 723	16 794	187 929	5 593
Italy	11 977	749	11 227	3 809
Portugal	203 456	7 139	196 317	0
Sweden	0	0	0	0
	561 459	**34 673**	**526 786**	**60 416**

Given the absence of indication of loss in value, no impairment test was conducted and no impairment loss was recognized.

1. GOODWILL (Continued)

The impact of the change of method on the calculation of goodwill is broken down as follows:

Gross amounts (in thousands of euros)				Amortization amounts (in thousands of euros)		
Impact due to changes in consolidation method	Impact due to changes in % of interest	Business assets reclassified as goodwill	Total	Impact due to changes in consolidation method	Impact due to changes in % of interest	Total
93 639	**(4 056)**	**71 604**	**161 187**	**10 631**	**(1 579)**	**9 053**

2. INTANGIBLE ASSETS

Intangible assets changed as follows:

	Business assets	Concessions, patents, licenses	Other	Total
Gross amounts at Dec. 31, 2007	962	1 057	409	2 428
Accumulated amortization at Dec. 31, 2007	(639)	(736)	(148)	(1 523)
Net carrying amount at opening	**323**	**321**	**261**	**905**
Change of method		2 050	251	2 301
Acquisitions		1 311	620	1 931
Subtractions		(148)	(153)	(301)
Change in scope of consolidation(1)		1 600	321	1 920
Other changes	(962)	23	123	(816)
Gross amount at closing	**0**	**5 893**	**1 571**	**7 464**
Change of method	0	(1 480)	(1)	(1 481)
Amortization expense	0	(544)	(81)	(625)
Amortization reversals	0	141	173	314
Change in scope of consolidation(1)	0	(1 034)	(258)	(1 292)
Other changes	639	(58)	(1)	580
Accumulated amortization at closing	**0**	**(3 711)**	**(316)**	**(4 027)**
Net carrying amount at Dec. 31, 2008	**0**	**2 182**	**1 255**	**3 437**

(1) Concerns primarily the Val d'Orne and Anabiol acquisitions.

The business assets existing at the opening of the reporting period are reclassified as goodwill in 2008.

2. INTANGIBLE ASSETS (Continued)

The intangible assets break down geographically at Dec. 31, 2008 as follows:

Country	Concessions, patents, licenses	Other	Total
Germany	443	33	476
Belgium	305	0	305
Spain	433	658	1 091
France	971	336	1 307
Italy	14	30	44
Portugal	16	198	214
Sweden	0	0	0
	2 182	**1 255**	**3 437**

3. PROPERTY, PLANT & EQUIPMENT

Property, plant & equipment changed as follows:

	Land and Buildings	Technical facilities and industrial tooling	Other	Total
Gross amount at Dec. 31, 2007	5 545	9 127	5 163	19 835
Accumulated depreciation at Dec. 31, 2007	(2 430)	(6 367)	(3 457)	(12 254)
Net carrying amount at opening	**3 115**	**2 760**	**1 706**	**7 581**
Change of method(1)	3 327	8 716	16 472	28 515
Acquisitions	483	6 907	3 357	10 747
Subtractions	(7)	(1 023)	(1 227)	(2 257)
Change in scope of consolidation(2)	6 052	30 602	20 216	56 870
Other changes	(1 600)	614	1 908	923
Gross amount at closing	**13 801**	**54 943**	**45 889**	**114 633**
Change of method(1)	(2 266)	(5 737)	(10 804)	(18 807)
Depreciation expense	(564)	(3 498)	(2 527)	(6 589)
Depreciation reversals	5	1 002	1 164	2 171
Change in scope of consolidation(2)	(2 063)	(24 847)	(15 614)	(42 523)
Other changes	972	54	(1 491)	(465)
Accumulated depreciation at closing	**(6 346)**	**(39 392)**	**(32 729)**	**(78 467)**
Net carrying amount at Dec. 31, 2008	**7 455**	**15 551**	**13 160**	**36 166**

(1) Represents the impact from the consolidation method change for French companies (SELs).

(2) These changes in scope of consolidation refer primarily to the acquisition of Buatois-Chamard, Val d'Orne and Istituto II Baluardo.

3. PROPERTY, PLANT & EQUIPMENT (Continued)

Property, plant & equipment breaks down by country at Dec. 31, 2008 as follows:

Country	Land and Buildings	Technical plant	Other	Total
Germany	373	3 081	662	4 117
Belgium	0	717	300	1 017
Spain	2 460	2 398	1 308	6 166
France	1 386	3 845	8 815	14 045
Italy	0	1 931	212	2 144
Portugal	3 237	3 578	1 862	8 677
Sweden	0	0	0	0
	7 455	**15 551**	**13 160**	**36 166**

4. LONG TERM FINANCIAL ASSETS

Long term financial assets changed as follows:

	Non consolidated equity investments	Deposits and guarantees	Other long term investments	Other long term financial assets	Total
Gross amount at Dec. 31, 2007	0	1 095	35 716	12 717	49 528
Accumulated write-downs at Dec. 31, 2007	0	0	(26)	0	(26)
Net carrying amount at opening	**0**	**1 095**	**35 690**	**12 717**	**49 502**
Change of method	0	1 515	(34 384)	(9 441)	(42 310)
Acquisitions	36	224	(0)	263	523
Subtractions	(379)	(72)	(0)	(732)	(1 183)
Change in scope of consolidation	99	(1 185)	(14)	(473)	(1 573)
Other changes	1 029	58	(1 143)	(1 199)	(1 255)
Gross amount at closing	**785**	**1 635**	**174**	**1 135**	**3 729**
Change of method	0	0	(25)	(558)	(583)
write-downs	(29)	0	0	0	(29)
reversals	0	0	0	0	0
Change in scope of consolidation[(2)]	(266)	0	0	(0)	(266)
Other changes	0	0	25	(65)	(40)
Accumulated write-downs at closing	**(295)**	**0**	**(26)**	**(623)**	**(944)**
Net carrying amount at end of period	**490**	**1 635**	**148**	**512**	**2 785**

The other long-term investments mainly represent loans granted by LABCO to Group entities that had only been eliminated up to the proportion of ownership in the French companies consolidated by the equity-method through June 30, 2008 and that, subsequent to the change of method, were thus totally eliminated.

4. LONG TERM FINANCIAL ASSETS (Continued)

The main non-consolidated equity investments held by the Group are as follows:

	Net amount at Dec. 31, 2008	% held
SCI la Salicorne	88	58.03%
Clinique Jules Verne	108	2.28%
SCI Nancy Haut	13	3.16%
Clinevora	72	37.00%
CM Delfos	87	1.54%
Other non-material securities	122	—
Total	**490**	

5. INTERESTS IN ASSOCIATES

Participating interests accounted for following the equity method at 31/12/2008 are as follows:

	Restated shareholders' equity	% interest	Equity amount accounted for at 31/12/2008	Shareholders' equity at 31/12/2007	Equity amount accounted for at 31/12/2007
Baria (subgroup)(1)				2 213	498
Delamosson (sub-tier)(1)				3 833	2 688
Delaporte (sub-tier)(1)				8 141	4 459
Labo du Beffroi				488	101
Biopaj				5 140	563
LABCO Littoral-Charrière-Levy				304	76
Labo du Marché				200	50
Jorion				290	73
Cam	2 933	20%	586	1 914	382
Egara Laboratori	589	45%	265	951	428
Lab Dos Analisis SL	416	40%	166	363	145
Genetica Molecular Laborato	144	30%	43	345	104
Valérie Brigout (Delamosson)	411	49%	199		
Val de Garonne (Delamosson)	2 434	49%	1 201		
Bourel & Associates	451	43%	194		
Labocentre	(33)	32%	(10)		
Degraef Pouliquen	(7)	14%	(3)		
SCM Azurlab	(12)	8%	(1)		
SCM Val de Rhône	23	5%	1		
Centro Diagnosticos	238	10%	24		
C.A.M. Centro Analisi Monza S.p.A. ECO SERVICES	131	8%	10		
Consorzio	55	5%	3		
Consorzio Genetico	63	10%	6		
CAB	287	20%	57		
Total			**2 740**		**9 567**

(1) As indicated in Significant events of the year, these entities held at 25% had previously been consolidated under the equity method, are now under exclusive control (as of July 2008), due to the dominant influence LABCO has exerted since that date on these companies, as a result of statutory contracts and clauses.

6. INVENTORIES

Inventories break down as follows:

	Cost 31/12/2008	Write-downs 31/12/2008	Net amount 31/12/2008	Net amount 31/12/2007
Merchandise and other consumables	7 731	(1)	7 730	1 342
Total	**7 731**	**(1)**	**7 730**	**1 342**

7. RECEIVABLES FROM OPERATIONS

With the exception of deferred tax assets, the Group's receivables are for the most part, due within one year and break down as follows:

	Gross amount 31/12/2008	Write-downs 31/12/2008	Net amount 31/12/2008	Net amount 31/12/2007
Trade and related receivables	**70 570**	**(3 834)**	**66 736**	**17 431**
Down payments and deposits paid	565	0	565	0
Deferred tax assets(1)	6 469	0	6 469	7
Other accounts receivable(3)	9 050	(1 165)	7 885	2 463
Collectible tax assets, payroll on-costs	7 262	0	7 262	
Current accounts	440	0	440	
Deferred charges(2)	10 862	0	10 862	
Prepaid expenses	5 427	0	5 427	933
Receivables and accruals	**40 075**	**(1 165)**	**38 910**	**3 403**
Total	**110 645**	**(4 999)**	**105 646**	**20 384**

(1) Deferred tax assets mainly refer to Questao for €3.5 million and LABCO Diagnostics Spain for another €0.8 million.

(2) Deferred charges represent debt issuing fees on both French and foreign entities, with these costs being amortized over the life of the debt.

(3) The write-downs of other receivables are primarily due to the write-down of an account receivable within the Duisburg 2 entity for an amount of €0.9 million.

8. CASH AND CASH EQUIVALENTS

The cash and cash equivalents consist of:

	Gross amount Dec. 31, 2008	Write-downs Dec. 31, 2008	Net carrying amounts Dec. 31, 2008	Net carrying amounts Dec. 31, 2007
Marketable securities	41 278		41 278	0
Cash on hand and at bank	58 062		58 062	2 293
Total	**99 340**	**0**	**99 340**	**2 293**

9. PROVISIONS

Accounting Provisions are recognized for the following purposes:

	Provisions for pensions, retirement benefits and similar obligations[(3)]	Badwill[(4)]	Deferred tax liability[(2)]	Other[(1)]	Total
Balance as at Dec. 31, 2007	**115**	**0**	**0**	**12**	**127**
Change of method	0	10 112	0	0	10 112
Expense posted to operating income/expense	676	0	0	126	802
Expense posted to extraordinary income/expense	0	0	0	320	320
Reversals posted to operating income/expense	(802)	(11 046)	0	(271)	(12 119)
Reversals posted to extraordinary income/expense	(16)	0	0	(214)	(230)
Change in scope of consolidation	4 313	4 500	2 994	905	12 712
Other changes	96	0	(602)	(80)	(586)
Balance as at Dec. 31, 2008	**4 382**	**3 566**	**2 392**	**798**	**11 138**

(1) Other provisions largely refer to social security and other payroll on-costs.

(2) Deferred tax liabilities relate primarily to the Delaporte consolidation sub-tier for €2.1 million and refer to tax-deferred capital gains.

(3) Assumptions used in calculating the provision for pensions, retirement benefits and similar obligations , which relates to France only, are as follows:

- Voluntary retirement: 100%
- Discount rate: 6.28%
- Employer expense ratio: 45%
- Retirement age: 65 years

(4) Badwill mainly relates to the Delaporte subgroup and represents the negative goodwill recognized for companies ERDRE ET LOIRE, EXSEL BIO, CBMS, SEVRE ET LOIRE BIOLOGICAL and DEGRAEF POULIQUEN.

10. FINANCIAL LIABILITIES

Financial liabilities break down as follows:

	Bank borrowings	Amounts related to assets held under finance lease	financial liabilities	Other
Amounts at Dec. 31, 2007	**42 149**	**14**	**2 809**	**44 972**
Change of method	103 003	0	3 275	106 278
Increase[1]	275 643	1 674	3 248	280 564
Decrease	(66 272)	(1 103)	(4 127)	(71 501)
Change in scope of consolidation	29 354	2 232	11 220	42 806
Other changes	(388)	(58)	(2 706)	(3 152)
Amounts at Dec. 31, 2008	**383 489**	**2 759**	**13 719**	**399 968**

(1) Bank borrowings primarily include the following borrowings:

- By LABCO Spain:
    i. A senior-debt for €122 million
    ii. A junior mezzanine debt for €50 million
    iii. A senior mezzanine debt for €45 million.
- By various entities (France, Italy and Germany) of senior debts, for a total of €68.5 million.

Borrowings break down by maturity as follows:

	< 1 year	1-5 years	> 5 years	Total
Other bond issues	30	—	—	30
Bank borrowings	41 127	164 559	177 771	383 457
Amounts related to assets held under finance lease	296	1 185	1 280	2 762
Current used banking facilities	11 881	—	—	11 881
Other borrowings	1 838	—	—	1 838
Total	**55 172**	**165 745**	**179 051**	**399 968**

10. FINANCIAL LIABILITIES (Continued)

The detailed schedule of borrowing is presented below (in thousands of euros):

Tranche	Issue date	Ending date	Lending rate	Amount borrowed	Final balance
A	July 19, 2008	June 30, 2008	EURIBOR + 2.5%	120 451	120 451
B	July 19, 2008	June 30, 2014	EURIBOR + 3%	51 622	51 622
CAPEX	July 19, 2008	June 30, 2015	EURIBOR + 2.5%	18 506	18 506
SENIOR MEZZANINE	July 23, 2008	July 23, 2014	Cash interest: EURIBOR + 4%	45 000	45 000
			PIK interest: EURIBOR + 4%	—	—
JUNIOR MEZZANINE	July 23, 2008	Dec. 31, 2017	PIK interest: EURIBOR + 5.5%	40 000	40 000
ADD. JR. MEZZANINE	July 23, 2008	Dec. 31, 2017	PIK interest: EURIBOR + 5.5%	10 000	10 000
	June 24, 2004	June 24, 2011	3 month EURIBOR + 1.80% margin	8 775	3 134
	June 1, 2005	June 1, 2012	3 month EURIBOR + 1.80% margin	3 300	1 650
	March 20, 2008	March 20, 2015	4.40%	1 430	1 297
	June 29, 2004	June 29, 2011	3.75%	2 780	1 280
	Dec. 24, 2004	June 24, 2011	3 month EURIBOR + 1.80% margin	3 173	1 220
	Oct. 15, 2007	Oct. 15, 2014	3 month EURIBOR + 0.60% margin	2 100	1 846
	June 1, 2005	June 1, 2012	3 month EURIBOR + 1.80% margin	3 500	1 750
	Dec. 31, 2004	June 24, 2011	3 month EURIBOR + 1.80% margin	7 428	1 433
	June 24, 2004	June 24, 2011	3 month EURIBOR + 1.80% margin	3 777	1 349
	Aug. 25, 2008	July 25, 2015	4.95%	1 100	1 035
	June 20, 2007	June 20, 2014	3.60%	2 000	1 714
	June 5, 2006	June 5, 2013	Codevi + 0.6% margin	2 398	1 606
	June 30, 2005	June 30, 2012	3 month EURIBOR + 1.50% margin	2 035	1 103
	June 25, 2004	June 25, 2011	3 month EURIBOR + 1.50% margin	4 005	1 075
	Nov. 20, 2003	Nov. 20, 2013	3 month EURIBOR	1 982	1 140
	Nov. 30, 2007	Nov. 30, 2014	4.60%	7 133	6 114
	May 4, 2006	May 4, 2013	2.20%	8 837	5 733
	Nov. 30, 2007	Nov. 30, 2009	3 month EURIBOR + 1.10% margin	9 421	5 421
	Nov. 30, 2007	Nov. 30, 2014	4.70%	3 093	3 093
	Oct. 5, 2006	Oct. 5, 2013	2.40%	2 688	1 904
	Dec. 22, 2006	Dec. 22, 2013	2.90%	2 304	1 810
	Aug. 30, 2007	Aug. 30, 2014	3.20%	2 048	1 670
	Jan. 28, 2008	Jan. 28, 2015	3.20%	1 843	1 625
	May 31, 2006	May 30, 2013	2.20%	2 455	1 593
	Oct. 19, 2006	Oct. 19, 2013	2.70%	2 048	1 455
	Oct. 2, 2008	Sept. 2, 2015	4.55%	1 190	1 154
	July 30, 2008	Jan. 30, 2012	3.85%	1 120	1 050
Total borrowings above 1 million euros				**379 542**	**340 829**
Total borrowings below 1 million euros					**42 660**
					383 489

11. TRADE AND OTHER PAYABLES

The Group's trade and other payables break down as follows:

	Dec. 31, 2008	Dec. 31, 2007
Trade payables and related accounts	**40 344**	**12 499**
Down payments and deposits received	1 390	69
Taxes payable, payroll and on-cost amounts payable	26 422	2 897
Amounts payable on acquisition of participating interests[(1)]	63 158	0
Amounts payable on acquisition of long term financial assets	94	8 594
Other liabilities	10 842	1 779
Total other payables and accruals	**101 906**	**13 339**
Total trade and other payables	**142 250**	**25 838**

Most Trade and other payables are due in less than one year.

(1) The line item "Amounts payable on acquisition of participating interests" breaks down as follows:

Country	Entities	Amounts payable on acquisitions	Related partipating interest acquisitions	Maturities < 1 yr	Maturities 1-5 yrs	Maturities > 5 yrs
France	Palier Labco-Midi	4 870	Acquisition of Aquilab, Treguier lemoine, Pépin and Schémitick for respectively: €1.05 M, €0.3 M, €1.7 M and €1.6 M.	4 067	803	
France	Labco Artois	3 171	Acquisition of De Bisschop		3 171	
France	Palier DELAPORTE	2 366	Acquisition of Bigo Maudens, Normabio et BGCB respectively: €1.1 M, €1.1 M et €0.1 *M.	2 366		
France	JORION	375	Acquisition of Chamard	150	225	
France	LABOCENTRE-MARCOUT	2 104	Acquisition of Val d'orne	2 104		
Germany	MVZ SINTERHAUF	18 816	Business assets	14 216	4 600	
Germany	MVZ SAAR	7 393	Business assets	7 393		
Germany	MVZ DILLENBURG	10 766	Business assets	250	10 516	
Germany	MVZ MARBURG	751	Business assets		751	
Germany	MVZ DUISBURG 2	114	Business assets	114		
Spain	LABCO ESPANA	5 533	Acquisition of Général Lab for €5.0 M and Roman Païs for €0.5 M	2 000	3 533	
Portugal	QUESTAO EM ABERTO SA	6 472	Concerns primarly SGUS Madeira €3.1 M, Amparo Perea €1 M and Sampletest €2.5 M	4 659	1 813	
France/Spain	Others	425	Others	425	0	0
Total		**63 158**		**37 744**	**25 412**	**—**

12. NET FINANCIAL RESULT

Net Financial Result breaks down as follows:

	Dec. 31, 2008	Dec. 31, 2007
Revenue from equity investments and marketable securities	1 512	1 301
Interest income and related revenue	251	391
Interest expense and related expense	(15 108)	(238)
Net foreign exchange income	(6)	0
Net charges to provision	(102)	(5)
Net Financial result	**(13 453)**	**1 449**

Financial charges refer primarily to the Questao and LABCO Spain entities, for €3.7 M and €8.7 M, respectively.

13. EXTRAORDINARY PROFIT (LOSS)

Extraordinary profit (loss) breaks down as follows:

	Dec. 31, 2008	Dec. 31, 2007
Proceeds from Disposal of Assets	4 310	121
Net carrying amount of assets sold	(3 655)	(9)
Other extraordinary expense(1)	(5 578)	0
Other extraordinary income(2)	4 691	0
Net charges to provisions of an extraordinary nature(3)	(1 925)	0
Net profit (loss) from extraordinary items	**(2 157)**	**112**

(1) Other extraordinary expense relate mainly to the costs borne by the Questao EM Aberto Group in relation with its acquisition of Sampletest for €4.3 million.

(2) Other extraordinary income relates primarily to the recognition of a receivable related to the Duisburg 2 litigation for a total amount equal to €3.1 M. In conjunction with this recognition, a €3.1 M extraordinary depreciation was booked against the value of the business assets acquired to take into account the existence of this litigation.

(3) Net charges to provisions of an extraordinary nature consist for the most part of a €0.9 M charge to provisions on other receivables recorded in the Duisburg 2 entity in relation with the litigation, as well as another €0.8 M charge with Roman Païs to cover the risk of non-collection as part of another litigation with INAMI.

14. PERSONNEL EXPENSES

Personnel expense consists in the following:

	Dec. 31, 2008	Dec. 31, 2007
Wages, profit-sharing, payroll taxes and on-costs	(87 889)	(1 457)

The sharp increase in personnel expenses is primarily due to the effect of the change in method resulting in the presentation of 6 months of personnel expense for affiliates that are now fully consolidated, as well as to the impact of acquisitions of companies during the financial year.

14. PERSONNEL EXPENSES (Continued)

Total headcount at December 31, 2008 was the following:

	Dec. 31, 2008
Management	257
Staff	3 106
Total	**3 363**

15. INCOME TAXES

	Dec. 31, 2008	Dec. 31, 2007
Taxes payable	(6 547)	(68)
Deferred taxes	3 151	6
Total	**(3 396)**	**(62)**

The sharp increase in taxes payable is primarily due to the effect of the change in method resulting in the presentation of 6 months of personnel expense for affiliates that are now fully consolidated, as well as to the impact of acquisitions of companies during the financial year.

The deferred tax asset amount primarily relates to the recognition of the loss carry forward of the Portuguese entities within the Questao subgroup (for €2.4 M) and of the LABCO España entity (€0.8 M).

16. EXECUTIVE COMPENSATION

Information on the remuneration received by members of the parent company's management bodies as compensation for their functions and duties within the controlled companies has not been provided since the divulgence of such information would reveal individuals' remuneration amounts.

17. PRO FORMA DATA

	Dec. 31, 2008	Pro forma
Revenue	235 634	409 515
Net earnings of consolidated companies	14 971	30 871

The pro forma information provides the revenue figure plus the earnings of consolidated companies that the LABCO Group would have generated had the change in consolidation method of French entities as well as the acquisitions conducted during the financial year, taken place on January 1, 2008, thereby making it possible to post a full 12 months of operations to the income statement.

18. INFORMATION BY COUNTRY

Information not provided for reasons of confidentiality.

19. OFF BALANCE SHEET COMMITMENTS

Derivative financial instruments

The valuation of financial instruments details as follows:

Instrument	Bank	Rate	Index	Maturity date	Nominal Amount	Fair value at Dec. 31, 2008
Exotic	Natixis	Not available	Euribor + 3 mos.	Sept. 30, 2011	85 000	(1 043)
Rate swap	Natixis	Not available	Not available	Dec. 30, 2009	110 000	(1 545)
Rate swap	Natixis	Not available	Not available	July 23, 2011	32 000	(821)
Rate swap	CIC	3.79	Euribor + 3 mos.	Dec. 30, 2009	110 000	(1 608)
Rate swap	CIC	4.35	Euribor + 1 year.	July 25, 2011	28 000	(883)
Rate swap	LCL	4.32	Euribor + 3 mos.	Nov. 30, 2009	5 421	(87)
Cap floor	CIC	4.75	Euribor + 3 mos.	Sept. 30, 2011	85 000	105
Cap floor	CIC	3.46	Euribor + 3 mos.	Sept. 30, 2011	85 000	(1 202)
						(7 084)

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

Off balance sheet commitments given and received

The Group's off-balance sheet commitments consist of security given in the course of its investing and financing activities.

FRANCE

	LABCO SAS	
	Description	**Beneficiaries**
PLEDGED	The entirety of shares purchased (in the SELs Biofrance, Biosambre, Schaffner, AGDL, ESLAB, Aubert J and Aubert H)	BPN
	65,220 Convertible bonds	SNVB
	10,284 Convertible bonds	BSD and BPN
	18,700 bonds	Crédit Lyonnais
	9,375 bonds	BSD and Crédit Lyonnais
	14,850 bonds	Crédit Lyonnais
	8,500 bonds	Crédit Lyonnais
	3,850 bonds	Crédit Lyonnais
	94,211 bonds	LCL
PLEDGE OF FINANCIAL ASSETS	Entirety of shares held in Laboratoire Vaultier	Natixis
	Entirety of shares held in Laboratoire d'Analyses de Biologie Médicale Delaporte	Natixis
	Entirety of shares held in Biologistes Associés	Natixis
	Entirety of shares held in Laboratoire d'Analyses médicales Jorion	Natixis
	Entirety of shares held in the Laboratoire du Beffroi	Natixis
	Entirety of shares held in Bioval	Natixis
	Bank account balance	Natixis
PLEDGED UNDER SPANISH LAW	Entirety of shares held in LABCO Diagnostics España	Natixis
PLEDGED UNDER GERMAN LAW	Entirety of shares held in LABCO Deutschland GmbH	Natixis, CIC and Intermediate Capital group PLC
PLEDGED UNDER ITALIAN LAW	Entirety of shares held in LABCO Italy	Natixis
RECEIVABLES PLEDGED	Bonds issued by Biopaj and LABCO Artois	Natixis
JOINT AND SEVERAL GUARANTEES	Commitments given by De La Mosson SEL (substituting for Jean-Paul Vaultier)	Banque Populaire du Midi
	The three loans taken out by Erdre & Loire in the amount of €3,593,000	CIO, CA et SG
GUARANTEES	The three loans taken out by CMBS in the amount of €362,000	CA
	The three loans taken out by Exsel Bio in the amount of €1,593,000 in acquiring the Jourdain-Quinton client base	CIO, CA et SG
	The three loans taken out by Exsel Bio in the amount of €1,413,000 in acquiring the Tharreau-Caudal client base	CIO, CA et SG

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

LABCO SAS

	Description	Beneficiaries
JOINT AND SEVERAL GUARANTEE	With Biolance SAS for the obligation of the general partners of the SEL Chauvet-Douet-Lissajoux	
LETTER OF COMFORT	Guarantee of the loan in connection with the acquisition of Labor Duisburg	Mme GJAVOTCHANOFF
LETTER OF INTENT	Commitment to provide Biopaj the ability to repay its loan	Crédit Lyonnais
ASSIGNED RECEIVABLES	Key-man insurance taken out on Mr. Chassaing and Mr. Souetre	Natixis

AGDL

	Description	Beneficiaries
PLEDGED	2,192,992 shares of Biopaj	Banque Scalbert Dupont and Banque Populaire du Nord
	Irrevocable commitment to pledge at least 89% of additional shares acquired in Biopaj (new shares issued by Biopaj)	Banque Scalbert Dupont and Banque Populaire du Nord
	85,797 shares of Pokorny	Crédit Lyonnais
	Irrevocable commitment to pledge any additional shares acquired in Pokorny	Crédit Lyonnais
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Biopaj	Banque Scalbert Dupont and Banque Populaire du Nord
JOINT AND SEVERAL GUARANTEES	Financing of the acquisition of shares of Tiry Dietre Multam; maximum of €567,002	
	Additional financing of acquisition of shares in Tiry Dietre Multam SELCA; maximum of €125,400	

AQUILAB

	Description	Beneficiaries
PLEDGED	535,000 shares of the medical analysis lab Anabiol	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Anabiol	Natixis

AUBERT H

	Description	Beneficiaries
PLEDGED	29,985 shares of Laboratoire d'analyses de biologie médicale Gaupillat et associés	Société Nancéienne Varin-Bernier

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

	AUBERT J	
	Description	**Beneficiaries**
PLEDGED	994 shares of Biosynthèse	Banque Régionale de l'Ouest and Crédit Mutuel du Centre
FINANCIAL ASSETS PLEDGED	481,700 shares of Laboratoires Schemitick Vorlet et Associés	Natixis
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Biosynthese	Banque Régionale de l'Ouest
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Schemitick Vorlet et associés	Natixis

	BARLA	
	Description	**Beneficiaries**
PLEDGED	16,999 shares of Laboratoire d'analyses de biologie médicale Marcout Lionel	Banque Populaire Côte d'Azur

	BIO SAMBRE	
	Description	**Beneficiaries**
FINANCIAL ASSETS PLEDGED	3,599,990 shares of the SEL Bio Fin et Associés	Natixis

	BIOLIANCE	
	Description	**Beneficiaries**
GUARANTEES	Guarantee of a loan to SELAS CBMS for €195,000	SG
	Guarantee of a loan to SELARL Erdre et Loire Biologie for €280,000	
	Guarantee of a loan to SELARL Degraef Pouliquen for €167,000	
	Guarantee on a loan contracted by CBMS in the amount of €195,000	SG
	Guarantee given to Degraef Pouliquen for an amount of €167,000	
PLEDGED	Ownership in SELCA Erdre et Loire Biologie (€723,000)	Crédit Lyonnais

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

BIOPAJ

	Description	Beneficiaries
PLEDGED	100% of shares in Biolance	Crédit Lyonnais
	36,900 shares in the Bigo Maudens medical diagnostics laboratory	Natixis
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Biolance	Crédit Lyonnais
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Bigo Maudens	Natixis

BIOSYNTHESE

	Description	Beneficiaries
PLEDGED	96,241 shares of Aquilab	Crédit Lyonnais
	3,698 shares of Tréguier Lemoine	Crédit Lyonnais

CARRON

	Description	Beneficiaries
PLEDGED	5,918 shares of Centre biologique	Banque Scalbert Dupont and Crédit Lyonnais
	735 shares of Centre biologique	Banque Scalbert Dupont and Crédit Lyonnais
	Cash account in the company's name opened at Crédit Lyonnais	Banque Scalbert Dupont and Crédit Lyonnais

CBMS

	Description	Beneficiaries
GUARANTEES	Guarantee of two loans extended to the SELARL Degraef Pouliquen for €334,000	CA and CIO
	Guarantee of two loans extended to the SCM Biologie for €192,000	CA
	Guarantee given to Degraef Pouliquen for an amount of €334,000	
PLEDGED	Business assets of the lab CBMS (€456,000)	CA and CCF

CENTRE BIOLOGIQUE

	Description	Beneficiaries
PLEDGED	36,995 shares of medical biology analysis lab Tyberghein	BNP Paribas

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

DELAPORTE

	Description	Beneficiaries
PLEDGED	985,269 shares of Biofrance	Banque Scalbert Dupont and Banque Populaire du Nord
	204,776 shares of Biofrance	Banque Scalbert Dupont and Banque Populaire du Nord
	899,964 shares of Schaffner	Banque Scalbert Dupont and Banque Populaire du Nord
	Business assets securing the loan taken to acquire the medical lab located in Douchy	
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Biofrance	Banque Scalbert Dupont and Banque Populaire du Nord
	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Schaffner	Banque Scalbert Dupont and Banque Populaire du Nord

ERDRE ET LOIRE

	Description	Beneficiaries
PLEDGED	Business assets of the lab Sainte Luce (€1,829,000)	CA

ESLAB

	Description	Beneficiaries
PLEDGED	59,798 shares of the SEL combining directors and deputy directors of the Aubert H. medical biology laboratories	BNP Paribas
	73,523 shares of the SEL combining directors and deputy directors of the Aubert J. medical biology laboratories	BNP Paribas

EXSEL BIO

	Description	Beneficiaries
PLEDGED	Business assets of the lab Jourdon Quinton (€794,000)	CIO, CA and SG

GREIL

	Description	Beneficiaries
PLEDGED	742,800 shares in the company of deputy directors of the medical analysis lab Bensaid Gorse Cayrou Bourjeli	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Bensaïd Gorse Cayrou Bourjeli	Natixis

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

JORION

	Description	Beneficiaries
PLEDGED	Shares of the biological analysis lab J. Bautois & P. Chamard	Natixis
	Bank accounts	Natixis
	16,071 shares of Groupe Biologic	Crédit Lyonnais
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire J. Bautois et P. Chamard	Natixis

LABCO ARTOIS

	Description	Beneficiaries
PLEDGED	548,990 shares of the SELAS JP BS	Banque Scalbert Dupont
	Shares of Laboratoire de Bisschop	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire de Bisschop	Natixis

LABCO MIDI

	Description	Beneficiaries
PLEDGED	Business assets of a medical lab (securing a bank loan for the acquisition of a lab)	Banque Populaire du Midi
	Business assets of a medical lab (securing a bank loan for the acquisition of a lab)	Banque Populaire du Midi
	99,906 shares of the medical analysis lab Carron	Banque CCF and Banque Palatine
	14,997 shares of Eslab	Banque Régionale de l'Ouest
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Eslab	Banque régionale de l'Ouest and Caisse fédérale de Crédit Mutuel du Centre

LABOCENTRE

	Description	Beneficiaries
PLEDGED	87,900 shares of medical biology analysis lab du Val d'Orne	Natixis
	Bank accounts	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of LABM du Val d'Orne	Natixis

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

NORDEN

	Description	Beneficiaries
PLEDGED	238,000 shares in the SEL of directors and deputy directors of the medical labs Jean-Denis Greil	Natixis
	Bank accounts	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of SEL Jean-Denis Greil	Natixis

POKORNY

	Description	Beneficiaries
PLEDGED	264,485 shares in the Centre de Biologie médicales et de pathologie de la rue Georges Fessard	Crédit industriel de l'Ouest

SCHAFFNER

	Description	Beneficiaries
PLEDGED	7,768 shares of A.G.D.L	Banque Scalbert Dupont and Banque Populaire du Midi
	Shares of Labco Artois	Banque Populaire du Midi
	Business assets of a medical lab securing a bank loan	
JOINT AND SEVERAL GUARANTEES	In the amount of €733,000 in the acquisition of the Laboratoire Delval	

SUEUR

	Description	Beneficiaries
FINANCIAL ASSETS PLEDGED	49,900 shares in the SEL of the directors and deputy directors of the medical biology analysis lab Normabio	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of SEL Normabio	Natixis

TREGUIER LEMOINE

	Description	Beneficiaries
FINANCIAL ASSETS PLEDGED	2,400 shares of Laboratoire Christine Pépin, Philippe Leluan, Patricia Sannier, Didier Guillo	Natixis
ASSIGNMENT (under Dailly law)	Assignment agreement (Dailly) of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Laboratoire Christine Pépin, Philippe Leluan, Patricia Sannier, Didier Guillo	Natixis

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

VAL D'ORNE

	Description	Beneficiaries
PLEDGED	Business assets of the medical analysis lab located in Argentan	

FOREIGN ENTITIES

SPAIN

LABCO DIAGNOSTICS ESPANA

	Description	Beneficiaries
PLEDGED	100% of shares held in General Lab	Natixis
	Bonds issued by the SEL of the directors and deputy directors of the lab Aubert J	Junior mezzanine lenders
	Bonds issued by Treguier Lemoine	Junior mezzanine lenders
	415 shares of Roman Païs	Natixis
	Shares held in LABCO Sweden	Natixis
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Roman Païs	Natixis

SAMPLETEST SPAIN

	Description	Beneficiaries
PLEDGED	Bank account	
	Shares held in Sabater	Natixis

SWEDEN

LABCO DIAGNOSTICS SWEDEN AB

	Description	Beneficiaries
PLEDGED	Agreement concerning the shares held in Quaesto em Aberto SA	
	Shares held in LABCO Belgium	Natixis
	Bank account (receiving the dividends)	

BELGIUM

LABCO BELGIUM

	Description	Beneficiaries
PLEDGED	Agreement concerning the shares held in Quaesto em Aberto SA	
	Bank account (receiving the dividends)	
	Rights from the intra-Group loan to Quaesto em Aberto SA	

19. OFF-BALANCE SHEET COMMITMENTS (Continued)

PORTUGAL

QUESTAO EM ABERTO SA

	Description	Beneficiaries
PLEDGED	Bank account (receiving the dividends)	

CDFT

	Description	Beneficiaries
PLEDGED	Business assets of CDFT	
	Shares held in Sampletest Spain	Natixis
	Bank account	Natixis

ITALY

LABCO ITALIA

	Description	Beneficiaries
PLEDGED	Shares held in Baluardo	Natixis
	Shares held in C.A.M. Centro Analisi Monza S.p.A.	Natixis
	Bank accounts	
ASSIGNMENT	Assignment agreement of receivables on vendors in case of claims within the framework of the vendors warranty for the acquisition of Baluardo and C.A.M. Centro Analisi Monza S.p.A.	Natixis

GERMANY

MVZ TROBISH, MVZ LEVERKUSEN, MVZ LATZA, MVZ DILLENBURG, MVZ HERDEN

	Description	Beneficiaries
ASSIGNMENT	Amounts due to cover acquisition documents (according to German law)	
SALE OF ASSETS	To serve as a guarantee	

LABCO DEUTSCHLAND

	Description	Beneficiaries
PLEDGED	Shares held in LABCO Pfegezentrum	
	Bank account	

LABCO PFEGEZENTRUM

	Description	Beneficiaries
PLEDGED	Shares held in MVZ Marburg	Natixis
	Shares held in MVZ Dillenburg	Natixis
	Shares held in MVZ Latza	Natixis
	Shares held in MVZ Trobisch	Natixis
	Shares held in MVZ Leverkusen	Natixis
	Bank account	Natixis

20. AUDITORS' FEES

Total LABCO Group auditors' fees for the period from January 1, 2008 to December 31, 2008 amount to €148K (excl. tax) to Cabinet Constantin and €121K to Mr. Jean-Luc Houdart. These are the fees for all the statutory mandates within the LABCO Group (LABCO SAS and certain French subsidiaries).

CABINET HOUDART
229, avenue Gambetta
75020—PARIS

CONSTANTIN ASSOCIES
Member of Deloitte Touche Tohmatsu
114, rue Marius Aufan
92300—LEVALLOIS-PERRET

LABCO S.A.S.

SAS (Société par action simplifiée)—A Limited liability Company under French law

27, avenue de l'Opéra
75001—Paris

Statutory Auditors' Report on the consolidated financial statements

Year ended December 31, 2007

CONTENTS

CABINET HOUDART
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114, rue Marius Aufan
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This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditor's 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 explanatory paragraphs discussing the auditors' assessment of certain significant accounting and auditing matters. These assessments were made 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 also includes information relating to the specific verification of information given in the group management report.

This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

LABCO S.A.S.

SAS (Société par action simplifiée)—A Limited liability Company under French law

27, avenue de l'Opéra
75001—Paris

Statutory Auditors' Report on the consolidated financial statements

Year ended December 31, 2007

To the shareholders,

To the Chairman,

In compliance with the assignment entrusted to us by your shareholders at their annual meeting, we hereby report to you for the year ended December 31, 2007, on:

- the audit of the accompanying consolidated financial statements of LABCO;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements were closed by the Strategic Committee. 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 significant 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 above mentioned consolidated financial statements are giving, according to the French generally accepted accounting principles and regulations, a true and fair view of the assets and liabilities, of the financial position and of the results of the Group formed by the entities included within the scope of consolidation.

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 that our assessments concerned the appropriateness of the accounting policies used by your company.

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.

Paris and Levallois-Perret, December 18, 2009

The Statutory Auditors

CABINET HOUDART	**CONSTANTIN ASSOCIES**	
(signature)	(signature)	(signature)
Jean-Luc HOUDART	Dominique LAURENT	Laurent LEVESQUE

LABCO SAS GROUP

Consolidated Statutory Financial Statements

For the Financial Year Ended December 31, 2007

Final version

BALANCE SHEET

(In thousands of euros)	Note	31/12/2007	01/01/2007
Assets			
Goodwill	1	60 416	6 073
Intangible assets	2	905	327
Property, plant & equipment	3	7 581	118
Long term financial assets	4	49 502	20 901
Interests in associates	5	9 568	7 261
Fixed assets		**127 972**	**34 680**
Inventory and work in progress		1 342	41
Trade receivables and related accounts	6	17 431	334
Other receivables and accruals	6	3 403	10 829
Marketable securities			1 829
Cash and cash equivalents		2 293	436
Current assets		**24 469**	**13 469**
Total assets		**152 442**	**48 149**
Liabilities			
Share capital		28 509	24 061
Additional paid-in capital		36 143	7 890
Consolidated reserves		10 929	11 466
Net profit (loss)		5 727	—
Shareholders' equity		**81 308**	**43 417**
Minority interests		**197**	**6**
Provisions for contingencies and losses	7	**127**	**82**
Borrowings and other financial liabilities	8	44 972	3 514
Trade payables and related accounts	9	12 499	891
Other payables and accruals	9	13 339	238
Debts		**70 810**	**4 643**
Total liabilities		**152 442**	**48 149**

INCOME STATEMENT

(In thousands of euros)	Note	31/12/2007
Consolidated income statement		
Revenue		2 206
Cost of sold goods		(100)
Cost of raw materials		(812)
Other costs of purchases incurred and consumed		(2 736)
Personnel expense	12	(1 457)
Other taxes		(36)
Depreciation, amortization and provision expense		(116)
Other operating expenses		*(14)*
Other operating income		*419*
Other operating income and expense		405
Net profit (loss) from operations		**(2 644)**
Net financial result	10	1 449
Net profit (loss) on ordinary activities from consolidated companies		**(1 195)**
Extraordinary profit (loss)	11	112
Income tax	13	(62)
Net profit (loss) from consolidated companies		**(1 145)**
Net goodwill amortization expense		(482)
Share of associates earnings attributable to the group		7 355
Total consolidated net profit (loss)		**5 728**
Minority interests		0
Net profit (loss)—Group share		**5 727**
Average number of shares		24 444 840
Net earnings per share (in euros)		**0.23**

CHANGE IN SHAREHOLDERS' EQUITY

The change in consolidated shareholders' equity is as follows:

(In thousands of euros)	Shares (number)	Share capital	Additional paid-in capital	Consolidated reserves	Net profit for the year	Total attributable to the Group	Minority interests
Position at January 1, 2007	**24 060 842**	**24 061**	**7 890**	**11 466**	**—**	**43 417**	**6**
Dividend distribution						0	0
Net profit for the year					5 727	5 727	0
Share capital increase[1]	4 528 479	4 528	28 253			32 781	
Share capital decrease	(80 000)	(80)		(120)		(200)	
Other changes[2]				(417)		(417)	191
Position at December 31, 2007	**28 509 321**	**28 509**	**36 143**	**10 929**	**5 727**	**81 308**	**197**

(1) The changes in share capital and additional paid-in capital of LABCO SAS (SP) result from the following:

Shareholders meeting date	Operation	Share capital	Paid-in	Reserves	Total
29/06/2007	Share capital increase	421	1 262		1 683
29/06/2007	Share capital decrease	(80)		(120)	(200)
28/09/2007	Share capital increase	448	1 344		1 792
20/12/2007	Issue of LABCO SAS shares as partial payment for the acquisition of General LAB	3 660	25 618		29 278
20/12/2007	Exercise of warrants 2006-1-1	—	1		1
20/12/2007	Exercise of warrants 2007-1-1	—	27		27
		4 448	**28 253**	**(120)**	**32 581**

(2) Other changes represent the impact on the consolidated reserves of the reclassification of the participation interests in LABCO Artois following the sale of 24.87% of this equity investment by LABCO SAS to SCHAFFNER consolidated under equity method within the DELAPORTE group consolidation sub-tier.

CASH FLOW STATEMENT

(In thousands of euros)	31/12/2007
Group total profit (loss)	5 727
Minority interests—Profit (loss)	0
Share of associates earnings attributable to the group	(1 664)
Depreciation, amortization and provision expense	620
Change in deferred taxes	(6)
Capital gains or losses from sale of fixed assets	(7)
Free cash flow	**4 670**
Change in working capital (excluding change in deferred tax)	1 872
TOTAL CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**6 541**
Payments for acquisition of intangible assets	(1)
Payments for acquisition of property, plant & equipment	(26)
Payments for acquisition of other long term investments	(14 665)
Increase in other long term financial assets	(4 893)
Decrease in other long term financial assets	4 991
Impact of changes in scope of consolidation(1)	(29 456)
TOTAL CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(44 050)**
Proceeds from Share capital increase	3 503
Treasury shares buy-back	(200)
Increase in borrowings from credit institutions	32 621
Increase in other financial liabilities	58
Decrease in borrowings from credit institutions	(811)
Decrease in other financial liabilities	(156)
TOTAL CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**35 015**
Cash and cash equivalents at the end of the year	(252)
Cash and cash equivalents at the beginning of the year	2 241
Net increase (decrease) in cash and cash equivalents	**(2 493)**

(1) Impact of the dilution of LABCO ARTOIS (+€10 k) and of the acquisitions of General LAB (−€24 895 k) and C.A.M. Centro Analisi Monza S.p.A. (−€2 691 k):

Purchase price of General LAB	(30 250)
Outstanding balance of payment	7 000
Cash acquired	(1 645)
Impact on change in scope of consolidation	**(24 895)**

ACCOUNTING RULES AND METHODS

LABCO SAS prepared for the first time, in accordance with French laws and regulations (CRC Accounting Regulation Committee rule no. 99-02), consolidated financial statements in respect of the year ended December 31, 2007.

LABCO SAS and its subsidiaries carry out their business in the medical diagnostics sector.

Unless otherwise stated, figures given are in thousands of euros.

As an exception, comparative data for the previous year is only given for balance sheet items.

A—SIGNIFICANT EVENTS OF THE YEAR

The main events of the year are listed below:

- Purchase of the Spanish company General LAB SA: on 27 December 2007 LABCO SAS took over, via LABCO Diagnostic España, the Spanish company General LAB SA and its subsidiaries. This operation gave rise to a goodwill of €50,865 thousand recorded in the consolidated financial statements of LABCO SAS at 31/12/2007. In view of the purchase date, no net profit (loss) was recognized.
- Purchase of the Italian company C.A.M. Centro Analisi Monza S.p.A.: on 21 November 2007 LABCO SAS took over the Italian company C.A.M. Centro Analisi Monza S.p.A. and its subsidiaries. This operation gave rise to a goodwill of €3 808 thousand recorded in the consolidated financial statements of LABCO SAS at 31/12/2007. In view of the purchase date, no net profit (loss) was recognized.
- Purchases within the DELAPORTE Group: the companies BIOLIANCE, ROY SIROS, CENTRE DE BIOLOGIE MEDICALE DE CHARTRES, JPBS and BIO ADOUR were purchased during the year by the DELAPORTE Group.

  Moreover, the group increased its equity interest in LABCO ARTOIS by purchasing additional shares and acquired 100% of the share capital of the German company LABCO PFLEGEZENTRUM effective 1/10/07.

B—SCOPE OF CONSOLIDATION

The scope of consolidation at December 31, 2007 was as follows:

Entities name	Consolidation method (a)	% control		% interest	
		31/12/2007	01/01/2007	31/12/2007	01/01/2007
LABCO SAS	FC	Parent		Parent	
Barla (Sub-group)***	EM	24.93%	24.93%	24.93%	24.93%
Labocentre—Marcourt	EM	*24.93%*	*24.93%*	*24.93%*	*24.93%*
Le Port	EM	*9.97%*	*9.97%*	*9.97%*	*9.97%*
Biopaj	EM	10.96%	10.96%	10.96%	10.96%
Bioval	FC	100.00%	100.00%	100.00%	100.00%
Delaporte (Sub-group)	EM	24.99%	24.99%	24.99%	24.99%
Jorion (Sub-group)***	EM	25.00%	25.00%	25.00%	25.00%
Groupe Biologic	EM	*24.99%*	*24.99%*	*24.99%*	*24.99%*
LABCO Deutschland	FC	100.00%	100.00%	100.00%	100.00%
LABCO Liguria	FC	98.00%	98.00%	98.00%	98.00%
LABCO Littoral—Charriere-Levy	EM	25.00%	25.00%	25.00%	25.00%
LABCO-Midi (Sub-group)	EM	24.96%	24.96%	24.96%	24.96%
Labo du Beffroi	EM	24.99%	24.99%	24.99%	24.99%
Labo du marché	EM	25.00%	25.00%	25.00%	25.00%
LABCO Artois*	EM	0.00%	24.87%	0.00%	24.87%
LABCO Lombardia**	FC	84.00%		84.00%	
C.A.M. Centro Analisi Monza S.p.A.**	EM	20.00%		20.00%	
LABCO Pflegezentrum**	FC	100.00%		100.00%	
LABCO Espana**	FC	100.00%		100.00%	
General LAB (Sub-group)**	FC	100.00%		100.00%	

(a) EM = consolidation by the equity method FC = full consolidation

* Company transferred in the Delaporte sub-group during 2007

** Entered the scope of consolidation in the period

*** Barla holds 99.99% and 40% of Labocentre-marcout and Le Port respectively
Jorion holds 99.96% of Groupe Biologique

C—ACCOUNTING RULES AND METHODS

• Consolidation method

The companies are fully consolidated whenever the Group exercises exclusive control, *de jure* or *de facto*; companies over which the Group has significant influence (associates) are consolidated using the equity method.. In the case of joint ventures, investments are proportionately consolidated.

• Accounts closing date

The parent company closes its books on December 31, as do all of the other companies within the scope of consolidation.

• Consolidation criteria

A company comes within the scope of consolidation when the Group has taken control of it, regardless of the legal form through which this control is obtained.

Investments whose contribution to the Group is not material are not consolidated.

- **Intra-group transactions**

All material reciprocal transactions between consolidated companies are eliminated.

With regard to consolidated companies, write-down charges and reversals on equity investments and related receivables are eliminated as they are redundant once the concerned companies are consolidated.

- **Standardization**

The Group companies' financial statements are prepared according to the accounting rules in force in their home countries, adjusted when necessary to comply with the Group's financial reporting standards.

- **First-time consolidation**

Once a company has been taken over, all the identifiable assets and liabilities of that company are measured at fair value.

Goodwill is measured as the excess of the acquisition cost over the carrying amount of the fair value of assets and liabilities of the acquired company.

The acquisition cost of shares equals the funds paid to the seller plus costs directly attributable to the purchase and any price adjustments that can be measured reliably and payment of which is probable.

The initial measurement of goodwill may be adjusted within a time period ending with the close of the financial year following the year of acquisition.

Positive goodwill is generally amortized over a period of 15 years.

Positive goodwill is tested, at least once a year, for impairment when events or circumstances indicate that a loss in value may have occurred. Such events or circumstances include material and lasting adverse changes that impact the economic environment or the assumptions made or objectives held at the time of the acquisition.

Whether an impairment loss should be recorded is determined by comparing the consolidated carrying amount (book value) of the business with its current value.

Current value is the greater of market value and value in use. Market value equals to the best estimate of the value of the business if sold in an arm's length transaction, less disposal costs. This estimate is made on the basis of available market information, taking into account any specific circumstances. Value in use equals the value of future benefits expected from the company, as determined at the time of purchase. When an impairment loss is identified, an extraordinary amortization is recognized in order to reduce the carrying amount of goodwill to its current value.

Badwill is recognized in profit and loss over a period reflecting the assumptions used and the goals set at the time of the acquisition.

- **Deferred taxes**

Temporary differences between accounting profits and taxable profits are recorded as deferred taxes and differences resulting from consolidation adjustments, accounted for under the balance sheet liability method.

To be conservative, tax loss carry-forwards are not recorded as a deferred tax asset unless forecast earnings suggest a strong probability that the tax losses will be used in the near future. Deferred taxes are not discounted to their present value.

- **Segment analysis**

The Group is engaged in one single industry, in the medical diagnostics sector. Consequently there is no need for a segment analysis, which is therefore not provided.

- **Intangible assets**

Intangible assets consist primarily of business assets, lease agreements, licenses and software.

Intangible assets are straight-line amortized over useful lives of 5 years or less.

Research costs are systematically expensed in the year in which they are incurred.

Development costs are recognized as assets if the criteria for capitalization are met. There were no capitalizations during the 2007 year.

- **Property, plant & equipment**

Property, plant & equipment mainly consist of fixtures, furniture and information technology equipment. They are measured at acquisition cost and are straight-line depreciated over their economic useful life, which may vary between 2 and 10 years.

If property, plant & equipment is intended to be used over its entire useful life, no residual value is used when determining the basis for depreciation.

Both tangible and intangible assets are tested for impairment when some indication of a loss of value has been identified at the balance sheet date.

Fixed assets acquired under finance leases are not restated. For this the Group does not apply the preferential method mentioned in regulation CRC 99-02 of the CRC.

- **Unconsolidated equity investments, other long term investments and marketable securities**

The gross value of these assets equals their acquisition cost. When their value in use, primarily measured on their future earnings prospects or on a benchmark value, has fallen below their gross value at the balance sheet date, an impairment loss is recognized.

- **Receivables and payables**

Receivables and payables are recognized at nominal value. Certain receivables are written down through provisions to take into account difficulties in collection likely to be incurred in light of information known on the date of closing.

- **Provisions for contingencies and losses**

Pursuant to the regulation 2006-06 of the CRC concerning liabilities, provisions for contingencies and losses are booked when probable outflows of resources to outside parties without compensation to the company may occur. These provisions are measured in light of the most likely assumptions at the balance sheet date.

- **Obligations arising from pensions, retirement and similar post-employment benefits**

"Retirement obligations" largely consist of end-of-career benefits owed to employees upon retirement. They are measured based on an actuarial calculation taking into account primarily the age structure, employee turnover, and mortality rates by age group as presented in official tables. The amounts obtained are adjusted to account for assumed inflation and present-discounted from the payment date(s).

• **Net profit from extraordinary items**

Extraordinary (non-recurring) income and expense consist of material items which because of their nature and their unusual and non-recurring character cannot be considered inherent to the Group's operations. Examples would be capital gains and losses on disposals, reorganization costs, extraordinary amortization and depreciation of assets, abandonment of debts.

• **Earnings per share**

Earnings per share are determined by dividing the net income by the average number of shares outstanding during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of euros)

1. GOODWILL

The line item Goodwill changed over the year as follows:

	31/12/2007	01/01/2007
Gross amount at 01/01/2007	**7 195**	**0**
Additions	0	0
Subtractions	0	0
Changes in scope of consolidation	54 826	7 195
Other changes	0	0
Gross amount at closing	**62 021**	**7 195**
Accumulated amortization at 01/01/2007	**(1 122)**	**0**
Amortization expense	(482)	0
Write-downs following impairment test	0	0
Changes in scope of consolidation	0	(1 122)
Other changes	0	0
Accumulated amortization at closing	**(1 605)**	**(1 122)**
Net carrying amount at 01/01/2007	**6 073**	**0**
Net carrying amount at closing	**60 416**	**6 073**

Given the absence of indications of loss in value, no impairment test was conducted and no impairment loss was recognized on December 31, 2007.

Goodwill breaks down as follows at 31/12/2007:

	31/12/2007			01/12/2007
	Gross amount	Amortization	Net carrying amount	Net carrying amount
LABCO Pflegezentrum	152	3	149	—
Germany	**152**	**3**	**149**	**—**
General LAB (Spain)*	50 865		50 865	—
Spain	**50 865**	**—**	**50 865**	**—**
C.A.M. Centro Analisi Monza S.p.A. (Italy)*	3 809	—	3 809	
Italy	**3 809**	**—**	**3 809**	**—**
Barla (sub-group)	4 131	895	3 236	3 511
Delaporte (sub-group)	2 931	684	2 247	2 443
Bioval	133	23	110	119
France	**7 195**	**1 602**	**5 593**	**6 073**
TOTAL	**62 021**	**1 605**	**60 416**	**6 073**

* In accordance with the regulatory provisions applicable in France goodwill calculated on the purchases of General LAB and C.A.M. Centro Analisi Monza S.p.A. on 31/12/2007 may be adjusted within a 12 month time frame.

2. INTANGIBLE ASSETS

Intangible assets break down as follows:

	Business assets	Concessions, licenses, patents	Other	Total
Gross amounts at 01/01/2007	365	12	0	377
Accumulated amortization at 01/01/2007	(45)	(5)	0	(50)
Net carrying amount at opening	**320**	**7**	**0**	**327**
Acquisitions	0	1	0	1
Subtractions	0	0	0	0
Changes in scope of consolidation	597	1 026	427	2 050
Other changes	0	0	0	0
Gross carrying amount at closing	**962**	**1 039**	**427**	**2 428**
Amortization expense	(36)	(2)	0	(38)
Amortization reversals	0	0	0	0
Changes in scope of consolidation	(557)	(730)	(148)	(1 435)
Other changes	0	0	0	0
Accumulated amortization at closing	**(638)**	**(737)**	**(148)**	**(1 523)**
Net carrying amount at 31/12/2007	**324**	**302**	**279**	**905**

The line item "Changes in scope of consolidation" mainly refers to the acquisition of General LAB.

3. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment break out as follows:

	Buildings	Technical plant	Other	Total PP&E
Gross amount on 01/01/2007	0	119	124	243
Accumulated depreciation at 01/01/2007	0	(38)	(87)	(125)
Net carrying amount at opening	**0**	**81**	**37**	**118**
Acquisitions	0	0	26	26
Subtractions	0	0	(14)	(14)
Changes in scope of consolidation	5 545	9 008	5 027	19 580
Other changes	0	0	0	0
Gross amount at closing	**5 545**	**9 127**	**5 163**	**19 835**
Depreciation expense	0	(21)	(18)	(39)
Reversals	0	0	14	14
Changes in scope of consolidation	(2 430)	(6 308)	(3 366)	(12 104)
Other changes	0	0	0	0
Accumulated depreciation at closing	**(2 430)**	**(6 367)**	**(3 457)**	**(12 254)**
Net carrying amount at 31/12/2007	**3 115**	**2 760**	**1 706**	**7 581**

3. PROPERTY, PLANT & EQUIPMENT (Continued)

The line item "Changes in scope of consolidation" mainly refers to the acquisition of General LAB.

4. LONG TERM FINANCIAL ASSETS

Long term financial assets break down as follows:

	Non-consolidated equity investments	Deposits and guarantees	Other long term investments	Other long term financial assets	Total
Gross amount at 01/01/2007	0	866	20 035	0	20 901
Accumulated write-downs at 01/01/2007	0	0		0	0
Net carrying amount at opening	**0**	**866**	**20 035**	**0**	**20 901**
Additions	0	229	14 665	7 355	22 249
Subtractions	0	0	0	(4 991)	(4 991)
Changes in scope of consolidation	0	0	166	340	506
Other changes(1)	0	0	850	10 012	10 862
Gross amount at closing	**0**	**1 095**	**35 716**	**12 717**	**49 528**
Write-downs	0	0		0	0
Reversals	0	0		0	0
Changes in scope of consolidation	0	0		0	0
Other changes	0	0		(26)	(26)
Accumulated write-downs at closing	**0**	**0**	**0**	**(26)**	**(26)**
Net carrying amounts at closing	**0**	**1 095**	**35 716**	**12 691**	**49 502**

(1) The line item "other changes" reflects the reclassification as Receivables Related to Equity Investments of current credit accounts previously accounted for as Other Receivables (from operations) in the LABCO SAS 2006 financial statements.

Other long term financial assets are mainly the current accounts of LABCO SAS with associate companies consolidated by the equity method at December 31, 2007.

The other long term investments are mainly bonds and accrued interest on bonds of LABCO SAS.

4. LONG TERM FINANCIAL ASSETS (Continued)

At December 31, 2007, convertible bonds and ordinary bonds were as follows:

Issuing company	Type of bond	Date of issue	Amount	Number of bonds	Maturity date	Interest rate
LA MOSSON(1)	Convertible	25/06/2004	1 352 700	135 270	31/12/2016	6.00%
ESLAB	Convertible	28/06/2004	1 765 448	43 165	31/12/2016	6.00%
DELAPORTE(1)	Convertible	24/06/2004	2 762 250	15 875	31/12/2016	6.00%
SCHAFFNER	Convertible	24/06/2004	1 886 680	471 670	31/12/2016	6.00%
DELAPORTE(2)	Convertible	31/12/2004	2 499 000	49 980	31/12/2016	Variable
AUBERT H	Convertible	19/01/2005	600 024	65 220	31/01/2017	Variable
AGDL(1)	Convertible	01/06/2005	514 178	10 284	31/12/2017	Variable
AUBERT J	Ordinary	30/06/2005	600 000	6 000	30/06/2017	Variable
LA MOSSON(2)	Ordinary	07/07/2005	842 000	8 420	07/07/2017	Variable
BARLA	Ordinary	31/12/2005	726 100	14 522	31/12/2017	Variable
AGDL(2)	Ordinary	15/04/2006	1 870 000	18 700	15/04/2018	Variable
CARRON	Ordinary	31/05/2006	1 875 000	18 750	31/05/2018	Variable
BIOSYNTHESE(1)	Ordinary	05/10/2006	1 485 000	14 850	05/10/2018	Variable
BIOSYNTHESE(2)	Ordinary	19/10/2006	596 000	5 960	19/10/2018	Variable
JORION	Ordinary	31/03/2007	850 000	8 500	31/03/2019	Variable
AGDL(3)	Ordinary	30/09/2007	385 000	3 850	30/09/2019	Variable
POKORNY	Ordinary	30/06/2007	350 000	3 500	30/06/2019	Variable
POKORNY	Ordinary	30/06/2007	49 940	4 994	30/06/2019	Variable
LOISON	Ordinary	30/06/2007	530 000	5 300	07/02/2019	Variable
ISLE(1)	Ordinary	07/02/2007	1 569 400	15 694	30/09/2019	Variable
ISLE(2)	Ordinary	30/09/2007	800 000	8 000	30/09/2019	Variable
ISLE(3)	Ordinary	30/11/2007	105 300	1 053	30/11/2019	Variable
LABCO ARTOIS	Ordinary	30/10/2007	1 100 000	11 000	30/10/2019	Variable
BIOPAG	Ordinary	30/11/2017	9 421 100	94 211	30/11/2019	Variable
Total			**34 535 120**			

5. INTERESTS IN ASSOCIATES

Participating interests accounted for following the equity method are as follows:

	Shareholders' equity 31.12.2007 (k€)	% interest	Equity amount
Barla (sub-group)	2 213	24.93%	498
Biopaj	5 140	10.96%	563
Labo du beffroi	488	24.99%	101
Baco littoral-charriere-levy	304	24.99%	76
Labo du marché	200	25.00%	50
Jorion (sub-group)	290	25.00%	73
Cam	1 914	20.00%	382
LABCO-midi (sub-group)	3 833	24.96%	2 688
Delaporte (sub-group)	8 141	24.99%	4 459
Egara Laboratis*	951	45.00%	428
Lab Dos Analisis*	363	40.00%	145
Genetica Molecular*	345	30.00%	104
Total			**9 568**

* Spanish companies held by General LAB

6. RECEIVABLES FROM OPERATIONS

With the exception of deferred tax assets, the Group's receivables are for the most part due within one year; and break down as follows:

	Gross amount 31/12/2007	Write-downs 31/12/2007	Net amount 31/12/2007	Net amount 01/01/2007
Trade and related receivables	**18 542**	**(1 111)**	**17 431**	**334**
Deferred tax assets	7	0	7	1
Other receivables	2 463	0	2 463	10 793
Prepaid expenses	933	0	933	35
Receivables and accruals	**3 403**	**0**	**3 403**	**10 829**
Total	**21 945**	**(1 111)**	**20 834**	**11 163**

7. PROVISIONS

The provisions recorded in the financial statements at December 31, 2007 total €127 thousand including €115 thousand in pension obligations.

8. FINANCIAL LIABILITIES

Financial liabilities break down as follows:

	Bank borrowings	Amounts related to assets held under finance lease agreements	Current used banking facilities	Other financial liabilities	Total
Amounts at 01/01/2007	**3 490**	**0**	**24**	**0**	**3 514**
Increase	32 621	0	0	59	**32 680**
Decrease	(811)	0	0	(156)	**(967)**
Change in scope of consolidation	6 489	14	2 544	205	**9 612**
Net change	0	0	(23)	0	**(23)**
Other	0	0	0	156	**156**
Amounts at 31/12/2007	**42 149**	**14**	**2 545**	**264**	**44 972**

Borrowings break-down by due date is as follows:

	< 1 year	1-5 years	> 5 years	Total
Bank borrowings	30 375	11 773		42 149
Amounts related to assets held under finance lease agreements	14			14
Current used banking facilities	2 545			2 545
Other financial liabilities	264			264
Total	**33 198**	**11 773**	**0**	**44 972**

8. FINANCIAL LIABILITIES (Continued)

The essential features of bank borrowings are given below:

Lender	Subscription date	End date	Rate	Amount borrowed	Final balance
BPCA	Apr 04	Sep 11	—EURIBOR 3 months + 1.5%	1 008	571
BPCA	Apr 04	Sep 11	—EURIBOR 3 months + 1.5%	1 008	579
BPN	Jun 04	Jun 11	—EURIBOR 3 months + 1.8%	2 298	1 154
BPCA	Aug 05	Aug 12	—EURIBOR 1 month + 1.5%	400	278
LCL	Nov 07	Nov 09	—EURIBOR + margin	9 421	9 457
NATIXIS	Dec 07	Mar 08	—EURIBOR + margin	23 100	23 100
Spanish Bank	Jan 08	Dec 12	Variable rate		6 815
Others	N/A			100	160
Totals				**37 335**	**42 115**

9. TRADE AND OTHER PAYABLES

The group's trade and other payables break down as follows:

	31/12/2007	01/01/2007
Trade payables and related accounts	**12 499**	**891**
Down payments received	69	0
Taxes payable, payroll and on-cost amounts payable	2 897	172
Amounts payable on acquisition of participating interests	8 594	0
Other liabilities	1 266	66
Deferred income	513	0
Total other payables and accruals	**13 339**	**238**
Total trade and other payables	**25 838**	**1 129**

Amounts payable on acquisition of participating interests refer to the debts of LABCO Spain for the purchase of equity interests in General Lab of which €2M mature in less than a year and €5M in over one year, together with a price complement of €1.5M on the purchase of C.A.M. Centro Analisi Monza S.p.A. to be paid within one year.

Most other trade payables are due within one year.

10. NET FINANCIAL RESULT

Net financial result breaks down as follows:

	31/12/2007
Revenue from equity investments and marketable securities[1]	1 301
Interest income and related revenue	391
Interest expense and related expense	(238)
Net charges to provisions	(5)
Net Financial result	**1 449**

(1) Revenue from equity investments represents bond interest.

11. EXTRAORDINARY PROFIT (LOSS)

Extraordinary profit (loss) breaks down as follows:

	31/12/2007
Extraordinary income	121
Extraordinary expenses	(9)
Extraordinary profit (loss)	**112**

12. HEADCOUNT AND PERSONNEL EXPENSE

Headcount over the period totalled 649, of which 637 were General Lab personnel.

The personnel expense breaks down as follows:

	31/12/2007
Wages and profit-sharing	1 084
Social security, payroll taxes and on-costs	373
Total[1]	**1 457**

(1) Personnel expense at 31/12/2007 does not include General Lab, which came within the group's scope of consolidation but its income and expense for the period were not consolidated. For information, the personnel expense of General Lab totalled €16,382 thousand for the year ended 31/12/2007.

13. INCOME TAXES

The tax expense is broken down as follows:

	31/12/2007
Taxes payable	(68)
Deferred taxes	6
Total	**(62)**

13. INCOME TAXES (Continued)

The difference between the theoretical tax and actual tax over the period is explained below:

	31/12/2007
Consolidated profit (loss)	5 728
Share of associates earnings attributable to the group	7 355
Goodwill amortization expense	(482)
Tax expense	(62)
Consolidated profit before tax	(1 083)
Tax rate	33.33%
Theoretical tax (1)	**361**
Actual tax (2)	**(62)**
DIFFERENCE TO BE EXPLAINED (2) – (1)	**(423)**
Permanent difference	(146)
Current year unrecognized deferred tax assets	(277)
Prior year deferred tax adjustment	
Recognition of unrecorded prior year taxes	
Use of Tax loss carried forward	
Others (incl. tax credit and foreign exchange differences)	
TOTAL EXPLAINED	**(423)**

14. EXECUTIVE COMPENSATION

No information is given concerning the compensation received by members of the parent company's management bodies for their duties in associate companies since that would result in disclosing individual compensation amounts.

15. OFF-BALANCE SHEET COMMITMENTS

The Group's off-balance sheet commitments include mostly security given in the course of its investing and financing activities.

Off balance sheet commitments given are mainly comprised of pledges on financial instruments in favor of banks of the Group and guarantees in favour of companies in which LABCO SAS has significant influence.

15. OFF-BALANCE SHEET COMMITMENTS (Continued)

A breakdown of current commitments at December 31, 2007 is given below:

	31/12/2007
Endorsement and other guarantees given	28 298
Pledges, mortgages and other assignments	9 905
Other commitments given*	25 743
Commitments given	**63 946**
Endorsements and other guarantees received	
Other commitments received	
Commitments received	**0**

* Assignment of Intra-group loan in favor of banks.

16. SIGNIFICANT SUBSEQUENT EVENTS

No significant events subsequent to December 31, 2007 are to be reported.

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