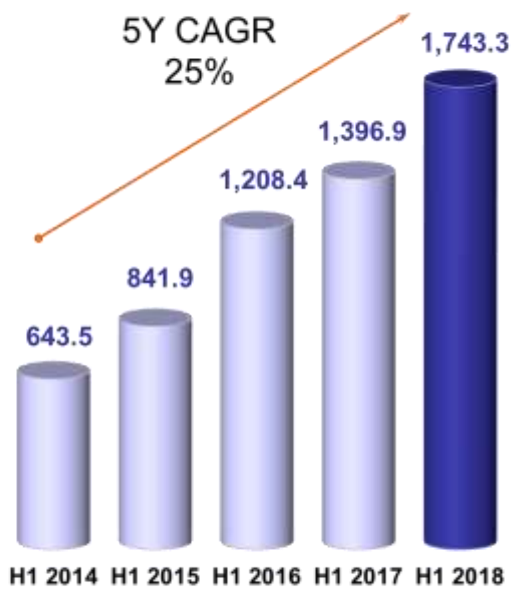
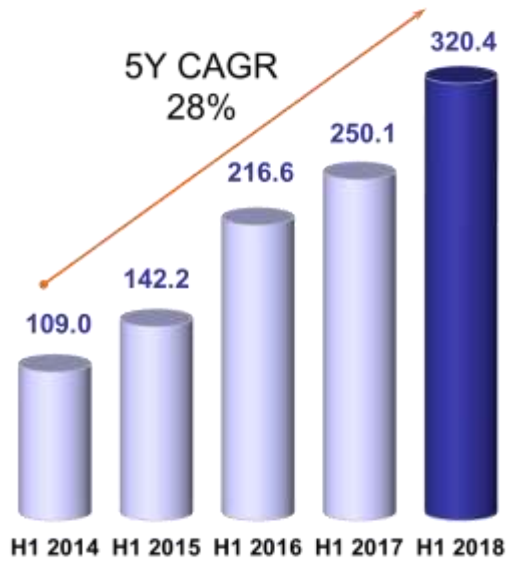
2018 Half Year Report

Key Figures – Eurofins Scientific Group

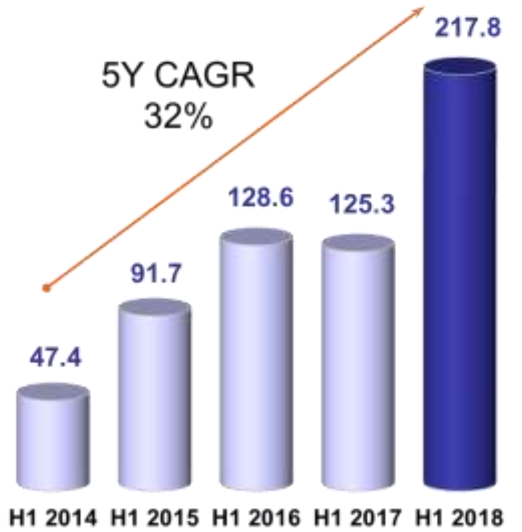
Revenues in EUR million



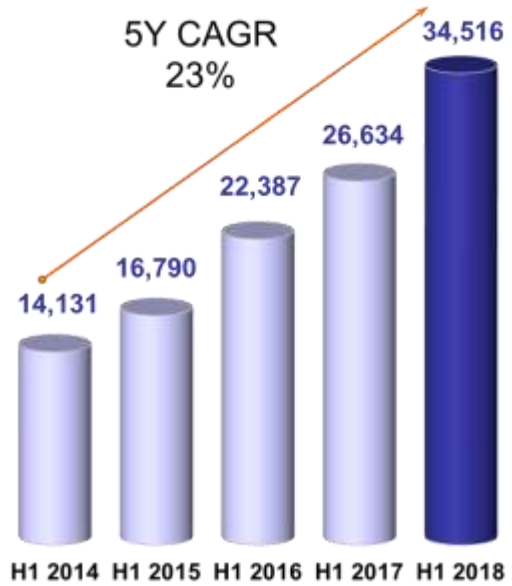
Adjusted EBITDA in EUR million



Operating Cash Flow in EUR million



Average Number of Full Time Employees (FTE)



EUR = Euro
5Y CAGR = Five Year Compound Annual Growth Rate
Average number of Full Time Employees (FTE) = average weighted number of employees, expressed as full time equivalent (FTE)

Disclaimer

Shareholders' information

Listing

Euronext Paris (IPO on 24.10.1997)

Segments/ Indexes

Paris: MSCI Europe, Euronext 100, SBF 120, STOXX Europe 600, SRD & Compartment A

Industry Group/ Prime Sector

Healthcare/Healthcare Providers

Codes

ISIN: FR0000038259

Tickers

Paris: Reuters EUFI.PA, Bloomberg ERF FP

Nominal Capital (at 30.06.2018)

EUR 1,769,560.30 (17,695,603 x EUR 0.10)

Simplified Ownership Structure

Free Float 63.8%

Martin Family 36.2%

2017 Share Price development

Eurofins Scientific: 25.3%
SBF 120: 10.8%
Next 150 index: 20.3%
CAC 40 Index: 9.3%
Euro Stoxx 50 Index: 7.5%
Nasdaq Composite Index: 27.6%
Dow Jones Industrial Average Index: 24.9%

Since its IPO in 1997 Eurofins has been one of the best performing shares in Europe, with a CAGR (Compound Annual Growth Rate) of its share price of 32% between its IPO on October 24th, 1997, and December 31st, 2017.

Analyst coverage

Berenberg	Thomas Burlton
Bryan Garnier	Bruno de La Rochebrochard
Exane BNP Paribas	Allen Wells
Gilbert Dupont	Guillaume Cuvillier
Goldman Sachs	Suhasini Varanasi
HSBC	Murielle André-Pinard
Jefferies	Will Kirkness
Kepler Cheuvreux	Aymeric Poulain
Mainfirst	Nicolas Tabor
Oddo	Christophe-Raphaël Ganet
Portzamparc	Christophe Dombu
Société Générale	Jean-Michel Bélanger

Investor Relations

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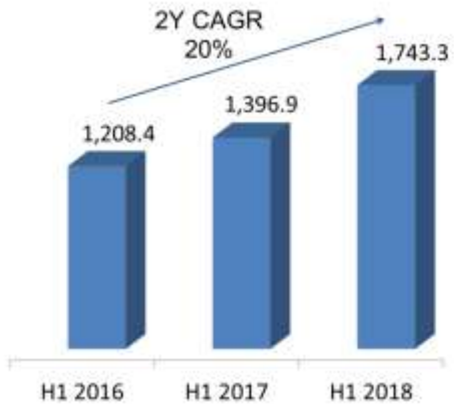
Contents

I. MANAGEMENT REPORT as of 30/06/2018

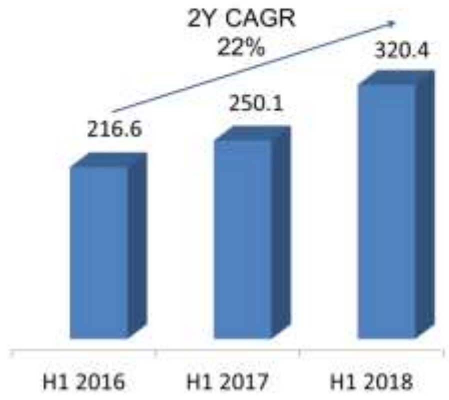
1 Key Performance Indicators (KPIs)

Developments in some of Eurofins' Key Performance Indicators (KPIs), as illustrated by the charts below, are discussed in detail in later sections of this report.

Revenues EUR m

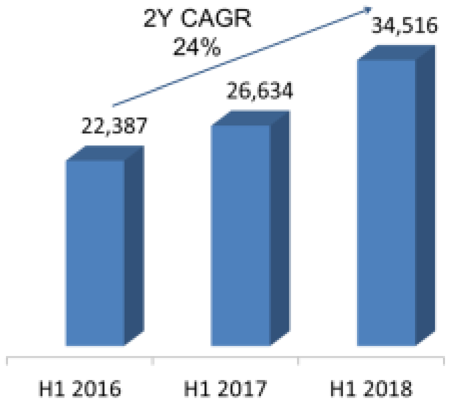


Adjusted EBITDA EUR m

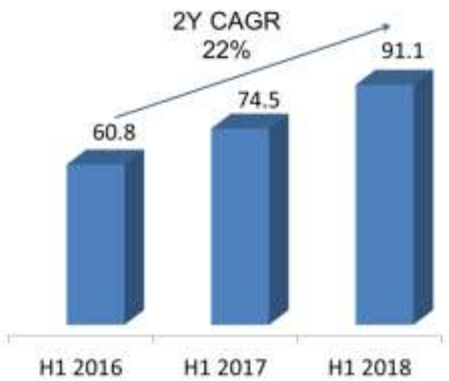


Operating Cash Flow EUR m

Full Time Employees



Net Profit



Earnings Per Share EUR (Basic total)

2 Message from the CEO

In Q2 2018 and the last few quarters Eurofins continued to make significant progress towards its long term objectives. Thanks to organic growth and acquisitions signed Eurofins reached number one positions in several additional markets including the U.S. and Spain for Food testing, Ireland and Finland for Environment testing, Germany, France and the Netherlands for Biopharma Product testing. In an industry where scale matters this is key in order to offer the best service at the lowest cost to clients.

With over 100,000 m^2 of additional world class laboratories coming on stream in 2018 and 7 more start-ups opened in H1 2018, Eurofins is building an unmatched infrastructure to serve its clients better on a global basis and is on track to building the world class platform defined in its 2020 plan.

Some of the highlights of the first half of 2018 include:

- In the traditionally weaker first half of the year revenues grew 24.8% to reach EUR 1,743m in H1 2018 despite an unfavourable FX impact of -5.8%. Organic growth[10] for Q2 2018 was over 5% and close to 5% for H1 2018 in spite of a still slightly negative calendar day's effect vs. H1 2017.

- EBITDA[3] grew 31.4% in H1 2018 to EUR 288m, resulting in a margin increase of 80bps. Adjusted[1] EBITDA reached EUR 320m (18.4% of revenues, +50bps), up 28.1% vs. last year, thanks to accretive 2017 acquisitions and better operating leverage. Separately disclosed items[2] (SDI) as a proportion of Adjusted EBITDA narrowed significantly to 10.2% (vs. 12.4% in H1 2017), and SDI as a proportion of sales also decreased from 2.2% to 1.9%. Revenues from start-ups and businesses in restructuring/reorganization now only account for 6.9% of Group revenues (vs. 9.1% in H1 2017).

- In spite of all the investments in start-ups and reorganizations, adjusted basic EPS[7] is up 31.0% to EUR 8.82 and basic EPS grew 17.4% in H1 2018 to EUR 5.15 thanks to stable depreciation (6.0% of revenues) and finance costs (1.8% of revenues) and improved income tax expense (1.8% of revenues, -60bps) compensating an increase in acquisition related costs (mainly amortization of acquired intangible assets). Finance costs amounted to EUR 31m and average interest rates on borrowings decreased by 40bps to 2.4% (vs. 2.8% in H1 2017).

- Operating cash flow[8] grew significantly to EUR 218m (+74%) thanks to the growth of revenues and margins and a well-controlled net working capital which improved to 4.7% of revenues (-20bps vs. 4.9% in H1 2017). Free cash flow to the firm[9] also grew significantly to EUR 47m (+67%). In H1 2018 the Group continued its effort to build a unique platform of world class testing laboratories via significant capex in its infrastructure and bespoke IT solutions. Eurofins' management remains confident in its objective of reducing capex towards 6% of sales by 2020, when the Group's five year investment programme will be approaching completion.

- Our third laboratories start-ups programme (2014-2018) is well on track with 94 openings at the end of June, and 137 since the year 2000. These 137 start-ups had an accretive effect of 40bps on the Group's first half organic growth. In terms of margins, the first two programmes (2000-2009, 2010-2013) delivered a H1 2018 EBITDA margin in line with that of the Group, while those from our latest programme still represent significant investments.

- Net debt at the end of June 2018 stood at EUR 1,639m and leverage (net debt to adjusted L12M EBITDA) at 2.44x on a pro-forma basis (2.61x on a reported basis quite stable vs. December 2017). Cash and equivalents amounted to EUR 559m at the end of June 2018.

- Outlook: Management remains confident of achieving its recently upgraded revenue objectives* of EUR 3.8bn for 2018 (EUR 4bn pro-forma), EUR 4.3bn for 2019 and EUR 4.7bn for 2020 along with profitability improvement towards Eurofins' 20% adjusted EBITDA margin objective for 2020.

Post-closing events:

- As announced on July 30th 2018, Eurofins issued a EUR 550m Schuldschein loan to reinforce the Group's liquidity position and benefit from very favourable market conditions (1.38% blended interest rate** for an average maturity of 5 years), enabling the Group to strengthen its liquidity position.

Our financial and operational developments in the first half of 2018 highlight Eurofins' clear progress towards its 2020 objective to build the largest and most efficient state-of-the-art laboratory network focusing on the end markets we serve. For the last 15 years, Eurofins has been consistently investing more than its peers to develop a hard-to-replicate global network of laboratories and the most comprehensive portfolio of advanced bio-analytical tests.

In H1 2018, Eurofins continued to make significant investments in its laboratories infrastructure and in advanced bespoke IT solutions in line with its 2020 plan. Bioanalytical testing is a highly scalable activity and with the substantial capex investments and organic and inorganic market share gains made in H1 2018 we are better positioned to unlock economies of scale in testing and logistics which should further increase our significant cost, quality and breadth of service advantages vs. our competitors. After 2020, when Eurofins' five-year expansion phase comes to completion, the company should be able to leverage its global network of laboratories, market leadership positions, scale and scientific excellence to significantly improve its cash flow generation and profitability to benefit its long-term oriented shareholders for years to come.

Over the last years, strict financial discipline has allowed Eurofins to earn the trust of its financial partners and significantly reduce its average cost of funding by refinancing older more expensive debt instruments and issuing new ones at favourable rates. As a result, the majority of our debt instruments now bear low fixed interest rates for long maturities providing us with more strategic flexibility until higher operating cash flows kick in after our investment phase ends in 2020. The success and pricing of our recent EUR 550m Schuldschein issuance confirms the trust of our lenders in Eurofins to soon joining the group of large, mature and financially conservative companies generating over US$ 1 billion annual EBITDA.

In 2019, after we repay our expensive 3.125% EUR 300m bond in November 2018, the average interest we pay on our debt should fall well below 2%. In less than 18 months in January 2020 Eurofins will also have the opportunity to repay its expensive 7.0% EUR 300m hybrid and thus further free cash for its shareholders. This will coincide with the end of Eurofins' five year investment program.

Sincerely,

Dr. Gilles G. Martin
CEO

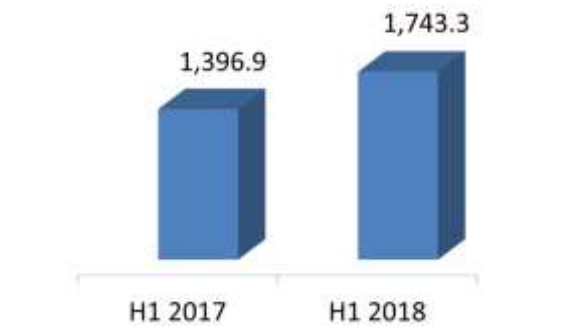
Dated: 2nd August 2018 *

(See definitions of the financial terms discussed on page 9).

3 Financial and operating review

Revenues

Revenues EUR m



Revenues in Q2 2018 were EUR 904m, bringing Group revenues for the first half of 2018 to EUR 1,743m, representing a strong increase of 24.8% vs. H1 2017. Currency effect had a 5.8% negative impact in H1 2018. Organic growth for Q2 was over 5% and close to 5% as a whole for H1 2018.

Revenues : Geographical Breakdown

EUR million	H1 2018	% of Group	H1 2017	% of Group
North America	**552.7**	31.7	**445.4**	31.9
France	**370.1**	21.2	**328.7**	23.5
Germany	**199.6**	11.5	**147.7**	10.6
Benelux	**119.8**	6.9	**98.4**	7.0
UK & Ireland	**112.1**	6.4	**68.6**	4.9
Nordic Region	**110.6**	6.3	**97.0**	6.9
Others	**278.4**	16.0	**211.1**	15.1
Total	**1,743.3**	100.0	**1,396.9**	100.0

(note 2 of the notes to the unaudited condensed interim consolidated financial statements)

Eurofins' businesses in North America generated total revenues of EUR 552.7m in the first half of 2018, representing 31.7% of total Group revenues, and an increase of 24.1% vs. H1 2017, on over 6% organic growth. The Food and Feed testing and BioPharmaceutical business lines were the main drivers of this growth together with EAG laboratories. Eurofins' Food and Feed testing business in the U.S. won the highly esteemed Black Pearl Award from the International Association for Food Protection (IAFP), awarded to a single company each year in recognition of their outstanding achievements in advancing food safety and quality. Eurofins Microbiology Laboratories (Mounds View, Minnesota) closed a c. US$ 550k annual contract with Tuffy's Pet Food, a renowned U.S. producer of dry dog and cat food kibble. Eurofins Central Analytical Laboratories (ECAL) became the UMHF official laboratory in the U.S. for Manuka honey authenticity testing, ECAL also won first place in the American Oil Chemists' Society (AOCS) award for dried distillers grains (DDG) and soybean meal testing, renewed its AOCS-approved chemist status and its International Olive Council (IOC) approved olive oil chemistry testing status. After a two year's application process, ECAL was accepted as an approved laboratory for Korean agricultural imports. Eurofins BioDiagnostics (BDI) created a partnership with DuPont and designed gel based and Sanger sequencing methods for probiotic verification and identification for DuPont's probiotic strains. Furthermore, BDI started its first significant bovine genotyping project worth US$ 220k per year. In 2018, BDI also developed three new assays for the first genetically modified crop in the market (high oleic soybean seeds) and was the first company to develop an assay to detect Palmer Amaranthus seed contamination in native seed lots, a major issue in the industry. Eurofins' Environment testing business now offers water testing for micro plastics according to both the Freedonia method (designed for bottled water) and the National Oceanic and Atmospheric Administration (NOAA) method (designed for surface water and re-purposed "greywater" samples).

Eurofins continues to expand its broad offering in specialty clinical diagnostics in North America. This year Eurofins Craft Technologies (acquired in December 2017), received certification from the Hormone Standardization (HoSt) programme of the Centers for Disease Control and Prevention (CDC) for the measurement of estradiol in serum. Also, Eurofins purchased assets and know-how from Microarray to manufacture the array products used by Diatherix, Viracor and Biomnis. This purchase minimizes supply risks and reduces costs per test by c. 45%. This year, Viracor became the first laboratory to offer Nocardia polymerase chain reaction (PCR) – Nocardia is a difficult bacterium to culture, and in patients who are critically ill, fast diagnosis is key to getting proper treatment. In April, Viracor launched Nocardia Real-time PCR, to help physicians get results faster (within 8-12 hours of specimen receipt), when it matters most. Viracor now also offers the first and only commercially available genotypic sequencing test for patients with suspected resistance to Letermovir – the newest FDA-approved antiviral for prophylactic use in adult Hematopoietic Stem Cell transplants – and launched two cytomegalovirus (CMV) antiviral resistance assays to help physicians reduce the risk of morbidity and mortality in patients with CMV.

France generated revenues of EUR 370.1m in H1 2018, up 12.6% vs. H1 2017, representing 21.2% of total Group revenues. This year, Eurofins opened a dedicated business unit for Feed testing in Nantes (Eurofins Laboratoire de Nutrition Animale) providing the Feed industry with a comprehensive testing offering and tailored technical and scientific support. Eurofins also became the first laboratory in France whose indoor air quality assessment kit has been referenced by the French National Institute for Industrial Environment and Risks (INERIS). Eurofins Laboratoire Microbiologie Ouest (ELMO) became the first laboratory accredited for express confirmation of Campylobacter by mass spectrometry. In France, foodborne infections related to this pathogen (Campylobacter) rank in second place behind norovirus in number of cases.

Germany represented 11.5% of Group revenues (EUR 199.6m in H1 2018). Revenues were up 35.1% vs. H1 2017, on strong organic growth above Group's objectives. Eurofins Analytik GmbH has established a new analytical method based on nuclear magnetic resonance (NMR) to verify the geographical origin of olive oils, one of the most frequently adulterated food products.

The Group's businesses in the Benelux delivered EUR 119.8m of revenues (21.7% growth vs. H1 2017), representing 6.9% of the Group total. In May 2018, Eurofins Agroscience Services (EAS) received official Good Experimental Practices (GEP) accreditation in Belgium.

In the UK and Ireland, H1 2018 revenues increased 63.4% vs. H1 2017 to EUR 112.1m representing 6.4% of total sales. In January 2018, Eurofins' Food testing business acquired Ashwood Ltd., expanding its geographical coverage into Scotland.

Eurofins' Nordic businesses generated EUR 110.6m of revenues in H1 2018, making up 6.3% of total sales. In June 2018, VTT Expert Services Oy joined Eurofins.

Eurofins continues to place emphasis on growth opportunities in emerging markets and Asia Pacific. The Group's expanding footprint and testing innovations resulted in revenue growth of 26.2% in this area. In Thailand, Eurofins' Agroscience facility recently established the capability to test skin repellent products against Aedes, Culex and Anopheles mosquitoes based on World Health Organization (WHO) guidelines.

Year to date, Eurofins has again achieved a number of scientific breakthroughs across its markets and geographies significantly expanding its state-of-the-art portfolio of services to the benefit of its clients. The Group has also made significant investments in its network to increase testing capacity and to develop and commercialize new innovative testing methods.

Profitability

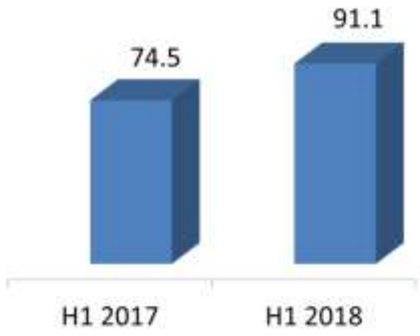
EBITDA grew by +31.4% in H1 2018 to EUR 288m, resulting in a margin increase of 80bps. Adjusted EBITDA reached EUR 320m (18.4% of revenues. +50bps), up by +28.1% vs. last year, thanks to accretive 2017 acquisitions and better operating leverage. Separately disclosed items[2] (SDI) as a proportion of Adjusted EBITDA narrowed significantly to 10.2% (vs. 12.4% in H1 2017), and SDI as a proportion of sales also decreased from 2.2% to 1.9%. Revenues from start-ups and businesses in restructuring/reorganization now only account for 6.9% of Group revenues (vs. 9.1% in H1 2017).

Adjusted EBITDA EUR m

Laboratories in their start-up phase had a positive contribution to Group revenues generating EUR 98m sales in H1 2018. The 137 start-up laboratories opened since the year 2000 had an accretive effect of 40bps on the Group's H1 2018 organic growth. EBITDA margins generated by start-up laboratories launched in the first and second programmes (2000-2009, 2010-2013) were in line with the average of the Group, while those from the latest programme (2014-present) still represent significant investments. Start-ups usually break-even within 2 to 3 years after their start and we believe the strong acceleration in our start-up programme, although having a short-term negative impact on margins and Free Cash Flow, provides a solid base for future growth and profitability. After year 5, ROCE from start-up laboratories is generally better than growth via acquisitions.

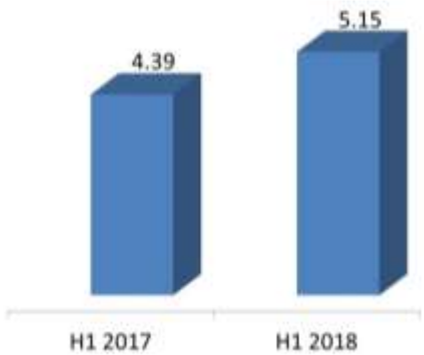
Income tax expense was EUR 31.7m for H1 2018, the rate of income tax expense to profit before income tax was 25.8%, a significant improvement in comparison to the H1 2017 rate of 30.0%.

Net Profit EUR m



Reported net profit attributable to equity holders[6] increased by 22.4% to EUR 91.1m in H1 2018. Strong revenue growth and significant profitability improvements in the first half of 2018 resulted in a 17.4% uplift in basic earnings per share (EPS)[7] to EUR 5.15.

Earnings Per Share EUR (Basic total)



Cash Flow & Financing

Operating cash flow significantly increased 74% to EUR 218m thanks to the strong growth of revenues and margins in H1 2018. Moreover, net working capital (NWC) improved from 4.9% of sales in H1 2017 to 4.7% in H1 2018 highlighting the Group's focus on cash flow discipline.

Net capital expenditures (CAPEX) in H1 2018 amounted to EUR 171m. The increase in CAPEX during the first six months of 2018 is directly linked to accelerating investments in Eurofins' global laboratory network, advanced bespoke IT solutions and new start-up laboratories (7 in H1 2018), which should support Eurofins' long-term value creation. Eurofins' management retains the objective of bringing CAPEX closer to 6% of sales by 2020, as the Group's site/infrastructure and IT programmes reach completion. Despite the year-on-year increase in CAPEX, free cash flow to the firm expanded significantly by 67% to EUR 47m driven by profitability and efficiency improvements with net operating costs as a proportion of sales down 80bps vs H1 2017.

Net debt at the end of June 2018 stood at EUR 1,639m, and leverage (net debt to adjusted L12M EBITDA) at 2.44x on a pro-forma basis and 2.61x on a reported basis (relatively stable vs 2.51x in December 2017). Thus, leverage remains well below the Group's covenant limit of 3.5x (net debt to adjusted L12M EBITDA on a pro-forma basis). At the end of June 2018, Eurofins' cash and cash equivalents amounted to EUR 559m.

Acquisitions

In H1 2018, Eurofins signed and/or closed acquisitions representing an aggregate amount of expected annual pro-forma revenues of c. EUR 400m in 2018, thereby exceeding its annual M&A revenue target (EUR 200m) in only six months. 25 acquisitions were closed in H1 2018, which contributed EUR 40m to consolidated revenues in the first half 2018. Some of Eurofins' acquisitions completed in the first half of 2018 are discussed below.

In January, Eurofins expanded its footprint in Asia with the acquisition of Tsing Hua in Taiwan, one of the leading players in environment testing in Taiwan. In the same month, Eurofins entered the Hungarian market for food and feed testing with the acquisition of Food Analytica Group, one of the most modern microbiology laboratories in Central and Eastern Europe.

In February, Eurofins entered the specialty clinical diagnostics market in Belgium with the acquisition of Labo Van Poucke, a leading laboratory performing human medical testing covering all branches of clinical biology. This acquisition provided Eurofins with a license to operate and sell its specialties tests in this market. Moreover, Eurofins became the market leader in Environment testing services in Ireland with the acquisition of ELS and City Analysts. Eurofins further expanded its specialty clinical diagnostics footprint with the acquisition of NMDL-LCPL in the Netherlands. NMDL offers molecular diagnostics services, including molecular virology and bacteriology testing. LCPL is the largest pathology laboratory for General Practitioners in the Netherlands and offers advanced pathology services, including cervical cytology and molecular biological tests. In 2016, NMDL was proud to be selected as one of the parties to execute the *bevolkingsonderzoek* (BVO) for the Dutch national cervical cancer screening programme.

In April, Eurofins entered the analytical testing market in South Korea with the acquisition of Lab Frontier, which provides a broad suite of food, environment and cosmetics testing services. Also, Eurofins expanded its offering in radioactivity and environmental testing for the nuclear industry with the acquisition of Eichrom Laboratoires in France, a key player in radioactivity and asbestos testing. In the same month, Eurofins strengthened its footprint in France with the acquisition of Protec Group's food and water testing activities ("Protec Bio-testing"), adding its first food testing laboratory in the South West region of France, complementing its nationwide network of food microbiology laboratories and providing a new one-stop-shop platform for new clients in this region. As announced on 30th April 2018, Eurofins signed an agreement with LabCorp (LH: NYSE) to acquire Covance Food Solutions, which provides product integrity, product safety and consulting solutions for end-use segments that span the entire food supply chain. The transaction is expected to close in the third quarter of 2018.

In May, Eurofins expanded its leadership in biopharmaceutical services with the acquisition of PHAST in Germany, one of Europe's leading service providers in the field of testing for pharmaceutical products quality. Also in May, Eurofins further expanded its biopharmaceutical products testing footprint with an outsourcing agreement with Astellas in Japan to take over one of its internal testing laboratories Astellas Analytical Science Laboratories, Inc ("ASL"). ASL will become Eurofins' first laboratory in Japan offering test services with the Good Manufacturing Practice (GMP) standard. As part of this outsourcing programme, Astellas committed to provide ASL work covering its current capacity for an agreed period of time.

In June, Eurofins reinforced its market leadership in testing, inspection and certification with the acquisition of two subsidiaries of the VTT Group in Finland. These subsidiaries cover all of VTT's testing, inspection and certification (TIC) operations.

Infrastructure programme

Eurofins continues to make substantial strategic investments in infrastructure to build a unique and hard to replicate platform of world class testing laboratories designed to leverage on the highly scalable nature of bioanalytical testing activities to unlock economies of scale in testing and logistics.

During 2017 Eurofins added over 53,000 m^2 of state-of-the-art laboratory surface. In H1 2018, as part of Eurofins' continued efforts to build a unique platform for global leadership in its markets, an additional ca. 13,000 m^2 of state-of-the-art laboratory surface was added, and a further ca. 92,000 m^2 are expected to come on stream in the second half of 2018. Some of Eurofins' infrastructure / laboratory network investments completed in the first half of 2018 are discussed below.

At the start of the year, Eurofins significantly expanded its laboratories and facilities in Dungarvan, Ireland, allowing the Group to double the volume of samples tested annually at this site. The state-of-the-art site offers nationwide services 7 days a week.

In May 2018, Eurofins announced the inauguration of a new food testing laboratory in Suzhou, China, with a surface area of 3,900 m^2. The new laboratory received multiple Chinese and international accreditations. This project represents a total investment close to EUR 3m and, together with the laboratory opened in Qingdao last year, highlights Eurofins' commitment to serving its clients in China and Asia Pacific with world-class testing services.

Eurofins Lancaster Laboratories, the largest independent single-site laboratory in the world, is on track to complete the largest building addition in the company's history. The five-story 15,600 m^2 addition began in early 2017 and building occupancy is anticipated for the end of 2018. In line with the positive growth outlook of Eurofins' Lancaster Laboratories, our Lancaster campus has enough land reserves to be expanded a further 23,900 m^2.

Construction of a new state-of-the-art Eurofins' laboratory in Melbourne, Australia, is well underway with a surface area of 8,000 m^2. It is expected to be completed in October 2018. The new site will house Eurofins Australia's Food testing start-up laboratory and the Melbourne Environmental laboratory, as well as the National Service Centre (NSC) for Australia with administration, finance, IT and HR services centres.

Related party transactions

Related party transactions are disclosed in note 8 to the Unaudited Condensed Interim Consolidated Financial Statements for the period ended 30 June 2018.

There have been no material changes in the related party transactions described in the 2017 annual report.

Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 31 December 2017. Updated information about financial risks is disclosed in note 6 to the Unaudited Condensed Interim Consolidated Financial Statements for the period ended 30 June 2018.

A detailed explanation of the risks and uncertainties, and how the Group seeks to mitigate the risks, can be found on pages 18 to 30 of the 2017 annual report which is available at https://www.eurofins.com/investor-relations/.

Post-closing events

In July, Eurofins acquired Laboratoire de Bromatologie de l'Ouest (LBO) extending its network of food testing laboratories in France. This acquisition perfectly complements its French network of local laboratories, with a bacteriology testing laboratory in Brittany, providing Eurofins with better access to France's leading agri-food region.

As announced on July 30th 2018, Eurofins issued a EUR 550m Schuldschein loan to reinforce the Group's liquidity position and benefit from very favourable market conditions (1.38% blended interest rate** for an average maturity of 5 years), enabling the Group to strengthen its liquidity position. As a result, Eurofins' average cost of financing will further decrease, and the majority of its debt instruments now bear low interest rates for long maturities.

End of April 2018, Eurofins signed an agreement with LabCorp (LH: NYSE) to acquire Covance Food Solutions, which provides product integrity, product safety and consulting solutions for end-use segments spanning the entire food supply chain. The transaction was successfully closed on August 1st, 2018. Covance Food Solutions operates an integrated network of 12 facilities across the globe (9 in the US, 2 in the UK and 1 in Singapore). It employs 850 staff and expects to generate revenues of approximately US$160m in 2018, with an EBITDA margin well in excess of Eurofins objectives.The agreed acquisition price is US$670m on a cash free debt free basis.

Outlook

The management of Eurofins remains confident of achieving its recently upgraded revenue objectives* of EUR 3.8bn for 2018 (EUR 4bn pro-forma), EUR 4.3bn for 2019 and EUR 4.7bn for 2020 along with profitability improvement towards Eurofins' 20% adjusted EBITDA margin objective for 2020.

Dated: 2nd August 2018 ***

**At constant exchange rates vs. the average exchange rates of the year 2017*

***Calculated on the fixed tranches*

**** Corrected on August 2nd, 2018 for share count transcription error*

[1] Adjusted - reflect the ongoing performance of the mature and recurring activities excluding "separately disclosed items[2]".

[2] Separately disclosed items - includes one-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions, net finance costs related to borrowing and investing excess cash and one-off financial effects (net of finance income) and the related tax effects.

[3] EBITDA – Earnings before interest, taxes, depreciation and amortisation, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

[4] EBITAS – Earnings before interest, taxes, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

[5] Share-based payment charge and acquisition-related expenses, net – Share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, loss/gain on disposal, negative goodwill and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

[6] Net Profit - Net profit for equity holders after non-controlling interests but before payment to Hybrid capital holders.

[7] Basic EPS – earnings per share (basic) total (to equity holders before payment of dividends to Hybrid capital holders).

[8] Operating Cash Flow – Net cash provided by operating activities (after tax).

[9] Free Cash Flow to the Firm - Operating Cash Flow, less Net capex.

[10] Organic growth for a given period (Q1, Q2, Q3, Half Year, Nine Months or Full Year) - non-IFRS measure calculating the growth in revenues during that period between 2 successive years for the same scope of businesses using the same exchange rates (of year Y) but excluding discontinued operations.

For the purpose of organic growth calculation for year Y, the relevant scope used is the scope of businesses that have been consolidated in the Group's income statement of the previous financial year (Y-1). Revenue contribution from companies acquired in the course of Y-1 but not consolidated for the full year are adjusted as if they had been consolidated as from 1st January Y-1. All revenues from businesses acquired since 1st January Y are excluded from the calculation.

II. CORPORATE GOVERNANCE (update)

Eurofins has its registered office located in Luxembourg and its shares are listed in France on the regulated market of Euronext. Eurofins falls under the supervision of the *Commission de Surveillance du Secteur Financier* ("CSSF") in accordance with the law of 11 January 2008 on transparency requirements for issuers of securities, as amended (the "Transparency Law") and shall also be supervised by the *Autorité des Marchés Financiers* ("AMF") for the purpose of the Market Abuse Regulation (EU) No 596/2014 that came into effect on July 3, 2016 on insider dealing and market manipulation (The "Market Abuse Regulation").

Eurofins' corporate governance practices are governed by Luxembourg laws and its articles of association (the "Articles").

Eurofins makes efforts to orient its corporate governance towards the general principles of corporate governance set forth in the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange (available at https://www.bourse.lu/corporate-governance) (the "Ten Principles").

This Section II sets out a short update of the Corporate Governance Statements for the period ended on June 30th, 2018. The Company's Corporate Governance Charter can be found in its 2017 Annual Report together with a more comprehensive description of its Corporate Governance Statements, as well as on its website under https://www.eurofins.com/investor-relations/corporate-governance/.

1. Corporate Governance Statements for the period ended June 30th, 2018

Among other minor changes, the following changes relating to corporate governance occurred during the first half year of 2018.

During the Annual General Meeting held on 26 April 2018, the mandates of Ms. Patrizia Luchetta and Ms. Fereshteh Pouchantchi as independent directors were confirmed and renewed for another four years to expire during the AGM to be held in the course of 2022 to approve the company's statutory accounts of FY 2021.

Shares and shareholders

Share capital

As of 30 June 2018, the Company's share capital amounts to EUR 1,769,560.30, divided into 17,695,603 ordinary shares of EUR 0.10 of nominal value each, all of the same category.

As of 30 June 2018, the Martin family holds indirectly 36.2% of the shares and controls 58.1% of the voting rights in Eurofins.

The free float represents 63.8% of the shares and 41.9% of the voting rights of Eurofins.

The different shares and voting rights held by the shareholders of Eurofins are detailed as follows:

Shareholders and voting rights as of 30 June 2018							
SHAREHOLDERS	**SHARES**	**SHARES %**	**VOTING RIGHTS (attached to shares)**	**VOTING RIGHTS (attached to Beneficiary Units Class A)**	**VOTING RIGHTS (attached to Beneficiary Units Class B)**	**TOTAL VOTING RIGHTS**	**% TOTAL VOTING RIGHTS**
Dr. Gilles G. MARTIN and his family	2	0.0%	2	2	0	4	0.0%
Dr. Yves-Loïc MARTIN	14,546	0.1%	14,546	14,546	0	29,092	0.1%
Analytical Bioventures SCA (1)	6,400,000	36.2%	6,400,000	6,400,000	3,000,000	15,800,000	58.0%
Martin Family (subtotal)	**6,414,548**	**36.2%**	**6,414,548**	**6,414,548**	**3,000,000**	**15,829,096**	**58.1%**
Treasury shares	0	0.0%	0	0	0	0	0.0%
Free Float	11,281,055	63.8%	11,281,055	119,505	0	11,400,560	41.9%
TOTAL	**17,695,603**	**100.0%**	**17,695,603**	**6,534,053**	**3,000,000**	**27,229,656**	**100.0%**

(1) Private company incorporated in Luxembourg and controlled by Gilles Martin, Yves-Loïc Martin and their family

In June 2016, the Company's shareholder Analytical Bioventures SCA (ABSCA) exercised its right for 1,000,000 of the 6,400,000 shares it owns pursuant to the terms of article 12bis.3 of the Company's articles of association to receive 1,000,000 class B beneficiary units ("*parts bénéficiaires de catégorie B*") carrying one extra voting right per share, in addition to existing class A beneficiary units carrying one voting right per share.

In March 2017, Analytical Bioventures SCA subscribed to an additional 1,000,000 new Class B beneficiary units and to another 1,000,000 new Class B beneficiary units again in June 2018.

As a consequence, ABSCA holds as of 30 June 2018:

- 6,400,000 shares of the Company carrying one voting right each
- 6,400,000 class A beneficiary units carrying one voting right each
- 3,000,000 class B beneficiary units carrying one voting right each

Therefore, ABSCA holds 15,800,000 voting rights in aggregate representing 58.0% of the Company's total voting rights as of 30 June 2018.

Caisse de dépôt et placement du Québec ("CDPQ") crossed above the 5% total share capital threshold[1] as of 26 June 2018, as notified to Eurofins. No other notification has been received from CDPQ since then.

Eurofins has not been formally notified of any shareholder other than ABSCA with an interest in excess of 5% of the voting rights as at 30 June 2018.

2. Statement of persons responsible for the half year report

The Board of Directors confirms that, to the best of its knowledge, the half year statutory accounts, prepared in accordance with Luxembourg legal and regulatory requirements, and the consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Eurofins and its subsidiaries included in the consolidation taken as a whole. In addition, the management and half year reports include a fair review of the development and performance of the business and the position of Eurofins and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors

Gilles MARTIN
Chairman of the Board of Directors and CEO

Dated: 2nd August 2018

[1] Article 10.3 of Eurofins' Articles of Associations available at https://www.eurofins.com/investor-relations/corporate-governance/

III. HALF YEAR FINANCIAL STATEMENTS

Unaudited Condensed Interim Consolidated Financial Statements for the period ended June 30, 2018

Condensed Interim Consolidated Income Statement (Unaudited)

January 1, 2018 to June 30, 2018

EUR Thousands	Note	H1 2018 Adjusted results [1]	H1 2018 Separately disclosed items [2]	H1 2018 Total	H1 2017 Adjusted results [1]	H1 2017 Separately disclosed items [2]	H1 2017 Total
Revenues [3]	2	**1,743,315**	**-**	**1,743,315**	**1,396,931**	**-**	**1,396,931**
Operating costs, net		-1,422,965	-32,549	-1,455,513	-1,146,834	-31,034	-1,177,868
EBITDA [4]		**320,351**	**-32,549**	**287,802**	**250,097**	**-31,034**	**219,063**
Depreciation and amortisation		-93,735	-11,120	-104,855	-70,949	-13,070	-84,019
EBITAS [5]		**226,615**	**-43,668**	**182,947**	**179,148**	**-44,104**	**135,044**
Share-based payment charge and acquisition-related expenses, net [6]		-	-40,834	-40,834	-	-14,317	-14,317
EBIT		**226,615**	**-84,502**	**142,113**	**179,148**	**-58,421**	**120,727**
Finance income		190	10,927	11,117	363	12,606	12,969
Finance costs		-27,095	-3,943	-31,038	-19,926	-4,384	-24,310
Share of (loss)/ profit of associates		335	-	335	305	-	305
Profit before income taxes		200,046	-77,519	122,527	159,890	-50,199	109,691
Income tax expense		-44,086	12,420	-31,666	-42,428	9,504	-32,924
Net profit for the period		**155,960**	**-65,099**	**90,861**	**117,462**	**-40,695**	**76,767**
Attributable to:							
Equity holders of the Company		155,887	-64,773	91,114	114,161	-39,699	74,462
Non-controlling interests		73	-326	-253	3,301	-996	2,305
Earnings per share (basic) in EUR[7]							
- Total		8.82	-3.66	5.15	6.73	-2.34	4.39
- Attributable to hybrid capital investors		1.17	0.20	1.38	0.82	0.23	1.05
- Attributable to equity holders of the Company		7.65	-3.87	3.78	5.91	-2.57	3.34
Earnings per share (diluted) in EUR[7]							
- Total		8.38	-3.48	4.90	6.39	-2.22	4.17
- Attributable to hybrid capital investors		1.12	0.19	1.31	0.77	0.22	1.00
- Attributable to equity holders of the Company		7.26	-3.67	3.59	5.62	-2.44	3.17
Weighted average shares outstanding (basic) - in thousands		17,675	-	17,675	16,961	-	16,961
Weighted average shares outstanding (diluted) - in thousands		18,605	-	18,605	17,865	-	17,865

1 Adjusted results – reflect the ongoing performance of the mature and recurring activities excluding “separately disclosed items” (Note 9).

2 Separately disclosed items – include one-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions, net finance costs related to borrowing and investing excess cash and one-off financial effects (net of finance income) and the related tax effects – Details are provided in Note 9.

3 Mature and recurring activities represented EUR 1,623m and EUR 1,270m of revenues in H1 2018 and H1 2017 respectively.

4 EBITDA – Earnings before interest, taxes, depreciation and amortisation, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

5 EBITAS – Earnings before interest, taxes, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

6 Share-based payment charge and acquisition-related expenses, net – Share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, loss/gain on disposal, negative goodwill and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

7 Corrected on August 2nd, 2018 for share count transcription error. The revised earnings per share are based on the following share numbers (in thousands): 17,675 (basic computation) and 18,605 (diluted computation).

Condensed Interim Statement of Comprehensive Income (Unaudited)

January 1, 2018 to June 30, 2018

EUR Thousands	Note	H1 2018	H1 2017
Net profit for the period		**90,861**	**76,767**
Other comprehensive income/ loss (OCI)			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		12,521	-39,784
Net investment hedge	6	14,754	-45,391
Available-for-sale financial assets	6	3,604	1,814
Deferred taxes on net investment hedge		334	90
Total		**31,214**	**-83,271**
Items that will not be reclassified to profit or loss :			
Retirement benefit obligations		-	2,875
Deferred taxes on retirement benefit obligations		-	-700
Total		**-**	**2,175**
Other comprehensive income / loss for the period, net of tax		**31,214**	**-81,096**
Total comprehensive income / loss for the period		**122,075**	**-4,329**
Attributable to:			
Equity holders of the Company		122,863	-5,768
Non-controlling interests		-788	1,439

Condensed Interim Consolidated Balance Sheet (Unaudited)

As of June 30, 2018

EUR Thousands	Note	June 30, 2018	December 31, 2017
Property, plant and equipment		792,556	685,998
Goodwill		2,669,643	2,505,337
Other intangible assets		760,223	735,120
Investments in associates	6	4,579	5,642
Financial assets and other receivables	6	48,434	43,942
Deferred tax assets		26,329	29,690
Total non-current assets		**4,301,765**	**4,005,729**
Inventories		53,196	51,805
Trade accounts receivable	6	730,660	705,716
Prepaid expenses and other current assets	6	122,084	99,478
Current income tax assets		75,679	58,745
Derivative financial instruments assets	6	99,963	90,477
Cash and cash equivalents	4, 6	558,987	820,357
Total current assets		**1,640,569**	**1,826,578**
Total assets		**5,942,334**	**5,832,307**
Share capital	5	1,770	1,764
Hybrid capital		1,000,000	1,000,000
Other reserves		944,122	934,857
Retained earnings		556,628	522,881
Currency translation differences		11,486	-16,332
Total attributable to equity holders of the Company		2,514,006	2,443,170
Non-controlling interests	3	38,806	38,803
Total shareholders' equity		**2,552,812**	**2,481,973**
Borrowings	4, 6	1,671,241	1,662,099
Derivative financial instruments	6	-	239
Deferred tax liabilities		127,776	126,352
Amounts due for business acquisitions	6	58,256	49,521
Retirement benefit obligations		57,331	55,535
Provisions for other liabilities and charges		3,750	4,695
Total non-current liabilities		**1,918,354**	**1,898,441**
Borrowings	4, 6	526,640	554,231
Interest and earnings due on hybrid capital	6	50,332	64,472
Trade accounts payable	6	305,432	301,863
Advance payments received	6	41,165	46,670
Deferred revenues	6	58,696	55,072
Current income tax liabilities		27,023	21,455
Amounts due for business acquisitions	6	77,104	88,235
Provisions for other liabilities and charges		13,646	15,027
Other current liabilities	6	371,129	304,868
Total current liabilities		**1,471,168**	**1,451,893**
Total liabilities and shareholders' equity		**5,942,334**	**5,832,307**

Condensed Interim Consolidated Cash Flow Statement (Unaudited)

January 1, 2018 to June 30, 2018

EUR Thousands	Note	H1 2018	H1 2017
Cash flows from operating activities			
Profit before income taxes		**122,527**	**109,691**
Adjustments for:			
Depreciation and amortisation		104,855	84,019
Share-based payment charge and acquisition-related expenses, net		40,834	14,317
Other non-cash effects		127	328
Financial income and expense, net		19,442	10,500
Share of profit from associates		-335	-305
Transactions costs and income related to acquisitions		-4,303	-2,801
Increase (decrease) in provisions, retirement benefit obligations		-1,989	371
Change in net working capital		-26,750	-46,994
Cash generated from operations		**254,407**	**169,126**
Income taxes paid		-36,610	-43,782
Net cash provided by operating activities		**217,796**	**125,344**
Cash flows from investing activities			
Purchase of property, plant and equipment		-151,787	-77,151
Purchase, capitalisation of intangible assets		-20,164	-21,417
Proceeds from sale of property, plant and equipment		926	1,180
Net capex		*-171,024*	*-97,388*
Free cash Flow to the Firm[1]		*46,772*	*27,956*
Acquisitions of subsidiaries net of disposals, net of cash acquired	3	-214,256	-150,565
Change in investments, financial assets and derivative financial instrument, net		1,121	-1,809
Interest received		399	1,605
Net cash used in investing activities		**-383,759**	**-248,157**
Cash flows from financing activities			
Proceeds from issuance of share capital		9,367	5,536
Proceeds from borrowings		2,480	448
Repayments of borrowings		-45,128	-63,156
Dividends paid to shareholders and non-controlling interests		-439	-600
Earnings paid to hybrid capital investors		-35,669	-35,625
Interest paid		-31,523	-32,134
Net cash provided by financing activities		**-100,912**	**-125,531**
Net effect of currency translation on cash and cash equivalents and bank overdrafts		1,523	-5,760
Net decrease in cash and cash equivalents and bank overdrafts		**-265,351**	**-254,104**
Cash and cash equivalents and bank overdrafts at beginning of period		816,026	825,667
Cash and cash equivalents and bank overdrafts at end of period		**550,675**	**571,563**

1 Free Cash Flow to the Firm – Net cash provided by operating activities, less Net capex.

Condensed Interim Statement of Changes in Equity (Unaudited)

As of June 30, 2018

EUR Thousands		**Attributable to equity holders of the Company**						
	Note	**Share capital**	**Other reserves**	**Currency translation differences**	**Hybrid capital**	**Retained earnings**	**Non-controlling**	**Total equity**
Balance at January 1, 2017		**1,693**	**614,928**	**123,576**	**600,000**	**287,281**	**129,237**	**1,756,713**
Currency translation differences		-	-	-38,917	-	-1	-866	-39,784
Net investment hedge		-	-	-45,391	-	-	-	-45,391
Available-for-sale financial assets		-	-	-	-	1,814	-	1,814
Cash flow hedge		-	-	-	-	0	-	0
Actuarial gains and losses on defined benefit pension schemes		-	-	-	-	2,875	-	2,875
Deferred taxes on Actuarial gains and losses on defined benefit pension schemes		-	-	-	-	-700	-	-700
Deferred taxes on net investment hedge		-	-	-	-	90	-	90
Other comprehensive income (loss) for the period, net of taxes		-	-	-84,308	-	4,078	-866	-81,096
Net profit		-	-			74,462	2,305	76,767
Total comprehensive income (loss) for the period		-	-	-84,308	-	78,540	1,439	-4,329
Share-based payment effects		-	-	-	-	6,321	-	6,321
Issue of share capital		8	5,527	-	-	-	-	5,535
Issue of hybrid capital								
Distribution on hybrid capital		-	-	-	-	-17,726	-	-17,726
Dividends		-	-	-	-	-33,852	-600	-34,452
Non-controlling interests arising on business combinations		-	-	-	-	92,947	-105,090	-12,143
Balance at June 30, 2017		**1,701**	**620,455**	**39,268**	**600,000**	**413,511**	**24,985**	**1,699,920**
Balance at January 1, 2018		**1,764**	**934,857**	**-16,332**	**1,000,000**	**522,881**	**38,803**	**2,481,973**
Currency translation differences		-	-	13,064	-	-7	-535	12,521
Net investment hedge	6	-	-	14,754	-	-	-	14,754
Available-for-sale financial assets		-	-	-	-	3,604		3,604
Deferred taxes on net investment hedge		-	-	-	-	334	-	334
Other comprehensive income for the period, net of taxes		-	-	27,818	-	3,931	-535	31,214
Net profit		-	-	-	-	91,114	-253	90,861
Total comprehensive income for the period		-	-	27,818	-	95,045	-788	122,075
Share-based payment effects		-	-	-	-	6,191	-	6,191
Tax credit relating to share-based payment charge		-	-	-	-	34	-	34
Issue of share capital	5	6	9,264	-	-	-	98	9,368
Issue of hybrid capital		-	-	-	-	-	-	-
Distribution on hybrid capital		-	-	-	-	-24,213	-	-24,213
Dividends	5	-	-	-	-	-42,345	-439	-42,784
Non-controlling interests arising on business combinations	3	-	-	-	-	-963	1,132	169
Balance at June 30, 2018		**1,770**	**944,122**	**11,486**	**1,000,000**	**556,628**	**38,806**	**2,552,812**

Notes to the Condensed Interim Consolidated Financial Statements

General

In the condensed interim consolidated financial statements and the notes all amounts are shown in EUR thousands and differences of EUR +/- 1 thousand are due to rounding.

Eurofins Scientific S.E. (the "Company") and its subsidiaries ("Eurofins" or the "Group") operate more than 400 laboratories across 44 countries in Europe, North and South America and Asia-Pacific.

Eurofins believes it is the world leader in food, environment and pharmaceutical products testing and in agroscience CRO services. It is also one of the global independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, CDMO, advanced material sciences and for supporting clinical studies. In addition, Eurofins is one of the key emerging players in specialty clinical diagnostic testing in Europe and the USA.

Eurofins Scientific S.E. is legally and commercially registered in the Grand Duchy of Luxembourg under the number B 167 775.

The Company's shares are traded on Euronext Paris stock exchange under the ISIN code FR0000038259 (ticker ERF). The Company's headoffice is located at 23 Val Fleuri, L-1526 Luxembourg, Grand Duchy of Luxembourg.

These condensed interim consolidated financial statements have been reviewed, not audited.
These condensed interim consolidated financial statements have been approved for issue by the Board of Directors on August 2, 2018 and replace those approved by the Board of Directors on July 27, 2018 and issued on July 30, 2018 (see footnote 7. of the condensed interim consolidated income statement).

1. Basis of preparation

Eurofins condensed interim consolidated financial statements for the six month period ended June 30, 2018 have been prepared according to IAS 34 – Interim Financial Reporting as adopted by the European Union.

As condensed interim consolidated financial statements, they do not include all information required by International Financial Reporting Standards (IFRS) as adopted by the European Union for the preparation of annual financial statements and should be read in conjunction with the Group consolidated financial statements prepared for the year-end 2017 in accordance with IFRS as adopted by the European Union.

The accounting policies applied for the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of consolidated financial statements for the year ended December 31, 2017, except for IFRS 9 and IFRS 15.

New and amended standards adopted by the Group without significant impact on the condensed interim consolidated financial statements as of June 30, 2018 are detailed as follows:

<u>IFRS 9 'Financial Instruments'</u>

Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from January 1, 2018 resulted in changes in accounting policies, but without adjustments to the amounts recognised in the financial statements. The new accounting policies are set out below. In accordance with the transitional provisions in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

(i) Classification and measurement

On January 1, 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories.

	Financial assets classification			
EUR Thousand	Amortised cost (Loans and Receivables 2017)	FVPL (Assets at fair value through profit and loss 2017)	FVOCI (Availabe-for-sale 2017)	Total
Financial assets – January 1, 2018				
Closing balance December 31, 2017 - IAS 39	916,591	591,573	4,730	1,512,894
No reclassification according to IFRS 9	-	-	-	
Opening balance January 1, 2018 - IFRS 9	**916,591**	**591,573**	**4,730**	**1,512,894**

The majority of the Group's debt instruments include :

- equity instruments currently classified as AfS for which a FVOCI election is available;
- equity investments currently measured at fair value through profit or loss (FVPL) which continue to be measured on the same basis under IFRS 9, and
- debt instruments currently classified as held-to-maturity and measured at amortised cost which meet the conditions for classification at amortised cost under IFRS 9.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are recorded at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

(ii) Derivatives and hedging activities

The interest rate swaps in place as at December 31, 2017 did not qualify as cash flow hedge under IAS 39 and similarly do not qualify as cash flow hedges under IFRS 9. This interest swap instrument ended during the first half of 2018.

Listed equity derivatives assets are accounted at FVPL.

(iii) Impairment of financial assets

The Group has two types of financial assets that are subject to IFRS 9's new expected credit loss model :

- Trade receivables and
- Contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

On that basis, the loss allowance as at January 1, 2018 was kept unchanged as the average observed credit losses over the last 3 years was calculated as highly immaterial in proportion of the consolidated sales.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period greater than 90 days past due.

Accounting policies applied from January 1, 2018

(i) Investments and other financial assets

<u>Classification</u>
From January 1, 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

<u>Measurement</u>
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.
Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment
From January 1, 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(ii) Derivatives and hedging

Cash flow hedges that qualify for hedge accounting
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income (expenses).
When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.
Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the costs of hedging reserve within equity.

IFRS 15 'Revenue from contracts with customers'

Impact of adoption

The Group has adopted IFRS 15 'Revenue from contracts with customers' from January 1, 2018, which results in changes in accounting policies, but without adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in IFRS 15, the Group has adopted the new rules retrospectively.

This new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

Control either transfers "over time" or "at a point in time". When the control transfers "over time" the entity can recognize revenue with a counterpart in Work in Progress (WIP) over the duration of the contract. When the control transfers "at a point in time" the revenue is then recognized only when the performance obligation is fulfilled.

Revenue is recognized over time if Eurofins activities cumulate the conditions:
- the Eurofins entity's performance does not create an asset with an alternative use to the entity, which is the case for Eurofins businesses as any analysis tailored for one given customer can only be communicated to this same customer
- the Eurofins entity has an enforceable right to payment for performance.

If both conditions are not met, revenue is recognized at a point in time.

The Group has assessed the effects of applying the new standard on the Group's financial statements by main businesses:

- The vast majority of the businesses of the Group consist in providing laboratory and advisory services based on analyses (analyses of customer's samples into our laboratories). This sample-based activity is a repetitive business, generally with many relatively small transactions with short turn-around times ruled by short term contracts (turnaround time counted in days or weeks). These contracts for their vast majority are straightforward and do not include multiple performance obligations. The Group considers the input method to measure the progress for service rendered to its customers. The payment terms and conditions are most often standard, short term and highly predictable. Where incentives on volumes are granted to some customers, these are taken into account by the Group in its revenue recognition policy.

- The study-based businesses are mainly relying on medium to long-term contracts that are usually partially invoiced at the beginning of the contract and then in successive steps based on the level of completion, until the delivery of the final report. The Group considers the input method to measure the progress for service rendered to its customers.
- In the product-based business, the Group manufactures and sells a range of products (e.g. kits). Sales are recognised when control of the products is transferred, being when the goods are transferred to the customers. Products not sold are recognized in Inventory at cost of production (cost of goods).
- The FTE-based services are mainly external projects supported by the Group, for which the client is charged based on actual working hours (hourly rates) delivered by Eurofins. As a result the working hours are being chosen as the most appropriate metrics, to depict service progress and primary measure for WIP calculation.
- For its clinical diagnostic testing services, the Group recognises revenues when the testing process is completed and test results are reported to the ordering physician.

Besides:

- The Group does not incur material costs to obtain contracts with customers, does not operate customer loyalty program and does not provide a right to return in the course of its business.
- The Group does not expect to have any contracts where the period between the transfer of the promised services and payment from the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of the money.

Timing of revenue recognition:

Revenues in EUR Million	H1 2018	At a point in time	Over time
North America	552.7	122.4	430.3
France	370.1	179.1	191.0
Germany	199.6	29.1	170.5
Benelux	119.8	4.4	115.4
UK and Ireland	112.1	8.3	103.8
Nordic Region	110.6	0.0	110.6
Others	278.4	50.5	227.9
Total	1743.3	393.8	1349.5

Accounting policies applied from January 1, 2018

Eurofins provides analytical solutions and a comprehensive range of testing methods to clients from a wide range of industries including the pharmaceutical, food, environmental and clinical diagnostics sectors.

Revenue recognition for Sample-based businesses

The major part of the Eurofins business is based on sample-based businesses (e.g. in Food and Environment testing). Revenue from providing these services is recognised in the accounting period in which the services are rendered and according to stages of completion. These stages of completion are established in accordance with the observation of costs incurred by the entities when performing such sample-based tests.

Revenue recognition for Study-based businesses

The study-based businesses for some pharmaceutical products testing, in agroscience and in CRO services businesses are mainly relying on medium term contracts that are usually partially invoiced at the beginning of the contract and then in successive steps based on the level of completion, until the delivery of the final report. As the outcome of the medium term contracts can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period, which means recognition of revenue 'over time'. To be able to recognize the revenue 'over time' (i.e. in line with the progress of service performance), the following criteria are met: the asset created have no alternative use to the entity and an enforceable right to payment for performance completed to date exists.

Revenue recognition for FTE-based services

Revenue from providing FTE-based services corresponds to Consulting activities and Professional Scientific Services and is recognised in the accounting period in which the services are rendered.

Revenue recognition for Product-based businesses

For a small part of it business, the Group manufactures and sells a range of products (e.g. kits). Sales are recognised when control of the products are transferred, being when the products are provided to the customers.

Revenue recognition for Specialty Clinical Diagnostic Testing Revenue

For its clinical diagnostic testing services in Europe and the USA, the Group recognises revenues at a point in time when the testing process is completed and test results are reported to the ordering physician. The sales are generally billed to three types of payers: clients, patients and third parties such as HMOs (Health Managed Organizations), PPOs (Preferred Provider Organizations), Medicare and Medicaid in the US or other health national organisations in other countries.

Clients
For clients (e.g. hospitals, reference laboratories, physicians' offices who wish a direct-pay arrangement or biopharma companies seeking clinical testing services), sales are recorded on a fee-for-service basis at the Company's client list price, less any negotiated discount.

Patients
Patients typically need to pay what is not covered by their insurance or falls under the deductible, co-pays and/or co-insurance of their insurance coverage, as defined by individual payer plan coverage policies and as required by applicable state guidelines. If not covered by insurance, patients typically pay list price or, if offered, a discounted amount from list price for advance payment of testing procedures. Collection from patients is often difficult and only a part of amounts due is often eventually collected.

Third-party payers not facing significant variable consideration
In the US or whenever applicable in Europe, the Company bills third-party payers under fee-for-service agreements. Fee-for-service third-party payers are billed at the Company's patient fee schedule amount, and third-party revenue is recorded net of contractual discounts. These discounts are recorded at the transaction level at the time of sale based on a fee schedule that is maintained for each third-party payer. The majority of the Company's third-party sales are recorded using an actual or contracted fee schedule at the time of sale.

Third-party payers facing significant variable consideration
For the remaining third-party sales, for which there exists a significant variable consideration in the transaction prices, the entity can recognize revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The estimation of the high probability is based on the most recent collection rate estimates and is maintained for each payer to recognize revenue. Adjustments to the estimated payment amounts are recorded at the time of final collection and settlement of each transaction as an adjustment to Revenue. The Company periodically adjusts these estimated collection rates based upon historical payment trends, using the most recent two years of historical data. Historical collection statistics are grouped according to logical clusters of payers that have the same or similar payment coherence. Any exceptional event (e.g. important cash payment from a third party) is carefully reviewed with the objective to ensure a stable and accurate statistical model for revenue recognition.

Financing components
The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Other new and amended standards adopted by the Group
- IFRIC 22;
- IFRS 2 (amendment);
- Annual improvement to IFRS Standards 2014-2016 cycle.

New standards and interpretations not yet adopted

IFRS 16 'Leases'

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.
The accounting for lessors will not significantly change.
The standard will affect primarily the accounting for the Group's operating leases. As at December 31, 2017, the Group had non-cancellable operating lease commitments of EUR 514m. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.
Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The Group will adopt the standard on January 1, 2019 using the modified restrospective approach and will measure asset as if IFRS 16 had been applied from lease commencement, which means that the cumulative impact of the adoption will be recognised in retained earnings as of January 1, 2019 and that comparatives for 2018 will not be restated.

Alternative performance measures (APM)

Eurofins is providing in the Income Statement certain alternative performance measures (non-IFRS information such as "Adjusted Results and Separately Disclosed Items" columns) that exclude certain items because of the nature of these items and the impact they have on the analysis of the underlying business performance and trends. See also Note 9 Separately Disclosed Items.

Eurofins shows EBITDA, EBITAS as defined in the notes to the Income Statement and "Organic Growth" with the objective to be close and consistent with the information used in internal Group reporting to measure the performance of Group companies and information published by other companies in the sector.

Management believes that providing these APMs (Alternative Performance Measures) enhances investors' understanding of the Group's core operating results and future prospects, consistent with how management measures and forecasts the Group's performance, especially when comparing such results to previous periods or objectives and to the performance of our competitors.

This information should be considered in addition to, but not in lieu of, information prepared in accordance with IFRS. These APMs are described in more detail in the Consolidated Financial Statements 2017 in Notes 1.28 and 1.29.

Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2017, with the exception of changes in estimates that are required in determining the provision for income taxes.

Taxes

Taxes on income in the interim periods are accrued using the tax rate that management expects to be applicable to the forecasted total annual earnings.

Foreign operations

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The condensed interim consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency.

Income statements of foreign entities are translated into Euro at average exchange rates for the period and assets and liabilities for each balance sheet are translated at exchange rates ruling at the end of the period. All resulting exchange differences are recognised in other comprehensive income in the line "Currency translation differences".

The most significant currencies for the Group were translated at the following exchange rates into Euro.

Value of EUR 1	Balance Sheet End of period rates		Income Statement Average rates	
	June 30, 2018	December 31, 2017	**H1 2018**	H1 2017
US dollar	**1.17**	1.19	**1.21**	1.08
Pound sterling	**0.88**	0.89	**0.88**	0.86
Swedish krona	**10.32**	9.97	**10.14**	9.59
Norwegian krone	**9.43**	9.98	**9.60**	9.16
Danish krone	**7.45**	7.45	**7.45**	7.44
Japanese yen	**128.15**	135.61	**132.68**	121.36
Australian dollar	**1.57**	1.55	**1.57**	1.43

2. Segment information

Although the Group's business is managed on a worldwide basis, it operates in seven main geographical areas. These are Benelux, UK and Ireland, France, Germany, North America, Nordic Region and Other.

Revenues EUR Thousands	**H1 2018**	**As % of total**	**H1 2017**	**As % of total**	**% variation H1 2018 – H1 2017**
North America	552,688	31.7%	445,391	31.9%	24.1%
France	370,103	21.2%	328,708	23.5%	12.6%
Germany	199,621	11.5%	147,711	10.6%	35.1%
Benelux	119,776	6.9%	98,423	7.0%	21.7%
UK and Ireland	112,138	6.4%	68,617	4.9%	63.4%
Nordic Region	110,631	6.3%	97,000	6.9%	14.1%
Others	278,358	16.0%	211,081	15.1%	31.9%
Total	1,743,315	100.0%	1,396,931	100.0%	24.8%

Allocation of revenues to the geographical segments is based on the location of services performed.

The strong increase in revenues in "North America", apart from organic growth, is mainly linked to the acquisitions of EAG and DiscoverX which have been consolidated from December and September 2017, respectively.

The strong increase in revenues in "France", apart from organic growth, is mainly linked to the acquisition of Amatsi Group which has been consolidated from September 2017.

The strong increase in revenues in “Germany”, apart from organic growth, is mainly linked to the acquisition of MVZ für Laboratoriumsmedizin am Hygiene-Institut GmbH (Hygel) in July 2017 and GATC Biotech AG in August 2017.

The strong increase in revenues in the “UK and Ireland”, apart from organic growth, is mainly linked to the acquisitions of LGC Forensics in October 2017, Selcia Limited (consolidated from December 2017) and Edge Testing Solutions Limited (consolidated from April 2018).

For confidentiality reasons, the operating income by geographies is not provided.

3. Acquisitions

During the first six months of 2018, the Group acquired twenty-five companies. Prior to entering the Eurofins perimeter in 2018, these entities generated revenue in excess of EUR 160m and employ over 1.400 FTE for the year ended December 31, 2017.

The most significant entities acquired during the period are disclosed below.

In January, Eurofins acquired Food Analytica, a group of food testing laboratories in Hungary. Food Analytica employs 90 staff, operates 4 laboratories in South-Eastern Hungary.

In January, Eurofins acquired Tsing Hua Testing & Analysis Co., Ltd. (“Tsing Hua”), specialized in environment testing in Taiwan. Tsing Hua is headquartered in Hsinchu, with a subsidiary in Taichung and sales offices in four other cities in Taiwan. The company employs around 240 staff.

In February, Eurofins acquired in Belgium Labo Van Poucke (“LVP”), a laboratory performing human medical testing covering all branches of clinical biology. LVP was founded in 1969, employs 34 staff and generated revenues close to EUR 5m in 2017.

In February, Eurofins acquired NMDL-LCPL, a specialized medical testing business providing molecular diagnostics and pathology laboratory services, with a particular strong presence in the Southwestern part of the Netherlands. The company has 22 employees.

In February, Eurofins acquired City Analysts Ltd. a leading provider of accredited water chemistry and microbiological testing in Ireland. The company adds a specialist testing facility in Dublin and Clare and 37 employees to Eurofins’ existing workforce in Ireland.

In April, Eurofins acquired Lab Frontier Co., Ltd., which provides a broad suite of food, environment and cosmetics testing services in South Korea. The company is located in Anyang, close to Seoul. It employs 40 staff and generated revenues close to EUR 3m in 2017.

In April, Eurofins acquired Eichrom Laboratoires, a key player in radioactivity and asbestos testing. The company is located near Rennes in the west of France. It employs 57 staff and generated revenues close to EUR 4m in 2017.

In April, Eurofins acquired Protec Group’s water and food testing businesses in France (“Protec Bio-testing”). This acquisition comprises two laboratories. One laboratory is mainly focused on food testing and is located in the Toulouse area while the other one is mainly focused on water testing and is located on two sites, one in Marseille and one in the Nice area. Collectively, these laboratories employ over 70 staff and generated revenues close to EUR 6m in 2017.

In June, Eurofins acquired VTT Expert Services Ltd. (“VTT ES”) and Labtium Ltd. (“Labtium”), two wholly owned subsidiaries of VTT Technical Research Centre of Finland Ltd. (“VTT Group”). These subsidiaries cover all of VTT’s testing, inspection and certification (TIC) operations. VTT ES offers its clients versatile expert services including calibration services, certification services, structural safety testing, building material testing, electronics testing, fire safety testing and product failure and safety testing. Labtium offers advanced analytical services including environment testing, geochemistry, fuel and combustion chemistry, pulp mill chemistry, mineral processing services and material and products testing. The two companies operate 16 facilities in Finland. In 2017, they generated annual revenues in excess of EUR 27m.

In June, Eurofins acquired PHAST Gesellschaft für Pharmazeutische Qualitätsstandards mbH (“PHAST”), one of Europe’s leading service providers in the field of pharmaceutical products quality. Headquartered in Homburg, Germany, and with additional sites in Constance, Germany, as well as in Switzerland, PHAST generated revenues of around EUR 24m in 2017 with approximately 300 staff.

During H1 2018, Eurofins acquired also Ingenasa, a developer and manufacturer of diagnostic test kits in Spain, Labs Inc, a clinical diagnostic laboratories, specialized in pre-transplant testing in US, BLC Leather Technology Centre Limited, a textile laboratory and Edge Testing Solutions Limited a digital testing laboratory in UK and some other small laboratories.

The provisional fair values of assets and liabilities and the non-controlling interests acquired during the period are detailed as follows:

EUR Thousands	H1 2018
Property plant and equipment	-35,694
Intangible assets	-1,092
Customer relationships and brands	-51,928
Investments[1]	-745
Trade accounts receivable, net	-41,016
Inventories	-2,243
Other receivables	-8,232
Cash	-24,640
Current liabilities	49,683
Provisions for risks	222
Pension accrual	1,532
Borrowings	18,814
Corporate taxes due / receivable	85
Deferred income taxes liabilities / assets	5,863
Net assets acquired	-89,390
Goodwill	-147,707
Gain on sale on disposal of a subsidiary	746
Non-controlling interests	172
Amounts due from business acquisitions on new acquisitions	23,724
Total purchase price paid	-212,456
Less Cash	24,640
Amounts due from business acquisitions paid	-26,440
Net cash outflow on acquisitions	-214,256
Divided into:	
Cash outflow on acquisition	-215,814
Proceeds from disposals of a subsidiary net of cash transferred	1,558

Due to their timing, the initial accounting for acquisitions of the period has only been provisionally determined at the balance sheet date.

During the first six months of 2018 the Group continued to pay amounts due to former shareholders of previously acquired companies.

Two small companies have been sold during the period: Pro Monitoring BV (NL) and Eurofins Air à l'Emission France SAS (2017 sales close to EUR 2.5m).

[1] The amount shown under Investments is mainly related to the acquisition of 3-Ohms (FR) that will be consolidated from July 1, 2018, offset by acquisitions closed at the end of December 2017 and that are fully consolidated as from January 1, 2018 (Ashwood (Food testing laboratory UK), Minerag (AgroSciences Services HU) and Saikan (Environmental Laboratory JP)).

4. Financial position

EUR Thousands	**June 30, 2018**	**December 31, 2017**
Cash and cash equivalents	558,987	820,357
Overdrafts (included in current Borrowings)	-8,312	-4,331
Cash and cash equivalents net of overdrafts at end of period	550,675	816,026

EUR Thousands	**June 30, 2018**	**December 31, 2017**
Bank borrowings and lease liabilities (incl. overdrafts)	59,060	48,834
Bonds (net of issuance costs)	1,938,821	1,937,496
Commercial Paper	200,000	230,000
Cash and cash equivalents	-558,987	-820,357
Net Debt	1,638,894	1,395,973

In September 2017, Eurofins set-up a new Negotiable European Commercial Paper Programme ("NEU CP") for a maximum amount of EUR 500m which was extended to a maximum amount of EUR 750m in April 2018. At the end of June 2018, notes for EUR 200m were outstanding under this programme.

5. Changes in Shareholders' equity

Share capital: At June 30, 2018, 17,696 thousand ordinary shares with a par value of EUR 0.10 per share are outstanding. All issued shares are fully paid. During the first six months of 2018, the number of shares increased by 51,689 due to the exercise of stock options by employees. As at June 30, 2018, the Group does not own any of its own shares (number of own shares at December 31, 2017: 0).

Stock options: Stock options are granted to directors and employees. Movements in the number of stock options outstanding are as follows during H1 2018:

At beginning of the period	828,804
Options granted	-
Options exercised	-51,689
Options lost or expired	-19,950
At end of the period	**757,165**

Free shares: Free shares are granted to directors and employees. Movements in the number of free shares are as follows during H1 2018:

At beginning of the period	24,278
Free shares lost	-404
At end of the period	**23,874**

2014 BSA Leaders warrants:

Upon decision and authorization granted by the Board of Directors on June 19, 2014, the Managing Director of the Company following a decision dated July 1, 2014 decided to issue up to 117,820 capital-providing securities in the form of stock purchase warrants, conferring 2014 BSA Leaders Warrants' holders the right to subscribe for one share of the Company for each 2014 BSA Leaders Warrant at a fixed exercise price of EUR 281.58.

The subscription price was set at EUR 18.15 per 2014 BSA Leaders Warrant. 2014 BSA Leaders Warrant holders will have the option to exercise their 2014 BSA Leaders Warrants at any time starting four years from the date of subscription ie between July 1, 2018 and June 30, 2022 inclusive.

2018 BSA Leaders warrants:

In June 2018, Eurofins issued 124,460 new warrants to ca. 100 of its leaders at a purchase price of EUR 34.36 per warrant. The warrants are not publicly listed but each warrant gives its holder the right to subscribe to or purchase one Eurofins share at the exercise price of EUR 529.65 between June 1, 2022 and May 31, 2026. The company also has the right to force the exercise of the warrants should its share price reach EUR 953.37 (180% of the exercise price) during this period. This warrants issue has very limited potential impact on shareholder dilution, given that the number of warrants issued represents a maximum of 0.7% of the current number of outstanding shares. This new warrants program brought EUR 4.3m of proceeds to the company.

Class A beneficiary units:

Class A beneficiary units, which confer no right to dividends but a right to one vote, were allocated to holders of fully paid-up shares for which proof is provided of registration in the name of the same shareholder for at least three consecutive years as provided for in article 12bis of the Company's Articles of Association.

As from July 1, 2017, Class A beneficiary units, which confer no right to dividends but a right to one vote, can be allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least three consecutive years as provided for in article 12bis.2 of the Company's Articles of Association (ii) request to subscribe class A beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by June 30, 2020 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class A beneficiary unit.

The total number of Class A beneficiary units decreased from 6,535,247 as of December 31, 2017 to 6,534,053 as of June 30, 2018.

Class B beneficiary units:

Class B beneficiary units, which confer no right to dividends but a right to one vote, are allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least five consecutive years as provided for in article 12bis.3 of the Company's Articles of Association (ii) request to subscribe class B beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by June 30, 2021 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class B beneficiary unit.

The total number of Class B beneficiary units increased from 2,000,000 as of December 31, 2017 to 3,000,000 as of June 30, 2018.

Hybrid capital:

A EUR 21.0m distribution on hybrid capital has been paid in January 2018 (EUR 300m at 7%) and EUR 14.6m in April 2018 (EUR 300m at 4.875%).

Dividends:

A EUR 42.3m dividend (EUR 2.40 per share) has been paid in July 2018 to the shareholders and is included in the line "Other current liabilities" in the Balance Sheet as of June 30, 2018.

6. Financial risk management and financial instruments

They are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Directors do not consider that the principal risks and uncertainties have changed materially since the publication of the Group's annual financial statements as at December 31, 2017.

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.
The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at December 31, 2017.
There have been no changes in the risk management approach or in risk management policies since year-end.

Fair value estimation

The carrying and fair values of the financial assets and financial liabilities as of June 30, 2018, are detailed as follows:

EUR Thousands	Carrying Value	Financial assets classification			Fair Value
Assets		Amortised cost (Loans and Receivables in 2017)	FVPL (Assets at fair value through profit and loss in 2017)	FVOCI (Availabe-for-sale in 2017)	
Period ended June 30, 2018					
Available for sale financial assets	12,598	-	-	12,598	12,598
Financial assets trade and other receivables – non current	35,836	35,836	-	-	35,836
Trade and other receivables excluding prepayments - current	806,045	806,045	-	-	806,045
Financial assets at fair value through profit and loss	-	-	-	-	-
Derivative financial instruments	99,963	-	99,963	-	99,963
Short term deposits with banks	104,312	-	104,312	-	104,312
Cash and cash equivalents	454,675	454,675	-	-	454,675
	1,513,429	**1,296,556**	**204,275**	**12,598**	**1,513,429**

EUR Thousands	Carrying Value	Financial liabilities classification			Fair Value
Liabilities		Liabilities at fair value through profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	
Period ended June 30, 2018					
Borrowings (*)	2,197,881	-	-	2,197,881	2,237,813
Interest and earnings due on hybrid capital	50,332	-	-	50,332	50,332
Amounts due for business acquisitions	58,256	-	-	58,256	58,256
Derivative financial instruments	-	-	-	-	-
Trade accounts payable other current liabilities and advance payments received and deferred revenues	776,422	-	-	776,422	776,422
	3,082,891	**-**	**-**	**3,082,891**	**3,122,823**

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 - Marketable securities, Derivative financial instruments assets or Eurobonds);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or the liability, either directly (i.e. such as prices) or indirectly (i.e. derived from prices) (Level 2 - Derivative financial instruments liabilities);
- Inputs for the asset or liability that are not based on observable market data (Level 3).

There were no transfers between levels.

With the exception of non-current fixed-rate borrowings, the Group considers the carrying value of the financial instruments to approximate their fair value.

(*) Regarding borrowings, their fair value is based on:

- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond November 2018 (fair value amount of EUR 304m against a carrying value of EUR 300m);
- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond January 2022 (fair value amount of EUR 516m against a carrying value of EUR 500m);

- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond January 2023 (fair value amount of EUR 532m against a carrying value of EUR 500m)
- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond July 2024 (fair value amount of EUR 640m against a carrying value of EUR 650m).

The derivative financial instruments assets correspond to equity swaps for an amount of EUR 99.7 million as of June 30, 2018 (EUR 90.5 million as of December 31, 2017).

Net investment hedge

The Company has designated instruments to hedge net investments in foreign operations. The nature of the risk hedged is the change in foreign exchange rates between the currency of the loan and the functional currency of either the lender or the borrower.

Currency of lender	Currency of borrower	Currency of loan	June 30, 2018	December 31, 2017
EUR	USD	USD	997,055	921,336
EUR	CAD	CAD	23,540	16,600
EUR	DKK	DKK	10,848	10,993
EUR	NOK	NOK	5,105	4,821
EUR	SEK	SEK	10,990	10,901
EUR	AUD	AUD	3,166	2,665
EUR	CHF	CHF	1,730	1,758
EUR	GBP	GBP	6,794	6,932
EUR	INR	INR	23,288	24,229
EUR	JPY	JPY	-	444
EUR	DKK	EUR	46,051	45,452
EUR	GBP	EUR	76,870	53,295
EUR	CAD	EUR	29,453	30,790
EUR	SEK	EUR	26,543	26,543
EUR	BRL	EUR	24,232	24,232
EUR	NOK	EUR	11,058	11,058
EUR	CHF	EUR	7,875	8,177
EUR	AUD	EUR	14,670	9,201
EUR	USD	EUR	4,192	6,742
EUR	CNY	EUR	4,691	4,203
EUR	PLN	EUR	3,290	2,773
EUR	JPY	EUR	7,031	5,706
EUR	TWD	EUR	12,554	1,875
EUR	RON	EUR	2,162	1,354
EUR	NZD	EUR	2,406	1,545
EUR	TRY	EUR	260	260
EUR	THB	EUR	103	103
EUR	HUF	EUR	10,390	1,214
EUR	BGN	EUR	425	215
EUR	MAD	EUR	200	-
EUR	SGD	EUR	64	-
		TOTAL	**1,367,036**	**1,235,414**

The net investment in hedged foreign operations is worth EUR 1,367m (fully eliminated in consolidation). The fair value of hedging represents a cumulated negative value of EUR 7.9m at the end of June 2018 included in “Currency translation differences” in equity.

7. Contingent liabilities

Contingent liabilities are described in more detail in the Annual Report 2017 in Note 4.4. During the period no new or acquired major contingent liabilities related to litigations, claims or new lease commitments have been incurred compared to the situation at December 31, 2017.

Securities over borrowings

The liabilities and borrowings listed below are secured by covenants or securities on assets:

EUR Thousands	June 30, 2018	December 31, 2017
Bank borrowings secured over building and assets	10,953	5,534
Leases secured over building and assets	15,619	16,488
Bank borrowings secured by covenants and assets	4,047	9,248
Total borrowings and leases secured	*30,619*	*31,270*
Bank borrowings secured by covenants	0	80
Bank borrowings guaranteed by the direct parent of the borrower	698	1,101
Total	**31,317**	**32,451**

1 Furthermore, some of these bank borrowings are also secured by covenants.

2 Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

All amounts of the above chart are included in the Group’s Balance Sheet.

Tax

The Group operates in 44 countries and is subject to a wide range of complex tax laws and regulations. At any point in time it is normal for there to be a number of open years in any particular territory which may be subject to enquiry by local authorities. Where the effects of laws and regulations are unclear, estimates are used in determining the liability for the tax to be paid on profits which are recognised in the financial statements. The Group considers the estimates, assumptions and judgments to be reasonable; however, this can involve complex issues which may take a number of years to resolve. The final determination of prior year tax liabilities could be different from the estimates reflected in the financial statements.

8. Related-party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated in the consolidation process and are not disclosed in the notes.
The Group is controlled by the company Analytical Bioventures SCA, holding of the Martin family. This company owns 36.2% of the Company's shares and 58.0% of its voting rights as of June 30, 2018.

Transactions with Affiliates or with companies owning shares in Eurofins Group such as Analytical Bioventures SCA or with companies in which some members of the Company's Board of Directors or top management have significant influence such as "International Assets Finance S.à.r.l." are detailed as follows:

EUR Millions	H1 2018
Support management services, provided to the related party	0.1
Support management services, provided to Eurofins	-
Receivables from related party	13.4
Bank guarantees to related party	0.2
Payables to related party	-
Loans to related party	-
Rent expenses to related party	12.4

9. Separately disclosed items (SDI)

EUR Thousands	H1 2018	H1 2017
One-off costs from integrations, reorganizations, discontinued operations, and other non-recurring income and costs	9,064	10,924
Temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring	23,485	20,110
EBITDA impact	32,549	31,034
Depreciation costs specific to start-ups and new acquisitions undergoing significant restructuring	11,120	13,070
EBITAS impact	43,668	44,104
Share-based payment charge and acquisition-related expenses, net	40,834	14,317
Net finance costs related to borrowing and investing excess cash and one-off financial effects (net of finance income)	-6,984	-8,222
Tax effect from the adjustment of all separately disclosed items	-12,420	-9,504
Total impact on Net Profit	65,099	40,695
Non-controlling interests on separately disclosed items	-326	-996
Total impact on earnings attributable to equity holders	64,773	39,699
Total impact on earnings attributable to hybrid capital investors	-3,563	-3,971

For 2018, the EBITAS impact of separately disclosed items consisted mainly of the launch of several laboratories start ups in different countries especially related to clinical genetic testing and to the network expansion of the Food testing business in the US. One-off costs correspond mainly to the UK laboratory reorganisation into competence centres following many acquisitions in 2016 and the consolidation and relocation of some US environmental testing sites.

10. Post-closing events

Change of scope:

End of April 2018, Eurofins signed an agreement with LabCorp (LH: NYSE) to acquire Covance Food Solutions, which provides product integrity, product safety and consulting solutions for end-use segments spanning the entire food supply chain. The transaction was successfully closed on August 1st, 2018. Covance Food Solutions operates an integrated network of 12 facilities across the globe (9 in the US, 2 in the UK and 1 in Singapore). It employs 850 staff and expects to generate revenues of approximately US$160m in 2018, with an EBITDA margin well in excess of Eurofins objectives.The agreed acquisition price is US$670m on a cash free debt free basis.

In May, Eurofins has signed an outsourcing agreement with Astellas to outsource one of its internal testing laboratories Astellas Analytical Science Laboratories, Inc. The transaction is expected to close in the fourth quarter of 2018, subject to the fulfillment of regulatory and customary closing conditions.

In July, Eurofins closed the acquisition of Laboratoire de Bromatologie de l'Ouest ("LBO") located in Rosporden (West of France), a specialist in microbiological and physicochemical analyses of food products. LBO has been accredited since 1996 for microbiological and chemical analysis of food, employs 50 staff and generated revenues close to EUR 4m in 2017.

In July, Eurofins acquired some other laboratories in clinical diagnostic and food testing in Spain, an agrosciences company in Germany and a small environmental laboratory in Hungary.

Financing:

End of July 2018, Eurofins issued a EUR 550m Schuldschein loan ("Certificate of Indebtedness") offering a blended interest rate of 1.38%* with an average maturity of 5 years.

**Calculated on the fixed tranches*

Report on Review of the Condensed Interim Consolidated Financial Statements

To the Shareholders of
Eurofins Scientific SE

We have reviewed the accompanying Condensed Interim Consolidated Balance Sheet of Eurofins Scientific SE and its subsidiaries (the "Group") as of 30 June 2018 and the related Condensed Interim Consolidated Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "Condensed Interim Consolidated Financial Statements").

Board of Directors' responsibility for the Condensed Interim Consolidated Financial Statements

The Board of Directors is responsible for the preparation and presentation of these Condensed Interim Consolidated Financial Statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the Condensed Interim Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express a conclusion on these Condensed Interim Consolidated Financial Statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the Condensed Interim Consolidated Financial Statements, taken as a whole, are not prepared, in all material respects, in accordance with the applicable financial reporting framework.

A review of Condensed Interim Consolidated Financial Statements in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'entreprises agréé" performs procedures, primarily consisting of making inquiries of Management and others within the Group, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these Condensed Interim Consolidated Financial Statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Consolidated Financial Statements are not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Emphasis of matter

We draw attention to the footnote 7) of the Condensed Interim Consolidated Income Statement and the note 1 of the Condensed Interim Consolidated Financial Statements approved by the Board of Directors on 2 August 2018 which indicate that the earnings per share computation has been modified compared to the version of the Condensed Interim Consolidated Financial Statements approved by the Board of Directors on 27 July 2018. These Condensed Interim Consolidated Financial Statements replace the previous ones including our signed review report dated 30 July 2018. Our conclusion is not qualified in respect of this matter.

PricewaterhouseCoopers, Société coopérative | Luxembourg, 2 August 2018

Represented by

Gilles Vanderweyen