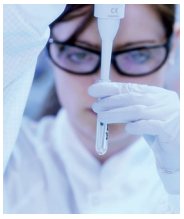
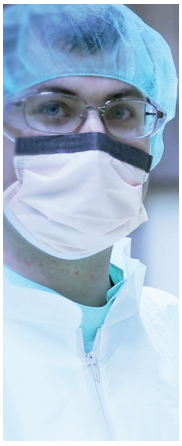


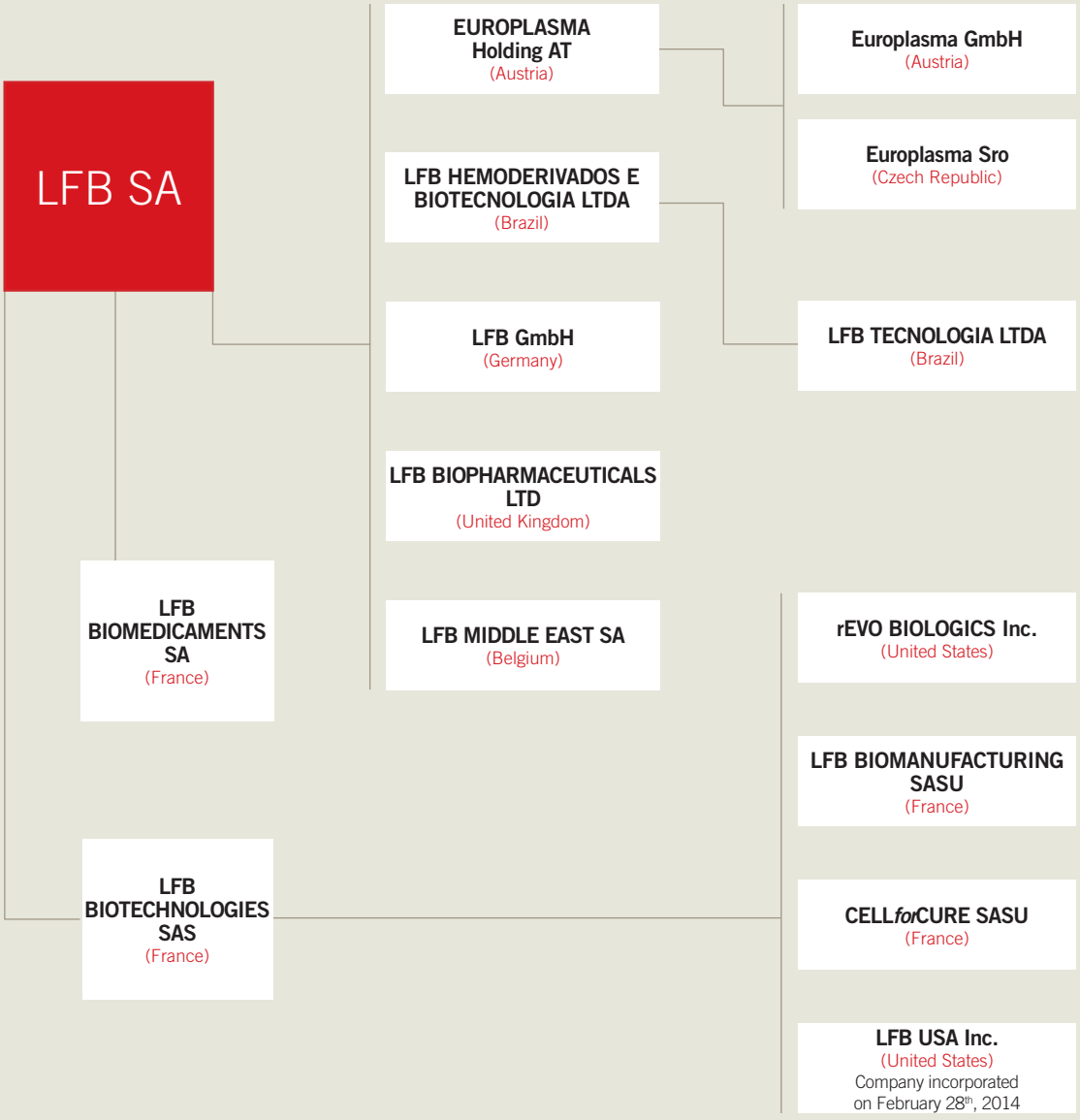


2014 ANNUAL REPORT

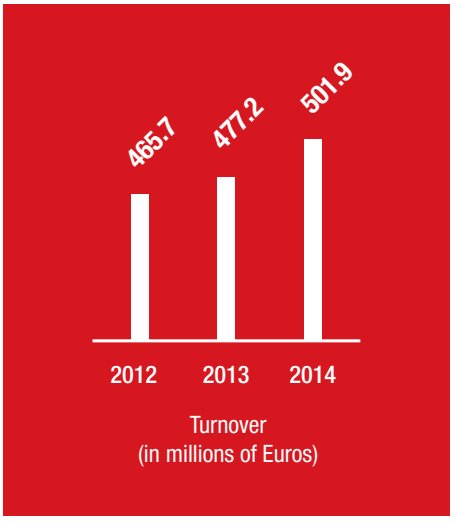
LFB
ETHICAL COMMITMENT

THE ORGANISATION CHART OF THE GROUP

(MAIN SUBSIDIARIES)



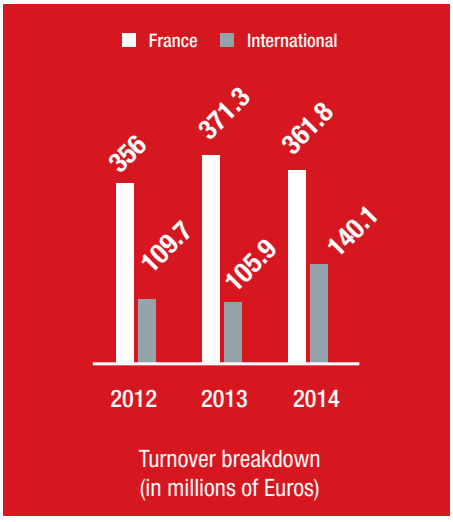
2014 KEY FIGURES



Turnover
(in millions of Euros)

+5.2%

INCREASE IN CONSOLIDATED GROUP TURNOVER COMPARED TO 2013



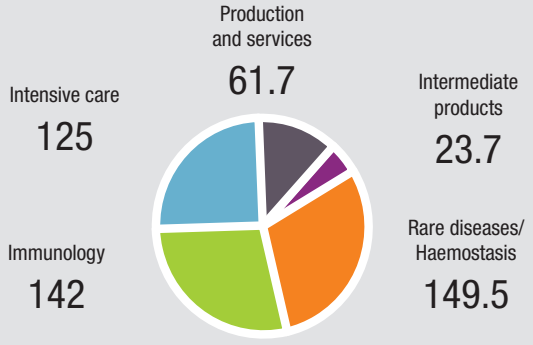
Turnover breakdown
(in millions of Euros)

R&D expenses (in millions of Euros)
before research tax credit
(€65,9 M after research tax credit)

28%

OF TURNOVER ACHIEVED ABROAD

Turnover breakdown according to therapeutic area in 2014
France and International
(in millions of Euros)



AN OPERATING RESULT OF €25.2 M AND A NET RESULT OF €13 M.

PROFILE

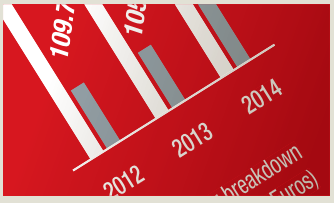
A BIOPHARMACEUTICAL GROUP COMMITTED TO LIFE

LFB is a biopharmaceutical group that develops, manufactures and markets medicinal products for the treatment of serious and often rare diseases in major therapeutic areas: immunology, haemostasis and intensive care.

Number one in France and 6th in the world for plasma-derived medicinal products, the LFB group is also one of the leading European companies for the development and production of proteins and innovative treatments derived from biotechnologies.
Relying on its sustained research effort, the LFB group is implementing a growth strategy to expand its activities to international markets.

CONTENTS

ANNUAL
REPORT 2014



« LFB IS WELL POSITIONED FOR A SUCCESSFUL THIRD DECADE. »

+5.2%
INCREASE IN CONSOLIDATED GROUP TURNOVER

INTERVIEW WITH THE CHAIRMAN

LFB IS WELL POSITIONED FOR A SUCCESSFUL THIRD DECADE

What were the general trends in 2014?

With a turnover of over 500 million euros, the LFB group is continuing to expand its activities. In line with our strategy, the source of this growth in 2014 was our international deployment. Indeed, our international sales are increasing significantly and now represent 28% of our turnover.
We are particularly pleased with the sales made by our subsidiary in Germany, with one of our flagship products indicated for Willebrand disease. This product is leading the way for others which are in the process of registration in Europe. This is why in 2015 we are launching our marketing subsidiary in the UK, another large European market with promising growth prospects for the future. Progress has also been made in biotech activities, with the sale of our recombinant antithrombin in the United States, and also bioproduction services offered by our two subsidiaries, LFB Biomanufacturing for cell cultures and CELL*for*CURE for innovative therapies.

What is the financial effect of these trends?

After a significant improvement in 2013, the operating result has once again increased in 2014 up to 25 million. With a net result of 13 million, nearly 60% higher than in 2013, one of the key financial aims of LFB - profitable growth - has been achieved.

After 20 years' existence, how is the LFB group positioning itself for the future?

We have outstanding assets and we are positioned in a high-growth sector of the pharmaceutical industry in the 21st century, with cutting-edge activities. We are 100% in the field of biological products, but we do not rely on only one technology. We are experts in plasma-derived medicinal products, and in the development and manufacture of highly active monoclonal antibodies with a proprietary

technological platform, EMABling®. We are also developing a line of recombinant proteins from another platform, rPRO™, mainly through our American subsidiaries. Thanks to our technological and pharmaceutical expertise in the field of biological products, we have been working since 2011 on cutting-edge innovative therapy projects, i.e. cell and gene therapies, on an industrial basis. It is the beginning of a new therapeutic era. LFB is not only an R&D player which develops new molecules but also an innovative industrial actor in biotechnology. This is our commitment and an asset for the company. We are highly focused on three therapeutic areas - immunology, haemostasis and intensive care - concerning mainly rare diseases.

What do you need to succeed in your third decade?

To sustain our economic growth in the next 10 years, we have late stage development products close to registration in Europe and the USA; two plasma-derived medicinal products, for which applications were filed at the end of 2014 and the very beginning of 2015 in Europe, and two phase III recombinant proteins in the United States. The products of the future? We already have them. These are medicinal products with a high therapeutic and economic potential. We are working on our industrial scheme for the next 15 years and the means to finance the new generation industrial tools.

We have very attractive prospects and a lot of work ahead.

Christian **BÉCHON**,
Chairman and CEO of LFB SA

« OUR INTERNATIONAL SALES ARE INCREASING SIGNIFICANTLY AND NOW ACCOUNT FOR 28% OF OUR TURNOVER. »

2014
HIGHLIGHTS

THE HIGHLIGHTS OF THE GROUP

A new company in the United States

On February 28th, 2014, the LFB group reorganised its activities in the United States creating a new company, LFB USA Inc., where a part of rEVO BIOLOGICS Inc.'s assets was transferred.

LFB USA Inc., a subsidiary 100% owned by LFB BIOTECHNOLOGIES SAS, is to manufacture recombinant products derived from mammalian milk for the LFB group's companies or for third party companies.

CELL*for*CURE & CELLECTIS - partners

On June 5th, 2014, CELL*for*CURE SASU, a subsidiary of LFB BIOTECHNOLOGIES SAS, signed a contract with the company CELLECTIS for the manufacture of clinical batches of cell therapy products.

CELL*for*CURE SASU, in charge of manufacturing cell therapy products and operating a GMP standards production platform, and CELLECTIS, an expert in the development of adoptive immunotherapies based on the engineering of allogeneic CART lymphocytes (UCART), concluded a contract for the cGMP manufacturing of clinical batches for candidates from the UCART product family.

LFB USA Inc.

> LFB USA Inc. is to manufacture recombinant products derived from mammalian milk for the LFB group's companies or for third party companies.

NEWS ON MEDICINES AND PRODUCTS IN DEVELOPMENT

Launch of FACTANE® VR in France

In November 2014, LFB BIOMEDICAMENTS SA launched FACTANE® 200 IU/ml, called VR (reduced volume) in France. FACTANE® 200 IU/ml is available in 1,000 and 2,000 IU/ml bottles, so the perfusion time can be halved, thus improving the treatment of patients with haemophilia A.

The indications of FACTANE® 200 IU/ml are the same as for FACTANE® 100 IU/ ml. FACTANE® is the brand name under which the plasma Factor VIII of LFB BIOMEDICAMENTS SA is sold.

> The pivotal phase III in the clinical development of the LFB group' recombinant Factor VIIa (LR769) started in April 2014 and the patient recruitment objectives were reached in December.

10% liquid immunoglobulin at registration phase in Europe

The European registration application for the 10% liquid immunoglobulin developed by LFB SA has been filed at the Paul Erhlich Institut (PEI), the German health authority chosen to be the 'reference country' for the file review. It is a decentralised registration procedure. The indications required are primary immunodeficiency (PID) and several auto-immune diseases, in accordance with the Core SmPC (reference regulations corpus) for immunoglobulins in Europe.

At the same time, the phase III randomised, double-blind, active-comparator study to demonstrate the safety and efficiency of the 10% liquid immunoglobulin in multifocal motor neuropathies (MMN) is continuing.
In addition, LFB SA received authorisation in 2014 to start a phase III study for a second neurological indication, chronic inflammatory demyelinating polyneuropathy (CIDP).

First inclusions in the phase III study on ATRYN®

Six patients have been included since the phase III study began in July 2014, with the aim of documenting the benefit of ATRYN® (recombinant antithrombin) in the treatment of pre-eclampsia from the 24th to the 28th weeks of pregnancy. Entitled PRESERVE-1, this randomised, double-blind, placebo-controlled study is being conducted in the United States by the subsidiary rEVO BIOLOGICS Inc., for the registration of ATRYN® in the United States for this new indication.

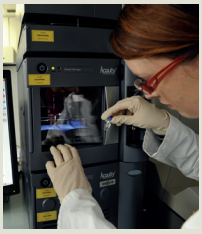
Severe pre-eclampsia affects 6,000 to 8,000 pregnant women per year in the United States, and is a serious complication of pregnancy which is life-threatening for the mother and also the baby, which is born very prematurely. The aim of this treatment is to extend pregnancy as long as possible. There is currently no medical treatment for severe pre-eclampsia.

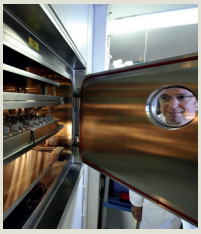
Phase III of recombinant Factor VIIa: recruitment objectives reached at the end of 2014 for the first clinical study

The pivotal phase III in the clinical development of the LFB group' recombinant Factor VIIa (LR769) started in April 2014 and the patient recruitment objectives were reached in December.
This is an international, multicentric, open-label study designed to evaluated the efficiency, safety and pharmacokinetics of LR769 on adolescent and adult patients affected with haemophilia A or B with inhibitors. The study is evaluating two doses for the treatment of haemorrhagic episodes.
Two other phase III studies will start in the second half of 2015: one to evaluate the pharmacokinetics, safety and efficiency of LR769 on children (from six months to 11 years old inclusive) affected with haemophilia A and B with inhibitors for the treatment of haemorrhagic episodes; the other to evaluate the safety and efficiency of LR769 to prevent bleeding in patients who have to undergo a surgical operation.

CLINICAL DEVELOPMENT

INCLUSION OF THE TOTAL PLANNED NUMBER IN FRANCE IN PHASE IIb ON RECOMBINANT ANTI-D






Phase IIb of the clinical development of the LFB group' recombinant anti-D, conducted by LFB BIOTECHNOLOGIES SAS, was launched in France in April 2014 in pregnant women, to document the pharmacokinetics and safety of this monoclonal antibody in the prevention of foetomaternal alloimmunisation due to Rh incompatibility between mother and child.

The total planned number was included in this study in 2014, i.e. 25 patients. The safety and immunogenicity results are, at this stage, favourable.

«Orphan» designation for Von Willebrand Factor in the United States

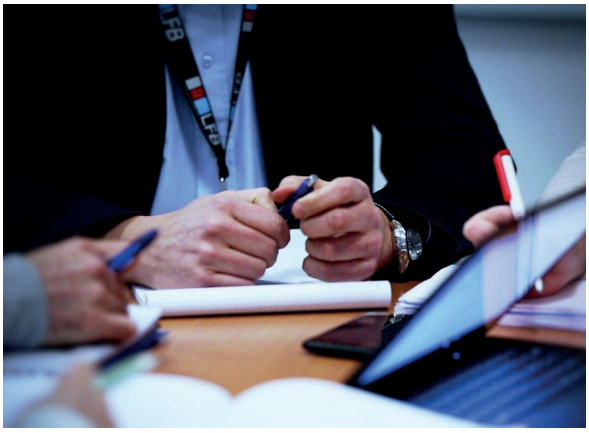
The Office of Orphan Products Development, subordinate to the FDA in the United States, has granted the Von Willebrand Factor of LFB BIOMEDICAMENTS SA «orphan» designation in the treatment of Willebrand disease in all its current indications (registered in Europe). For this designation the Food and Drug Administration (FDA) indicates that the Von Willebrand Factor of LFB BIOMEDICAMENTS SA could be clinically superior to the double concentrates (FVIII / FVW) on the market, especially for long-term prophylaxis.

In addition to the commercial protection it provides, the «orphan» designation has significant positive consequences for the development of WILFACTIN® in the United States.

Fibrinogen: filing of application for registration in Europe for constitutional deficiency

The LFB group's human fibrinogen has been undergoing development for several years for registration in Europe for constitutional deficiency.

In 2014, the application was drawn up for registration of fibrinogen for this indication, following the phase III adult/adolescent study conducted by LFB BIOTECHNOLOGIES SAS.



> The «orphan» designation has significant positive consequences for the development of WILFACTIN® in the United States.

On October 31st, 2014, LFB SA signed a licence and technology transfer contract with the Polish company BIOMED-LUBLIN WYTWORNIA SUROWIC I SZCZEPIONEK SA

By contract, LFB SA granted the Polish company BIOMED-LUBLIN WYTWORNIA SUROWIC I SZCZEPIONEK SA four licences on the manufacturing technology of four plasma products, and on their sales in Poland and Uzbekistan, with the view to the construction of a plasma fractionation plant in Mielec, Poland.

ACQUISITIONS AND PARTNERSHIPS

July 2014: New source of ethical plasma supply abroad with the BLOOD SOURCE centre in Sacramento, United States

On July 29th, 2014, LFB BIOMEDICAMENTS SA signed a contract for the supply of American plasma with BLOOD SOURCE which manages plasma collection centres in California.

This long-term agreement will thus enable the LFB group to secure, diversify and increase its «ethical» plasma supply sources, as the minimum volume commitments to be supplied by BLOOD SOURCE should double over the next ten years.

The fact that the collected plasma is «ethical» will also enable finished products to be distributed both on the French market and abroad.

LFB BIOMEDICAMENTS SA signed a contract for the supply of American plasma with BLOOD SOURCE which manages plasma collection centres in California.
This long-term agreement will thus enable the LFB group to secure, diversify and increase its plasma supply sources.

THE CORPORATE GOVERNANCE

ON DECEMBER 31ST, 2014

COMPOSITION OF THE BOARD OF DIRECTORS

QUALIFIED PERSONS

René ABATE
Acting partner of DELPHEN SARL

Christian BECHON (Chairman)
Chairman and CEO of LFB SA
CEO of LFB BIOMEDICAMENTS SA

Dr Elizabeth HUBERT
Board member of HAD France SAS

Manuela LEONE
Executive VP operation of APTUIT SRL Verona Italy

Francis MER
Board member of VIOHALCO SA Belgium

Jean-Marie ZACHARIE

STATE REPRESENTATIVES

Pierre ANGOT
Deputy Director for chemistry, materials and eco-industries, DGE, Ministry of economy, industry and digital technology

François AUVIGNE
General Inspector of Finance, IFG, Ministry of economy and finance

Marie-Christine FAVROT
Assistant to the General Director for health at the Ministry of social affairs and health

Thomas GOSSET
Deputy Director of Energy Holdings in the Government Shareholding Agency

Jean-Michel HEARD
Research Director at Inserm, Ministry of higher education and research

Cécile THARAUD
Chairman of Inserm Transfert Initiative SAS

STAFF REPRESENTATIVES

Vincent DENOIS
Head of infrastructure at LFB BIOMEDICAMENTS SA (Les Ulis)

Frédéric DHAINAUT
Head of the pharmacology and bioanalysis department at LFB BIOTECHNOLOGIES SAS (Les Ulis)

Nicolas HERMANN
Head of operating unit LFB BIOMEDICAMENTS SA (Lille)

Marc LASCOMBES
Project engineer LFB BIOMEDICAMENTS SA (Lille)

Hervé MARCILLY
Head of quality assurance outsourcing, innovation and development, LFB BIOTECHNOLOGIES SAS (Les Ulis)

Dominique SAINT PICQ
Change control coordinator,
LFB BIOMEDICAMENTS SA (Les Ulis)

EXECUTIVE COMMITTEE OF THE GROUP (from left to right)

Pierre-François FALCOU
Executive Vice-President alliances and partnerships, LFB BIOMEDICAMENTS SA

Marcia BASSIT
CEO of LFB Hemoderivados e Biotecnologia Ltda, Brazil

Max BERGER
Executive Vice-President legal affairs, LFB SA

Stéphane VALET
Executive Vice-President human resources, LFB SA

Philippe GREDY
Executive Vice-President global marketing & sales, LFB BIOMEDICAMENTS SA - Sales director, LFB SA

Denis SOUBEYRAN
Executive Vice-President finance & strategy, LFB SA

Christian BECHON
Chairman and CEO, LFB SA

Guillaume BOLOGNA
Executive Vice-President in charge of programs, LFB BIOTECHNOLOGIES SAS

Sami CHTOUROU
Executive Vice-President in charge of innovation and scientific affairs, LFB BIOTECHNOLOGIES SAS

Sandrine CHARRIERES
Executive Vice-President corporate communications, LFB SA

Patrick BERGEAT
Operations Deputy General Manager, LFB BIOMEDICAMENTS SA

Jean-François DORE
Member of the Board of Directors, EUROPLASMA Holding AT, Austria

Jean-Noël COLIN
Executive Vice-President quality & group pharmaceutical coordination, LFB SA

Hervé FRIDMAN
Chairman of the scientific committee and scientific medical adviser

COMPOSITION AND MISSIONS OF COMMITTEES

AUDIT COMMITTEE

The role of the audit committee is to evaluate all the financial statements and contribute to the correct application of accounting, financial and ethical standards within the Group, both in France and abroad. The Committee must ensure the relevance and efficacy of these standards and the efficiency of internal control procedures. The committee is informed of the internal audit control programme and of the outcome of its missions.

Members of the audit committee
François AUVIGNE, Thomas GOSSET, Jean-Marie ZACHARIE and Vincent DENOIS

The audit committee met 5 times in 2014.

RESEARCH AND DEVELOPMENT COMMITTEE

The role of the research and development committee is to provide strategic and scientific information, to assist the board of directors in the decision-making process, with particular focus on the analyses of the LFB SA scientific board.

Members of the Research and Development Committee:
Elisabeth HUBERT, Cécile THARAUD, Pierre ANGOT, Jean-Michel HEARD, Marie-Christine FAVROT, Manuela LEONE and Hervé MARCILLY.
On June 20th,2014, the board of directors approved the appointment of Manuela LEONE to the R&D committee as manager - qualified person.

The R&D committee met 4 times in 2014.

REMUNERATION COMMITTEE

The remuneration committee was created on the initiative of the board of directors on March 21st, 2011. The role of the remuneration committee is to draw up and submit for appraisal a recommendation on the Chairman-CEO's remuneration.
The committee also drafts proposals concerning the amount of the attendance fees to be submitted to the general assembly of shareholders and the distribution of this amount among the board members.

Members of the remuneration committee:
René ABATE, Thomas GOSSET, Marie-Christine FAVROT, Dominique SAINT-PICQ.

In accordance with the recommendations of the AFEP-MEDEF code in its amended version dated June 2013, at its meeting on April 4th, 2014 the board of directors appointed Dominique SAINT PICQ to the remuneration committee as member of the board of employees' representatives.

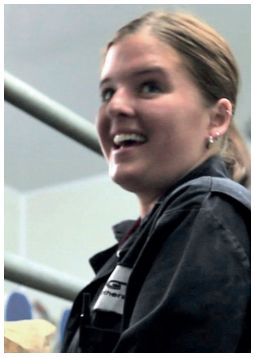
The remuneration committee met twice in 2014.

GENERAL CONTROL

In accordance with the decision taken on 11 September 2013 pursuant to decree no. 55-733 dated May 26th, 1955, the «Coverage of social risks, social cohesion and health security» mission of the general economic and financial control department was appointed to carry out governmental economic and financial control on the LFB group.

Pierre AMIDEY is responsible for general control of LFB SA and LFB BIOMEDICAMENTS SA, and by right attends the board of directors' and committee meetings of these two companies without voting rights.

OUR ACTIVITIES



2014, A GROWTH OF INTERNATIONAL SALES

Introduction

The turnover increased by more than 5% in 2014, and for the first time in the LFB group's history it exceeded the €500 M mark. The proportion of the turnover achieved outside France reached 28%, 6 percentage points higher than in 2013. Sales in France decreased by €9.5 M (-2.6%), mainly due to a lack of plasma during the year to meet the demand for immunoglobulins.
Sales outside France increased by 32.3%, driven by sales of medicinal products (+16.3%) and also services.

Plasma-derived medicinal products and recombinants' sale totalled €416.5 M, that is, 82% of the Group's turnover. This figure is 0.8% lower than for 2013, because of the large drop in sales of immunoglobulins in France (-12.0%), partially offset by the increase in international sales (+16.3%).
The activity in 2014 was mainly driven by the sales of medicinal products marketed in three areas:

- **IMMUNOLOGY**
- **RARE DISEASES**
- **INTENSIVE CARE**

+5.2%
total turnover of the group

Sales outside France increased by 32.3%, driven by sales of medicinal products (+16.3%) and also services.

OUR THERAPEUTIC AREAS

Immunology

At €142.0 M, the «Immunology» therapeutic area medicinal products achieved a lower total turnover compared to 2013 (-10.7%) due to a limited plasma supply.

Rare diseases

At €149.5 M, the «Rare diseases» therapeutic area achieved a higher turnover than in 2013 (+4%). The product with the highest growth in this area, both in France and abroad, is WILFACTIN®, also sold under the brand name WILLFACT® in northern Europe.
With a growth of 74%, WILFACTIN® / WILLFACT® has become the Group's leading product at international level.

Intensive care

At €125 M, the «Intensive Care» area achieved a turnover that was 6.3% higher than in 2013.
In France, the «Intensive care» area grew by 6.1% compared to 2013, mainly due to CLOTTAFACT®, human fibrinogen.
The growth of products of the «Intensive care» area abroad (+7.2 %) is due to the recombinant medicinal product ATRYN® in the United States.
The marketing of a bottle with a new capacity format (525 UI) meets the expectations of prescribers.

> At €149.5 M, the «Rare diseases» therapeutic area achieved a higher turnover than in 2013 (+4%).

ATRYN Antithrombin (Recombinant) FOR INJECTION

The growth of products of the «Intensive care» area abroad (+7.2 %) is due to the recombinant medicinal product ATRYN® in the United States.

SERVICES AND INTERMEDIATE PRODUCTS

Services

The Group is developing, especially abroad, a service activity which is complementary to the sales of medicinal products. In 2014 services accounted for 22.9% of the international turnover, as against 21.7% in 2013 and 17.2% in 2012. Service sales increased both in France and abroad.

Abroad, the increase is due to the tolling activity in Brazil and the production of batches of recombinant products in cell culture, carried out by LFB BIOMANUFACTURING SASU and LFB BIOTECHNOLOGIES SAS.

Intermediate biological products

Reaching €23.7 M, the sale of intermediate products decreased compared to 2013.

The proportion of plasma coming from the EUROPLASMA group, acquired by LFB BIOMEDICAMENTS SA, increased in 2014, thus automatically leading to a reduction in third party turnover.

Other goods and services sold

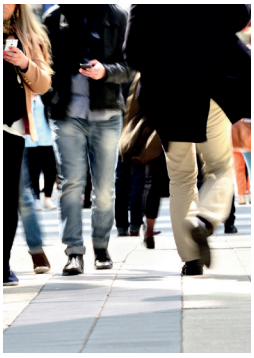
The sales of other goods and services consist mainly of equipment sales in connection with technology transfer to Brazil (€23.2 M), and are higher than in 2013.

> In 2014 services accounted for 22.9% of the international turnover, as against 21.7% in 2013 and 17.2% in 2012.

OUR RESPONSIBILITIES

LFB was awarded the «Best employers in France 2015» distinction, published in CAPITAL magazine. LFB is ranked 4th best employer in the pharmaceutical sector in France.

Source: STATISTA survey for CAPITAL, out of 1700 companies with over 500 employees.



THE LFB GROUP RELIES ON ITS FUNDAMENTAL PRINCIPLES AND STRONG VALUES TO LEVERAGE ITS DEVELOPMENTS

LFB staff headcount in France (excluding temporary staff) is slightly higher (+1.8%) compared to 2013. This increase is mainly due to the growth of the bioproduction subsidiaries LFB BIOMANUFACTURING SASU and CELLforCURE SASU. As in 2013, the Group's staff in France is characterized by an equal number of men and women (50.6% men and 49.4% women).

Professional training

In 2014 the LFB group continued its efforts with regard to professional training, with a budget of 2% of the wage bill in France dedicated to training costs.
Numerous actions have also been carried out by the business training units (industrial, commercial and marketing fields, human resources department).
The main training fields are professional expertise, languages, office automation, the specific industrial branch and the field of health, safety and the environment.
The training effort also covers training which comes under the Group's responsible purchases initiative and its obligations, in connection with its «responsible supplier relations» label.

Placing patient safety at the heart of corporate decisions.

Building ethical relations with stakeholders, healthcare professionals, employees and partners, and developing projects with associations whose purpose is to improve the well-being of patients and their families.

Developing programmes for rare diseases.

Implementing proactive policies aimed at controlling energy and water consumption and waste generation from our operating activities to protect the environment and non-renewable resources.

A three-year agreement concerning male-female equality was signed in July 2012 with corporate partners.

Disabled persons employment policy

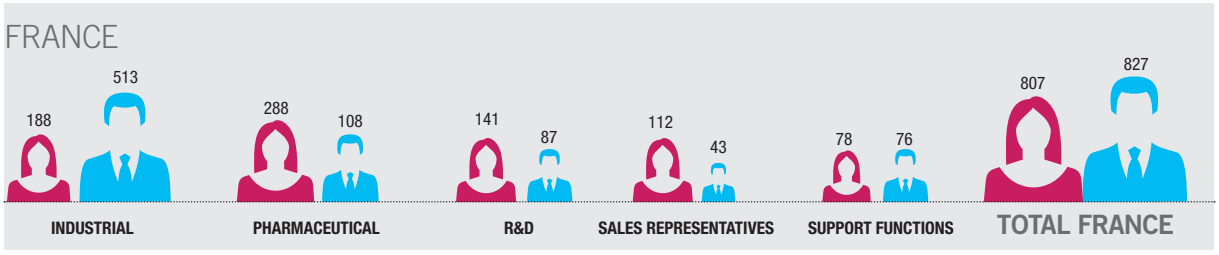
A disabled persons employment policy, started in 2012, is being developed and implemented. Its medium-term goal is for 6% of the staff - direct and indirect - in France to be disabled persons. The idea is that disability should no longer be an obstacle to the expression of individual skills and talent.

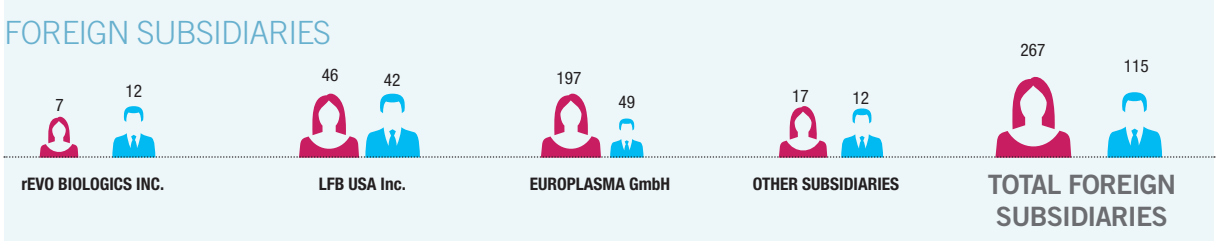
In this respect, a disabled correspondent was appointed to LFB in 2010. His role is to define and organise the disabled persons employment policy. The health-at-work department is also present to support disabled staff and facilitate their administrative dealings with the «Maisons Départementales des Personnes Handicapées» (Regional Disabled Persons Support Association).

LFB also supports disability-friendly and sheltered employment by working with specialised establishments, ESAT (Disability employment establishments) and EA (disability-friendly companies). Many tasks are entrusted to ESAT employees: printing orders, park management, painting, laundry, etc.

RECORDED HEADCOUNT
ON DECEMBER 31ST, 2014

1,634 TOTAL FRANCE
382 TOTAL FOREIGN SUBSIDIARIES
→ **TOTAL GROUP 2,016**





COMMITMENT TO RARE DISEASES

Commitment to supporting institutional players in the field of rare diseases

Created on a firm commitment to patients' safety, the LFB group develops on sound values.
As a responsible company, LFB is committed to major issues for society in its activity.

Commitment to patients and their families

LFB provides sustainable support to associations of patients very often suffering from rare diseases, with two concerns: to contribute to a better knowledge of these diseases and to develop actions for the well-being of patients.

In 2014, LFB supported Alliance Maladies Rares (a group of 206 patients' associations), and has been doing so for 12 years. In the same spirit, in 2014, LFB supported the patients' associations IRIS and IPOPI (immune deficiencies), AFH and WFH (haemophilia), AF3M (multiple myeloma), ADAAT (alpha-1 antitrypsin deficiency) and AFNP (peripheral neuropathies).

12 years
of support to Alliance Maladies Rares

A helping hand to institutional actors for rare diseases

LFB supports and helps major institutional actors for rare diseases - in France: Alliance Maladies Rares (Rare Diseases Association) for the last 12 years, and in Europe ORPHANET and the EURORDIS association.

Orphanet is the reference portal for information on rare diseases and orphan drugs, for all audiences. Its aim is to help improve the diagnosis, care and treatment of patients with rare diseases. There has been a partnership contract with LFB since 2008, which contributes to the rare diseases encyclopaedia and treatment information sheets for the emergency services that have to take in charge people suffering from rare diseases.

LFB GROUP SUPPORTS TULIPE

Tulipe is the emergency and international solidarity association of healthcare companies (LEEM).

A non-governmental organisation governed by the law of 1901, Tulipe consolidates donations from healthcare companies to meet, in emergencies, the needs of populations in distress during acute health crises, natural disasters and conflicts.
LFB, a member since 1996, has joined the Association's board of directors, and participates in the qualitative choices of bodies regarding humanitarian actions to be taken.

SUPPLIERS RELATIONS

A proactive responsible purchasing policy

On December 4th, 2014, the subsidiaries LFB BIOMEDICAMENTS SA and LFB BIOTECHNOLOGIES SAS obtained the renewal of the «responsible supplier relations» label for 2015.

A «good purchasing practice charter» was signed by all the managers, budget managers, purchasing management and persons authorised to incur expenditure.

The «responsible supplier relations» charter is circulated to all the suppliers and is accessible on the website, as is the «good purchasing practice charter» too.
Under the «responsible supplier relations» label charter, the internal mediator was not requested by suppliers in 2014. Similarly, no recourse was made to the national mediator either.

In October, LFB received from the «SME* Pact» monitoring committee a positive opinion on these actions in favor of SMEs, for the second year in a row.

** small and medium-sized companies*

Member of the Global Compact

As a member of the Global Compact, the LFB group undertakes to support the fight against corruption in all its forms by implementing and ensuring compliance with current legislation relating to anti-corruption laws in its internal sphere of influence. Each member of staff in the Group is also obliged to maintain strict confidentiality of information to which he/she has access during his/her assignments and activities.

LFB GROUP AND ENVIRONMENT

A proactive environmental policy

LFB's environmental policy aims to minimise the impact of the Group's activities on the environment while ensuring the health and safety of its staff and, through the medicinal products manufactured, of its patients and other interested parties. This policy aims to reduce the environmental footprint of the Group's activities along the entire production and distribution chain of medicinal products.

The impacts that the French production activities of the LFB group (four sites out of five in the world) may have on its ecosystems are monitored by the gradual introduction of environmental indicators concerning inflows (for example raw materials, energy and water) and outflows (emissions, effluent and waste).

LFB's aim is to reduce energy and water consumption as far as possible, and to monitor hazardous and non-hazardous waste, discharge in effluent, and air emissions. The company also makes sure it identifies any malfunctions so that corrective action may be quickly undertaken, and generally, under a multi-year investment plan, to have recourse to technologies which use energy-saving and environmentally-friendly equipment.

This policy aims to reduce the environmental footprint of the Group's activities along the entire production and distribution chain of medicinal products.

SAFETY : LFB GROUP'S FIRST PRIORITY

With patient safety as its first priority, LFB has taken specific measures to anticipate the potential risks that could arise in the field of medicinal products in particular plasma-derived products.
In 2001, LFB set up the ISAC (International Safety Advisory Committee), a group of renowned international experts specialising in the field of biological safety. The ISAC's mission is to carry out scientific vigilance for LFB concerning the risks associated with emerging prions and viruses, and to recommend securitisation techniques and/or research subjects in this field as appropriate.

THE FINANCIAL INDICATORS

CONSOLIDATED INCOME STATEMENT

(Millions of Euros)	2014	2013	Change
Sales in France	361.8	371.3	-2.6%
International sales	140.1	105.9	32.3%
Sales	***501.9***	***477.2***	***5.2%***
GROSS PROFIT	**195.5**	**190.7**	**2.5%**
% of turnover	*39.0%*	*40.0%*	
Research & development expenses	(65.9)	(62.6)	5.3%
Sales & marketing expenses	(48.6)	(46.2)	5.2%
General & administrative expenses	(48.7)	(51.7)	-5.8%
Other operating expenses and income	(7.1)	(10.4)	-31.7%
Operating profit	***25.2***	***19.8***	
% of turnover	*5.0%*	*4.1%*	
Net financial income	***0.3***	***(4.9)***	
Income before tax	***25.5***	***14.9***	
Income tax expense	(6.2)	(4.3)	
Share of equity affiliates in net income	(6.3)	(2.4)	
Consolidated net income	***13.0***	***8.2***	
% of turnover	*2.6%*	*1.7%*	
- Net income - minority interests	0.0	0.0	
- Net income - Group share	13.0	8.2	
EBITDA	***41.5***	***56.5***	
% of turnover	*8.3%*	*11.8%*	

CONSOLIDATED STATEMENT OF FINANCIAL ASSETS

(Millions of Euros)	2014	2013
Total non-current assets	***239.9***	***246.4***
Total current assets	***348.3***	***320.8***
Assets held for sale or exchange	8.9	0.0
TOTAL ASSETS	**597.1**	**567.2**
Share capital	50.0	50.0
Other reserves	189.6	186.0
Income	13.0	8.2
Equity attributable to equity holders of the parent	***252.6***	***244.2***
Total equity	***252.6***	***244.2***
Total non-current liabilities	***144.3***	***142.3***
Total current liabilities	***200.2***	***180.8***
TOTAL LIABILITIES	**597.1**	**567.2**
Net debt	*41.3*	*45.4*
Debt/equity ratio	*16%*	*19%*
Debt/EBITDA	*1.0*	*0.8*

CASH FLOW STATEMENT

(Millions of Euros)	2014	2013
Net Income	***13.0***	***8.2***
Self-financing capacity	43.3	40.4
Change in required working capital	(11.4)	14.9
Cash flow from operations	***31.9***	***55.3***
Cash flow from investing activities	***(27.7)***	***(20.0)***
Cash flow from financing activities	***(12.6)***	***25.8***
Increase (decrease) in cash	***(8.4)***	***61.1***
Opening net cash	91.5	30.6
Increase (decrease) in cash	(8.4)	61.1
Effect of exchange rate fluctuations	(0.1)	(0.3)
Closing net cash	83.0	91.5
Opening net debt	45.4	80.4
Increase (decrease) in debt	(4.3)	(35.3)
Effect of perimeter change	0.2	0.3
Closing net debt	41.3	45.4

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LFB S.A.

A French limited company with an authorized capital
of 50,000,000 euros - 180 036 147 RCS Évry
3, avenue des tropiques - BP40305 - 91 958 COURTABŒUF Cedex - France
Téléphone : +33 (0)1 69 82 70 10 - Fax : +33 (0)1 69 07 19 03

www.lfb.fr

LFB
ETHICAL COMMITMENT

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