2015 Annual report
A capital increase of €230 million was fully subscribed by LFB’s current shareholder the French state. The first tranche of €60 million paid in October 2015 reduced its debt to €34 million.

At 31 December 2015 equity stood at €480.2 million.

“€152.2 million of turnover from international activities.
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, perinatal 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.
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A BIOPHARMACEUTICAL GROUP COMMITTED TO LIFE

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FINANCIAL INDICATORS

30% of turnover comes from international sales
WHAT WERE THE KEY TRENDS IN 2015?

For the second year in succession, the Group’s turnover exceeded €500 million with global sales continuing to rise. French sales were down slightly while international business, particularly in the service sector, grew significantly. With a turnover of €502 million, 2015 was not characterised by significant growth, but it will go down as an exceptionally positive year for the future of LFB on several counts.

Firstly, within the space of a few short months, we obtained European marketing authorisations for two of the most important products in our range, IQYMUNE®, a 10% immunoglobulin, and our human fibrinogen FibCLOT®. These achievements stem from the pro-active innovation-based policy we have been implementing for almost 10 years, and the excellent work done by our staff. Secondly, trials on several recombinant products in the field of haemostasis and perinatology are showing satisfactory progress, and should be ready for filing within the next two years. These products will be registered in most countries worldwide and will drive LFB’s growth over the next decade.

2015 was also exceptional because it was the year that we launched our “Usine 2020” project. This large-scale manufacturing project is unprecedented in the history of LFB. Representing a €300 million investment, it is probably the biggest industrial project by a pharmaceutical laboratory currently in progress in France. This new-generation, design-to-cost plant is intended to serve the global market and triple our global plasma-derived medicinal products production capacity. It will prove that “making in France for the world” is more than an ambition: it’s a business strategy that we’re implementing.

HOW DO YOU PLAN TO FUND THESE DEVELOPMENTS?

We’re in a very buoyant market. Our product portfolio includes a number of medicines that are essential to human life and are in increasing demand worldwide, thanks in particular to improvements in the diagnosis of rare diseases. How we finance our development is clearly a crucial question. We’ve received considerable support for our development strategy from our shareholder, the French government, which subscribed to a €230 million rights issue to increase our capital. We met our remaining financing needs on the market by issuing a new €124 million bond. We will therefore be able to finance the construction of our new plant, but also commit substantial capital expenditure on our existing sites for the next three years.
“making in France for the world” is more than an ambition: it’s a business strategy that we’re implementing.

WHAT DO YOU SEE AS THE CONDITIONS FOR SUCCESSFUL DEVELOPMENT?

Our global development first depends on our ability to develop products that meet real therapeutic needs and have the data needed to register in most countries. We are already on our way to meeting this challenge, using our technical expertise for the good of patients. The second condition is our ability to design and build the production facilities needed to manufacture these complex biopharmaceuticals and bring them on stream in line with global standards.

Alongside our flagship “Usine 2020” project in the plasma-derived medicinal products sector, we’re investing not only in our recombinant medicines production sites in Alès (Gard, France) and the United States, but also in our innovative therapies plant in Les Ulis, France. Our bioproduction expertise, equalled by only a handful of businesses around the world, adds real value and represents the future of manufacturing jobs in the pharmaceutical industry of the 21st century. The new agreement signed with Cellectis at the start of 2016 for the manufacture of UCART cells reflects the ability of French companies to draw on the most innovative - and one of the most promising - segments in the biopharmaceutical industry.

In 2015, we continued to implement our plasma sourcing diversification policy, particularly in the United States, to ensure that we are able to manufacture for the entire world.

To succeed, we clearly need to be able to market our medicines globally. We’re setting up subsidiaries in Europe. After Germany and the United Kingdom, we’re opening a subsidiary in Spain. Over the coming years, depending on the geographic region, we will either set up new subsidiaries or create synergistic partnerships with operators in good local positions. As is the case for many businesses, our global growth depends on the quality of LFB’s people, which has enabled the Group to transform itself in recent years.

We still have much to do, but we have many strengths to draw on. I believe that I speak for all 2,111 of the Group’s employees when I say that ours is a particularly exciting adventure and that working day in, day out to develop, manufacture and sell medicines that save the lives of hundreds of thousands of people is a vital undertaking as well as a fantastic job.

Christian BÉCHON, Chairman and CEO, LFB SA
2015 HIGHLIGHTS
The highlights of the Group

→ January 2015

**LFB BIOPHARMACEUTICALS LTD, A SUBSIDIARY OF LFB SA, LAUNCHES ITS SALES SUPPORT OPERATION IN THE UNITED KINGDOM**

LFB BIOPHARMACEUTICALS Ltd. started operating in the UK on 2 January 2015. It is our second European sales subsidiary, following on from LFB GmbH in Germany.

A wholly-owned subsidiary of LFB SA, it is responsible for promoting and marketing the medicines sold by LFB BIOMEDICAMENTS SA and is currently providing sales support for WILFACTIN® and HEMOLEVEN® in the United Kingdom.

→ January 2015

**CELLforCURE SASU, A SUBSIDIARY OF LFB BIOTECHNOLOGIES SASU, OBTAINS ANSM AUTHORIZATION TO MANUFACTURE GENE THERAPY MEDICINES**

Authorised as a pharmaceutical establishment for the production of cellular therapy medicines since October 2013, CELLforCURE SASU obtained a new licence on 30 January 2015. Issued by the French National Agency for Medicines and Health Products Safety (ANSM), it allows the company to produce gene therapy medicines at its Les Ulis manufacturing facility.

“ The development of gene therapy is founded largely on the emerging demand for the manufacture of ex vivo cellular therapies for various indications.”
The development of gene therapy is founded largely on the emerging demand for the manufacture of ex vivo cellular therapies for various indications. In June 2014, for example, CEL·L·FOrCURE SASU signed a partnership agreement with CELLECTIS on the production of clinical batches of allogeneic CAR T lymphocytes. A new contract was signed in January 2016.

**LFB SA creates a subsidiary dedicated to plasma supply for the group: LFB Global Plasma SASU**

LFB Global Plasma SASU, a French holding company was formed on 30 April 2015 to set up and manage our plasma collection operation in Europe and the United States. In July 2015, LFB Global Plasma SASU opened a US subsidiary, LFB American Plasma LLC, to bring about the rapid development of our plasma collection capacity in the US. In pursuit of the same goal, LFB American Plasma LLC (a wholly-owned subsidiary of LFB Global Plasma SASU) has acquired a majority shareholding in the US company B Positive National Blood Services Centre College Park LLC, responsible for setting up the Group’s first plasma collection centre in the US.

"The capital increase of LFB SA is intended to support the development of the Group activities over the coming years."

6 August 2015

**Law No. 2015-990 for growth, activity and equal economic opportunities makes changes to the capital structure of LFB SA (S. 190)**

French Law No. 2015-990 for Growth, Activity and Equal Economic Opportunities came into law on 6 August 2015 following several months of parliamentary debate. Section 190 amends two sub-sections of section L. 5124-14 of the French Public Health Code, extending the list of bodies authorised to hold shares in LFB SA from “public establishments” alone to include “other public sector businesses and organisations”. It also specifies that “any transfer to the private sector of the majority of the capital” in LFB SA “must be authorised by law according to the procedure set out in Title III of Order No. 2014-948 of 20 August 2014.”
FRENCH GOVERNMENT FUNDS
€230 MILLION CAPITAL INCREASE FOR LFB SA

Authorised on 10 October 2015 by Ministers Emmanuel Macron and Michel Sapin, following approval at the Annual General Meeting of LFB SA on 2 October 2015, on 14 October the French government, LFB SA’s sole current shareholder, subscribed for the entire capital increase of €230 million. The capital will be paid up in four stages, starting with a first tranche of €60 million in October 2015 and finishing with the fourth tranche scheduled be paid up no later than April 2018. At the end of this programme, LFB SA’s share capital will stand at €280 million. This capital increase is designed to support the development of LFB Group over the coming years and, in particular, enable it to finance the construction of a new-generation plant for the manufacture of plasma-derived medicines in France.
On 16 October 2015, having received the necessary authorizations from the various local authorities involved, LFB BIOMEDICAMENTS SA posted its building permits notice, signalling the start of construction of its new plasma-derived medicinal products plant in the Arras Urban Authority’s Actiparc Industrial Zone. Construction is due to start in 2016. LFB BIOMEDICAMENTS SA had previously signed a pre-sale agreement for the purchase of a 40-acre plot with Arras Urban Authority on 6 October 2015.
November 2015

PERSONNEL CHANGES WITHIN LFB GROUP

On 15 October 2015, the Board of Directors of LFB BIOMEDICAMENTS SA accepted Christian BECHON’s resignation as General Director and appointed Denis SOUBEYRAN. Christian BECHON remains Chairman of the Board of Directors of LFB BIOMEDICAMENTS SA.

At LFB BIOTECHNOLOGIES SASU, Léopold BERTEA took over the directorship of the new Global Bioproduction Division, responsible for managing the Group’s manufacturing operations in the biotechnologies sector. He is ex officio a member of the Group’s executive committee, which also welcomed four new executive directors in November 2015: Yann ECHELARD, Chief Executive Officer of LFB group subsidiary rEVO Biologics Inc.; David LOISON, Executive VP Group Financial Affairs; Joris PEZZINI, Executive VP Group corporate Strategy and Business Development; and Robert VERDEGUER, General Director, Quality and Pharmaceutical Affairs and Head Pharmacist, LFB BIOMÉDICAMENTS SA.

“LFB group executive committee welcomes five new executive directors"
Medicines and product development news

→ August 2015

**END OF THE EXAMINATION OF THE APPLICATION FOR MARKETING AUTHORISATION FOR LFB BIOMEDICAMENTS SA’S 10% LIQUID IMMUNOGLOBULIN IN EUROPE**

Examination of the application for marketing authorisation for LFB BIOMEDICAMENTS SA’s 10% liquid immunoglobulin in Europe, under the decentralised procedure, came to an end on 11 August 2015. By 31 December 2015, LFB BIOMEDICAMENTS SA had obtained nine marketing authorisations for its 10% liquid for immunoglobulin. By 31 December 2015, the following European countries had registered 10% liquid immunoglobulin: United Kingdom, Denmark, Germany, Hungary, Belgium, Finland, the Czech Republic and Italy. NB: the first marketing authorisation was obtained in Mexico in May 2015.

→ March 2015

**INTRODUCTION OF RFID TECHNOLOGY FOR PLASMA TRACEABILITY FOR FRACTIONATION IN FRANCE**

Since March 2015, all bags of plasma for fractionation, from EFS (Etablissement français du sang) collection centres, have been equipped with radio-frequency identification (RFID) chips to facilitate registration at LFB. LFB Group has co-developed this traceability solution with BIOLOG-ID in collaboration with EFS. The traceability of each unit, from its preparation by EFS to fractionation by LFB BIOMEDICAMENTS SA, is now guaranteed thanks to the RFID chip placed on each bag of plasma. The use of this technology also improves efficiency in the acceptance and registration of EFS-supplied plasma.
On 22 December 2015, we received official notification that the examination stage of the marketing authorisation application (for the constitutional fibrinogen deficiency indication) for LFB BIOMEDICAMENTS SA’s fibrinogen had been completed. This decision paves the way for marketing authorisations in the relevant 16 European countries following the same regulatory process as for the 10% liquid immunoglobulin. The application had been filed with the Paul Ehrlich Institute, the German health authority selected as the reference authority for registration in Europe, in January 2015.

On 17 December, LFB BIOMEDICAMENTS SA received notification that the ANSM had decided to end the systematic recall of batches of plasma-derived medicines due to suspected sporadic Creutzfeldt-Jakob Disease in a donor. In force since March 1994, this requirement applied to all blood donated in France subject to a haemovigilance reporting duty. This change in policy brings France into line with recommendations issued several years ago by the EMA (European Medicines Agency) and the US FDA (Food and Drug Administration).
SIGNATURE OF AN AGREEMENT IN PRINCIPLE BETWEEN THE SAUDI PUBLIC INVESTMENT FUND AND LFB ON THE SETTING UP OF A PLASMA FRACTIONATION FACILITY IN SAUDI ARABIA

During an official visit by the French government to Saudi Arabia in October 2015, an agreement in principle was signed between the Saudi Public Investment Fund and LFB with a view to providing the country with a plasma-derived medicines manufacturing facility using LFB Group’s technology. The timetable and terms and conditions remain to be negotiated.

AGREEMENT SIGNED ON THE COMMERCIALIZATION OF TWO LFB PRODUCTS IN THE UNITED STATES AND CANADA

In November 2015, LFB SA signed an agreement with a US partner on the future commercialization in the United States and Canada of two products from the LFB portfolio.
The conditions required for our successful global development are based, firstly, on our ability to develop products that respond to genuine therapeutic needs.

Christian Béchon, Chairman and CEO, LFB SA
CORPORATE GOVERNANCE

ON 31ST DECEMBER 2015

MEMBERSHIP OF THE BOARD OF DIRECTORS

QUALIFIED MEMBER

René ABATE
Managing partner, DELPHEN SARL

Christian BECHON
Chairman and General Director, LFB SA,
Chairman of the Board of Directors of LFB BIOMEDICAMENTS SA

Docteur Elisabeth HUBERT
Chair of HAD France SAS,
Chair of ALIAGIS SARL

Manuela LEONE
Executive VP Operations of APTUIT SRL,
Verona, Italy

Francis MER
Director of WHOALCO SA, Belgium,
Director of BORUSAN, Turkey

Jean-Marie ZACHARIE
Consultant

FRENCH GOVERNMENT REPRESENTATIVES

Pierre ANGOT
Deputy Director of Chemistry, Materials and Eco-Industries, Department of Business, French Ministry of the Economy, Industry and Digital Technology

Pascale AUGÉ
Chair of the Executive Board, INSERM TRANSFERT SA

François AUヴィGNE
Inspector Gen. of Taxes, IFG, Ministry of the Economy, Industry and Digital Technology

Thomas GOSSSET
Deputy Director of Energy Holding in the French State Shareholding Agency

Jean-Michel HEARD
Scientific Director for Bio-Health at the French Directorate-General for Research and Innovation

STAFF REPRESENTATIVES

Vincent DENOIS
Head of Infrastructure and Operations, LFB BIOMEDICAMENTS SA (Les Ulis)

Frédéric DHAINAUT
Head of Immunology and Applied Biochemistry, LFB BIOTECHNOLOGIES SASU (Lille)

Nicolas HERMAN
Production Unit Manager, LFB BIOMEDICAMENTS SA (Lille)

Marc LASCOMBES
Project Engineer, LFB BIOMEDICAMENTS SA (Lille)

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

Dominique SAINT PICQ
Quality assurance Coordinator, LFB BIOMEDICAMENTS SA (Les Ulis)
EXECUTIVE COMMITTEE OF THE GROUP  (From left to right)

Marcia BASSIT
Chief Executive Officer, LFB HEMODERIVADOS E BIOTECNOLOGIA LTDA, Brazil

Patrick BERGEAT
Operations Deputy General Manager, Director of Manufacturing, LFB BIOMEDICAMENTS SA

Max BERGER
Executive VP Legal Affairs, LFB SA

Léopold BERTÉA
Director of the Global Bioproduction Division and Executive VP LFB BIOTECHNOLOGIES SASU

Guillaume BOLOGNA
Executive VP Pharmaceutical Development, LFB BIOTECHNOLOGIES SASU

Sandrine CHARRIERES
Executive VP corporate Communications, LFB SA

Sami CHTOUROU
Executive VP Innovation and Scientific Affairs, LFB BIOTECHNOLOGIES SASU

Jean-Noël COLIN
Executive VP Quality and Group Pharmaceutical Coordination, LFB SA

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

Yann ECHELARD
Chief Executive Officer of rEVO Biologics Inc.

Philippe GREDY
Executive VP Global Marketing and Sales, LFB SA, Director of Commercial Affairs, LFB BIOMEDICAMENTS SA

David LOISON
Executive VP Group Financial Affairs, LFB SA

Joris PEZZINI
Executive VP Group corporate Strategy and Business Development, LFB SA

Denis SOUBEYRAN
General Director, LFB BIOTECHNOLOGIES SASU

Guillaume BOLOGNA
Executive VP Pharmaceutical Development, LFB BIOTECHNOLOGIES SASU

Sandrine CHARRIERES
Executive VP Corporate Communications, LFB SA

Sami CHTOUROU
Executive VP Innovation and Scientific Affairs, LFB BIOTECHNOLOGIES SASU

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Denis SOUBEYRAN
General Director, LFB BIOTECHNOLOGIES SASU

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Director of the Global Bioproduction Division and Executive VP LFB BIOTECHNOLOGIES SASU

GUILLAUME BOLOGNA
Executive VP Pharmaceutical Development, LFB BIOTECHNOLOGIES SASU

SANDRINE CHARRIERES
Executive VP Corporate Communications, LFB SA

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DAVID LOISON
Executive VP Group Financial Affairs, LFB SA

JORIS PEZZINI
Executive VP Group Corporate Strategy and Business Development, LFB SA

DENIS SOUBEYRAN
General Director, LFB BIOTECHNOLOGIES SASU

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 AUVEYNE, Thomas GOSSET, Jean-Marie ZACHARIE and Vincent DE NOIS.

The Audit Committee met four times in 2015.

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, Pascale AUGÉ, Pierre ANGOT, Jean-Michel HEARD, Manuela LEONE and Hervé MARCILLY.

The R&D Committee met four times in 2015.

REMUNERATION COMMITTEE

The remuneration committee was created on the initiative of the board of directors on 21 March 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 and Dominique SAINT-PICO.

The Remuneration Committee met twice in 2015.

GENERAL CONTROL

In accordance with the decision taken on 11 September 2013 pursuant to decree no. 55-733 dated 26 May 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.
2015, an international strong growth

INTRODUCTION

Standing at €502.4 million, turnover passed the €500 million mark for the second consecutive year in 2015, with revenue made outside France reaching 30%, 2 points higher than in 2014 and 8 points above 2013. French sales were down by €11.6 million (-3.2%) on 2014, affected by production difficulties during the third quarter and the reduction in the national approved reimbursement rate for medicines of “Rare Diseases / Haemostasis” range.

Sales outside France were up €12.1 million (+8.7%), helped by Services and Other goods and services. Plasma-derived medicinal products and recombinant's sales were close to 2014 levels (-0.3%). Services rose by €4 million (+12.6%) thanks to technology transfer in Brazil, toll manufacturing for Poland and bioproduction activities. Finally, other goods and services (+€18 million or +73.9%) benefits from strong equipment sales in Brazil.

Our 2015 operations were largely carried by the sale of medicines, which amounted to €404.1 million or 80.4% of the Group’s turnover. These medicinal products are marketed in three product ranges:

- Immunology
- Rare diseases / Haemostasis
- Perinatal and Intensive Care
IMMUNOLOGY

Standing at €147.2 million, overall turnover from the sales of our “Immunology” range medicinal products was up on 2014 (+3.6 %), boosted by international sales. Outside France, sales of immunoglobulins increased by 52.2% in 2015, up on most other markets. Despite local economic difficulties, immunoglobulin sales saw an upturn in Brazil, increasing on 2014 figures. Mexico also proved to be a major outlet, recording the strongest growth in the range.

RARE DISEASES / HAEMOSTASIS

Standing at €139.7 million, turnover from medicinal products in the “Rare Diseases / Haemostasis” range was down 6.6% on 2014. The most buoyant product in the range, both in France and abroad, was WILFACTIN®, also sold under the trademark WILLFACT® in northern Europe. Sales of this range relate primarily to Europe, North Africa and the Middle East. The drop in sales in 2015 is explained by volatility in markets subject to call for tender procedures and the instability in certain countries. Latin America, and notably Columbia, are currently offering a new outlet for the products in this range and explain the 24% increase in international sales of FACTANE® as compared to 2014.

PERINATAL AND INTENSIVE CARE

Standing at €117.3 million, the range recorded a turnover decrease of 6.1% compared to 2014. In France, the “Perinatal and Intensive Care” range registered sales of €93.8 million, down 3.8% compared to 2014, despite the continued growth of CLOTTAFACT®. International turnover from this range also decrease, due to the suspension of sales of the recombinant medicine ATryn® in the United States following a delay in the accreditation of LFB USA’s subcontractor. Overall, international sales of the range’s plasma products were stable in comparison with 2014.
SERVICES

On international markets in particular, the Group is developing a range of services designed to complement the sale of its medicinal products. In 2015, these services represented 23.4% of its international turnover, as opposed to 22.6% in 2014. The sale of services increased both in France and abroad by 7.4% and 12.6% respectively.

In France, LFB BIOMANUFACTURING SASU has been successfully developing a portfolio of third-party customers for the last three years.

The progress achieved in international markets is due to technology transfer in Brazil and the production of batches of recombinant products through cell culture by LFB BIOMANUFACTURING SASU and LFB BIOTECHNOLOGIES SASU.

INTERMEDIATE BIOLOGICAL PRODUCTS

Reaching a figure of €14 million, the sales of intermediate products was down by 40.8% on 2014.

The share of plasma coming from the EUROPLASMA Group, acquired by LFB BIOMEDICAMENTS SA, increased in 2015, automatically resulting in a turnover decrease from other Group companies of €10.6 million.

OTHER GOODS AND SERVICES

Sales of other goods and services, primarily equipment related to technology transfer with Brazil (€35.8 million), were up on 2014. The sale of licences also increased to a total of €6.4 million.
OUR RESPONSABILITIES
The LFB group relies on its fundamental principles and sustainable values to leverage its developments.

**Developing programmes**
for rare diseases

**Placing patient safety**
at the heart of corporate decisions

**Establishing ethical relations**
with stakeholders, healthcare professionals, employees and partners, and developing projects with associations whose purpose is to improve the well-being / quality of life of patients and their families

**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.

NB : Under the criteria set out in section 225 of the French ‘Grenelle 2’ Law of 12 July 2010 (Loi n° 2010-6708 du 12 juillet 2010 portant engagement national pour l’environnement) and its implementing regulations of 24 April 2012 (Décret d’application du 24 avril 2012), LFB is required to publish certain information “on the manner in which the company deals with the social, environmental and corporate consequences of its activity”. LFB meets these obligations in its management report.
LFB Group, with a France-based workforce comprising employees of 24 different nationalities, has developed a set of practices designed to foster workplace equality amongst its staff and ensure the absence of discrimination on the grounds of gender, ethnicity, age or sexual orientation.

**DISTRIBUTION OF LFB WORKFORCE**
On 31st December 2015

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1,670</td>
<td>411</td>
<td>2,111</td>
</tr>
<tr>
<td>International Subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>411</td>
<td></td>
<td>411</td>
</tr>
<tr>
<td></td>
<td>987</td>
<td></td>
<td>1,998</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,124</td>
<td>987</td>
<td>2,111</td>
</tr>
</tbody>
</table>

Fairness and equality of opportunities for men and women are vital components of LFB’s human resources policy. Over the last 10 years, LFB has developed a range of practices designed to promote equality between men and women. General terms and conditions of employment, access to training, recruitment, working conditions, pay systems, working hours and holiday are identical for both sexes, and/or designed to take into account the differences between them, in order to promote workplace quality between men and women.

The total workforce on the books in France rose slightly by 2.2% compared to 2014. This increase is explained by an increase in staff taken on under work/study contracts in line with LFB’s youth employment policy and by its continued development of the LFB BIOMANUFACTURING SASU and CELLforCURE SASU subsidiaries. LFB’s international workforce is growing in line with its globalisation strategy.
In France, LFB Group continues its efforts to promote professional and vocational training, allocating a budget representing 4.7% of its gross wage bill to cover the cost of in-house trainers and the training programmes offered at LFB. Further training opportunities are supplied by professional training providers (in the fields of manufacturing, sales and marketing, human resources Department).

The principle training areas are professional expertise, languages, office IT systems, specific manufacturing skills and health, safety and the environment.

LFB’s training strategy also includes a work/study training policy which is vital to the development of its various teams in both the short and medium term.

Launched in 2012, LFB’s disability employment policy is spreading throughout the organisation with the medium-term objective of ensuring that 6% of the workforce – both direct and indirect – in France are made up of people with a disability. Our aim is to ensure that disability is not a barrier to people expressing their skills and individual talents.

LFB first appointed a disability officer tasked with devising and developing the company’s disability employment policy in 2010. In 2015, it created a new role within the Human Resources Department responsible for promoting and monitoring LFB’s corporate policies, including disability employment.

A range of incentives have been introduced to develop disability policy internally, including the organisation of information campaigns encouraging recognition of the quality of disabled workers and awareness-raising initiatives at various sites within LFB Group. LFB also supports sheltered employment programmes by subcontracting work on a long-term basis to specialist organisations and businesses that offer work to the disabled.

Finally, 2015 saw the organisation of various practical projects adapting working hours or workstations for disabled staff.

The aim of disability employment policy of LFB, is to ensure that disability is not a barrier to people expressing their skills and individual talents.

Partnership

TULIPE

Since 1996, LFB has been a member of TULIPE, an emergency aid and international solidarity organisation set up by France’s pharmaceutical industry trade association, LEEM. TULIPE brings together the donations made by healthcare companies to provide an emergency response to the needs of populations in distress as a result of acute health crises, natural disasters and conflict.

Our role in the organisation is to provide emergency kits containing new health products suitable for use in the field at very short notice. A LFB executive sits on TULIPE’s Board of Directors.
Commitment to rare diseases

STANDING BY INSTITUTIONAL PLAYERS IN THE FIELD OF RARE DISEASES

With over 60% of our medicines indicated for the treatment of rare diseases, LFB is a major player in this field. LFB’s medicines help hospital-based health professionals to care for patients suffering from rare and sometimes very rare diseases for which the available treatment options are limited. LFB devotes over 60% of its R&D investments to projects involving new biotherapies for rare diseases in the fields of immunology, haemostasis and perinatal and intensive care. It also supports the major institutional players in the field of rare diseases, in France through its 13-year long partnership with Alliance Maladies Rares, and at European level with ORPHANET and EURORDIS.

COMMITMENT TO PATIENTS AND THEIR FAMILIES

LFB provides long-term support to a number of patient organisations in the field of rare diseases with the dual aim of helping to increase our understanding of these diseases and developing projects designed to improve the well being of patients. Projects include a 13-year-long partnership with Alliance Maladies Rares (a group of 206 voluntary sector patients’ organisations). In a similar vein, in 2015 LFB provided support for patients’ organisations such as IRIS and IPOPI (immunodeficiency), AFH and WFH (haemophilia), AF3M (multiple myeloma), ADAAT (alpha-1 antitrypsin deficiency) and AFNP (peripheral neuropathies).

LFB also believes that improving the lives of patients – particularly children – with chronic illnesses in their healthcare environment is essential. For 15 years LFB has been working in partnership with Le Rire Médecin, a not-for-profit organisation that supports weekly visits of ‘hospiclowns’ to two pediatrics departments at Paris’s Necker Hospital.

Safety, a priority of LFB group

As patient safety is its first priority, LFB has taken specific steps to anticipate emerging risks in the field of biopharmaceuticals and, more particularly, plasma-derived medicines. In 2001, LFB set up the International Safety Advisory Committee, or ISAC, a group of internationally recognised biosafety experts. ISAC’s objective is to maintain scientific oversight over LFB’s activities with particular reference to the risks related to prions and emerging viruses and, where necessary, to advocate safety techniques and/or research.
The Group's Purchasing Department operates a responsible purchasing policy as part of LFB’s corporate social responsibility programme. A responsible purchasing dashboard with 15 indicators is distributed every quarter, showing the progress made in recent years and setting out objectives.

The main indicators are: collection time monitoring, the percentage of supplies purchased from small- and medium-sized businesses, the number of buyer training courses attended, and monitoring of cases referred to the ombudsman. In dealing with discrepancies and disputes, LFB pays particular attention to dealing with price discrepancies in order to facilitate faster payments.

Our “Responsible Supplier Relations Charter” is sent out to all suppliers and is also available on the Group’s website together with the LFB “Good Purchasing Charter”.

All our executives, budget managers, the purchasing department and all staff members authorised to incur expenditure are signed up to our “Good Purchasing Practice Charter”.

LFB Group’s environmental policy is designed to minimise the impact of the Group’s activities on the environment all along the medicines production and distribution chain.

The impact of LFB’s French production operations (four out of our five production sites) on their ecosystems is monitored by the progressive introduction of environmental indicators in relation to both incoming (e.g. raw materials, energy and water) and outgoing flows (emissions, effluent and waste).

LFB’s aim is to control its consumption of energy and water and monitor hazardous and non-hazardous waste, effluent releases and air emissions as closely as possible. We are also careful to identify any possible shortcomings in these systems, put in place short-term remedial solutions and, in the longer term, find new technologies capable of providing more energy-efficient and environmentally friendly plant and equipment as part of a multi-year investment plan.

As a member of the UN’s Global Compact, LFB Group is committed to supporting the fight against corruption in all its forms, by ensuring compliance with current anti-corruption legislation within its internal sphere of influence. Each staff member is also subject to a strict duty of confidentiality in respect of any information to which he or she has access in a work-related capacity.
FINANCIAL INDICATORS
Consolidated Income Statement

<table>
<thead>
<tr>
<th>Amounts expressed in EUR million</th>
<th>On 31st December 2015</th>
<th>On 31st December 2014</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales - France</td>
<td>350.2</td>
<td>361.8</td>
<td>-3.2 %</td>
</tr>
<tr>
<td>Sales - International</td>
<td>152.2</td>
<td>140.1</td>
<td>8.6 %</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td><strong>502.4</strong></td>
<td><strong>501.9</strong></td>
<td><strong>0.1 %</strong></td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td><strong>177.6</strong></td>
<td><strong>195.5</strong></td>
<td><strong>-9.2 %</strong></td>
</tr>
<tr>
<td>% of turnover</td>
<td>35.3 %</td>
<td>39.0 %</td>
<td></td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>(81.3)</td>
<td>(65.9)</td>
<td>23.4 %</td>
</tr>
<tr>
<td>Sales and marketing expenses</td>
<td>(51.0)</td>
<td>(48.6)</td>
<td>4.9 %</td>
</tr>
<tr>
<td>Overheads and administrative expenses</td>
<td>(50.3)</td>
<td>(48.7)</td>
<td>3.3 %</td>
</tr>
<tr>
<td>Other operating expenses and income</td>
<td>17.0</td>
<td>(7.1)</td>
<td>-339.4 %</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>12.0</strong></td>
<td><strong>25.2</strong></td>
<td></td>
</tr>
<tr>
<td>% of turnover</td>
<td>2.4 %</td>
<td>5.0 %</td>
<td></td>
</tr>
<tr>
<td><strong>Net financial income</strong></td>
<td><strong>0.2</strong></td>
<td><strong>0.3</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Income before tax</strong></td>
<td><strong>12.1</strong></td>
<td><strong>25.5</strong></td>
<td></td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>(3.2)</td>
<td>(6.2)</td>
<td></td>
</tr>
<tr>
<td>Share of equity affiliates in net income</td>
<td>(8.6)</td>
<td>(6.3)</td>
<td></td>
</tr>
<tr>
<td><strong>Consolidated net income</strong></td>
<td><strong>0.3</strong></td>
<td><strong>13.0</strong></td>
<td></td>
</tr>
<tr>
<td>% of turnover</td>
<td>0.1 %</td>
<td>2.6 %</td>
<td></td>
</tr>
<tr>
<td>- Net income to minority interests</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>- Net income to Group share</td>
<td>0.3</td>
<td>13.0</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>49.1</strong></td>
<td><strong>41.5</strong></td>
<td></td>
</tr>
<tr>
<td>% of turnover</td>
<td>9.8 %</td>
<td>8.3 %</td>
<td></td>
</tr>
</tbody>
</table>
### Statement of financial asset consolidated

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>467.7</td>
<td>239.9</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>391.4</td>
<td>348.3</td>
</tr>
<tr>
<td>Assets held for sale or exchange</td>
<td>0.0</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>859.0</td>
<td>597.1</td>
</tr>
<tr>
<td>Share capital</td>
<td>280.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Other reserves</td>
<td>199.9</td>
<td>189.6</td>
</tr>
<tr>
<td>Income</td>
<td>0.3</td>
<td>13.0</td>
</tr>
<tr>
<td><strong>Equity attributable to equity holders of the parent</strong></td>
<td>480.2</td>
<td>252.6</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>480.2</td>
<td>252.6</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>164.4</td>
<td>144.3</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>214.4</td>
<td>200.2</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td>859.0</td>
<td>597.1</td>
</tr>
<tr>
<td>Net debt</td>
<td>34.0</td>
<td>41.3</td>
</tr>
<tr>
<td>Debt/equity ratio</td>
<td>7 %</td>
<td>16 %</td>
</tr>
<tr>
<td>Debt/EBITDA</td>
<td>0.7</td>
<td>1.0</td>
</tr>
</tbody>
</table>

### Consolidated Statement of Cash Flow

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income</strong></td>
<td>0.3</td>
<td>13.0</td>
</tr>
<tr>
<td>Self-financing capacity</td>
<td>36.8</td>
<td>43.3</td>
</tr>
<tr>
<td>Change in required working capital</td>
<td>(42.9)</td>
<td>(11.4)</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>(6.1)</td>
<td>31.9</td>
</tr>
<tr>
<td>Cash flow from investment activities</td>
<td>(47.0)</td>
<td>(27.7)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>7.5</td>
<td>(12.6)</td>
</tr>
<tr>
<td>Increase (decrease) in cash</td>
<td>(45.6)</td>
<td>(8.4)</td>
</tr>
<tr>
<td>Opening net cash (start of year)</td>
<td>83.0</td>
<td>91.5</td>
</tr>
<tr>
<td>Increase (decrease) in cash</td>
<td>(45.6)</td>
<td>(8.4)</td>
</tr>
<tr>
<td>Effect of exchange rate fluctuations</td>
<td>(0.4)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Closing net cash (end of year)</td>
<td>36.9</td>
<td>83.0</td>
</tr>
<tr>
<td>Net opening debt (start of year)</td>
<td>41.3</td>
<td>45.4</td>
</tr>
<tr>
<td>Increase (decrease) in debt</td>
<td>(7.7)</td>
<td>(4.3)</td>
</tr>
<tr>
<td>Effect of perimeter change</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Closing net debt</td>
<td>34.0</td>
<td>41.3</td>
</tr>
</tbody>
</table>
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