

This Offer expires at 17:40 hours, CET, on 4 January 2013, unless extended

OFFER MEMORANDUM

Dated 8 November 2012

RECOMMENDED CASH OFFER

BY

AI GARDEN B.V.

FOR ALL THE ISSUED AND OUTSTANDING ORDINARY SHARES WITH A NOMINAL
VALUE OF EUR 0.25 EACH IN THE SHARE CAPITAL OF

MEDIQ N.V.

This offer memorandum (the *Offer Memorandum*) contains the details of the recommended public offer by AI Garden B.V. (the *Offeror*), a company ultimately indirectly controlled by funds advised and managed by Advent International Corporation (*Advent*), to all holders of issued and outstanding ordinary shares with a nominal value of EUR 0.25 each (the *Shares* and each a *Share*, the holders of such Shares the *Shareholders*), in the share capital of Mediq N.V. (*Mediq*) to purchase for cash their Shares on the terms and subject to the conditions and restrictions set forth in this Offer Memorandum (the *Offer*). As at the date of this Offer Memorandum, 58,485,060 Shares are issued by Mediq and subject to the Offer.

This Offer Memorandum contains the information required by Article 5:76 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*, the *Wft*) in conjunction with Article 8, paragraph 1 of the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*, the *Decree*) in connection with the Offer. This Offer Memorandum has been reviewed and approved by The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the *AFM*) as an offer memorandum under Article 5:76 of the Wft.

The information required by Article 18, paragraph 2 of the Decree in connection with the Offer is included in the Position Statement. The Position Statement, including all appendices thereto, does not form part of this Offer Memorandum and has not been reviewed or approved by the AFM prior to publication. The Position Statement will be reviewed by the AFM after publication.

Capitalised terms used in this Offer Memorandum have the meaning set out in Section 4 (Definitions) or elsewhere in this Offer Memorandum.

Shareholders tendering their Shares under the Offer will be paid on the terms and subject to the conditions and restrictions contained in this Offer Memorandum in consideration for each Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and transferred (*geleverd*) an amount in cash of EUR 13.25 (thirteen euro and twenty-five euro cents) cum dividend (the **Offer Price**). In the event any dividend or other distribution (each, a **Distribution** and collectively, the **Distributions**) on the Shares is declared by Mediq (whereby the record date that is decisive for entitlement to such Distribution is prior to Settlement (as defined below)), the Offer Price will be decreased by the full amount of any such Distribution made by Mediq in respect of each Share (before any applicable withholding tax).

With due consideration to a (potential) conflict of interest, as members of the management board of Mediq (the **Management Board**) are likely to participate as minority shareholders in the Offeror (see Section 8.1.3), the Management Board and the supervisory board of Mediq (the **Supervisory Board**, and together with the Management Board the **Boards**) fully support and unanimously recommend the Offer to the Shareholders for acceptance. Reference is made to Section 6.6 (Recommendation) and the Position Statement.

Major shareholders Templeton Investment Counsel, LLC, Franklin Templeton Investments Corp., together holding approximately 5.0% of the Shares, and Silchester International Investors LLP, holding approximately 15.1% of the Shares, have irrevocably undertaken to tender all Shares held by them as per the Closing Date and to vote in favour of the EGM Resolutions under the terms and conditions of this Offer Memorandum.

The Offer Period under the Offer will commence at 09:00 hours, CET, on 9 November 2012 and will expire at 17:40 hours, CET, on 4 January 2013, unless the Offeror extends the Offer Period in accordance with Section 5.5 (Extension), in which case the closing date shall be the date on which the extended Offer Period expires (such initial or postponed date, the **Closing Date**).

Shares tendered on or prior to the Closing Date may not be withdrawn, subject to the right of withdrawal of any tender of Shares during the Offer Period in accordance with the provisions of Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree.

The Offeror will announce whether the Offer is declared unconditional (*gestand wordt gedaan*) within three (3) Business Days following the Closing Date, in accordance with Article 16 of the Decree (the **Unconditional Date**).

Announcements contemplated by the foregoing paragraphs will be made by press release. Reference is made to Section 5.9 (Announcements).

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), Shareholders who have validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) (as applicable) and transferred (*geleverd*) their Shares for acceptance pursuant to the Offer prior to or on the Closing Date (each of these Shares, a **Tendered Share**) will receive the Offer Price in respect of each Tendered Share, and the Offeror shall acquire each Tendered Share, within eight (8) Business Days following the Unconditional Date (**Settlement** and the day on which the Settlement occurs the **Settlement Date**).

At 14:00 hours, CET, on 20 December 2012, such date being at least six (6) Business Days prior to the Closing Date, an extraordinary general meeting of Shareholders (the ***EGM***) will be convened at the head office of Mediq, Hertogswetering 159, 3543 AS Utrecht, The Netherlands, at which meeting the Offer, among other matters, will be discussed in accordance with Article 18, paragraph 1 of the Decree. In addition, certain resolutions will be proposed to the EGM in connection with the Offer. Reference is made to Section 6.21 (EGM) and the Position Statement.

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2. RESTRICTIONS

The Offer is being made in and from The Netherlands with due observance of the statements, conditions and restrictions included in this Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if it has not been made in the manner set out in this Offer Memorandum.

The distribution of this Offer Memorandum and/or the making of the Offer in jurisdictions other than The Netherlands may be restricted and/or prohibited by law. The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of any Shareholder, in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Memorandum. Persons obtaining this Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents (to the extent applicable). Outside of The Netherlands, no actions have been taken (nor will actions be taken) to make the Offer possible in any jurisdiction where such actions would be required. In addition, this Offer Memorandum has not been filed with or recognised by the authorities of any jurisdiction other than The Netherlands. Neither the Offeror, nor Mediq, nor any of their advisors accept any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who forwards or intends to forward this Offer Memorandum or any related document to any jurisdiction outside The Netherlands should carefully read Sections 2 and 3 of this Offer Memorandum (Restrictions and Important Information) before taking any action. The release, publication or distribution of this Offer Memorandum and any documentation regarding the Offer or the making of the Offer in jurisdictions other than The Netherlands may be restricted by law and therefore persons into whose possession this Offer Memorandum comes should inform themselves about and observe such restrictions. Any failure to comply with any such restriction may constitute a violation of the law of any such jurisdiction.

2.1 United States of America

The Offer is being made for the securities of a Dutch company and is subject to Dutch disclosure requirements, which differ from those of the United States. The financial information of Mediq included or referred to herein has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, accordingly, may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States pursuant an exemption from the U.S. tender offer rules provided by Rule 14d-1(c) under the U.S. Securities Exchange Act of 1934, as amended (the ***U.S. Exchange Act***), and otherwise in accordance with the applicable regulatory requirements in The Netherlands. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a U.S. holder of Shares will be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under

applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for U.S. holders of Shares to enforce their rights and claims arising out of the U.S. federal securities laws, since the Offeror and Mediq are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

In accordance with standard Dutch practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror or its nominees, or its brokers (acting as agents), or affiliates of the Offeror's financial advisors, may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent required in the Netherlands, any information about such purchases will be announced by press release in accordance with Article 13 of the Decree and posted on the website of Advent at www.adventinternational.com.

2.2 Canada and Japan

The Offer and any solicitation in respect thereof is not being made, directly or indirectly, in or into Canada or Japan, or by use of the mails, or by any means or instrumentality of interstate or foreign commerce, or any facilities of a national securities exchange, of Canada or Japan. This includes, but is not limited to, post, facsimile transmission, telex or any other electronic form of transmission and telephone. Accordingly, copies of this Offer Memorandum and any related press announcements, acceptance forms and other documents are not being sent and must not be mailed or otherwise distributed or sent in, into or from Canada or Japan or, in their capacities as such, to custodians, nominees or trustees holding Shares for persons residing in Canada or Japan. Persons receiving this Offer Memorandum and/or such other documents must not distribute or send them in, into or from Canada or Japan, or use such mails or any such means, instrumentality or facilities for any purpose in connection with the Offer; so doing will invalidate any purported acceptance of the Offer. The Offeror will not accept any tender by any such use, means, instrumentality or facility from within Canada or Japan.

Tender and transfer of Shares constitute a representation and warranty that the person tendering the Shares (i) has not received or sent copies of this Offer Memorandum or any related documents in, into or from Canada or Japan and (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails or any means or instrumentality including, without limitation, facsimile transmission, telex and telephone of interstate or foreign commerce, or any facility of a national securities exchange of, Canada or Japan. The Offeror reserves the right to refuse to accept any purported acceptance that does not comply with the foregoing restrictions, and any such purported acceptance will be null, void and without effect.

3. IMPORTANT INFORMATION

3.1 Information

This Offer Memorandum contains important information that should be read carefully before any Shareholder makes a decision to tender Shares under the Offer. Shareholders are advised to seek independent advice where necessary. In addition, Shareholders may wish to consult with their tax advisors regarding the tax consequences of tendering their Shares under the Offer.

3.2 Responsibility

The information included in Sections 1 through 6 (excluding Sections 6.6, 6.8, 6.9, 6.16, 6.17, 6.21, 6.22), 8, 10, 11 and 12 has been solely provided by the Offeror. The information included in Sections 6.6, 6.8, 6.21, 7, 13, and 14 has been solely provided by Mediq. The information included on the cover page, page 2, 3, the last page and in Sections 6.9, 6.16, 6.17, 6.22, 9 and 15 has been provided by the Offeror and Mediq jointly.

The Offeror and Mediq are exclusively responsible for the accuracy and completeness of the information provided in this Offer Memorandum, each with respect to the information it has provided, and jointly with respect to the information they have provided jointly.

Both the Offeror and Mediq confirm, each with respect to the information it has provided and jointly with respect to the information they have provided jointly, that to the best of their knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Offer Memorandum is in accordance with the facts and contains no omission likely to affect its import.

The information included in Sections 13.5 and 13.6 has been sourced by Mediq from its independent auditors, being KPMG with respect to the financial years 2011 and 2010 and PwC with respect to the financial year 2009. The auditor's report included in Section 14 has been sourced by Mediq from KPMG. Mediq confirms that this information has been accurately reproduced and that no facts have been omitted which would render the reproduced information inaccurate or misleading.

3.3 Presentation of financial information and other information

The selected consolidated financial information of Mediq is that of Mediq and its consolidated subsidiaries. The selected consolidated financial information should be read in conjunction with the consolidated financial statements of Mediq for the financial year 2009, the financial year 2010 and the financial year 2011, and the notes thereto. The year-end consolidated financial information of Mediq is extracted from Mediq's consolidated financial statements, which have been audited by PwC for the year financial year 2009 and by KPMG for the financial years 2010 and 2011, Mediq's independent auditors, from time to time. The financial statements and accounts from which the selected consolidated financial information has been derived were prepared in accordance with EU-IFRS.

The interim financial information of Mediq for the third quarter of the financial year 2012 included in this Offer Memorandum has been derived from the unaudited condensed consolidated interim financial statements of Mediq for the third quarter ended 30 September

2012. The unaudited condensed consolidated interim financial statements of Mediq were subject to limited review by KPMG which issued an unqualified review report on 25 October 2012 in accordance with the requirements of the AFM. The unaudited condensed consolidated interim financial statements of Mediq and the associated review report are included in Sections 13.5 and 13.6 of this Offer Memorandum and should be read in conjunction with the notes thereto.

Certain numerical figures set out in this Offer Memorandum, including financial data presented in millions or thousands, have been subject to rounding adjustments and, as a result, should therefore not be regarded as exact. In addition, the rounding also means that the totals of the data in this Offer Memorandum may vary slightly from the actual arithmetic totals of such information.

The information included in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum, unless specified otherwise. Neither the issue nor the distribution of this Offer Memorandum shall under any circumstances imply that the information contained herein is accurate and complete as of any time subsequent to the date of this Offer Memorandum or that there has been no change in the information set out in this Offer Memorandum or in the affairs of the Offeror, Mediq and/or their respective subsidiaries and/or affiliates since the date of this Offer Memorandum. The foregoing does not affect the obligation of both the Offeror and Mediq, each insofar as it concerns them, to make a public announcement pursuant to Article 5:25i Wft or Article 4, paragraph 3 of the Decree, if applicable.

No person, other than the Offeror, Advent and Mediq and without prejudice to the auditors' reports issued by KPMG and PwC included in the Offer Memorandum and the Fairness Opinions issued by ING and ABN AMRO included in the Position Statement, is authorised in connection with the Offer to provide any information or to make any statements on behalf of the Offeror, Advent or Mediq in connection with the Offer or any information contained in this Offer Memorandum. If any such information or statement is provided or made by parties other than the Offeror, Advent or Mediq, such information or statement should not be relied upon as having been provided by or made by or on behalf of the Offeror, Advent or Mediq. Any information or representation not contained in this Offer Memorandum must not be relied upon as having been provided by or made by or on behalf of the Offeror, Advent or Mediq.

3.4 Governing law

This Offer Memorandum and the Offer are, and any tender, purchase or transfer of Shares will be, governed by and construed in accordance with the laws of The Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Shares. Accordingly, any legal action or proceedings arising out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Shares may be brought exclusively in such courts.

3.5 Language

This Offer Memorandum is published in the English language and a Dutch language summary is included as Section 12 (Dutch language summary). In the event of any differences, whether or not in interpretation, between the English text of this Offer Memorandum and the Dutch language summary of this Offer Memorandum, the English text of this Offer Memorandum shall prevail.

3.6 Contact details

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) has been appointed as Paying and Exchange Agent in the context of the Offer.

The Paying and Exchange Agent

Rabobank International

Croeselaan 18
P.O. Box 17100
3500 HG Utrecht
The Netherlands
Tel: +31 (0)30 712 3785
Fax: +31 (0)30 712 3474
Email: prospectus@rabobank.com

The Offeror

AI Garden B.V.
Naritaweg 165
1043 BW Amsterdam
The Netherlands

Mediq

Mediq N.V.
Hertogswetering 159
3543 AS Utrecht
The Netherlands

3.7 Availability of information

Digital copies of this Offer Memorandum are available on the websites of Mediq (www.mediq.com) and Advent (www.adventinternational.com). Copies of this Offer Memorandum are also available free of charge at the offices of Mediq and the Paying and Exchange Agent at the addresses mentioned above. The Mediq and Advent websites do not constitute a part of, and are not incorporated by reference into, this Offer Memorandum.

Copies of the articles of association of the Offeror are available on the website of Advent (www.adventinternational.com) and free of charge at the offices of the Offeror and can be obtained by contacting the Offeror at the address mentioned above.

Copies of the Mediq Articles of Association and the proposed amendments to the Mediq Articles of Association are available on the website of Mediq (www.mediq.com).

3.8 Forward-looking statements

This Offer Memorandum includes "forward-looking statements", including statements about the expected timing and completion of the Offer. Forward-looking statements involve known or unknown risks and uncertainties because they relate to events and depend on circumstances that all occur in the future. Generally, words such as may, should, aim, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward-looking statements. Although the Offeror, Advent and Mediq, each with respect to the statements it has provided, believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. The forward-looking statements involve unknown risks, uncertainties and other factors, many of which are outside the control of the Offeror, Advent and Mediq, and are difficult to predict. These forward-looking statements are not guarantees of future performance. Any such forward-looking statements must be considered together with the fact that actual events or results may vary materially from such forward-looking statements due to, among other things, political, economic or legal changes in the markets and environments in which the Offeror, Advent and/or Mediq does business, to competitive developments or risks inherent to the business plans of the Offeror, Advent or Mediq, and to uncertainties, risk and volatility in financial markets and other factors affecting the Offeror, Advent and/or Mediq.

The Offeror, Advent and Mediq undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations or by any appropriate regulatory authority.

3.9 Financial Advisors

Deutsche Bank, Rabobank and BNP Paribas are acting as financial advisor exclusively to the Offeror and Advent and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum and will not be responsible to anyone other than the Offeror and Advent for providing the protections afforded to the clients of Deutsche Bank, Rabobank and BNP Paribas or for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum.

Deutsche Bank, Rabobank and BNP Paribas have given and have not withdrawn their written consent to the references to their name in the form and context in which it appears in this Offer Memorandum.

ING is acting as financial advisor exclusively to Mediq and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum and will not be responsible to anyone other than Mediq for providing the protections afforded to the clients of ING or for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum.

ING has given and has not withdrawn its written consent to the references to its name in the form and context in which they appear in this Offer Memorandum.

ABN AMRO is acting as financial advisor exclusively to the Supervisory Board of Mediq and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum and will not be responsible to anyone other than the Supervisory Board for providing the protections afforded to the clients of ABN AMRO or for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum.

ABN AMRO has given and has not withdrawn its written consent to the references to its name in the form and context in which they appear in this Offer Memorandum.

4. DEFINITIONS

Any reference in this Offer Memorandum to defined terms in plural form will constitute a reference to such defined terms in singular form, and vice versa. All grammatical and other changes required by the use of a definition in singular form will be deemed to have been made herein and the provisions hereof will be applied as if such changes have been made.

Defined terms used in this Offer Memorandum will have the following meaning:

ABN AMRO	means ABN AMRO Bank N.V.;
Admitted Institutions	means those institutions admitted to Euronext Amsterdam (<i>aangesloten instellingen</i>);
Adjusted Closing Price	means the closing price per Share on Euronext Amsterdam adjusted to take into account normal cash dividends paid by Mediq, which include a dividend for 2011 of EUR 0.31 (ex-dividend date 13 April 2012) and an interim dividend for 2012 of EUR 0.15 (ex-dividend date 30 July 2012);
Advent	means Advent International Corporation, a Delaware corporation with principle offices located at 75 State Street (29 th floor), Boston, MA, United States;
Affiliates	means in relation to the Offeror and/or Mediq, any subsidiary or parent company of the Offeror and/or Mediq and any subsidiary of such parent company, in each case from time to time;
AFM	means The Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>);
Alternative Proposal	means a potential offer or proposal for a potential offer for all or part of the Shares or for the whole or substantial part of the businesses or assets of the Mediq Group or any proposal involving the potential acquisition of a substantial interest in the Mediq Group, a legal merger or demerger involving Mediq or a reorganisation or re-capitalisation of the Mediq and/or the Offeror Group;
Antitrust Laws	means the Dutch Competition Act (<i>Mededingingswet</i>), the HSR Act, the EC Merger Regulation and any other law, regulation or decree (whether national, international, federal, state or local) designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization

or restraint of trade or the significant impediment of effective competition;

Applicable Rules

means all applicable laws and regulations, including without limitation, the applicable provisions of and any rules and regulations promulgated pursuant to the Wft, the Decree, the policy guidelines and instructions of the AFM, the Dutch Works Council Act (*Wet op de ondernemingsraden*), the *SER Fusiegedragsregels 2000* (the Dutch code in respect of informing and consulting of trade unions), the rules and regulations of Euronext Amsterdam and, in as far as applicable, the Dutch Civil Code, the relevant securities and employee consultation rules and regulations in other applicable jurisdictions and any relevant Antitrust Laws;

BNP Paribas

means BNP Paribas S.A.;

Boards

means the Supervisory Board and the Management Board together;

Business Day

means a day other than a Saturday or Sunday on which banks in The Netherlands, according to collective agreements for the banking sector (*Algemene Bank-CAO*) and Euronext Amsterdam are open for normal business;

Call Option

has the meaning given to it in Section 7.10;

CET

means Central European Time;

Chairman

has the meaning given to it in Section 6.16.2;

Closing Date

means the time and date on which the Offer Period expires, being at 17:40 hours, CET, on 4 January 2013, unless extended by the Offeror in accordance with Section 5.5, in which case the closing date shall be the date on which the extended Offer Period expires;

Combined Group

means the group constituted by the Offeror and Mediq and their respective Affiliates after the Settlement Date;

Committed Shares

has the meaning given to it in Section 6.7.1(b);

Competing Offer

has the meaning given to it in Section 6.22.2;

Decree	means the Dutch Decree on public offers Wft (<i>Besluit openbare biedingen Wft</i>), as amended from time to time;
Deutsche Bank	Deutsche Bank AG, London Branch; Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin - Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the Financial Services Authority;
Distribution	has the meaning given to it in Section 5.1.2;
Due Diligence Investigation	means the due diligence investigation performed by Advent into the financial, operational, commercial, legal and tax aspects of the Mediq Group;
Dutch Civil Code	means the Dutch Civil Code (<i>Burgerlijk Wetboek</i>);
Dutch Corporate Governance Code	means the Dutch corporate governance code, dated 1 January 2009 as established under Section 2:391 paragraph 5 of the Dutch Civil Code;
EBITDA	means earnings before interest, taxes, depreciation and amortisation;
EGM	means the extraordinary general meeting of shareholders of Mediq that is to be held in accordance with Article 18, paragraph 1 of the Decree at least 6 (six) Business Days prior to the Closing Date;
EU-IFRS	means the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Commission for use in the European Union;
Euronext Amsterdam	means the stock exchange of Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext N.V.;
Exit	means any of the following: (a) the direct or indirect acquisition (whether through a single transaction or a series of transactions) by a party other than a member of the Offeror Group (from time to time) of the shares in Mediq (or its legal successor) or of an interest in the shares in Mediq (or its legal successor) as a result of which Mediq (or its legal successor) becomes a subsidiary (as defined in

	Article 2:24a of the Dutch Civil Code) of such party; (b) any admission to listing or to trading on a securities exchange of shares in Mediq (or its legal successor) or any member of the group of which Mediq (or its legal successor) forms a part; and (c) a sale by Mediq or any member of the Mediq Group of substantially all of the Mediq Group's assets (seen as a whole) to a third party;
Fairness Opinions	means the fairness opinions issued by ING and ABN AMRO;
Foundation	has the meaning given to it in Section 7.10;
Foundation Inquiry Right Agreement	has the meaning given to it in Section 7.10;
Foundation Option Agreement	has the meaning given to it in Section 7.10;
I/B/E/S	means Institutional Brokers' Estimate System;
Independent SB Member	has the meaning given to it in Section 6.16.2;
ING	means ING Bank N.V.;
Initial Announcement	has the meaning given to it in Section 6.1;
Inquiry Right	has the meaning given to it in Section 7.10;
IRP	has the meaning given to it in Section 7.13;
IRP Shares	has the meaning given to it in Section 7.13;
KPMG	means KPMG Accountants N.V.;
LTIP	has the meaning given to it in Section 6.8.3;
Management Board	means the Management Board (<i>raad van bestuur</i>) of Mediq;
Material Adverse Effect	means any change, event, circumstance or effect (any of such items an <i>Effect</i>), individually or when taken together with all other Effects that have occurred between the date of the Merger Protocol and the Closing Date, that is or is reasonably likely to be sustainably materially adverse to the business, the financial or trading position of the Mediq Group taken as a whole, such that the Offeror cannot reasonably be expected to declare the Offer unconditional, provided, however, that for the purpose of determining whether there has been, or

will be, a Material Adverse Effect, the following Effects will not be taken into account:

- (a) a general economic decline in the business generally affecting companies such as Mediq;
- (b) any adverse development regarding the European Union, its member states (including member states leaving such union) and the Euro zone (including one or more member states leaving or forced to leave such zone);
- (c) any matter which is, or should reasonably be known to the Offeror or its advisors prior to the date of the Merger Protocol, as a result of the fair disclosure through the Due Diligence Investigation or information in the public domain prior to the date of the Merger Protocol, including information filed by any member of the Mediq Group as a matter of public record or made public by Mediq pursuant to applicable laws or regulations;
- (d) the announcement, making and implementation of the Offer;
- (e) any change in laws, regulations, reporting standards or interpretations thereof, after the date of the Merger Protocol; and
- (f) litigation having been commenced by shareholders on the basis of an alleged breach of fiduciary duty by the Management Board or Supervisory Board of Mediq in relation to the recommendation of the Offer;

Mediq

means Mediq N.V., a public limited liability company (*naamloze vennootschap*) incorporated under the laws of The Netherlands, whose statutory seat is in Utrecht, The Netherlands, and whose principal office is at Hertogswetering 159, 3543 AG Utrecht, The Netherlands, registered in the Dutch Commercial Register under number 30000534;

Mediq Articles of Association	means the articles of association (<i>statuten</i>) of Mediq, as amended from time to time;
Mediq Group	means Mediq and its Affiliates from time to time;
Merger Protocol	means the Merger Protocol agreed and signed by the Offeror and Mediq on 23 September 2012;
Minimum Acceptance Condition	has the meaning given to it in Section 6.7.1(b);
Offer	means the offer described in this Offer Memorandum;
Offer Conditions	means the conditions to the Offer set out in Section 6.7;
Offer Memorandum	means this offer memorandum (<i>biedingsbericht</i>) describing the terms, conditions and restrictions of the Offer;
Offer Period	means the period during which the Shareholders can tender their Shares to the Offeror, which commences at 09:00 hours, CET, on 9 November 2012 and ends at 17:40 hours, CET, on the Closing Date;
Offer Price	has the meaning given to it in Section 5.1.1;
Offeror	means AI Garden B.V., a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of The Netherlands, having its seat (<i>statutaire zetel</i>) at Amsterdam, The Netherlands and its registered office at Naritaweg 165, 1043 BW Amsterdam, The Netherlands, registered with the Dutch commercial register under number 56038062;
Offeror Group	means the Offeror and any of the Advent International GPE VI and Advent International GPE VII funds managed by Advent and their respective direct and/or indirect subsidiaries and/or affiliates from time to time;
Paying and Exchange Agent	means Rabobank;
Position Statement	means the position statement of the Boards which does not form part of this Offer Memorandum;
Post Closing Acceptance Period	means a period of no more than two (2) weeks after the Offer Period during which the Shareholders that

	have not yet tendered their Shares under the Offer may be given the opportunity to do so in the same manner and under the same conditions as set out in this Offer Memorandum;
Post-Closing Restructuring Measures	has the meaning given to it in Section 6.11.5(d);
Potential Competing Offer	has the meaning given to it in Section 6.22.1;
Protective Preference Shares	means the preference shares in the share capital of Mediq with a nominal value of EUR 1 each;
PwC	means PricewaterhouseCoopers Accountants N.V.;
Rabobank	means Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., trading as Rabobank International;
Recommendation	has the meaning given to it in Section 6.6;
Reference Date	means 21 September 2012, the last trading day before the Initial Announcement;
Related Parties	has the meaning given to it in Section 6.7.1(b);
Settlement	means the payment of the Offer Price by the Offeror to the Shareholders for each Tendered Share;
Settlement Date	means the date, being no later than the eight (8 th) Business Day after the Unconditional Date, on which, in accordance with the terms of the Offer, the Offeror will pay the Offer Price to the Shareholders for each Tendered Share;
Shareholder(s)	means (a) holder(s) of one or more Share(s);
Shares	means the issued and outstanding ordinary shares in the share capital of Mediq with a nominal value of EUR 0.25 each;
Supervisory Board	means the supervisory board (<i>raad van commissarissen</i>) of Mediq;
Tendered Share	means each Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and transferred (<i>geleverd</i>) (as applicable) for acceptance pursuant to the Offer prior to or on the Closing Date;

Unconditional Date	has the meaning given to it in Section 5.4;
Wft	means the Dutch Act on Financial Supervision (<i>Wet op het financieel toezicht</i>);
WOR	means the Dutch Works Council Act (<i>Wet op de Ondernemingsraden</i>);
Works Council	means the central works council of Mediq; and
Works Council SB Member	has the meaning given to it in Section 6.16.2.

5. INVITATION TO THE SHAREHOLDERS

The Offeror hereby makes a recommended public cash offer for all Shares. Shareholders are advised to review this Offer Memorandum and in particular Sections 2 and 3 (Restrictions and Important Information) thoroughly and completely and to seek independent advice where appropriate in order to reach a balanced judgement with respect to the Offer and this Offer Memorandum. Shareholders who consider not tendering their Shares are advised to review Section 6.11 (Consequences of the Offer) in particular. With due reference to all statements, terms, conditions and restrictions included in this Offer Memorandum, Shareholders are hereby invited to tender their Shares under the Offer in the manner and subject to the terms and restrictions set out in this Offer Memorandum.

5.1 Offer Price

5.1.1 Consideration

For each Share tendered under the Offer, the Offeror offers a consideration of EUR 13.25 (thirteen euro and twenty-five cents) in cash cum dividend (the **Offer Price**).

5.1.2 Distributions

In the event any dividend or other distribution (each, a **Distribution** and collectively, the **Distributions**) on the Shares is declared by Mediq (whereby the record date that is decisive for entitlement to such Distribution is prior to Settlement), the Offer Price will be decreased by the full amount of any such Distribution made by Mediq in respect of each Share (before any applicable withholding tax).

Any adjustment to the Offer Price resulting from a Distribution by Mediq will be communicated by press release in accordance with Section 5.9 (Announcements) of this Offer Memorandum.

5.2 Acceptance by Shareholders

5.2.1 Acceptance by holders of Shares through Admitted Institutions

Shareholders who hold their Shares through an Admitted Institution are requested to make their acceptance known through their bank or stockbroker no later than 17:40 hours, CET, on the Closing Date, unless the Offer Period is extended in accordance with Section 5.5 (Extension). The custodian, bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Paying and Exchange Agent in a timely manner.

Admitted Institutions may tender Shares for acceptance only to the Paying and Exchange Agent and only in writing. In submitting the acceptance, Admitted Institutions are required to declare that (i) they have the Tendered Shares in their administration, (ii) each Shareholder who accepts the Offer irrevocably represents and warrants that the Tendered Shares are being tendered in compliance with the restrictions set out in Sections 2 and 3 (Restrictions and Important Information) and (iii) they undertake to transfer these Tendered Shares to the Offeror prior to or ultimately on the Settlement Date, provided that the Offer has been declared unconditional (*gestand wordt gedaan*).

Subject to Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree, the tendering of Shares in acceptance of the Offer will constitute irrevocable instructions to block any attempt to transfer the Shares tendered, so that on or prior to the Settlement Date no transfer of such Shares may be effected (other than to the Paying and Exchange Agent on or prior to the Settlement Date if the Offer is declared unconditional (*gestand wordt gedaan*) and the Shares have been accepted for purchase or if withdrawal rights are available in accordance with Section 5.3) and to debit the securities account in which such Shares are held on the Settlement Date in respect of all of the Tendered Shares, against payment by the Paying and Exchange Agent of the Offer Price per Share.

5.2.2 Acceptance by holders of Shares individually recorded in Mediq's shareholders' register

Holders of Shares individually recorded in Mediq's shareholders' register wishing to accept the Offer in respect of such Shares must deliver a completed and signed acceptance form to the Paying and Exchange Agent in accordance with the terms and conditions of the Offer, no later than 17:40 hours, CET, on the Closing Date, unless the Offer Period is extended in accordance with Section 5.5 (Extension). The acceptance forms are available upon request from the Paying and Exchange Agent. The acceptance form will also serve as a deed of transfer (*akte van levering*) with respect to the Shares referenced therein.

5.2.3 Undertakings, representations and warranties by tendering Shareholders

Each Shareholder tendering Shares pursuant to the Offer, by such tender, undertakes, represents and warrants to the Offeror, on the date that such Shares are tendered and on the Settlement Date, that:

- (a) the tender of any Shares constitutes an acceptance by the Shareholder of the Offer, on and subject to the terms and conditions of the Offer;
- (b) such Shareholder has full power and authority to tender, sell and transfer (*leveren*) the Shares tendered by it, and has not entered into any other agreement to tender, sell or transfer (*leveren*) the Shares stated to have been tendered to any party other than the Offeror (together with all rights attaching thereto) and, when the same are purchased by the Offeror under the Offer, the Offeror will acquire such Shares, with full title guarantee and free and clear of all third party rights and restrictions of any kind;
- (c) such Shares are being tendered in compliance with the restrictions as set out in Sections 2 and 3 (Restrictions and Important Information) and the securities and other applicable laws or regulations of the jurisdiction in which such Shareholder is located or of which it is a resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Shares; and
- (d) such Shareholder acknowledges and agrees that having tendered its Shares, such Shareholder shall, as from the Settlement Date, be deemed to have waived any and all rights or entitlements that such Shareholder may have in its capacity as shareholder of Mediq or otherwise in connection with its shareholding in Mediq vis-à-vis any member of the Mediq Group and any member of the Boards.

5.3 Offer Period (*aanmeldingstermijn*)

The Offer Period will commence at 09:00 hours, CET, on 9 November 2012 and will expire on 4 January 2013 at 17:40 hours, CET, unless the Offer Period is extended in accordance with Section 5.5 (Extension).

Shares tendered on or prior to the Closing Date may not be withdrawn, subject to the right of withdrawal of any tender:

- (a) during any extension of the Offer Period in accordance with the provisions of Article 15, paragraph 3 of the Decree;
- (b) following an announcement of a mandatory public bid in accordance with the provisions of Article 5b, paragraph 5 of the Decree (provided that such Shares were already tendered prior to the announcement and withdrawn within seven (7) Business Days following the announcement);
- (c) following the filing of a successful request to set a reasonable price for a mandatory public bid in accordance with the provisions of Article 15, paragraph 8 of the Decree (provided that such Shares were already tendered prior to the request and withdrawn within seven (7) Business Days following the decision date); or
- (d) following an increase of the Offer Price as a result of which the Offer Price does no longer only consist of a cash component and a document in relation thereto is made generally available in accordance with the provisions of Article 15a paragraph 3 of the Decree (provided that such Shares were already tendered prior to the request and withdrawn within seven (7) Business Days following such document being made available).

If the Offer Period is extended, any Shares previously tendered and not withdrawn will remain subject to the Offer. Shares tendered during an extension of the Offer Period may not be withdrawn, subject to the provisions of Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree, as set out above in this Section.

If all conditions to the Offer are satisfied or, where appropriate, waived, the Offeror will accept all Shares that have been validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and not previously withdrawn pursuant to the provisions of Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree in accordance with the procedures set forth in Section 5.2 (Acceptance by Shareholders).

5.4 Declaring the Offer unconditional (*gestanddoening*)

The Offer will be subject to the satisfaction or waiver of the Offer Conditions. See also Section 6.7 (Offer Conditions, waiver and satisfaction). The Offer Conditions may be waived, to the extent permitted by law or by agreement, as set out in Section 6.7. If the Offeror or MediQ wishes to (wholly or partly) waive one or more Offer Conditions according to Section 6.7.2, the Offeror will inform the Shareholders as required by the Applicable Rules.

No later than on the third (3rd) Business Day following the Closing Date, such date being the **Unconditional Date**, the Offeror will determine whether the Offer Conditions have been satisfied or waived as set out in Section 6.7, to the extent permitted by law. In addition, the Offeror will announce on the Unconditional Date whether (i) the Offer is declared unconditional, (ii) the Offer will be extended in accordance with Article 15 of the Decree, or (iii) the Offer is terminated as a result of the Offer Conditions set out in Section 6.7 not having been satisfied or waived, all in accordance with Article 16 of the Decree and the Merger Protocol. In the event that the Offer is not declared unconditional, the Offeror will explain such decision.

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror will accept all Tendered Shares and may continue the Offer during a Post Closing Acceptance Period (*na-aanmeldingstermijn*) as set out in Section 5.6 (Post Closing Acceptance Period).

5.5 Extension

If one or more of the Offer Conditions set out in Section 6.7 is not satisfied by the Closing Date or waived in accordance with Section 6.7.2, the Offeror will, in accordance with Article 15, paragraph 1 and paragraph 2 of the Decree, extend the Offer Period at its discretion for a minimum period of two (2) weeks and a maximum period of ten (10) weeks in order to have such Offer Conditions satisfied or waived, unless one or more of the Offer Conditions is not satisfied on the initial Closing Date and a full offer has been made by a third party, which full offer exceeds the Offer Price, in which case the Offeror will not be obliged, but still has the right, to extend the Offer after the initial Closing Date, but may also terminate the Offer as a result of one or more of the Offer Conditions set out in Section 6.7 not having been satisfied or waived.

Extension of the Offer Period may in any event occur once (extension for more than one period is subject to clearance of the AFM, which will only be given in exceptional circumstances). In case of such extension all references in this Offer Memorandum to 17:40 hours, CET, on the Closing Date shall, unless the context requires otherwise, be changed to the latest date and time to which the Offer Period has been so extended.

If the Offer Period is extended, so that the obligation pursuant to Article 16 of the Decree to announce whether the Offer is declared unconditional is postponed, a public announcement to that effect will be made ultimately on the third (3rd) Business Day following the Closing Date in accordance with the provisions of Article 15, paragraph 1 and paragraph 2 of the Decree. If the Offeror extends the Offer Period, the Offer will expire on the latest time and date to which the Offeror extends the Offer Period.

During an extension of the Offer Period, any Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of each Shareholder to withdraw the Shares he or she has already tendered in accordance with Article 15, paragraph 3 of the Decree and subject to any withdrawal rights available pursuant to Article 5b, paragraph 5, Article 15, paragraph 8 and Article 15a, paragraph 3 of the Decree as set out in Section 5.3.

5.6 Post Closing Acceptance Period (*na-aanmeldingstermijn*)

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror may, at its discretion, in accordance with Article 17 of the Decree, within three (3) Business Days after declaring the Offer unconditional, publicly announce a Post Closing Acceptance Period (*na-aanmeldingstermijn*) of a maximum of two (2) weeks to enable Shareholders who did not tender their Shares during the Offer Period to tender their Shares under the same terms and conditions as the Offer.

The Offeror will publicly announce the results of the Post Closing Acceptance Period and the total amount and total percentage of Shares held by it in accordance with Article 17, paragraph 4 of the Decree ultimately on the third (3rd) Business Day following the last day of the Post Closing Acceptance Period. The Offeror shall continue to accept for payment all Shares validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) during such Post Closing Acceptance Period and shall pay for such Shares within five (5) Business Days following the last day of the Post Closing Acceptance Period.

During the Post Closing Acceptance Period, Shareholders have no right to withdraw Shares from the Offer, whether validly tendered during the Offer Period (or defectively tendered, provided that such defect has been waived by the Offeror) or during the Post Closing Acceptance Period.

5.7 Settlement

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), Shareholders who have tendered and transferred (*geleverd*) their Shares for acceptance pursuant to the Offer on or prior to the Closing Date will receive within eight (8) Business Days following the Unconditional Date the Offer Price in respect of each Tendered Share, as of which moment dissolution or annulment of a Shareholder's tender or transfer (*levering*) shall not be permitted.

5.8 Dividends

Following the Settlement Date, the current dividend policy of Mediq may be discontinued. Mediq will most likely not implement a new dividend policy. Any Distribution made in respect of Shares not tendered under the Offer after the Settlement Date will *pro rata* be deducted from the price per Share for the purpose of establishing such price in any statutory merger, squeeze-out or other measure contemplated by Section 6.11.5 (Restructuring Measures).

5.9 Announcements

Any announcement contemplated by this Offer Memorandum will be issued by press release. Subject to any applicable requirements of the Applicable Rules and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

5.10 Commission

Admitted Institutions will receive from the Paying and Exchange Agent on behalf of the Offeror a commission in the amount of EUR 0.006625 in respect of each Tendered Share up

to a maximum of EUR 1,000 per Shareholder tender. The commission must be claimed from the Offeror through the Paying and Exchange Agent within thirty (30) days of the Settlement Date. No costs will be charged to Shareholders by the Offeror or by Mediq for the transfer and payment of each Tendered Share if an Admitted Institution is involved. However, Shareholders may be charged certain fees by their banks or stockbrokers. Costs may also be charged to Shareholders by or on behalf of a foreign institution involved in the transfer and payment of the Tendered Shares. Shareholders should consult their banks and stockbrokers regarding any such fees.

5.11 Restrictions

The Offer is being made with due observance of the statements, conditions and restrictions included in this Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer that is made by or on behalf of a Shareholder, even if it has not been effected in the manner as set out in Section 5.2 (Acceptance by Shareholders).

5.12 Indicative timetable

Expected date and time (All times are CET)	Event
08:00 hours, 8 November 2012	Press release announcing the availability of this Offer Memorandum and the commencement of the Offer
09:00 hours, 9 November 2012	Commencement of the Offer Period
14:00 hours, 20 December 2012	EGM, at which meeting the Offer, among other matters, will be discussed
17:40 hours, 4 January 2013	Closing Date: Deadline for Shareholders wishing to tender Shares, unless the Offer is extended in accordance with Article 15 of the Decree
No later than three (3) Business Days after the Closing Date	Unconditional Date: The date on which the Offeror will publicly announce whether the Offer is declared unconditional (<i>gestand wordt gedaan</i>) in accordance with Article 16 of the Decree
No later than eight (8) Business Days after the Unconditional Date	Settlement Date: The date on which, in accordance with the terms and conditions of the Offer, the Offeror will pay the Offer Price for each Tendered Share

No later than three (3) Business Days after the Unconditional Date Post Closing Acceptance Period:

If the Offer is declared unconditional, the Offeror may announce a Post Closing Acceptance Period for a period of up to two (2) weeks, in accordance with Article 17 of the Decree

6. EXPLANATION AND BACKGROUND OF THE OFFER

6.1 Introduction

On 24 September 2012, the Offeror and Mediq jointly announced that they had reached conditional agreement on the main terms and conditions of the Offer, pursuant to Article 5, paragraph 1 of the Decree, which Offer values Mediq at EUR 13.25 (thirteen euro and twenty-five euro cents) per Share and that the Offeror had sufficient funds available to secure the Offer in accordance with Article 7, paragraph 4 of the Decree (the *Initial Announcement*).

See also Section 11.1 (Press releases).

6.2 The Offer

6.2.1 Introduction

The Offeror is making an offer to purchase from the Shareholders all the Shares on the terms and subject to the conditions and restrictions contained in this Offer Memorandum.

Subject to the Offer being declared unconditional (*gestanddoening*), Shareholders tendering their Shares under the Offer will receive the Offer Price in respect of each Tendered Share. If, between the date of this Offer Memorandum and the Settlement Date, Mediq, by any means whatsoever declares any Distribution, then the Offer Price will be reduced by the amount of such Distribution (before any applicable withholding tax).

6.2.2 Bid Premia¹

The Offer represents:

- a premium of 53.1% to the closing price per Share on Euronext Amsterdam on the Reference Date;
- a premium of 46.5% to the average Adjusted Closing Price per Share on Euronext Amsterdam for the 1 (one) month period prior to and including the Reference Date;
- a premium of 47.8% to the average Adjusted Closing Price per Share on Euronext Amsterdam for the 3 (three) month period prior to and including the Reference Date;
- a premium of 39.5% to the average Adjusted Closing Price per Share on Euronext Amsterdam for the 6 (six) month period prior to and including the Reference Date;
- a premium of 28.2% to the average Adjusted Closing Price per Share on Euronext Amsterdam for the 12 (twelve) month period prior to and including the Reference Date;
- a premium of 28.6% to the median of analyst price targets for the Shares, issued post Mediq's Q2 results on 26 July 2012 (median analyst price target of EUR 10.30²). The

¹ Bid Premia are calculated using closing Share prices from Bloomberg ("Mediq NA Equity").

² Sourced from Bloomberg as of 21 September 2012.

research analysts considered are: ABN AMRO, ING, Jefferies, KBC Securities, Kempen & Co., Petercam, Rabobank, SNS Securities (ESN) and Theodoor Gilissen; and

- based on net debt as at 30 June 2012 of EUR 258.4 million and non-controlling interests of EUR 17.6 million as per 30 June 2012, the Offer Price represents a purchase price for Mediq of 7.8x EBITDA (based on research analysts consensus EBITDA forecast of EUR 134.2 million for the fiscal year 2012) and 10.2x EBIT (based on research analysts consensus EBIT forecast of EUR 103.1 million for the fiscal year 2012). Research analysts include ABN AMRO, ING, KBC Securities, Kempen & Co., Petercam, Rabobank and SNS Securities (ESN).³

By comparison, the median premium to the unaffected share price (closing share price one day prior to the earlier of transaction announcement or material, public speculation of a transaction, if any) is 37.5% for the all-cash, public offers, on 100% of share capital for Dutch companies listed on the Euronext Amsterdam, with equity values in excess of EUR 500 million that were announced and completed in the period from 1 January 2006 to the Reference Date. Selected transactions include: Wavin / Mexichem, Crucell / Johnson&Johnson, Océ / Canon, Smit / Boskalis, Eriks / SHV Alkmaar (SHV Holdings), Corporate Express / Staples, Schuitema / Skipper Acquisitions (CVC Capital Partners), Grolsch / SABMiller, Hagemeyer / Rexel, Getronics / KPN, Tele Atlas / TomTom, Univar / Elixes (CVC), Numico / Danone, Stork / London Acquisition (Candover), Endemol / Edam Acquisitions (Cyrt Investments), Wegener / Mecom, Athlon / De Lage Landen, VNU / Valcon Acquisition (AlpInvest, Blackstone, Carlyle, Hellman & Friedman, KKR, Thomas H. Lee Partners).

6.3 Substantiation of the Offer

The Offer Price has been based on a series of financial analyses including:

- an analysis of analyst price targets for the Shares, issued post Mediq's Q2 results on 26 July 2012. The research analysts considered are ABN AMRO, ING, Jefferies, KBC Securities, Kempen & Co., Petercam, Rabobank, SNS Securities (ESN) and Theodoor Gilissen (median analyst price target of EUR 10.30);
- an analysis of the closing prices of the Shares since 22 September 2011 up to and including the Reference Date (refer to Section 7.12 for the Share price development of Mediq). During this period, the average Adjusted Closing Price of the Shares for the one (1), three (3), six (6) and twelve (12) month period prior to and including the Reference Date were EUR 9.04, EUR 8.97, EUR 9.50 and EUR 10.34, respectively;
- a trading multiple analysis based on the expected financial performance of Mediq and the closing prices of the Shares compared with those of selected publicly-traded companies and their securities. Given that there are no identical comparable publicly traded peers, the companies included for comparison with Mediq are selected from a broader group of companies active in the pharmacy wholesale, pharmacy retail and medical supplies

³ Source: Factset as at 21 September 2012.

distribution sectors.⁴ For this analysis, enterprise values were adjusted for pension liabilities and minorities, while EBITDA and EBIT forecasts are based on Factset estimates on the Reference Date:

- for this group of companies the median ratio of enterprise value to consensus EBITDA forecast for the financial year ending 2012 was approximately 7.2x on the Reference Date. By comparison, the ratio of the enterprise value of Mediq, as implied by the Offer Price, to consensus EBITDA forecast for the year ending 2012 was approximately 7.8x on the Reference Date; and
- for this group of companies the median ratio of enterprise value to consensus EBIT forecast for the financial year ending 2012 was approximately 9.2x on the Reference Date. By comparison, the ratio of the enterprise value of Mediq, as implied by the Offer Price, to consensus EBIT forecast for the year ending 2012 was approximately 10.2x on the Reference Date; and
- a standalone discounted cash flow analysis for Mediq, considering (i) historic financial developments for Mediq, and assuming (ii) financial forecasts for Mediq based on consensus, and (iii) a weighted average cost of capital of 9.0%. The applied forecast period is 4 years (2012 to 2015), the residual value at the end of year 4 is based on perpetuity of the cash flow in year 4.

In addition, certain financial information as derived from annual and interim accounts, analyst presentations and reports, market reports and press releases has been reviewed.

6.4 Rationale for the Offer

Mediq has strong market positions and growth opportunities in most geographies, however, there are challenges that Mediq faces in most of these markets owing to reimbursement pressure. Advent strongly believes that due to the public interest and complexity of the healthcare market, Mediq requires a longer term shareholder in a private setting.

Advent's support and resources can address the challenges Mediq faces in these markets, realise its full potential and execute its growth strategy. Advent's general investment strategy is built around supporting growth in high quality businesses.

By supporting and executing Mediq's strategy in a private setting, Advent aims to strengthen Mediq's competitive position and future profitability and thereby creating a basis for value creation. Such value creation would be of benefit to Advent and the funds managed by Advent as they will be the (indirect) shareholder of Mediq.

The Offer will have a number of advantages for Mediq, the Shareholders, employees, customers and other stakeholders:

⁴ Companies included: AmeriSourceBergen, Cardinal Health, Celesio, CVS, EuroMedis Group, Farmacol, Galenica, Henry Schein, McKesson, Neuca Oriola, Owens & Minor, Patterson Companies, Pelion, Pharmacy Chain 36.6, PSS World Medical, Rite Aid, Selcuk Ecza Deposu, United Drug, Walgreens.

- Advent has extensive experience and a strong track record in the healthcare sector to support management teams in the execution of their strategic plans;
- Advent is able to provide Mediq with ample financial backing, expertise and support for capital expenditures, investments and acquisitions in accordance with Mediq's strategy:
 - buy-and-build strategy for Direct & Institutional (distribution of medical devices);
 - further strengthening of Mediq's leading position in Dutch pharmacy market; and
 - Advent's extensive global reach and track record in supporting international growth means it is well placed to support Mediq into its next phase of development;
- Advent is committed to structure the financial leverage in such a way that it provides the financial flexibility needed for growth in the next stage of the development of Mediq. Reference is also made to Section 6.11.3;
- the proposed transaction creates a more stable environment for Mediq; it will enable management to focus on the day-to-day operations of the business and will create more certainty for employees and customers; and
- the Offer presents an attractive value proposition to Shareholders:
 - the all cash Offer provides Shareholders the opportunity to realise immediate value in cash for their Shares, eliminating significant price risk related to the execution of Mediq's strategy, including any further restructurings; and
 - the Offer presents a significant premium to the closing price on the Reference Date, Mediq's average Adjusted Closing Prices for the 1 month, 3 month, 6 month and 12 month periods before the Reference Date, the median Broker consensus target price, and Mediq's historical trading ranges.

6.5 Financing of the Offer

The Offeror announced in the Initial Announcement and in the announcement dated 5 October 2012 that it had sufficient funds available to complete the Offer, in accordance with Article 7, paragraph 4 of the Decree.

The Offeror will finance the maximum total amount of the Offer of approximately EUR 775 million through approximately EUR 515 million of equity and approximately EUR 260 million of debt.

In order to finance the Offer, the Offeror has secured fully committed equity and debt financing, whereby the equity will be funded by certain Advent funds and the debt financing package received from a consortium of 5 (five) reputable European financial institutions. Both the equity funding and the debt financing are fully committed.

The committed debt financing is subject to customary conditions consistent with the conditions to the Offer and in line with current market practice. The Offeror has no reason to believe that these conditions will not be fulfilled on or prior to the Settlement Date. The equity

funding has been committed on an unconditional basis and will be made available when the Offer is declared unconditional.

Reference is made to Section 11 (Press releases).

6.6 Recommendation

6.6.1 Decision-making and recommendation by the Boards

Since the initial expression of interest from the Offeror, a transaction committee consisting of Mr S. van Keulen and Mr W.M. van den Goorbergh (both members of the Supervisory Board), Mr M.C. van Gelder (Mediq's CEO) and Mr J.G. Janssen (Mediq's CFO) was formed and, together with all key external professional advisors, they have had conference calls and meetings on a very frequent basis to be updated on the latest developments, monitor the process, discuss the Offer and alternatives thereto (including a stand-alone scenario and potential third party transactions) as well as the considerations underlying the key decisions and resolutions in connection therewith. The Supervisory Board has held various meetings with its advisors with and without the members of the Management Board present. The decision to enter into the conditional agreement for the Offer, including in particular the Offer Price, has been made by the Supervisory Board after consultation with its advisors (without the Management Board attending).

With due consideration to a (potential) conflict of interest, as members of the Management Board are likely to participate as minority shareholders in the Offeror (see Section 8.1.3), the Boards, after having received extensive legal and financial advice, and having given due and careful consideration to the strategic, financial and social aspects and consequences of the proposed transaction and having considered other alternatives available to Mediq (including a stand-alone scenario and potential third party transactions), have reached the conclusion that, taking into account the current circumstances, the Offer is fair to the shareholders of Mediq from a financial point of view and in the best interests of Mediq and all its stakeholders.

The Supervisory Board and the Management Board are of the opinion that the Offer Price and the other terms of the Offer are reasonable and fair to the Shareholders taking into account all circumstances. In this respect, reference is made to the Fairness Opinions, as both ING and ABN AMRO have opined that the Offer is fair to the Shareholders from a financial point of view.

With reference to the above, the Boards fully support and unanimously recommend the Offer to the Shareholders for acceptance and therefore recommend voting in favour of all resolutions relating to the Offer to be taken at the EGM referred to in Section 6.21 (EGM) and the Position Statement (the **Recommendation**).

6.7 Offer Conditions, waiver and satisfaction

6.7.1 Offer Conditions

Notwithstanding any other provisions of the Offer, the obligation of the Offeror to declare the Offer unconditional (*gestanddoening*) will be subject to the following conditions precedent being satisfied on or before the Closing Date, or waived as set out in this Section 6.7:

- (a) all notifications to all relevant competition authorities shall have been made and all waiting periods with respect to such notifications shall have expired and each relevant authority (i) shall have rendered a decision permitting the Offer without requiring any conditions or obligations, (ii) shall have rendered a decision stating that no clearance is required, (iii) shall not have rendered a decision within the applicable time periods and under the relevant applicable laws thereby implying that unconditional clearance has been given, or (iv) shall have referred the matter to any other competent authority in accordance with the relevant applicable laws and clearance subsequently shall have been given;
- (b) the aggregate number of Shares (i) tendered under the Offer, (ii) held by the Offeror or any person or entity, directly or indirectly, solely or jointly, controlling or controlled by the Offeror (its ***Related Parties***), and (iii) unconditionally and irrevocably committed to the Offeror or its Related Parties in writing (together the ***Committed Shares***), shall represent at least 95% (ninety-five per cent) of Mediq's aggregate issued share capital on a fully diluted basis at the Closing Date (the ***Minimum Acceptance Condition***);
- (c) written confirmation from the board of the Foundation in which it confirms that (i) the Call Option has not been exercised, (ii) it has not submitted a request for an inquiry on the basis of Article 2:346 paragraph (c) of the Dutch Civil Code, (iii) the agreement pursuant to which the Foundation is entitled to the Call Option has been unconditionally terminated subject only to the Offer being declared unconditional, and (iv) the agreement pursuant to which the Foundation is entitled to submit a request for an inquiry on the basis of Article 2:346 paragraph (c) of the Dutch Civil Code has been unconditionally terminated subject only to the Offer being declared unconditional;
- (d) no Material Adverse Effect having occurred;
- (e) neither of the Boards having revoked or amended its Recommendation;
- (f) no public announcement has been made of (i) a Competing Offer, or (ii) a mandatory offer for Shares pursuant to Article 5:70 Wft;
- (g) there having been no partial offer made (as referred to in paragraph 3.2 of the Decree) by any third party in respect of the Shares;
- (h) no notification having been received from the AFM that the Offer has been made in conflict with any of the provisions of chapter 5.5 of the Wft (*Openbaar bod op effecten*) or the Decree, within the meaning of section 5:80 Wft in which case, pursuant to those rules, securities institutions (*effecteninstituten*) would not be permitted to cooperate with the execution and completion of the Offer;
- (i) no order, stay, judgment or decree having been issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority and being in effect, or any statute, rule, regulation, governmental order or injunction having been enacted, enforced or deemed applicable to the Offer, any of which prohibits the launch or consummation of the Offer;

- (j) Mediq not having breached the terms of the Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for Mediq or the Offer, and (ii) is incapable of being remedied within ten (10) Business Days after receipt by Mediq of a written notice from the Offeror or has not been remedied by Mediq within ten (10) Business days after receipt by Mediq of a written notice from the Offeror; and
- (k) the Offeror not having breached the terms of the Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for Mediq or the Offer, and (ii) is incapable of being remedied within ten (10) Business Days after receipt by the Offeror of a written notice from Mediq or has not been remedied by the Offeror within ten (10) Business days after receipt by the Offeror of a written notice from Mediq.

6.7.2 Waiver

- (a) All of the Offer Conditions set out in Section 6.7.1 (other than paragraphs 6.7.1(b), 6.7.1(h) and 6.7.1(k) thereof) are for the sole benefit of the Offeror and may, to the extent permitted by law, be waived by the Offeror (either in whole or in part) at any time by written notice to Mediq.
- (b) The Minimum Acceptance Condition set out in Section 6.7.1(b) may only be waived in accordance with the following:
 - (i) if the Committed Shares at the Closing Date do not represent at least 95% but more than 66.67% of Mediq's aggregate issued share capital on a fully diluted basis at the Closing Date, the Minimum Acceptance Condition may be waived by the Offeror at any time by written notice to Mediq; and
 - (ii) if the Committed Shares at the Closing Date do not represent at least 66.67% of Mediq's aggregate issued share capital on a fully diluted basis at the Closing Date, the Minimum Acceptance Condition may only be waived in written form by the Offeror with the prior written approval of the Boards.
- (c) The Offer Condition set out in Section 6.7.1(h) cannot be waived.
- (d) The Offer Condition set out in Section 6.7.1(k) is for the sole benefit of Mediq and may, to the extent permitted by law, be waived by Mediq (either in whole or in part) at any time by written notice to the Offeror.

6.7.3 Satisfaction

The satisfaction of each of the Offer Conditions does not depend on the will of the Offeror as prohibited by Article 12, paragraph 2 of the Decree.

Each of the Offeror and Mediq shall use its best efforts to procure satisfaction of the Offer Conditions as soon as reasonably practicable, it being understood that such best efforts shall:

- (a) not require either the Offeror or Mediq to make any material payment to procure the satisfaction of the Offer Conditions; and

- (b) in relation to the Offer Condition contained in Section 6.7.1(a), require the Offeror to accept such conditions, obligations or other requirements imposed or contained in any decision by any relevant competition authority and offer such conditions and undertakings as may be required in any decision by any relevant competition authority to obtain the required approval or approvals as soon as practicable and in any event prior to the Closing Date.

If at any time either the Offeror or Mediq becomes aware of a fact or circumstance that might prevent an Offer Condition from being satisfied, it shall immediately inform the other in writing.

With respect to Offer Condition 6.7.1(c), the Offeror and Mediq have agreed on a binding advice procedure in the event the Offeror considers this Offer Condition not satisfied and Mediq disagrees. In such event, a binding advisor shall decide on the matter within ten (10) Business Days after the dispute having been referred to the binding advisor or such shorter period as the Offeror and Mediq may agree, it being understood that a decision shall be rendered no later than noon, CET, on the Business Day before the Unconditional Date. The binding advisor shall be the President of the Enterprise Chamber (*Ondernemingskamer*) of the Court of Appeals of Amsterdam or, if this person is not able (for whatever reason) to provide the binding advice on time, another independent lawyer appointed by the President of the District Court of Amsterdam upon request of either the Offeror or Mediq. The binding advice shall be final and binding upon the Offeror and Mediq and each of the Offeror and Mediq shall fully comply with the binding advice and the content thereof.

6.8 Shareholdings of the members of the Boards

6.8.1 Information on Shares

At the date of this Offer Memorandum, Shares are held by both members of the Management Board and a member of the Supervisory Board as shown in the following table.

Management Board

	Total number of Shares	Of which total blocked under terminated LTIP⁵	Amount to be received in euros
Mr M.C. van Gelder	70,000.00	10,273.00	927,500.00
Mr J.G. Janssen	29,000.00	-	384,250.00
Total	99,000.00	10,273.00	1,311,750.00

Supervisory Board

Total number of Shares	Of which total blocked under	Amount to be received in euros
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⁵ Shares blocked under the LTIP can be tendered under a public offer. For more information on the LTIP see Section 6.8.3.

				terminated LTIP	
Ms	M.J.M.	van	75,050.00	-	994,412.50
Weelden-Hulshof					

6.8.2 Share transactions in the year prior to the date of this Offer Memorandum

The following transactions were undertaken by the members of the Boards during the year preceding the date of this Offer Memorandum.

Name	Buy/ Sell	Number of Shares	Date of trade	Price per Share
Mr M.C. van Gelder	Buy	94	11 November 2011	EUR 11.47
	Buy	4,906	11 November 2011	EUR 11.50
	Buy	192	14 November 2011	EUR 11.46
	Buy	261	14 November 2011	EUR 11.44
	Buy	2,547	14 November 2011	EUR 11.50
	Buy	210	18 November 2011	EUR 11.30
	Buy	786	18 November 2011	EUR 11.33
	Buy	996	18 November 2011	EUR 11.35
	Buy	1,008	18 November 2011	EUR 11.34
	Buy	693	5 March 2012	EUR 12.30
	Buy	730	5 March 2012	EUR 12.29
	Buy	1,799	5 March 2012	EUR 12.30
Total		14,222		

6.8.3 Long term incentive plan

Until 2007 Mediq operated a long term incentive plan under which members of the Management Board received a benefit, either in Shares or in cash, the level of which depended on the growth of profit per Share (the *LTIP*). Mediq decided whether the benefit due would be awarded in Shares, cash or a combination thereof.

The current members of the Management Board collectively hold 10,273 Shares that are blocked under the LTIP. In addition, a former member of the Management Board holds 7,191 Shares which are blocked under the LTIP.

If the benefit was awarded in Shares, such Shares could not be sold, pledged or encumbered for a period of five years. The LTIP contains an exception to these prohibitions which applies in the event of a full public offer for the Shares.

6.8.4 Committed Shares

Each of the members of the Boards who holds Shares at the date of this Offer Memorandum as set forth in Section 6.8.1, has entered into an irrevocable undertaking, subject to the Recommendation not having been revoked or amended, to tender the Shares directly or indirectly held by him/her under the Offer in the Offer Period under the same terms as applicable to all Shareholders and subject to the conditions and restrictions described in this Offer Memorandum. The members of the Boards did not receive any information from the Offeror in connection with the Offer that is not included in this Offer Memorandum.

6.9 Respective cross-shareholdings Offeror - Mediq

As at the date of this Offer Memorandum, neither the Offeror, nor Advent, nor any member of the Offeror Group, directly or indirectly, hold any Shares in Mediq.

Mediq and/or any of its Affiliates do not directly or indirectly hold any shares in the Offeror and/or Advent.

6.10 Irrevocable undertakings

Templeton Investment Counsel, LLC, Franklin Templeton Investments Corp., together holding approximately 5.0% of the Shares, and Silchester International Investors LLP, holding approximately 15.1% of the Shares, have irrevocably undertaken to tender all their Shares under the Offer as set out in this Offer Memorandum under the same terms as applicable to all Shareholders and to vote in favour of the EGM Resolutions.

The irrevocable undertakings contain customary undertakings and conditions, including that Templeton Investment Counsel, LLC, Franklin Templeton Investments Corp. and Silchester International Investors LLP will not be obliged to tender their Shares or shall be entitled to withdraw their acceptances of the Offer in the event a Competing Offer is made, the Offeror has not (timely) submitted a revised binding offer and the Boards have withdrawn or modified their Recommendation.

The irrevocable undertakings shall furthermore lapse in the event that the Offer is not declared unconditional on the Unconditional Date or by 15 March 2013. Templeton Investment Counsel, LLC, Franklin Templeton Investments Corp. and Silchester International Investors LLP did not receive any information in connection with the Offer that is not included in this Offer Memorandum.

6.11 Consequences of the Offer

Shareholders who do not tender their Shares under the Offer should carefully review this Section, which describes certain risks they will be subject to if they elect not to accept the Offer. These risks are in addition to the risks associated with holding securities issued by Mediq generally, such as the exposure to risks related to the business of Mediq and its subsidiaries, the markets in which the Mediq Group operates, as well as economic trends

affecting such markets generally as such business, markets or trends may change from time to time. The following is a summary of the key additional risks.

6.11.1 Liquidity

The purchase of Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Shareholders and the number of Shares that might otherwise trade publicly.

Furthermore, and subject to the terms and conditions of the Offer Memorandum, the Offeror may initiate any of the procedures set out in this Section 6.11 following completion of the Offer, which will further adversely affect the liquidity and market value of the Shares.

As a result, the size of the free float in Shares will be substantially reduced following completion of the Offer and trading volumes and liquidity of Shares will be adversely affected. The Offeror does not intend to set up a liquidity mechanism for the Shares that are not tendered following the Settlement Date.

6.11.2 Governance

- (a) The mitigated large company regime (*gemitigeerd structuurregime*) established at the level of Mediq will be maintained.
- (b) As long as the Shares remain listed on Euronext Amsterdam, the Offeror shall procure that Mediq shall continue to comply with the Dutch Corporate Governance Code to the extent that Mediq currently complies with the Dutch Corporate Governance Code, unless (i) agreed otherwise in the Merger Protocol or (ii) agreed otherwise in writing between Mediq and the Offeror.

6.11.3 Finance

- (a) In this Section 6.11.3, the following terms shall have the following meanings:

Cash means, at any Relevant Date, cash credited to an account in the name of a member of the Mediq Group, normalised to adjust for intra month or seasonal working capital cash outflows.

Consolidated EBITDA for any Relevant Period, means the consolidated net profit of the Mediq Group for such period after adding back:

- (i) any depreciation or amortisation for such period;
- (ii) any amount of goodwill amortised during such period;
- (iii) any amount related to the impairment of any asset during such period;
- (iv) any loss against book value incurred by the Mediq Group on the disposal of any asset during such period;
- (v) any extraordinary or exceptional charges or losses (or provision made for such charges or losses) for such period;

- (vi) restructuring or reorganisation costs (or provisions booked for such costs) during such period;
- (vii) financial charges or losses;
- (viii) acquisition related costs charged or amortised including internal and external costs incurred in connection with the identification and realisation of acquisitions during such period;
- (ix) any amount of tax on profits, gains or income paid or payable by the Mediq Group during such period;
- (x) interest accrued as an obligation of or owed to any member of the Mediq Group whether or not paid, deferred or capitalised during such period;
- (xi) monitoring (or other) fees paid to the (direct or indirect) shareholders during such period;
- (xii) the proceeds of any business interruption insurance received during such period;
- (xiii) any realised or unrealised exchange gains;
- (xiv) all net cash proceeds from any equity contribution,

but after deducting:

- (i) financial income or gain;
- (ii) any extraordinary or exceptional income for such period;
- (iii) any amount of any rebate or credit in respect of tax on profits, gains or income received or receivable by the Mediq Group during such period;
- (iv) any realised or unrealised exchange losses;
- (v) any gain arising on revaluation of any asset during such period; and
- (vi) any gain over book value arising in favour of the Mediq Group on the disposal of any asset (other than the sale of trading stock in the ordinary course of business) during such period and any gain arising on any revaluation of any asset during such period.

Consolidated Pro Forma EBITDA for any Relevant Period, means Consolidated EBITDA plus the EBITDA including the full year impact of any benefit, cost savings and other synergies reasonably likely to be generated by any restructurings, reorganisations or acquisitions completed during that Relevant Period.

Consolidated Total Debt in respect of the Mediq Group at any Relevant Date, means the aggregate at that time of the principal or capital amount of all financial

indebtedness of members of the Mediq Group calculated on a consolidated basis provided that:

- (i) finance leases, performance bonds, bid bonds, any guarantees related to the business and the marked to market value of any hedging agreements shall not be included;
- (ii) financial indebtedness arising under any revolving credit facility, working capital lines or local overdraft lines shall not be included; and
- (iii) financial indebtedness arising under any shareholder loans shall not be included.

Consolidated Total Net Debt means Consolidated Total Debt less Cash.

Leverage means the ratio of Consolidated Total Net Debt on the Relevant Date to Consolidated Pro Forma EBITDA in respect of the Relevant Period.

Relevant Date means the date on which it is proposed to incur the relevant additional Consolidated Total Debt.

Relevant Period means a period of twelve months before any Relevant Date.

- (b) No member of the Mediq Group will incur additional Consolidated Total Debt resulting in Leverage increasing to exceed 4.0. Any deviation from this leverage ratio policy will require the prior approval of the Supervisory Board with the vote in favour of the Independent SB Member.
- (c) Dividends can be paid by Mediq provided that as a result thereof the Leverage will not exceed 4.0, unless (i) such dividend is paid to service non-shareholder debt at the level of the direct or indirect holding companies set up by the Offeror Group to acquire and hold its investment in Mediq (in which case the Leverage of 4.0 may be exceeded), and (ii) as a result of such payment the exposure of the Mediq Group to such non-shareholder debt will be reduced by an amount equal to:
 - (i) the dividend paid in excess of the Leverage of 4.0 (the **Excess Dividend**);
 - (ii) less the amount of any interest, fees or other costs (other than principal) paid or incurred with respect to the servicing of such non-shareholder debt that was funded through such Excess Dividend;
 - (iii) less the portion of any such Excess Dividend payable to a minority shareholder of Mediq (*i.e.* other than the Offeror) or any tax or other authority.

Any deviation from this dividend policy will require the prior approval of the Supervisory Board with the vote in favour of the Independent SB Member.

6.11.4 Minority Shareholders

The following resolutions will require the prior approval of the Supervisory Board with the vote of the Independent SB Member in favour:

- (a) issuing of additional shares without offering pre-emption rights to minority shareholders;
- (b) agreeing to and entering into a related party transaction with the majority shareholder, including any transaction with any member of the Offeror Group including the Offeror which is not at arm's length (provided that as long as Section 6.11.3 is complied with, this Section 6.11.4(b) shall not apply in relation to any steps or transactions that are entered into in connection with the debt or equity financing of the Offer, including steps or transactions to put in place a financial and/or tax efficient structure); and
- (c) any other resolution which disproportionately prejudices the value of, or the rights relating to the minority's shareholding.

6.11.5 Restructuring measures

- (a) It is the intention of the Offeror to acquire 100% of the Shares and the Offeror reserves the right to use any permitted method to acquire 100% of the Shares.
- (b) As soon as possible following the Offer being declared unconditional (*gestanddoening*), the Offeror and Mediq intend to procure that Mediq's listing on Euronext Amsterdam and the listing agreement between Mediq and Euronext Amsterdam in relation to the listing of the Shares will be terminated. Delisting may be achieved on the basis of 95% or more of the issued share capital of Mediq having been acquired by the Offeror or on the basis of a statutory merger.
- (c) If, following the Settlement Date, the Offeror and any member of the Offeror Group, alone or together with Mediq, hold at least 95% of Mediq's aggregated issued share capital on a fully diluted basis, the Offeror may commence a squeeze-out procedure (*uitkoopprocedure*) in accordance with Article 2:92a or 2:201a of the Dutch Civil Code or a takeover buy-out procedure in accordance with Article 2:359c of the Dutch Civil Code in order to acquire the remaining Shares not tendered and not held by the Offeror or Mediq. In such procedure, any remaining minority shareholders of Mediq will be offered at least the Offer Price for their Shares unless there would be financial, business or other developments or circumstances that would justify a different price (including the payment of dividends) in accordance with, respectively, Article 2:92a, paragraph 5 or 2:201a, paragraph 5 or Article 2:359c, paragraph 6 of the Dutch Civil Code.
- (d) Without prejudice to Sections 6.11.3, 6.11.5(b) and 6.11.5(c), the Offeror shall be entitled to effect or cause to effect any other restructuring of the Mediq Group for the purpose of achieving an optimal operational, legal, financial and/or fiscal structure in accordance with the Applicable Rules and Dutch law in general, some of which may have the (side) effect of diluting the interest of any remaining minority shareholders of Mediq (***Post-Closing Restructuring Measures***), including:

- (i) a subsequent public offer for any Shares held by minority shareholders;
 - (ii) a statutory cross-border or domestic (bilateral or triangular) legal merger (*juridische (drie hoeks-) fusie*) in accordance with Article 2:309 et seq of the Dutch Civil Code between Mediq, the Offeror and/or one or more members of the Offeror Group;
 - (iii) a statutory legal demerger (*juridische splitsing*) of Mediq in accordance with Article 2:334a et seq of the Dutch Civil Code;
 - (iv) a contribution of cash and/or assets to Mediq in exchange for new shares issued (in which case the existing shareholders of Mediq may not have pre-emptive rights) on an arms length basis and supported by a fairness opinion from a reputable corporate finance advisor;
 - (v) a sale of all, substantially all, or a substantial part of the assets of Mediq which may or may not be followed by a distribution of proceeds to the Shareholders, all in accordance with the laws of The Netherlands and the Mediq Articles of Association and all on an arms length basis and supported by a fairness opinion from a reputable corporate finance advisor;
 - (vi) subject to Section 6.11.3, a distribution of proceeds, cash and/or assets to the Shareholders;
 - (vii) a sale and transfer of assets and liabilities by the Offeror or any member of the Offeror Group to any member of the Mediq Group, or a sale and transfer of assets and liabilities by any member of the Mediq Group to the Offeror or any member of the Offeror Group;
 - (viii) conversion of Mediq into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*);
 - (ix) any combination of the foregoing; or
 - (x) any transactions, restructurings, share issues, procedures and/or proceedings in relation to Mediq and/or one or more of its affiliates required to effect the aforementioned objective.
- (e) In the effectuation of any Post-Closing Restructuring Measure and similar transactions and restructurings, due consideration will be given to the interests of minority shareholders of Mediq (if any). The members of the Supervisory Board shall be requested to form their independent view of the relevant matter, which shall be communicated to all Shareholders. In this respect, the Supervisory Board members shall have the opportunity to engage, for the account of Mediq, their own financial and legal advisors, if and to the extent they believe that the advice of such advisors is necessary to assist them in reviewing and assessing any matter that comes before the Supervisory Board.
- (f) For the avoidance of doubt and pursuant to Section 6.11.4, if any proposed Post-Closing Restructuring Measure could reasonably be expected to disproportionately

prejudice the value of, or the rights relating to the minority's shareholding, then the prior written approval of the Independent SB Member is required.

6.11.6 Proposed amendments to the Mediq Articles of Association

At the EGM, the Shareholders shall be requested to vote for a resolution to amend the Mediq Articles of Association in accordance with the drafts of the proposed amendments to the Mediq Articles of Association included in Section 15 of this Offer Memorandum (Mediq Articles of Association post Offer but with listing and Mediq Articles of Association post Offer and after delisting) , subject to the condition that the Offer is declared unconditional (*gestand wordt gedaan*) by the Offeror.

As from the Settlement Date, the Mediq Articles of Association shall continue to in any event include the same list of major management resolutions that are subject to Supervisory Board approval as is currently the case.

The Mediq Articles of Association may only be amended with the prior approval of the Supervisory Board. In addition, the provisions of the Mediq Articles of Association regarding appointment of the Independent SB Member may only be amended with the prior written approval of the Independent SB Member.

6.11.7 Other measures

Subject to the terms and conditions of this Offer Memorandum, the Offeror reserves the right to submit proposals to the Shareholders in order to change the corporate structure and the capital structure of Mediq and/or to achieve an optimal financial or other structuring, including further amendments to the Mediq Articles of Association and changes in the accounting policies applied by the Mediq Group, all in accordance with the laws of The Netherlands and the Mediq Articles of Association.

6.11.8 Dividend policy

The Shareholders should be aware that Mediq may or may not pay cash dividends in the future. Future dividends paid may be of a one off nature only and the amount of any dividends will depend on a number of factors associated with the Offeror's tax and financial preferences from time to time. Any Distribution made in respect of Shares after the Settlement Date will be deducted for the purpose of establishing the value per Share in any statutory merger, takeover buy-out procedure, squeeze-out procedure or other measure contemplated by Section 6.11.5.

6.11.9 Tax treatment of distributions

The Offeror and Mediq can give no assurances and have no responsibility with respect to the tax treatment of Shareholders with respect to any distributions made by Mediq or any successor entity to Mediq on the Shares, which may include dividends, interest, repayments of principal, repayments of capital and liquidation distributions.

6.12 Strategic rationale

Mediq and the Offeror have agreed in the Merger Protocol on the strategic and business rationale for the Offer as set out in the Initial Announcement. Reference is made to Section 11.1.

6.13 Strategy

Based on its current knowledge of Mediq and its businesses, the Offeror's and the management of Mediq's overall aim is to maximise the operational performance of the Mediq Group's current activities. Taking into account such overall aim, the Offeror will respect and supports Mediq with the realisation of its strategy, including in particular the following items:

- (a) growing the Direct & Institutional business, both organically and through a targeted and disciplined M&A strategy, on an international basis so that Mediq can fully realise the benefits of its scale and maximise its performance; and
- (b) strengthen the Dutch pharmacy business so that it is well placed to address the challenges created by the current market pressures. In that regard, as to the Dutch retail pharmacy business Advent has committed to support Mediq with its 2 (two) year restructuring plan.

Based on its current knowledge of Mediq and its businesses, the Offeror has the strong intention to provide financial support for capital expenditures, investment and acquisitions in accordance with the business plan described in this Section 6.13.

6.14 Organisation

6.14.1 Organisational structure

The current organisational structure will remain as follows:

- (a) Mediq will remain a separate legal entity (the holding company of the Mediq Group's subsidiaries and operations), unless the entity with which Mediq is to be merged or otherwise combined also applies the various arrangements on future governance and integration agreed between the Offeror and Mediq;
- (b) the head-office of Mediq and relevant head-office functions will remain in Utrecht, The Netherlands;
- (c) the Mediq Group's key brand (being the Mediq brand) will be maintained after the Settlement and applied in relevant markets; and
- (d) the Offeror will allow the Mediq Group to maintain its commitment to Corporate Social Responsibility.

6.14.2 Changes to principles

Changes to the principles set forth in Section 6.14.1 will only be implemented with the prior approval of the Supervisory Board with the vote in favour of the Independent SB Member.

6.14.3 Corporate identity

The Offeror intends to allow the Mediq Group to maintain its corporate identity and culture.

6.15 Employees

6.15.1 Current employee structure

The Mediq Group's current employee consultation structure will remain unchanged (including works councils and trade unions).

6.15.2 Redundancies

There will be no redundancies with respect to the Mediq Group's employees as a direct consequence of the Offer.

6.15.3 Existing rights

- (a) For the agreed duration of the respective arrangements, the existing rights and benefits of the Mediq Group's employees will be respected, including under their individual employment agreements, collective labour agreements and social plans, and including covenants made to the works councils and trade unions.
- (b) Existing pension rights of the Mediq Group's current and former employees will be respected.

6.15.4 Key management

The Offeror is focused on ensuring that the Mediq Group's key management is retained and is committed to provide them with career opportunities.

6.16 Governance of Mediq

6.16.1 Composition of the Management Board

The Offeror intends to keep the current Management Board in place after the Settlement Date, consisting of Mr M.C. van Gelder (CEO) and Mr J.G. Janssen (CFO). The Offeror intends that Mr F.J.J. Scheefhals shall remain general counsel and secretary to the Boards after the Settlement Date.

All members of the Management Board shall be covered by adequate directors and officers insurance in line with market practice. Nothing will be done or omitted to be done which will or might jeopardise the current supervisory board members, management board members, directors and officers insurance policies or any rights thereunder

6.16.2 Composition of the Supervisory Board

- (a) Initially, as from the Settlement Date, the Supervisory Board will consist of Mr B.W.B. Grimmelt, Mr T.A. Allen, Mr R.F. Sheldon, Mr S. van Keulen and Mr W.M. van den Goorbergh.

- (b) The Offeror and Mediq, including the Supervisory Board and all respective members thereof individually, will use their respective best efforts, including through their vote in favour of any (proposal for the) required amendment of the Mediq Articles of Association or any other constitutional document, their (vote in favour of any) nomination or appointment of any person to the Supervisory Board, their (vote in favour of any) resignation from the Supervisory Board, to ensure that the Supervisory Board will, as from the Settlement Date, be composed as follows:
- (i) three (3) members of the Supervisory Board will be appointed upon the nomination of the Offeror;
 - (ii) one (1) member of the Supervisory Board will be appointed upon the nomination of the Works Council (the **Works Council SB Member**); and
 - (iii) one (1) member of the Supervisory Board will be independent from the Offeror and its Related Parties (the **Independent SB Member**). Such member will be appointed by the general meeting of shareholders of Mediq upon the nomination of the Supervisory Board itself, provided that the Works Council SB Member shall have to grant his or her prior written approval confirming that any persons to be nominated by the Supervisory Board for appointment as the Independent SB Member indeed qualifies as being independent from the Offeror, its Related Parties and any other shareholders in the Offeror.
- (c) It is acknowledged and agreed that, as of the Settlement Date, in deviation of the Dutch Corporate Governance Code, persons that are employed by, or otherwise related to, any member of the Offeror Group can be appointed to the Supervisory Board.
- (d) As per the Settlement Date Mr S. van Keulen shall be the Independent SB Member. The Independent SB Member, from time to time, shall be the chairman of the Supervisory Board (the **Chairman**). The Offeror shall vote in favour on all Shares held by the Offeror regarding the appointment of the Independent SB Member.
- (e) As per the Settlement Date, Ms M.J.M. van Weelden-Hulshof, Mr F.K. de Moor and Mr O.R. Stuge will resign from their positions as members of the Supervisory Board. Advent and Mediq will procure that these resigning members will as per the Settlement Date be fully released from any liabilities in respect of their position or duties as Supervisory Board member and will be granted full and final discharge, except as a result of fraud or wilful misconduct of such member. Such members will confirm that they have no claim whatsoever against Mediq in respect of loss of office or otherwise, except with respect to their compensation over the financial year 2012 and, if applicable, the financial year 2013.
- (f) The resigning members of the Supervisory Board will not receive any payment in respect of the Offer nor in relation to them stepping down. To ensure complete transparency, it is noted that the resigning members of the Supervisory Board will only receive their customary annual compensation, which is equal to EUR 40,000 for the chairman, EUR 35,000 of the vice-chairman and EUR 30,000 for the members of the Supervisory Board.

- (g) All members of the Supervisory Board shall be covered by adequate directors and officers insurance in line with market practice. Nothing will be done or omitted to be done which will or might jeopardise the current supervisory board members, management board members, directors and officers insurance policies or any rights there under.

6.17 Compensation payments to members of the Boards

Considering that the Offer has been recommended by the Boards, each of Mr M.C. van Gelder (CEO) and Mr J.G. Janssen (CFO) has committed to the Offeror and Mediq to voluntarily waive their rights and entitlements to payment in case of a change of control of Mediq pursuant to the Offer under their respective employment agreements, effective as per the date of announcement of the Offer, but conditional upon the Offeror declaring the Offer unconditional. All other employment conditions of Mr M.C. van Gelder (CEO) and Mr J.G. Janssen (CFO) shall remain unaffected by the Offer or the Offeror declaring the Offer unconditional.

The members of the Supervisory Board do not receive any severance payments in the event of termination.

6.18 Reporting lines

As from the Settlement Date, the Management Board shall report to the Supervisory Board.

6.19 Arrangements on future governance and organisation

6.19.1 Duration

- (a) The arrangements set forth in Sections 6.11.4, 6.11.5(e) and 6.11.5(f) will expire on the date that is the earlier of (i) 3 (three) years after the Settlement Date, (ii) Mediq no longer having any minority shareholders and (iii) the occurrence of an Exit.
- (b) The arrangements in respect of Sections 6.11.3 and 6.16.2 will expire on the date that is the earlier of (i) 4 (four) years after the Settlement Date and (ii) the occurrence of an Exit.
- (c) The arrangements in respect of Sections 6.11.2, 6.11.6, 6.12 (as set out in the Initial Announcement as included in Section 11.1), 6.14.1, 6.14.2, 6.15 and 6.18, will expire on the date that is the earlier of (i) 3 (three) years after the Settlement Date and (ii) the occurrence of an Exit.

6.19.2 Enforcement

- (a) The covenants, confirmations and commitments set out in Sections 6.11 through 6.18 are made to Mediq as well as, by way of third party undertaking for no consideration, to the Independent SB Member. The Offeror has agreed in advance to the assignment of the benefit of this undertaking by the Independent SB Member to its successor.

6.20 Employee consultations

The trade unions involved with the Offeror and Mediq and the secretariat of the Social Economic Council (*Sociaal Economische Raad*) have been informed in writing of the Offer in accordance with the *SER Fusiegedragsregels 2000* (the Dutch code in respect of informing and consulting of trade unions).

The Works Council has been informed regarding the Offer and the financing thereof. On the basis thereof, the Works Council has given its positive advice in respect of the Offer and the financing thereof.

To the extent that intended decisions regarding any future integration or restructuring will be subject to the relevant works council's advice of Mediq and/or Advent, the proper procedures shall be followed pursuant to the WOR and in accordance with standard practice within Mediq and/or Advent.

6.21 EGM

At the EGM, to be held on 20 December 2012, the Shareholders shall be requested to vote, subject to the Offer being declared unconditional (*gestanddoening*) and effective as per the Settlement Date, for the following resolutions (the **EGM Resolutions**):

- (a) amendment of the Mediq Articles of Association in accordance with the drafts of the amended articles of association included in Section 15.1 (Mediq Articles of Association of Mediq post Offer but with listing);
- (b) amendment of the Mediq Articles of Association in accordance with the drafts of the amended articles of association included in Section 15.2 (Mediq Articles of Association of Mediq post Offer and after delisting);
- (c) appoint Mr B.W.B. Grimmelt, Mr T.A. Allen and Mr R.F. Sheldon as Supervisory Board members; and
- (d) accept the resignation of, and give full discharge to Ms M.J.M. van Weelden-Hulshof, Mr F.K. de Moor and Mr O.R. Stuge with respect to their duties and obligations performed and incurred in their respective capacity as member of the Supervisory Board until the EGM.

6.22 Certain arrangements between the Offeror and Mediq

Below is a summary of the key arrangements set forth in the Merger Protocol that are relevant to the Offer and not otherwise described in this Offer Memorandum.

6.22.1 Commitment of Mediq regarding Potential Competing Offers

- (a) The Offeror and Mediq have agreed that Mediq is permitted to respond to an unsolicited written approach by a *bona fide* third party with the intention to make a Competing Offer (as defined below) and to investigate such approach and enter into discussions or negotiations with such third party in relation thereto.
- (b) In the event that Mediq receives any written approach or communication in relation to an Alternative Proposal by a *bona fide* third party, Mediq will notify the Offeror

promptly (and in any event within forty eight (48) hours from receipt by Mediq) thereof.

- (c) If in the reasonable opinion of the Boards an Alternative Proposal is likely to qualify as (but does not yet constitute) a Competing Offer (as defined below) (a ***Potential Competing Offer***) and Mediq has notified the Offeror in accordance with this Section 6.22.1, nothing shall prohibit Mediq from:
 - (i) providing substantially the same due diligence information to such third party as has been provided to the Offeror and its advisors;
 - (ii) considering such Potential Competing Offer;
 - (iii) engaging in discussions or negotiations regarding such Potential Competing Offer; and
 - (iv) making any public announcements in relation to a Potential Competing Offer to the extent required under the Applicable Rules.
- (d) In the event a Potential Competing Offer is made to Mediq, it shall promptly (and in any event within 24 hours) notify the Offeror in writing and provide full details, to the extent available to it, of such Potential Competing Offer. Furthermore, Mediq shall keep the Offeror informed of any material developments in relation to such Potential Competing Offer.

6.22.2 Competing Offer

- (a) A ***Competing Offer*** is a written proposal by a *bona fide* third party to (i) make a (public) offer for all of the Shares or for the whole or substantially the whole of the Mediq's undertakings, business or assets and liabilities, (ii) enter into a merger of Mediq with a party or (iii) another proposal made by a *bona fide* third party that would involve a change of control of Mediq, which is in the reasonable opinion of the Boards – having consulted their financial and legal advisors and taking into account the identity and track record of the Offeror Group and that of such third party, certainty of execution (including anti-trust and other regulatory risk), conditionality, the level and nature of the consideration, the future plans of such third party with respect to Mediq and Mediq's strategy, management, employees and other stakeholders and the other interest of all stakeholders of Mediq – a more beneficial offer than the Offer as contemplated in the Merger Protocol, and
 - (i) exceeds the Offer Price by at least 7.5%. To the extent that such proposal is an offer for all or substantially the whole of Mediq's undertakings, business or assets and liabilities, the calculation shall be made on the basis of the net proceeds to be distributed to the shareholders of Mediq resulting from such a transaction (to be valued as at 24 September 2012) calculated on a per Share basis;

- (ii) includes commitments by such a *bona fide* third party on future governance and organisation, which are substantially the same as those agreed between the Offeror and Mediq and detailed in this Offer Memorandum;
 - (iii) includes the substantially same level of commitment in relation to financing as the Offer, both in respect of debt financing and equity financing (if applicable); and
 - (iv) is binding on the third party in the sense that such party has (i) conditionally committed itself to Mediq to launch a Competing Offer within six (6) weeks subsequent to the public announcement mentioned under (ii) hereunder and (ii) has publicly announced its intention to launch a Competing Offer or has agreed to do so within 10 (ten) Business Days, which announcement includes the proposed price per Share and the relevant conditions precedent in relation to such offer and the commencement thereof.
- (b) In the event that a third party makes a Competing Offer, Mediq shall inform the Offeror promptly (and in any event within 24 hours) and the Offeror may submit in writing to the Boards a binding revision of its Offer within a period of ten (10) Business Days thereafter.
 - (c) If such binding revised offer is on terms and conditions which, in the reasonable opinion of the Boards, having consulted their financial and legal advisors and acting in good faith and observing their obligations under Dutch law, on balance is equal to or better than the Competing Offer, Mediq shall not be entitled to accept and/or recommend the third party offer.

6.22.3 Termination events

The Merger Protocol may be terminated in the following events:

- (a) by written consent of Mediq and the Offeror;
- (b) by either the Offeror or Mediq, if within three (3) Business Days of the final Closing Date (or an earlier date if by such earlier date an event or circumstance has occurred as a result of which a Offer Condition will not be satisfied) any Offer Condition has not been satisfied or waived by the relevant party or parties and the non-satisfaction of the relevant Offer Condition(s) is not due to a breach by the terminating party of any of its obligations under the Merger Protocol;
- (c) by either the Offeror or Mediq if the other party has breached the Merger Protocol, but only if the breach could reasonably be expected to have a material adverse effect on Mediq or the Offer and cannot be remedied in a timely manner;
- (d) by Mediq if all Offer Conditions are satisfied or waived and Settlement has not taken place on the Settlement Date; or
- (e) by either Mediq or the Offeror if a Competing Offer is made, the Offeror has not (timely) submitted a revised binding offer and, in the case of termination by Mediq,

Mediq immediately thereafter recommends the Competing Offer in accordance with Section 6.22.2.

6.22.4 Compensation of costs for the Offeror

To induce the Offeror to enter into the Merger Protocol and to pursue and make the Offer, Mediq shall pay to the Offeror, in cash, as compensation for opportunity costs and other costs incurred by the Offeror in connection with the Offer, a total net break fee of EUR 6,000,000, (six million euro) upon termination of the Merger Protocol:

- (a) by the Offeror pursuant to Section 6.22.3(c); or
- (b) pursuant to Section 6.22.3(e) by either the Offeror or Mediq and the Competing Offer has been declared unconditional and has been settled.

6.22.5 Compensations of costs for Mediq

To induce Mediq to enter into the Merger Protocol and to pursue the Offer, the Offeror shall pay to Mediq in cash a total net break fee of EUR 6,000,000 (six million euro) upon termination by Mediq of the Merger Protocol pursuant to:

- (a) Section 6.22.3(b), but only if Offer Condition 6.7.1(a) is the only condition which has not been satisfied or waived;
- (b) Section 6.22.3(c); or
- (c) Section 6.22.3(d).

6.22.6 Other remedies

The compensations for costs for the Offeror and the compensation for costs for Mediq as reflected in Sections 6.22.4 and 6.22.5 respectively, are without prejudice to each other parties' rights under the Merger Protocol and Dutch law to enforce (contractual) arrangements, including requesting specific performance.

7. INFORMATION REGARDING MEDIQ

7.1 Introduction

Mediq is an international company providing pharmaceuticals, medical devices and related care services. Mediq serves patients through three distribution channels:

- (a) Direct: medical devices and pharmaceuticals delivered directly to people's homes;
- (b) Institutional: medical devices and pharmaceuticals delivered to professional customers; and
- (c) Pharmacies: prescription and over the counter products supplied to patients through Mediq pharmacies and the pharmacies and dispensing general practitioners (**GPs**) served by Mediq's wholesaling business.

Mediq has operations in The Netherlands, Poland, the United States, Denmark, Germany, Norway, Sweden, Finland, France, Hungary, Switzerland, Belgium, Estonia, Latvia and Lithuania and employs about 8,300 people.

Mediq is listed on NYSE Euronext Amsterdam and is included in the Amsterdam Mid Cap Index.

7.2 History of Mediq

Mediq was founded in 1899 under the name *Coöperatieve Apothekers Vereeniging 'de Onderlinge Pharmaceutische Groothandel'*, or *OPG* in short.⁶ There were several reasons for this: the pharmacy world was very unsettled, chemists were shooting up all over and people without qualifications were able to run pharmacies. This prompted 91 Dutch pharmacists to work together more closely. The initial objectives were more effective raw materials purchasing and improved quality management in pharmaceutical healthcare, partly with a view to protecting and professionalising the pharmacy sector. A further objective, added in 1905, was the manufacture of medical devices and pharmaceuticals.

Today, Mediq is an international player in healthcare, with activities in 15 countries, around 8,300 employees and sales of EUR 2.7 billion. The focus has widened to include medical devices and deliveries to patients' homes and to institutions such as hospitals and nursing homes.

7.3 Business overview

Mediq is an international provider of medical devices, pharmaceuticals and the associated care. Mediq takes care of the delivery from supplier to patient via three distribution channels: Direct, Institutional, and Pharmacies. Each of these distribution channels is described below.

7.3.1 Direct

⁶ In 2009 the name OPG changed to Mediq.

Mediq delivers specialist medical devices and pharmaceuticals directly to people's homes via mail order or via homecare organisations. Where relevant such products are provided together with information, instruction and nursing care. Examples of patients to which these services are rendered are people with diabetes, ostomy patients and patients with incontinence problems. Examples of services that are rendered directly to patients are wound treatment, respiratory therapy, enteral nutrition, infusion therapy and biotech pharmaceuticals.

7.3.2 Institutional

Mediq sells, markets and delivers a broad range of medical devices and pharmaceuticals to professional healthcare customers, such as hospitals, care institutions, GPs and pharmacies. In addition, it provides product-related advice, training and support, as well as services such as inventory management, cost control and standardisation.

7.3.3 Pharmacies

Mediq owns the largest pharmacy chain in The Netherlands, Mediq Apotheek, and in Poland it has a leading chain of pharmacies. All Mediq pharmacies focus on providing expert advice on the use of pharmaceuticals. As well as supplying prescription pharmaceuticals, Mediq sells over-the-counter healthcare products. Its wholesaling operations handle logistical services for pharmacies, GPs, hospitals and other care institutions.

7.4 Organisational structure

Mediq has organised the three distribution channels in the following segments: Direct & Institutional, Pharmacies Netherlands and Pharmacies Poland. In Direct & Institutional these channels are clustered, as they interlock closely with each other and are mostly managed on a combined basis. This segmentation is the basis of internal management reporting and therefore also of financial reporting.

An overview of Mediq's organisational structure is provided below.

Direct & Institutional		Pharmacies Netherlands
NETHERLANDS <ul style="list-style-type: none"> ○ Mediq CombiCare ○ Mediq Direct Diabetes ○ ZorgService NL ○ Mediq Tefa ○ Mediq Romedic ○ Medisource ○ DSN Trade 		NETHERLANDS Pharmacies <ul style="list-style-type: none"> ○ Mediq Apotheek ○ Mediq Systemfarma ○ Mediq Central Filling Wholesaler for pharmacies <ul style="list-style-type: none"> ○ Mediq Groothandel Wholesaler for dispensing GPs <ul style="list-style-type: none"> ○ Mediq Medico Logistic Services <ul style="list-style-type: none"> ○ Red Swan Pharma Logistics** Import of specialities <ul style="list-style-type: none"> ○ Polyfarma
GERMANY <ul style="list-style-type: none"> ○ Mediq Direkt Diabetes ○ Assist 		
HUNGARY <ul style="list-style-type: none"> ○ Mediq Direkt 		
UNITED STATES <ul style="list-style-type: none"> ○ Byram Healthcare 		
NETHERLANDS <ul style="list-style-type: none"> ○ Medeco 		Pharmacies Poland

BELGIUM FINLAND SWEDEN ESTONIA LATVIA LITHUANIA DENMARK FRANCE NORWAY SWITZERLAND	<ul style="list-style-type: none"> ○ Vermeulen Medical * ○ Medeco ○ Mediq Suomi ○ Mediq Sverige ○ Meteko ○ Mediq Eesti ○ Mediq Latvija ○ Mediq Lietuva ○ Mediq Danmark ○ NM Médical ○ Mediq Norge ○ Medicus Plesner ○ Mediq Suisse 		POLAND Pharmacies <ul style="list-style-type: none"> ○ Mediq Apteka Wholesaler for pharmacies <ul style="list-style-type: none"> ○ ACP Pharma
NETHERLANDS	Wholesaler for hospitals <ul style="list-style-type: none"> ○ Mediq Pharma Services** 		

* Part of PBG, acquired in 2011.

** Mediq Pharma Services is the new name for the combination of OPG Distrimed and Red Swan Pharma Services. The other part of Red Swan, Red Swan Pharma Logistics, is integrated into Pharmacies Netherlands as of 2012.

7.5 Strategy

Mediq's aim is twofold, (i) to develop into a global player in distribution of medical devices and associated services to both patients and healthcare institutions, and (ii) to further strengthen the leading position in the Dutch pharmacy business. Its strategy is based on three facets, each facet is described in turn below.

7.5.1 Growth of direct & institutional activities

By growing the direct & institutional activities, both organically and through acquisitions, Mediq will be better placed to profit from market trends such: as increasing numbers of people with chronic conditions, growing amount of care and nursing in home settings and the increased importance for patients of convenience and service. Due to price pressure, economies of scale are also important in the institutional market. In addition, international growth will make the company less dependent on the Dutch market, increases purchasing power and attractiveness to manufacturers for exclusive distributorships. Optimum sharing of knowledge and experience between the various group companies allows Mediq to profit from synergies in terms of both sales and costs.

7.5.2 Strengthening leading pharmacy formula

The Mediq pharmacy formula centres on expert advice. With a strong central organisation there is more time and scope for care for patients in the pharmacy. Moreover, as of 2012, pharmacists in The Netherlands have to bilaterally agree prices for pharmaceuticals and the related services with insurers. As the largest pharmacy chain Mediq is relatively well positioned in this liberalised market, which offers more room to differentiate itself from the competition and more room for investing in the quality of services. Furthermore, sales growth is pursued with a broad and attractive range of non-prescription pharmaceuticals including skin care products, pain relief and vitamins, partly under Mediq's private label.

7.5.3 Efficiency improvement

On the basis of integrated logistical concepts Mediq targets improvements in performance through improved logistics and IT integration. There is a focus on rationalisations, especially in its warehouses in Sweden, Finland, Norway, Poland and The Netherlands. In addition, Mediq is reducing its cost base by centralising and standardising back-office processes. Moreover, Mediq mitigates margin pressure by group-wide purchasing and expansion of private label for commodity products. An active purchasing policy is in place that leads to process improvements, close cooperation with suppliers and cost reductions.

7.6 Trends

The trends discernable in Mediq's market lead to volume growth on the one hand and pressure on gross margins on the other. The most important trends in Mediq's market are described below:

- (a) Ageing population: the number of people with chronic afflictions is rising continually, resulting in volume growth in the market for pharmaceuticals and medical devices;
- (b) Continuing pressure on prices to keep healthcare affordable: patients are being asked to pay more themselves and patients' freedom of choice is restricted by preference preselection on the part of insurers. Price pressure leads to lower revenue from logistics, distribution and purchasing for wholesalers, pharmacies and others;
- (c) Patients becoming more aware and empowered: they increasingly value better service and a wider choice. Furthermore, the consequences of diseases are less readily accepted;
- (d) Shift towards the direct channel: increasingly, pharmaceuticals and medical devices are supplied directly to homes. Sometimes together with advice and instructions; and
- (e) The steepest volume growth in specialised pharmaceuticals: pharmaceuticals for small groups of patients have steeper volume growth compared to pharmaceuticals with a broad use.

7.7 Supervisory Board

7.7.1 Members

The Supervisory Board consists of the following members:

Mr S. van Keulen, chairman (1946)

Nationality	Dutch
Appointed in	2010
Present term expires in	2014
Current position	Chairman of Holland Financial Center
Supervisory Directorships/other offices	<ul style="list-style-type: none">• Member of the supervisory board of ING Groep NV• Vice-chairman of the supervisory board of Heijmans NV• Member of the supervisory board of APG Groep• Member of the supervisory board of Vado Beheer BV• Member of the supervisory board of Stichting Natuur en Milieu• Vice-chairman of the supervisory board of the World Wildlife Fund• Member of the supervisory board of Stichting Health Insurance Fund• Chairman of the supervisory board of Investment Fund for Health in Africa• Chairman of the supervisory board of Access to Medicine

Mr W.M. van den Goorbergh (1948)

Nationality	Dutch
Appointed in	2006
Present term expires in	2014
Last position held	Vice-chairman of the Executive Board and Chief Financial Officer of Rabobank Nederland
Supervisory Directorships/other offices	<ul style="list-style-type: none">• Chairman of the supervisory board of NIBC Bank NV• Chairman of the supervisory board of DELA• Member of the supervisory board of Bank Nederlandse Gemeenten NV• Chairman of the supervisory board of De Welten Groep Holding BV

- Vice-chairman of the board of the Catholic University of Nijmegen Foundation (Radboud University and Saint Radboud Academic Hospital)

Ms M.J.M. van Weelden-Hulshof (1952)

Nationality	Dutch
Appointed in	2009
Present term expires in	2013
Current position	Community pharmacist in Ermelo
Supervisory Directorships/other offices	<ul style="list-style-type: none"> • Member of the Coordination Platform for Healthcare Standards • Chairman of the programme committee of the Dutch Diabetes Action Programme

Mr F.K. de Moor (1962)

Nationality	Belgian
Appointed in	2008
Present term expires in	2016
Current position	Chief Executive Officer of Macintosh Retail Group NV
Supervisory Directorships/other offices	<ul style="list-style-type: none"> • Member of the managing committee of the Dutch Retail Council • Member of the managing board of Electronic Commerce Platform • Board member of the Foundation for the Chair in Retail Marketing

Mr O.R. Stuge (1954)

Nationality	Norwegian
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Appointed in	2008
Present term expires in	2016
Current position	Chief Executive Officer of ORSCO Life Sciences AG
Supervisory Directorships/other offices	<ul style="list-style-type: none"> • Executive chairman of the supervisory board of BoneSupport AB • Executive chairman of the supervisory board of Impulse Dynamics NV • Chairman of the supervisory board of Aleva Neurotherapeutics SA • Chairman of supervisory board of Acarix AS • Member of the supervisory board of Nobel Biocare AG • Strategic advisor of Uptake Medical Inc • Strategic advisor of HealthCap AB • Founding board member of Quentiq AG • Member of the supervisory board of Systagenix Ltd. • Member of the supervisory board of Advanced Cardiac Therapeutics Inc.

Please see Section 6.16.2 for information on the composition of the Supervisory Board after the Settlement Date.

7.7.2 Committees

The Supervisory Board's audit committee consists of Mr W.M. van den Goorbergh (chairman) and Mr F.K. de Moor.

The Supervisory Board's selection and appointment committee consists of Mr O.R. Stuge (chairman) and Ms M.J.M. van Weelden.

The Supervisory Board's remuneration committee consists of Mr S. van Keulen. The position of chairman of this committee is vacant.

7.8 Management Board

The Management Board consists of the following members:

Mr M.C. van Gelder (1961)

Nationality	Dutch
Appointed in	2005
Present term expires in	2017
Current position	CEO
Supervisory Directorships/other offices	<ul style="list-style-type: none"> • Member of the supervisory board of Maxeda • Member of the supervisory board of Action Nederland BV • Advisor to 3i Benelux • Member of the managing board of GIRP (European umbrella organisation of Pharmaceutical Full-Line Wholesalers)

Mr J.G Janssen (1967)

Nationality	Dutch
Appointed in	2008
Present term expires in	2016
Current position	CFO
Supervisory Directorships/other offices	<ul style="list-style-type: none"> • Member of the supervisory board of AudioNova International

Please see Section 6.16.1 for information on the composition of the Management Board after the Settlement Date.

7.9 Major shareholders

As at the date of this Offer Memorandum, the following holdings are registered in the public register of the AFM:

	Interest	Date of notification
Silchester International Investors LLP	15.26%	30 August 2012
ING Groep N.V.	10.06%	30 July 2009
Delta Lloyd N.V.	6.36%	6 May 2011

Navitas B.V.	5.13%	1 November 2006
Delta Lloyd Deelnemingen Fonds N.V.	5.02%	24 August 2010

In addition, in connection with the irrevocable undertakings, Silchester International LLP informed the Offeror, that as per the date of the Merger Protocol, they actually hold approximately 15.1% of the Shares and Templeton Investment Counsel LLC and Franklin Templeton Investment Corp informed the Offeror, that as per the date of the Merger Protocol, they together hold approximately 5.1% of the Shares.

7.10 Foundation

Mediq has entered into an agreement with Stichting Preferente Aandelen Mediq (the **Foundation**) dated 18 April 2001 (the **Foundation Option Agreement**), pursuant to which the Foundation is granted a call option to acquire from Mediq such nominal amount of cumulative preference shares with a nominal value of EUR 1 each as is equal to the total nominal amount of the issued and outstanding shares in the capital of Mediq at the point in time of exercising the option (the **Call Option**). The Call Option enables the Foundation to acquire 50% of the voting rights attached to the issued and outstanding shares in the capital of Mediq. With reference to Offer Condition 6.7.1(c), the Offer is conditional upon the Foundation not having exercised, in whole or in part, its Call Option and having agreed to terminate the Foundation Option Agreement.

In addition, the Foundation is, pursuant to an agreement between Mediq and the Foundation dated 24 April 2008 (the **Foundation Inquiry Right Agreement**), entitled to submit a request for an inquiry on the basis of Section 346 (c) of Book 2 of the Dutch Civil Code (the **Inquiry Right**). With reference to Offer Condition 6.7.1(c), the Offer is conditional upon the Foundation not having exercised the Inquiry Right and having agreed to terminate the Foundation Inquiry Right Agreement.

7.11 Capital and Shares

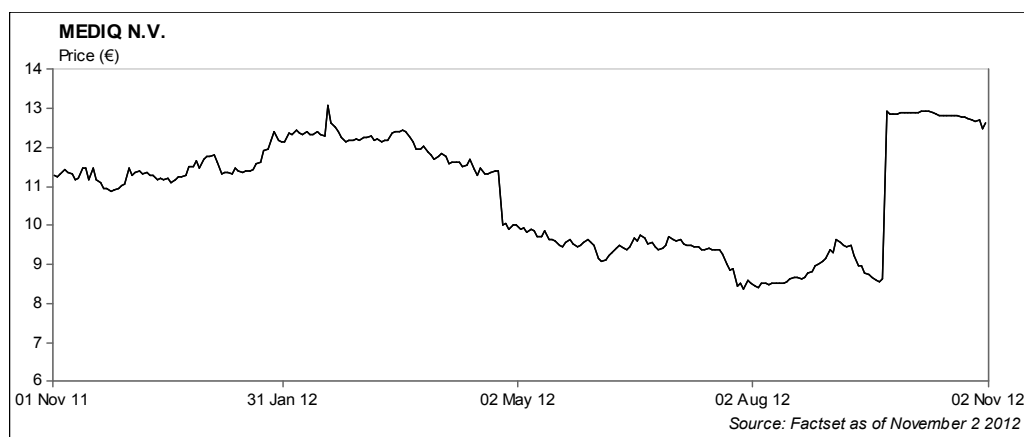
The authorised share capital of Mediq amounts to EUR 60,000,000, and is divided into 100,000,000 ordinary shares with a nominal value of EUR 0.25, 5,000,000 financing preference shares with a nominal value of EUR 1 and 30,000,000 cumulative preference shares with a nominal value of EUR 1.

At the date of this Offer Memorandum, Mediq has issued 58,485,060 ordinary shares at par value of EUR 0.25. No Shares are held in treasury by Mediq. The Shares are listed on the official market of the stock exchange of Euronext Amsterdam and included in the Amsterdam Mid Cap Index (ISIN NL0009103530).

There are no cumulative preference shares or financing preference shares issued and outstanding at the date of this Offer Memorandum.

7.12 Share price development

This graph sets out the Share price development of Mediq over the past 12 months and includes the Reference Date.



7.13 Incentive Remuneration Policy

Mediq currently operates an incentive remuneration policy under which those entitled to participate annually receive an amount in cash, the level of which depends on the performance of (the relevant part) of Mediq (the **IRP**). Each participant has the option to invest the annual amount received in Shares and place such shares in the participant's individual account at Kempen & Co N.V. (the **IRP Shares**).

If the IRP Shares are not sold for a period of three years, the participant receives an investment incentive. The investment incentive is an amount in cash equal to 20% of the cash amount invested in IRP shares. If a participant decides to sell the IRP shares before the end of the three year period, he/she will not be entitled to the investment incentive. For the avoidance of doubt: each participant is free to sell the IRP Shares at any point in time. In addition, the terms and conditions of the IRP stipulate that the investment incentive will be awarded in full if the participant tenders the IRP Shares under a full public offer for Mediq.

Participation in the incentive plan is open to Mediq's senior management (business unit directors and corporate staff directors) and the executive vice presidents, but not open to the members of the Management Board.

As per the date of the Offer Memorandum, the participants under the IRP held 62,202 IRP Shares.

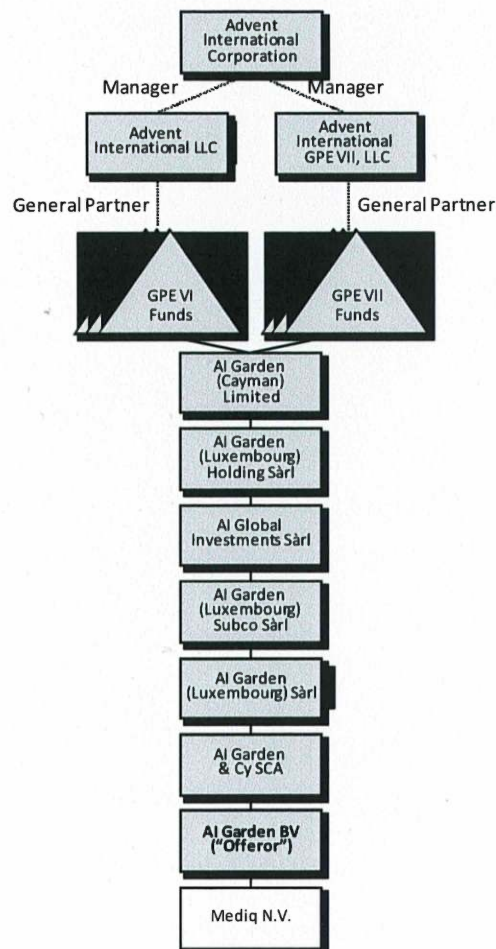
8. INFORMATION ON THE OFFEROR

8.1 Information on the Offeror

8.1.1 Introduction

The Offeror is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of The Netherlands, having its corporate seat at Amsterdam, The Netherlands and its registered office at Naritaweg 165, 1043 BW Amsterdam, The Netherlands. The Offeror is registered with the Trade Register of the Chamber of Commerce of Amsterdam, The Netherlands under number 56038062.

The Offeror has been incorporated to complete the purchase of the Shares under the Offer. The ultimate ownership structure of the Offeror will be as follows:



NB: Each relationship shown here will be one of majority ownership and control by the parent unless expressly stated

As set out in the structure chart, the Offeror will ultimately be indirectly controlled by the Advent International GPE VI and Advent International GPE VII funds. The management, operation and implementation of policy of the Advent International GPE VI and the Advent International GPE VII funds are vested in their respective general partners, Advent International LLC and Advent International GPE VII, LLC, who manage the funds' affairs. Advent International Corporation, a US corporation which is registered with the US regulator, the Securities and Exchange Commission (*Advent*) is the manager of Advent International LLC and Advent International GPE VII, LLC.

Pursuant to article 1:1 of the Wft, each of Advent and the Offeror qualify as an offeror in respect of this Offer.

8.1.2 Capital and shares

The issued and paid up share capital of the Offeror amounts to EUR 18,000, divided into 18,000 ordinary shares with a nominal value of EUR 1 each.

8.1.3 Management participation

As is customary in buy out transactions involving private equity investors, Advent and the funds managed by Advent desire management to participate in the ownership of the business and accordingly will make equity available for investment by senior management. The investment by members of the senior management will reflect their long term commitment to the company and is intended to incentivise management to contribute to the success and long term financial achievements of the company going forward.

For this purpose, the equity of the Offeror will be divided into two types of preferential instruments and a single class of ordinary shares. The ordinary shares will comprise 10% of all equity instruments. One type of preferential instrument and up to 4% of all ordinary shares will initially be made available for purchase by senior management. Funds managed by Advent will own, collectively, the other type of preferential instruments and the remainder of the ordinary shares.

Certain members of senior management will be invited to invest in the business on the basis set out above following the Settlement Date. Any agreement in respect of the investment by senior management will not become effective until, and will be subject to completion of the Offer. Definitive documents are yet to be agreed.

8.2 Information on Advent

8.2.1 Introduction

Advent International Corporation is a Delaware corporation with principle offices located at 75 State Street (29th floor), Boston, MA, United States.

Founded in 1984, Advent International is one of the world's leading global buyout firms, with offices in 16 countries on four continents. A driving force in international private equity for 28 years, Advent has built an unparalleled global platform of over 160 investment professionals across Western and Central Europe, North America, Latin America and Asia. The firm focuses on international buyouts, strategic repositioning opportunities and growth buyouts in five core sectors, working actively with management teams to drive revenue growth and earnings improvements in portfolio companies. Since inception, Advent has raised \$26 billion in private equity capital and, through its buyout programs, has completed over 270 transactions in 35 countries.

Advent is an experienced investor in The Netherlands with a strong reputation supported by an investment history of over a decade in this region. Advent has a proven track record in healthcare, with global sector investment experience spanning more than two decades in more than 30 companies across a broad range of sub-sectors. This experience demonstrates Advent's support of Mediq's continued commitment to providing the best service to both patients and healthcare professionals.

The Offeror will ultimately be indirectly controlled by the Advent International GPE VI and Advent International GPE VII funds advised by Advent with aggregate capital commitments in excess of EUR 10 billion.

8.2.2 Governance

The general partners of the Advent International GPE VI and Advent International GPE VII funds, being Advent International LLC and Advent International GPE VII, LLC, are ultimately advised and controlled by Advent.

The members of Advent's board of directors are Ernest G. Bachrach, John F. Brooke, Peter A. Brooke (Chairman), Mark Hoffman, Thomas H. Lauer, David M. Mussafer and Steven M. Tadler.

The members of Advent's investment committee are Richard F. Kane (Senior Vice President of Operations and Business Development), David M. Mussafer (Senior Vice President) and Steven M. Tadler (Senior Vice President).

The board of directors of Advent has responsibility for the strategic oversight of the firm (but does not make day-to-day management decisions). The board of directors has given exclusive power and authority to the investment committee to make all investment recommendations and decisions that are made on behalf of Advent for the account of the funds.

9. FURTHER DECLARATIONS PURSUANT TO THE DUTCH DECREE ON PUBLIC OFFERS WFT

In addition to the other statements set out in this Offer Memorandum, the Offeror with regard to subjects (iii) and (iv) and the Offeror and the Boards jointly with regard to subjects (i), (ii), (v), (vi) and (vii) hereby declare as follows:

- (i) There have been consultations between Advent, the Offeror and Mediq regarding the Offer, which have resulted in (conditional) agreement regarding the Offer. Discussions regarding the Offer, including, but not limited to, the Offer Price, the financing of the Offer, the Offer Conditions and the future strategy of the Combined Group, took place between the Offeror and the transaction committee referred to in Section 6.6.1 and their respective advisors.
- (ii) To avoid a (potential) conflict of interest as members of the Management Board are likely to participate as minority shareholders in the Offeror (see Section 8.1.3), the decision to enter into the (conditional agreement) for the Offer, including in particular the Offer Price, has been made by the Supervisory Board after consultation with its advisors (without the Management Board attending).
- (iii) With due observance of and without prejudice to the restrictions referred to in Sections 2 and 3 (Restrictions and Important information), the Offer concerns all outstanding Shares in the capital of Mediq and applies on an equal basis to all Shares and Shareholders.
- (iv) With reference to Annex A, paragraph 2, sub-paragraph 5, 6 and 7 of the Decree, the Offeror, whether directly or indirectly, did not acquire any Shares in the year preceding the date of this Offer Memorandum.
- (v) No securities issued by Mediq are held, no transactions or agreements in respect of securities issued by Mediq have been effected or have been concluded and no similar transactions have been effected in respect of securities issued by Mediq, by Mediq, the Offeror, Advent or any company within the Offeror Group, or any member of the board of directors of the Offeror, any member of the board of directors of Advent or any member of the Boards, nor by any of their spouses (*echtgenoten*), registered partners (*geregistreerde partners*), minor children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*) within the meaning of Annex A, paragraph 2, sub-paragraph 5, 6 and 7 of the Decree, other than the following concluded agreements and arrangements in connection with the Offer (i) the irrevocable undertakings agreed by the Offeror with Templeton Investment Counsel, LLC, Franklin Templeton Investments Corp. and Silchester International Investors LLP as described in Section 6.10 (Irrevocable undertakings), (ii) in respect of the Shares held by members of the Boards as described in Section 6.8 (Shareholdings of the members of the Boards) and (iii) in respect of employees of Mediq as described in Section 7.13 (Incentive Plans).
- (vi) The costs incurred or to be incurred by Advent and the Offeror in relation to the Offer are expected to amount to approximately EUR 50 million and comprise finance arrangement fees, bank advisor fees, listing and Paying and Exchange Agent fees,

broker commissions, legal fees, financial and tax due diligence fees, public relations and communications advice and printing. These costs will be borne by the Offeror.

- (vii) The costs of Mediq's fees of legal advisors, financial advisors, accountants and communications advisors incurred and expected to be incurred in relation to the Offer amount to approximately EUR 5 million. These costs will be borne by Mediq. The fee due to ABN AMRO, which is included in the aforementioned amount of EUR 5 million, is a fixed fee payable regardless of successful completion of the Offer.

10. TAX ASPECTS OF THE OFFER

10.1 General

The following summary outlines certain Netherlands tax consequences in connection with the acceptance of the Offer. All references in this summary to The Netherlands and Dutch law are to the European part of the Kingdom of The Netherlands and its law, respectively, only. The summary does not purport to present any comprehensive or complete picture of all Netherlands tax aspects that could be of relevance to a holder of Shares who may be subject to special tax treatment under any applicable law. The summary is based on the tax laws and practice of The Netherlands as in effect on the date of this Offer Memorandum, which are subject to changes that could prospectively or retrospectively affect The Netherlands tax consequences.

For purposes of Netherlands income and corporate income tax, Shares legally owned by a third party such as a trustee, foundation or similar entity or arrangement, may under certain circumstances have to be allocated to the (deemed) settlor, grantor or similar originator (the **Settlor**) or, upon the death of the Settlor, his/her beneficiaries (the **Beneficiaries**) in proportion to their entitlement to the estate of the Settlor of such trust or similar arrangement (the **Separated Private Assets**).

This summary does not address The Netherlands tax consequences of the Offer for a Shareholder who is an individual and who has a “substantial interest” (*aanmerkelijk belang*) in Mediq. Generally, a Shareholder will have a substantial interest in Mediq if such Shareholder, whether alone or together with his spouse or partner and/or certain other close relatives, holds, directly or indirectly or as Settlor or Beneficiary of Separated Private Assets (x) the ownership of, (y) certain other rights, such as usufruct, over, or (z) rights to acquire (whether or not already issued), Shares representing 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of Shares) of Mediq.

In addition, a Shareholder has a substantial interest in Mediq if he, whether alone or together with his spouse or partner and/or certain other close relatives, has the ownership of, or other rights over, shares in, or profit certificates issued by, Mediq that represent less than 5% of the relevant aggregate that either (a) qualified as part of a substantial interest as set forth above and where shares, profit certificates and/or rights there over have been, or are deemed to have been, partially disposed of, or (b) have been acquired as part of a transaction that qualified for non-recognition of gain treatment.

It does not address the tax consequences of any Shareholder who has acquired or holds the Shares in connection with his or her employment activities or in his/her capacity as (former) Management Board member and/or (former) Supervisory Board member.

Holders of Shares considering the Offer should consult their own professional advisor regarding the tax consequences of the Offer in their particular circumstances.

10.1.1 Withholding taxes

The Offer Price paid for the Shares will not be subject to any withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

10.1.2 Netherlands taxes on income and capital gains in connection with the acceptance of the Offer.

(a) Holders of Shares resident in The Netherlands: individuals

A holder of Shares, who is an individual, resident or deemed to be resident in The Netherlands, or who has elected to be taxed as resident in The Netherlands for Netherlands income tax purposes, will be subject to regular Netherlands income tax on any capital gain realised upon the transfer of the Shares if:

- (i) such holder of Shares has an enterprise or an interest in an enterprise, to which enterprise the Shares are attributable; and/or
- (ii) such capital gain forms “a benefit from miscellaneous activities” (“*resultaat uit overige werkzaamheden*”) which, for instance, would be the case if the activities with respect to the Shares exceed “normal active asset management” (“*normaal, actief vermogensbeheer*”) or if such capital gain is derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (together, a *lucratief belang*) that the holder thereof has acquired under such circumstances that such capital gain is intended to be remuneration for work or services performed by such holder (or a related person), whether within or outside an employment relation, where such lucrative interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services.

If either of the above-mentioned conditions (i) or (ii) applies, any capital gain realized upon the transfer of the Shares will in general be subject to Netherlands income tax at the progressive rates.

If the above-mentioned conditions (i) and (ii) do not apply, a holder of Shares who is an individual, resident or deemed to be resident in The Netherlands, or who has elected to be taxed as resident in The Netherlands, will not be subject to taxes on a capital gain in The Netherlands (because such individuals are generally taxed at a flat rate of 30% on deemed income from “savings and investments” (“*sparen en beleggen*”), which deemed income amounts to 4% of the individual’s “yield basis” (“*rendementsgrondslag*”) at the beginning of the calendar year (minus a tax-free threshold)).

(b) Holders of Shares resident in The Netherlands: corporate entities

A holder of Shares that is resident or deemed to be resident in The Netherlands for corporate income tax purposes, and that is:

- (i) a corporation;
- (ii) another entity with a capital divided into shares;
- (iii) a cooperative (association); or

- (iv) another legal entity that has an enterprise or an interest in an enterprise to which the Shares are attributable,

but which is not:

- (v) a qualifying pension fund;
- (vi) a qualifying investment fund (*fiscale beleggingsinstelling*) or a qualifying exempt investment institution (*vrijgestelde beleggingsinstelling*); or
- (vii) another entity exempt from corporate income tax,

will in general be subject to regular corporate income tax, generally levied at a rate of 25% (20% over profits up to EUR 200,000 (two hundred thousand Euro)) over any capital gain realised upon the transfer of the Shares, unless, and to the extent that, the participation exemption applies.

- (c) Holders of Shares resident outside The Netherlands: individuals

A holder of Shares who is an individual, not resident or deemed to be resident in The Netherlands, and who has not elected to be taxed as resident in The Netherlands for Netherlands income tax purposes, will not be subject to any Netherlands taxes on any capital gain realized upon the transfer of the Shares, unless:

- (i) such holder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Shares are attributable; or
- (ii) such capital gain forms a “benefit from miscellaneous activities in The Netherlands” (*“resultaat uit overige werkzaamheden in Nederland”*) which would for instance be the case if the activities in The Netherlands with respect to the Shares exceed “normal active asset management” (*“normaal, actief vermogensbeheer”*) or if such capital gain is derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (together, a *lucratief belang*) that the holder thereof has acquired under such circumstances that such capital gain is intended to be remuneration for work or services performed by such holder (or a related person), in whole or in part, in The Netherlands, whether within or outside an employment relation, where such lucrative interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services.
- (iii) If either of the above-mentioned conditions (i) or (ii) applies, any capital gain realized upon the transfer of the Shares will in general be subject to Netherlands income tax at the progressive rates.

- (d) Holders of Shares resident outside The Netherlands: legal and other entities

A holder of Shares that is a legal entity, another entity with a capital divided into shares, an association, a foundation or a fund or trust, not resident or deemed to be resident in The Netherlands, will not be subject to any Netherlands taxes on the capital gain realised upon the

transfer of the Shares, unless such holder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment (“*vaste inrichting*”) or a permanent representative (“*vaste vertegenwoordiger*”) in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Shares are attributable.

Such holder of Shares will in general be subject to regular corporate income tax, generally levied at a rate of 25% (20% over profits up to EUR 200,000 (two hundred thousand Euro)) over any capital gain realised upon the transfer of the Shares, unless, and to the extent that, the participation exemption applies.

(e) Gift and inheritance taxes

No Netherlands gift or inheritance tax will arise in connection with the acceptance of the Offer.

(f) Value added tax

No Netherlands value added tax will arise in respect of or in connection with the acceptance of the Offer.

(g) Other taxes and duties

No Netherlands registration tax, capital tax, custom duty, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in The Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the Courts of The Netherlands) of any documents related to the Offer.

11. PRESS RELEASES

11.1 Joint press release dated 24 September 2012

This is a joint press release by AI Garden B.V. and Mediq N.V. pursuant to the provisions of Section 5, paragraph 1 and Section 7, paragraph 4 of the Decree on Public Takeover Bids (Besluit openbare biedingen Wft) in connection with the intended public offer by AI Garden B.V. for all the issued and outstanding ordinary shares in the capital of Mediq N.V. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Mediq N.V. Any offer will be made only by means of an offer memorandum. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Canada, Japan, Australia and the United States.



ADVENT INTENDS TO MAKE RECOMMENDED ALL-CASH FULL PUBLIC OFFER FOR MEDIQ COMMITTED FINANCING ALREADY IN PLACE

Transaction highlights

- Advent and Mediq have reached conditional agreement on a recommended full public offer by Advent for Mediq of € 13.25 (cum dividend) in cash per ordinary share, representing a premium of 53% over the closing price of Mediq on 21 September 2012
- The Management Board and Supervisory Board of Mediq fully support and unanimously recommend the Offer
- Templeton Investment Counsel and Silchester International Investors have irrevocably confirmed to support and accept the Offer, representing 20.2% of Mediq's outstanding shares
- Committed financing already in place

Compelling strategic rationale

- Advent's investment strategy is built around supporting growth in high quality businesses. With Advent's support and resources Mediq can address the challenges it faces in some markets, realise its full potential and execute its growth strategy. Advent therefore fully supports Mediq's growth strategy
- Advent is able to provide Mediq with ample financial backing, expertise and support for capital expenditures, investments and acquisitions in accordance with Mediq's strategy:

- buy-and-build strategy for Direct & Institutional (distribution of medical devices)
- further strengthening of Mediq's leading position in Dutch pharmacy market
- The public interest of healthcare requires a long term approach. Advent, in partnership with the Management Board of Mediq, believes that the Company's strategy over the longer term can be best supported as a private company
- Advent is an experienced investor in the Netherlands with a strong reputation supported by an investment history of over a decade in this region. Advent has a proven track record in healthcare, with global sector investment experience spanning more than two decades in more than 30 companies across a broad range of sub-sectors. This experience demonstrates Advent's support of Mediq's continued commitment to providing the best service to both patients and healthcare professionals
- Advent's extensive global reach and track record in supporting international growth means it is well placed to support Mediq into its next phase of development

Identity of Mediq maintained

- Head office of Mediq in Utrecht, the Netherlands, maintained
- Advent maintains Mediq's key brands
- Mediq will maintain its mitigated large company regime
- Existing employee rights, including pension rights, will be respected and current employee consultation structure will be maintained
- There will be no redundancies as a direct consequence of the Offer

London/Utrecht, 24 September 2012 – AI Garden B.V. (a newly incorporated wholly owned subsidiary of funds managed by Advent International Corporation (*Advent*)) and Mediq N.V. (*Mediq* or the *Company*) jointly announce that they have reached conditional agreement in connection with a public offer by Advent for all issued and outstanding ordinary shares in the capital of Mediq at an offer price of € 13.25 (cum dividend) in cash for each Mediq ordinary share (the *Offer*). The offer price represents a 53% premium to Mediq's closing share price as at 21 September 2012 and a 47% premium to Mediq's average closing price for the three months up to and including 21 September 2012. The Offer values 100% of the issued and outstanding ordinary shares of Mediq at € 775 million.

Tom Allen and Bram Grimmelt, *Advent*

"We have been seeking an investment opportunity in the healthcare distribution sector for several years and are excited by Mediq because we see it as a strong business that can be built into a global leader. We are pleased to have reached a conditional agreement on our Offer with the Management Board and the Supervisory Board of Mediq and look forward to supporting the next stage of the Company's development."

Sjoerd van Keulen, *Chairman of the Supervisory Board of Mediq*

“In the second half of 2011 we have carefully and extensively executed a strategic review, considering all options for continuing our growth strategy, considering the interests of all stakeholders. We concluded that delisting Mediq and continuing in a private setting is the best way forward for our Company. As we received a detailed indicative offer from Advent, the Supervisory Board of Mediq has conducted a prudent review of this intended Offer together with our advisors. We have carefully evaluated this Offer, including comparing it with strategic alternatives, and we are convinced that it is beneficial for Mediq and all our stakeholders. The Offer premium reflects these benefits. Advent supports Mediq’s growth strategy and is committed to maintaining the current employee conditions, an appropriate governance structure and a prudent leverage. The Supervisory Board of Mediq fully supports and unanimously recommends the intended Offer from Advent as it deems such Offer very compelling in serving the interests of all our stakeholders.”

Marc van Gelder, *Mediq’s CEO*

“In the past seven years, Mediq has transformed itself from a Dutch company focused on pharmaceuticals to an international company with a leading position in the distribution of medical devices. In the Dutch pharmacy market we have built a chain of 225 pharmacies with a strong brand, which provides us with a strong basis in this challenging market. We want to continue on this path and Advent, with its strong track record in healthcare, will support us in our ambition. They value our reputation as a responsible employer and a strong partner for healthcare payers, prescribers and manufacturers. Our commitment to deliver the best service to patients and healthcare professionals will remain unchanged and Advent understands and supports that.”

Strategic rationale

The strategic review Mediq conducted in the second half of 2011 led to the preferred long term scenario of delisting the Company and continuing in a private setting. The public interest of healthcare requires Mediq to be very prudent in the way Mediq deals with the challenging market conditions. This necessitates a long-term approach, which is not always aligned with the focus of the public capital markets. In addition, the volatile climate of the stock exchange might limit Mediq’s potential to financing acquisitions.

Advent has a strong track record of supporting international growth and clear understanding of the healthcare sector. Advent supports Mediq’s growth strategy going forward: a buy-and-build strategy for D&I and a further strengthening of Mediq’s leading position in the Dutch pharmacy market. Advent is able to provide Mediq with ample financial backing, expertise and support for capital expenditures, investment and acquisitions in accordance with Mediq’s strategy.

Full support and recommendation

Since the initial expression of interest from Advent, a transaction committee consisting of Sjoerd van Keulen and Wim van den Goorbergh (both members of the Supervisory Board of Mediq (the **Supervisory Board**), Marc van Gelder (Mediq’s CEO) and Hans Janssen (Mediq’s CFO) was formed and, together with all key external professional advisors, they have had conference calls and meetings on a very frequent basis to be updated on the latest developments, monitor the process, discuss the intended Offer and alternatives thereto as well as the considerations underlying the key decisions and resolutions in connection therewith. The Supervisory Board has held various meetings with its advisors

with and without the members of the Management Board of Mediq (the **Management Board**) present. The decision to enter into the conditional agreement for the Offer has been made by the Supervisory Board after consultation with its advisors (without the Management Board attending).

With due consideration to a (potential) conflict of interest, the Management Board and the Supervisory Board (the **Boards**) have agreed to fully support and unanimously recommend the Offer to the Mediq shareholders. After careful consideration of all of Mediq's strategic alternatives, the Boards believe this transaction provides a fair price to the shareholders and is in the best interests of the Company and all its stakeholders.

ING Bank N.V. has issued a fairness opinion to the Boards and ABN AMRO Bank N.V. has issued a fairness opinion to the Supervisory Board, and both have opined that the intended Offer is fair to the shareholders of Mediq from a financial point of view.

Irrevocable undertakings

Major shareholders in Mediq, Templeton Investment Counsel and Silchester International Investors have agreed to an irrevocable undertaking to support and accept the intended Offer, subject to customary conditions. This accounts for 20.2% of the issued and outstanding ordinary shares in Mediq.

The individual Board members holding Mediq ordinary shares have also agreed to an irrevocable undertaking to tender their shares under the Offer.

Employees and corporate governance

Advent recognises that Mediq's employees will play a pivotal role in the future of the Company and they will be treated accordingly. Current employee consultation structures, such as the central works council, will be maintained. Furthermore, all existing employee rights, including pension rights, will be fully respected. There will be no redundancies as a direct consequence of the Offer.

Advent is focused on ensuring that Mediq's key management is retained and is committed to providing them with career opportunities under new ownership. Advent, in consultation with the Management Board, intends to invite certain members of the management to participate in Mediq.

Mediq is to remain a separate legal entity with headquarters in Utrecht, the Netherlands, and Mediq's key brands will be maintained in relevant markets. Mediq will maintain its commitment to corporate social responsibility and it is intended that the corporate identity and culture will also be maintained.

Mediq will maintain the 2-tier board system, as is common in the Dutch market: a non-executive Supervisory Board and an executive Management Board. After successful completion of the Offer, the current Management Board will remain in place. The proposed Supervisory Board will consist of five members, one of which will be nominated by Mediq's central works council. The independent Chairman of the Supervisory Board will have certain veto rights to safeguard (i) various non-financial commitments for an agreed period of time after the settlement date (3-4 years) as well as (ii) the interest of Mediq's minority shareholders (if applicable).

Leverage

The supervisory board has negotiated to ensure that after the Offer Mediq will remain prudently financed to safeguard business continuity through a period of market changes and provide ample room for further acquisitions after the intended Offer.

Financing of the Offer

The Offer values 100% of the issued and outstanding Mediq shares at € 775 million. Advent will finance the Offer through a combination of debt and equity.

In this respect, Advent has, subject to customary conditions, secured fully committed debt financing from its lenders and has entered into binding documentation with its lenders. In addition, Advent has entered into equity commitment documentation. Advent is therefore able to pay the aggregate offer price.

Pre-offer and offer conditions

The commencement of the Offer is subject to the satisfaction or waiver of the following pre-offer conditions customary for a transaction of this kind: (i) no material adverse effect having occurred, (ii) approval of the offer memorandum by the AFM, (iii) Stichting Preferente Aandelen Mediq not having exercised its call option right to have protective preference shares issued to it, (iv) no revocation of the recommendation by the Boards, (v) no competing offer or mandatory offer, (vi) there being no partial offer in respect of which an offer memorandum has been submitted to the AFM for approval, (vii) no breach of the merger protocol having occurred, (viii) no notification having been received from the AFM that preparations of the Offer are in breach of the offer rules, (ix) no order, stay judgment or decree having been issued prohibiting the transaction, and (x) the required works council consultation procedures and other employee related notification procedures having been completed with respect to the Offer and the financing thereof.

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver of the following offer conditions: (i) relevant antitrust clearance for the Offer, (ii) a minimum acceptance of 95% of the Mediq issued and outstanding ordinary shares outstanding on a fully diluted basis, (iii) Stichting Preferente Aandelen Mediq not having exercised its call option right to have protective preference shares issued to it and having agreed to terminate its call option subject to the Offer being declared unconditional, (iv) no material adverse effect having occurred, (v) no revocation of the recommendation by the Boards, (vi) no competing offer or mandatory offer having been announced, (vii) there being no partial offer made, (viii) no notification having been received from the AFM that preparations of the Offer are in breach of the offer rules, (ix) no order, stay judgment or decree having been issued prohibiting the transaction and (x) no breach of the merger protocol having occurred.

Advent can waive the offer condition of 95% acceptance of the Mediq ordinary shares, unless the acceptance level is below 66.66% in which latter event prior approval of Mediq is required.

Competing offer

Advent and Mediq may terminate the merger protocol in the event a *bona fide* third-party offeror makes an offer which, in the reasonable opinion of the Boards, is a more beneficial offer than the Offer and (i) exceeds the Offer Price by 7.5%, (ii) includes commitments in relation to, *inter alia*, future governance, organisation and employee rights, which are substantially the same as those conditionally

agreed upon in the merger protocol, (iii) includes substantially the same level of commitment in relation to financing of the Offer and (iv) is binding on the third party (a **Competing Offer**).

In the event of a Competing Offer, Advent will be given the opportunity to match such offer, in which case the merger protocol may not be terminated by Mediq. Mediq has entered into customary undertakings not to solicit third party offers.

On termination of the merger protocol on account of a Competing Offer that has been declared unconditional and has been settled or a material breach of the merger protocol by Mediq, Mediq will forfeit a termination fee to Advent equal to € 6 million.

On termination of the Merger Protocol because of the condition relating to competition clearance not being satisfied or waived, a material breach of the merger protocol by Advent or Advent failing to commence or pursue the Offer despite all conditions having been satisfied or waived, Advent will forfeit a reverse termination fee to Mediq equal to € 6 million.

Indicative timetable

Advent and Mediq will seek to obtain all the necessary approvals and competition clearances as soon as practicable, it being understood that Advent has agreed to take the necessary steps to obtain clearance from the competition authorities. The required advice and consultation procedures with Mediq's Central Works Council and unions will be commenced expeditiously.

Advent intends to launch the Offer as soon as practically possible and in accordance with the applicable statutory timetable. The offer memorandum is expected to be published and the Offer is expected to commence during Q4 2012. Mediq will hold an informative Extraordinary General Meeting (EGM) at least 6 business days before closing of the offer period in accordance with Section 18 Paragraph 1 of the Decree.

Advisors

Deutsche Bank is acting as lead financial advisor and Rabobank and BNP Paribas are acting as financial advisor to Advent in connection with the Offer; ING is acting as financial advisor to Mediq and ABN AMRO is acting as a financial advisor to the Supervisory Board.

Freshfields Bruckhaus Deringer is acting as legal counsel to Advent; Allen & Overy is acting as legal counsel to Mediq.

Marlborough Partners is acting as debt advisor to Advent.

FTI Consulting is acting as communications advisor to Advent and Citigate First Financial is acting as communications advisor to Mediq.

Further information

The information in this press release is not intended to be complete and for further information explicit reference is made to the offer memorandum, which is expected to be published during Q4 2012. The offer memorandum will contain details of the proposed Offer. The Mediq shareholders are advised to review the offer memorandum in detail.

Media events and investor communication information

A media conference call will be hosted today at 8.15 CET, access number +31 (0)20 717 68 68, access code: 78478286#.

An audio webcast for analysts will be held today at 10 CET; this meeting can be followed on www.mediq.com or by phone, access number +31 (0) 800 020 12 48 (NL) or 0808 23 81 650 (international), access code: 93010856.

A conference call for investors will be hosted today at 15 CET, access number +31 (0)20 717 68 68 (NL) or +44 (0)20 304 324 42 (international), access code: 73800841#.

For more information

Advent	Mediq
For media enquiries: Advent Media Relations Fergus Wheeler / Sophia Winfield Tel: +44 (0) 207 269 7259 / 7161 fergus.wheeler@fticonsulting.com /sophia.winfield@fticonsulting.com	Investor Relations: Catrien van Buttingha Wichers T +31 (0)30 282 16 09 M +31 (0)6 5339 3665 catrien.van.buttingha@mediq.com For media enquiries: Ynte Hoekstra T +31 (0)30 282 1061 M +31 (0)6 2219 7204 ynte.hoekstra@mediq.com

About Advent

Founded in 1984, Advent is one of the world's leading global buyout firms, with offices in 16 countries on four continents. A driving force in international private equity for more than 27 years, Advent has built an unparalleled global platform of over 160 investment professionals across Western and Central Europe, North America, Latin America and Asia. The firm focuses on international buyouts, strategic repositioning opportunities and growth buyouts in five core sectors, including healthcare, working actively with management teams to drive revenue growth and earnings improvements in portfolio companies. Since inception, Advent has raised € 19.4 billion in private equity capital and, through its buyout programmes, has completed over 270 transactions in 35 countries.

For more information, visit www.adventinternational.com.

About Mediq

Mediq is an international company delivering pharmaceuticals, medical devices and related care services. The patient is at the centre of everything we do. Mediq delivers via three channels: direct to people's homes (Direct), via hospitals, nursing homes and other healthcare institutions (Institutional) and via Mediq Pharmacies. Mediq operates in 15 countries. Its head office is located in Utrecht, the

Netherlands. The company was founded in 1899 and has around 8,300 employees. Mediq is listed on Euronext Amsterdam. Mediq reported € 2.7 billion net sales in 2011.

For more information see www.mediq.com.

Restrictions

This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of Advent or Mediq in any jurisdiction.

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Forward looking statements

This press release may include “forward-looking statements” and language indicating trends, such as “anticipated” and “expected.” Although Advent and Mediq believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these assumptions will prove to be correct. Neither Advent nor Mediq, nor any of their advisors accepts any responsibility for any financial information contained in this press release relating to the business or operations or results or financial condition of the other or their respective groups.

11.2 Press release dated 5 October 2012

This is a press release by AI Garden B.V. pursuant to the provisions of Section 7, paragraph 1 sub a and Section 7, paragraph 4 of the Decree on Public Takeover Bids (Besluit openbare biedingen Wft) in connection with the intended public offer by AI Garden B.V. for all the issued and outstanding ordinary shares in the capital of Mediq N.V. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Mediq N.V. Any offer will be made only by means of an offer memorandum. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Canada, Japan and the United States.



Press Release

Update intended offer by Advent for Mediq

Draft offer memorandum to be submitted to AFM later today

London, October 5, 2012 – AI Garden B.V., a newly incorporated wholly owned subsidiary of funds managed by Advent International Corporation, (*Advent*) announces that the preparations of its intended recommended public offer for Mediq N.V. (*Mediq*) are well under way.

On September 24, 2012 Advent and Mediq jointly announced conditional agreement on a recommended all-cash full public offer of EUR 13.25 per ordinary share for Mediq (the *Offer*).

The Offer values 100% of the issued and outstanding Mediq ordinary shares at approximately EUR 775 million. Advent will finance the maximum total amount of the Offer of approximately EUR 775 million through approximately EUR 515 million of equity and approximately EUR 260 million of debt.

As announced on September 24, 2012, Advent has sufficient funds available to complete the Offer. In order to finance the Offer, Advent has secured fully committed equity and debt financing, whereby the equity will be funded by certain Advent funds and the debt financing package received from a consortium of 5 reputable European financial institutions. Both the equity funding and the debt financing are fully committed.

The committed debt financing is subject to customary conditions consistent with the conditions to the Offer and in line with current market practice. Advent has no reason to believe that these conditions will not be fulfilled on or prior to the settlement date. The equity funding has been committed on an unconditional basis and will be made available when the offer is declared unconditional.

Advent will submit a request for approval of its draft offer memorandum to the Netherlands Authority for the Financial Markets (*AFM*) later today.

It is expected that the Offer will be launched the end of this month.

Further announcements will be made as appropriate.

Further information

The information in this press release is not intended to be complete and for further information explicit reference is made to the offer memorandum, which is expected to be published during Q4 2012. The offer memorandum will contain details of the proposed Offer. The Mediq shareholders are advised to review the offer memorandum in detail.

For more information

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About Advent

Founded in 1984, Advent is one of the world's leading global buyout firms, with offices in 16 countries on four continents. A driving force in international private equity for more than 27 years, Advent has built an unparalleled global platform of over 160 investment professionals across Western and Central Europe, North America, Latin America and Asia. The firm focuses on international buyouts, strategic repositioning opportunities and growth buyouts in five core sectors, including healthcare, working actively with management teams to drive revenue growth and earnings improvements in portfolio companies. Since inception, Advent has raised € 19.4 billion in private equity capital and, through its buyout programmes, has completed over 270 transactions in 35 countries.

For more information, visit www.adventinternational.com.

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This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of Advent or Mediq in any jurisdiction.

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Advent and Mediq disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Advent, nor Mediq, nor any of their advisors assumes any responsibility for any violation by any person of any of these restrictions. Any Mediq shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay. This announcement is not to be published or distributed in or to Canada, Japan and the United States.

Forward looking statements

This press release may include "forward-looking statements" and language indicating trends, such as "anticipated" and "expected." Although Advent and Mediq believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these assumptions will prove to be correct. Neither Advent nor Mediq, nor any of their advisors accepts any responsibility for any financial information contained in this press release relating to the business or operations or results or financial condition of the other or their respective groups.

12. DUTCH LANGUAGE SUMMARY

Dit Hoofdstuk 12 is de Nederlandse samenvatting van het Biedingsbericht dat is uitgegeven ter zake van het openbaar bod dat door de Bieder is uitgebracht op alle Aandelen in het geplaatste en uitstaande kapitaal van Mediq met inachtneming van de voorwaarden zoals beschreven in het Biedingsbericht.

De gedefinieerde termen in dit Hoofdstuk 12 van het Biedingsbericht hebben de betekenis die daaraan is gegeven in Hoofdstuk 12.2. Deze Nederlandse samenvatting maakt deel uit van het Biedingsbericht, maar vervangt dit niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor de Aandeelhouders van belang is om zich een afgewogen oordeel te kunnen vormen omtrent het Bod.

Het lezen van deze Nederlandse samenvatting mag derhalve niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. Aandeelhouders wordt geadviseerd het volledige Biedingsbericht zorgvuldig door te lezen en zo nodig onafhankelijk advies in te winnen teneinde een afgewogen oordeel te kunnen vormen omtrent het Bod. Daarnaast zullen Aandeelhouders mogelijk hun belastingadviseur willen raadplegen met betrekking tot de fiscale gevolgen van het aanmelden van Aandelen onder het Bod.

Waar deze Nederlandse samenvatting afwijkt van de Engelse tekst van het Biedingsbericht, prevaleert de Engelse tekst.

12.1 Belangrijke informatie

Het uitbrengen van het Bod, de verkrijgbaarstelling van het Biedingsbericht, inclusief deze Nederlandse samenvatting, en/of de verspreiding van enige andere informatie met betrekking tot het Bod, kunnen in bepaalde jurisdicties aan restricties onderhevig zijn. Zie Hoofdstukken 2 (*Restrictions*) en 3 (*Important Information*) van het Biedingsbericht. Het Bod wordt direct noch indirect gedaan in, en mag niet worden aanvaard door of namens Aandeelhouders vanuit een jurisdictie waarin het uitbrengen van het Bod of het aanvaarden daarvan niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving. Het niet in acht nemen van deze restricties kan een overtreding van de effectenwet- en regelgeving van de desbetreffende jurisdictie opleveren. Advent, de Bieder, Mediq en hun respectievelijke adviseurs aanvaarden geen enkele aansprakelijkheid ter zake van overtredingen van voornoemde restricties. Aandeelhouders dienen zo nodig onafhankelijk advies in te winnen omtrent hun positie dienaangaande.

De Bieder behoudt zich het recht voor om in het kader van het Bod de aanmelding van Aandelen te accepteren, zelfs indien dit niet gebeurt in overeenstemming met de bepalingen zoals uiteengezet in het Biedingsbericht.

De informatie opgenomen in de Hoofdstukken 1 tot en met 6 (met uitzondering van de informatie opgenomen in de Hoofdstukken 6.6, 6.8, 6.9, 6.16, 6.17, 6.21 en 6.22) 8, 10, 11 en 12 van het Biedingsbericht is uitsluitend door de Bieder verstrekt. De informatie opgenomen in de Hoofdstukken 6.6, 6.8, 6.21, 7, 13 en 14 van het Biedingsbericht is uitsluitend door Mediq verstrekt. De informatie op het voorblad en bladzijden 2, 3, de laatste pagina en de informatie opgenomen in de Hoofdstukken 6.9, 6.16, 6.17, 6.22, 9 en 15 van het Biedingsbericht is door de Bieder en Mediq gezamenlijk verstrekt.

Uitsluitend de Bieder en Mediq zijn verantwoordelijk voor de juistheid en volledigheid van de informatie die in het Biedingsbericht is verstrekt, ieder afzonderlijk voor de informatie die door henzelf is verstrekt, en gezamenlijk voor de informatie die door hen gezamenlijk is verstrekt.

De Bieder en Mediq verklaren ieder afzonderlijk ten aanzien van de informatie die door henzelf in het Biedingsbericht is verstrekt en gezamenlijk ten aanzien van de informatie die door hen gezamenlijk is verstrekt, dat de informatie in het Biedingsbericht, voor zover hen redelijkerwijs bekend kan zijn, in overeenstemming is met de werkelijkheid en dat geen gegevens zijn weggelaten waarvan de vermelding de strekking van het Biedingsbericht zou wijzigen.

De informatie opgenomen in Hoofdstuk 13.5 en 13.6 is door Mediq verkregen van de onafhankelijke accountants van Mediq, zijnde KPMG met betrekking tot de financiële jaren 2011 en 2010, en PwC met betrekking tot het financiële jaar 2009. De accountantsverklaring opgenomen in Hoofdstuk 14 is door Mediq verkregen van KPMG. Mediq bevestigt dat deze informatie op accurate wijze is gereproduceerd en dat geen feiten zijn weggelaten die ervoor zouden zorgen dat de geproduceerde informatie niet accuraat of misleidend zou zijn.

Getallen in het Biedingsbericht kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als exact te worden beschouwd.

12.2 Nederlandse definities

Aandeelhouder(s)	houder(s) van één of meer Aandelen;
Aandelen	de geplaatste en uitstaande gewone aandelen in het aandelenkapitaal van Mediq, elk met een nominale waarde van EUR 0,25;
Aangemelde Aandelen	elk Aandeel dat voorafgaand aan of op de Uiterste Dag van Aanmelding op juiste wijze is aangemeld (of op onjuiste wijze, indien de Bieder de Aanmelding desalniettemin heeft aanvaard) en geleverd onder het Bod;
Aangepaste Slotkoers	de slotkoers per Aandeel op Euronext Amsterdam aangepast met het oog op de in het normale verkeer door Mediq uitgekeerde dividenden in contanten, welke een dividenduitkering voor 2011 van EUR 0,31 (ex dividend datum 13 april 2012) en een interim dividenduitkering voor 2012 van EUR 0,15 (ex dividend datum 30 juli 2012) bevat;
Aanmelding	de aanmelding van Aandelen door de Aandeelhouders ter aanvaarding van het Bod;
Aanmeldingstermijn	de periode gedurende welke de Aandeelhouders hun Aandelen kunnen aanmelden bij de Bieder, beginnend

	op 9 november 2012 om 09:00 uur, CET, en eindigend op de Uiterste Dag van Aanmelding om 17:40 uur, CET;
Advent	Advent International Corporation, een vennootschap opgericht naar het recht van de staat Delaware, en kantoorhoudende te 75 State Street, Boston, MA, Verenigde Staten van Amerika;
AFM	de Stichting Autoriteit Financiële Markten;
Alternatief Voorstel	een potentieel bod of een voorstel voor een potentieel bod voor alle of een gedeelte van de Aandelen of op de gehele of nagenoeg de gehele onderneming of bezittingen van de Mediq Groep of een ander voorstel met betrekking tot de potentiële aankoop van een aanzienlijke deelneming in de Mediq Groep, een juridische fusie of splitsing waarbij Mediq betrokken is of een reorganisatie of herfinanciering van Mediq en/ of de Bieder Groep;
Bieder	AI Garden B.V., een besloten vennootschap met beperkte aansprakelijkheid, gevestigd te Amsterdam en kantoorhoudende te Naritaweg 165, 1043 BW Amsterdam, Nederland, geregistreerd bij de Kamer van Koophandel onder nummer 5603062;
Bieder Groep	de Bieder en elk van de Advent International GPE VI en Advent International GPE VII fondsen die worden gemanaged door Advent en hun respectieve directe en/of indirecte groeps- en/of dochtermaatschappijen, van tijd tot tijd;
Biedingsbericht	het Biedingsbericht met betrekking tot het Bod;
Biedprijs	een bedrag van EUR 13,25 per Aangemeld Aandeel cum dividend;
Bob	Besluit Openbare Biedingen Wft;
Bod	het bod zoals in het Biedingsbericht beschreven;
CET	<i>Central European Time</i> ;
Concurrerend Bod	een schriftelijk voorstel van een <i>bona fide</i> derde partij om (i) een (openbaar) bod uit te brengen voor ofwel alle Aandelen of voor de gehele ofwel nagenoeg de gehele onderneming of bezittingen en verplichtingen van Mediq (ii) Mediq te fuseren met een derde partij of (iii) een ander voorstel door een <i>bona fide</i> derde partij

waarbij er sprake zou zijn van een *change of control* van Mediq, welke naar het redelijke oordeel van de Raden - na overleg met financiële en juridische adviseurs en met inachtneming van de identiteit en reputatie van de Bieder Groep en die van een dergelijke derde partij, de mate van zekerheid van gestanddoening van het bod (inclusief mededingsrechtelijke en andere regulerende risico's), de aan het bod verbonden voorwaarden, de hoogte en aard van de vergoeding, de toekomstplannen van een dergelijke derde partij ten aanzien van Mediq en de strategie van Mediq, het management, de werknemers en andere stakeholders en de belangen van alle stakeholders van Mediq – een gunstiger bod is dan het Bod zoals overeengekomen in de Fusieovereenkomst, en

(i) de Biedprijs overstijgt met ten minste 7,5%. Voor zover het een bod betreft op de gehele of nagenoeg de gehele onderneming of bezittingen en verplichtingen van Mediq, zal de waardering van het bod per Aandeel worden gedaan op basis van de netto opbrengst te distribueren aan de Aandeelhouders als gevolg van een dergelijke transactie (gewaardeerd per 24 september 2012);

(ii) verplichtingen inhoudt voor een dergelijke *bona fide* derde partij ten aanzien van de toekomstige governance en organisatie, welke nagenoeg overeenkomen met de verplichtingen tussen de Bieder en Mediq zoals nauwkeurig omschreven in dit Biedingsbericht;

(iii) gelijkwaardige verplichtingen inhoudt met betrekking tot de financiering van het Bod, zowel ten aanzien van de schuldfinanciering als de *equity* financiering (voor zover van toepassing); en

(iv) bindend is voor de derde partij in die zin dat een dergelijke partij (i) zich voorwaardelijk heeft verbonden jegens Mediq een Concurrerend Bod uit te brengen binnen 6 (zes) weken na het doen van een openbare mededeling zoals beschreven onder (ii) hierna en (ii) de intentie tot het uitbrengen van een Concurrerend Bod openbaar heeft gemaakt of heeft overeengekomen dat binnen 10 (tien) Werkdagen te doen, welke openbaarmaking de voorgenomen prijs per Aandeel inhoudt en de relevante voorwaarden in verband met een dergelijk bod en het uitbrengen

	daarvan;
Dag van Gestanddoening	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.8.2;
Dag van Overdracht	de datum, die niet later zal zijn dan de achtste (8e) Werkdag na de Dag van Gestanddoening, waarop, in overeenstemming met de bepalingen van het Bod, de Bieder de Biedprijs zal betalen aan de Aandeelhouders voor elk Aangemeld Aandeel;
Due Diligence Onderzoek	het due diligence onderzoek uitgevoerd door Advent naar de financiële, operationele, commerciële, juridische en fiscale aspecten van de Mediq Groep;
EBITDA	betekent <i>earnings before interest, taxes, depreciation and amortisation</i> ;
Euronext Amsterdam	de beurs van Euronext Amsterdam door NYSE Euronext, de gereuleerde markt van Euronext N.V.;
Fusieovereenkomst	de fusieovereenkomst tussen de Bieder en Mediq zoals overeengekomen en ondertekend op 23 september 2012;
Gecommitteerde Aandelen	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.7.1(b);
KPMG	KPMG Accountants N.V.;
Materieel Negatief Effect	<p>elke verandering, gebeurtenis, aangelegenheid of omstandigheid (elk een Effect) die individueel of in samenhang met andere Effecten die zich hebben voorgedaan tussen de datum van de Fusieovereenkomst en de Uiterste Dag van Aanmelding, die een materieel negatief effect heeft of redelijkerwijs kan hebben op de onderneming, de financiële of handelspositie van Mediq Groep als geheel tezamen, dat van zodanige aard is dat van de Bieder redelijkerwijs niet kan worden verwacht dat zij het Bod gestand zal doen, met dien verstande dat, voor de vaststelling of sprake is of zal zijn van een Materieel Negatief Effect, Effecten niet zullen worden meegenomen die:</p> <p>(a) een algehele economische teruggang in de branche inhouden welke in algehele zin bedrijven zoals Mediq zullen aantasten;</p> <p>(b) negatieve ontwikkelingen zijn met betrekking tot de Europese Unie, de lidstaten (inclusief lidstaten die de Europese Unie verlaten) en de Euro zone (inclusief</p>

	<p>lidstaten die de Euro zone verlaten of daartoe gedwongen wordt);</p> <p>(c) bekend waren of redelijkerwijs hadden behoren te zijn aan de Bieder of zijn adviseurs voorafgaand aan de datum van de Fusieovereenkomst, ten gevolge van de redelijke openbaarmaking (<i>fair disclosure</i>) in het Due Diligence Onderzoek of informatie beschikbaar in het publieke domein voorafgaand aan de datum van de Fusieovereenkomst, inclusief informatie opgenomen door een lid van de Mediq Groep bij wijze van publieke registratie in een openbaar register of gepubliceerd door Mediq als gevolg van toepassing zijnde wetten en regelgeving;</p> <p>(d) de aankondiging, het uitbrengen en het implementeren van het Bod betreffen;</p> <p>(e) een wijziging inhouden van wetten, regelgeving, verslaggevingsstandaarden of de interpretatie daarvan, na de datum van de Fusieovereenkomst; en</p> <p>(f) juridische procedures aangespannen door Aandeelhouders op grond van een vermeende schending van een fiduciare verplichting van de Raad van Bestuur of de Raad van Commissarissen van Mediq ten aanzien van de aanbeveling van het Bod;</p>
Minimale Acceptatie Voorwaarde	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.7.1(b);
Na-aanmeldingstermijn	een periode van niet meer dan twee (2) weken na afloop van de Aanmeldingstermijn gedurende welke Aandeelhouders die hun Aandelen nog niet hebben aangemeld onder het Bod de kans wordt gegeven dit alsnog te doen, op dezelfde wijze en onder dezelfde voorwaarden als opgenomen in het Biedingsbericht;
Omwissel- en Betaalkantoor	Coöperatieve Centrale Reiffeisen Boerenleenbank B.A., handelend als Rabobank International;
Peildatum	21 september 2012, de laatste handelsdag voor het gezamenlijke persbericht van de Bieder en Mediq;
Position Statement	de standpuntbepaling van de Raden, die geen onderdeel uitmaakt van het Biedingsbericht;
Potentieel Concurrerend Bod	Een Alternatief Voorstel dat naar het redelijke oordeel van de Raden zal kwalificeren als een Concurrerend

	Bod;
PwC	PricewaterhouseCoopers Accountants N.V.;
Raad van Bestuur	de raad van bestuur van Mediq, bestaande uit de heer M.C. van Gelder (CEO) en de heer J.G. Janssen (CFO) per de datum van dit Biedingsbericht;
Raad van Commissarissen	de raad van commissarissen van Mediq;
Raden	de Raad van Bestuur en de Raad van Commissarissen;
Toepasselijke Regelgeving	alle toepasselijke wet- en regelgeving, inclusief maar niet beperkt tot de toepasselijke bepalingen van en alle nadere regelgeving en beleidsregels die zijn vastgesteld of anderszins gelding hebben krachtens de Wft, het Bob, de beleidsregels en instructies van de AFM, de Wet op de ondernemingsraden, het SER-Besluit Fusiegedragsregels 2000, de regelgeving en beleidsregels van Euronext Amsterdam, en voor zover van toepassing, het Burgerlijk Wetboek, en de relevante effecten- en medezeggenschapsregelgeving in andere relevante jurisdicties en relevante mededingingswetgeving;
Mediq Aandeelhoudersvergadering	de informatieve aandeelhoudersvergadering van Mediq, die zal worden gehouden ingevolge artikel 18, paragraaf 1 van het Bob ten minste 6 (zes) Werkdagen voor afloop van de Aanmeldingstermijn;
Mediq Groep	Mediq en de met haar verbonden groepsmaatschappijen;
Toegelaten Instellingen	de tot Euronext Amsterdam toegelaten instellingen;
Uiterste Dag van Aanmelding	de tijd en datum waarop het Bod afloopt, zijnde 17:40 uur, CET, op 4 januari 2013, tenzij de Aanmeldingstermijn is verlengd in overeenstemming met artikel 15 van het Bob, in welk geval de Uiterste Dag van Aanmelding zal zijn de dag waarop de verlengde Aanmeldingstermijn afloopt;
Uitkering	elk dividend of andere uitkering op de Aandelen;
Voorwaarden	de opschortende voorwaarden met betrekking tot het Bod zoals uiteengezet in Hoofdstuk 12.7.1;
Verbonden Partijen	heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.7.1(b);
Werkdag(en)	een dag anders dan een zaterdag of zondag waarop banken in Nederland, ingevolge de Algemene Bank-

CAO, en Euronext Amsterdam open zijn; en

Wft

Wet op het financieel toezicht.

12.3 Uitnodiging aan de Aandeelhouders

Onder verwijzing naar de verklaringen, voorwaarden en beperkingen zoals opgenomen in de Hoofdstukken 2 (*Restrictions*) en 3 (*Important Information*) van het Biedingsbericht worden Aandeelhouders uitgenodigd om hun Aandelen aan te bieden op de wijze en onder de voorwaarden zoals in dit Biedingsbericht beschreven.

12.4 Het Bod

De Bieder brengt het Bod uit teneinde alle Aandelen te verwerven van de Aandeelhouders, onder de voorwaarden en conform de bepalingen en beperkingen zoals opgenomen in het Biedingsbericht.

Op voorwaarde dat het Bod gestand wordt gedaan, zullen de Aandeelhouders de Biedprijs per Aangemeld Aandeel ontvangen. Indien Mediq tussen de datum van het Biedingsbericht en de Dag van Overdracht een Uitkering doet, dan zal de Biedprijs worden verminderd met het bedrag van een dergelijke Uitkering.

De Biedprijs vertegenwoordigt⁷:

- een premie van 53,1% ten opzichte van de slotkoers per Aandeel op Euronext Amsterdam op de Peildatum;
- een premie van 46,5% ten opzichte van de gemiddelde Aangepaste Slotkoers per Aandeel op Euronext Amsterdam gedurende een periode van 1 (één) maand eindigend op de Peildatum;
- een premie van 47,8% ten opzichte van de gemiddelde Aangepaste Slotkoers per Aandeel op Euronext Amsterdam gedurende een periode van 3 (drie) maanden eindigend op de Peildatum;
- een premie van 39,5% ten opzichte van de gemiddelde Aangepaste Slotkoers per Aandeel op Euronext Amsterdam gedurende een periode van 6 (zes) maanden eindigend op de Peildatum;
- een premie van 28,2% ten opzichte van de gemiddelde Aangepaste Slotkoers per Aandeel op Euronext Amsterdam gedurende een periode van 12 (twaalf) maanden eindigend op de Peildatum;
- een premie van 28,6% ten opzichte van de mediaan van de koersdoelen van analisten voor de Aandelen, gepubliceerd na Mediq's Q2 resultaten op 26 juli 2012 (de mediaan van het

⁷ Bid premia zijn berekend op basis van slotkoers van het Aandeel ("Mediq NA Equity") uit Bloomberg.

koersdoel van analisten bedroeg EUR 10,30⁸). De meegenomen onderzoeksanalisten betreffen: ABN AMRO, ING, Jefferies, KBC Securities, Kempen & Co, Petercam, Rabobank, SNS Securities (ESN) en Theodoor Gilissen;

- een koopprijs voor Mediq van 7,8x EBITDA (gebaseerd op EBIT consensus schattingen van research analisten van EUR 103.1 miljoen over het fiscale jaar 2012) gebaseerd op de netto schuldpositie van EUR 258,4 miljoen per 30 juni 2012 en minderheidsdeelnemingen van EUR 17,6 miljoen per 30 juni 2012. De research analisten betreffen ABN AMRO, ING, KBC Securities, Kempen & Co., Petercam, Rabobank en SNS Securities (ESN).⁹

Ter vergelijking, de mediaan van de premie betaald over de genormaliseerde aandelenkoers (slotkoers per aandeel op de dag voor aankondiging van de transactie of materiële openbare speculatie over een transactie, indien van toepassing) op basis van *all cash* openbare biedingen op 100% van de aandelen van Nederlandse vennootschappen genoteerd aan Euronext Amsterdam met een *equity value* groter dan EUR 500 miljoen die werden aangekondigd en afgerond in de periode tussen 1 januari 2005 en de Peildatum, is 37,5%. De geselecteerde transacties zijn: Wavin/ Mexichem, Crucell / Johnson & Johnson, Océ / Canon, Smit Internationale / Boskalis, Eriks / SHV Alkmaar (SHV Holdings), Corporate Express / Staples, Schuitema / Skipper Acquisitions (CVC Capital Partners), Grolsch / SABMiller, Hagemeyer / Rexel, Getronics / KPN, Tele Atlas / TomTom, Univar / Elixes (CVC), Numico / Danone, Stork / London Acquisitions (Candover), Endemol / Edam Acquisitions (Cyrte Investments), Wegener / Mecom, Athlon / De Lage Landen, VNU / Valcon Acquisitions (AlpInvest, Blackstone, Carlyle, Hellman & Friedman, KKR, Thomas H. Lee Partners).

12.5 Biedprijs

Voor elk aangemeld Aandeel biedt de Bieder een vergoeding van EUR 13,25 (dertien euro en vijfentwintig euro cent) in contanten cum dividend (de **Biedprijs**).

Indien enige dividenduitkering of andere uitkering (elk een **Uitkering** en tezamen de **Uitkeringen**) op de Aandelen wordt vastgesteld door Mediq (waarbij de *record date* die bepalend is voor gerechtigheid tot een dergelijke Uitkering gelegen is vóór de Dag van Overdracht), zal de Biedprijs worden verminderd met het volledige bedrag van een dergelijke Uitkering gedaan door Mediq per Aandeel (vóór toepassing van enige relevante heffingen).

Elke aanpassing van de Biedprijs ten gevolge van een Uitkering vastgesteld door Mediq zal door middel van een persbericht in overeenstemming met Hoofdstuk 5.9 (*Announcements*) van dit Biedingsbericht kenbaar worden gemaakt.

12.6 Financiering van het Bod

Onder verwijzing naar artikel 7 lid 4 van het Bob heeft Advent op 24 september 2012 aangekondigd over voldoende middelen te beschikken om het Bod te financieren en dit opnieuw bevestigd in het persbericht van 5 oktober 2012.

⁸ Source: Bloomberg per 21 september 2012.

⁹ Source: Factset per 21 september 2012.

De Bieder zal het maximale bedrag van EUR 775 miljoen dat voor het Bod benodigd is, financieren door gebruik te maken van ongeveer EUR 515 miljoen aan *equity* en ongeveer EUR 260 miljoen aan vreemd vermogen.

In het kader van de financiering van het Bod, heeft de Bieder zich verzekerd van volledig gecommiteerde *equity*- en schuldfinanciering, waarbij het *equity* gedeeld zal worden gefinancierd door bepaalde Advent fondsen en het pakket aan schuldfinanciering wordt verkegen van een consortium van 5 (vijf) Europese financiële instelling met een goede reputatie. Zowel de *equity*- als de schuldfinanciering is volledig gecommiteerd.

De gecommiteerde schuldfinanciering is onder gebruikelijke voorwaarden, die overeenkomen met de voorwaarden van het Bod en die marktconform zijn. De Bieder heeft geen reden om aan te nemen dat deze voorwaarden niet zullen zijn voldaan op of voor de Dag van Overdracht. De commitment ten aanzien van de *equity* financiering is zonder voorwaarden en zal beschikbaar worden gesteld zodra het Bod gestand is gedaan.

Zie tevens Hoofdstukken 6.5 (*Financing of the Offer*) en 11 (*Press Releases*).

12.7 Voorwaarden, afstand en vervulling

12.7.1 Voorwaarden

Niettegenstaande de andere bepalingen in het Biedingsbericht, is de Bieder verplicht het Bod gestand te doen indien aan elk van de volgende Voorwaarden wordt voldaan, tenzij daarvan afstand wordt gedaan op of voor de Uiterste Dag van Aanmelding:

- (a) alle meldingen aan de relevante mededingingsautoriteiten zullen zijn gedaan en alle wachtperiodes met betrekking tot dergelijke meldingen zullen zijn verstreken en elke autoriteit in kwestie (i) goedkeuring heeft gegeven voor het Bod zonder enige voorwaarden of verplichtingen, (ii) een beslissing heeft genomen dat er geen goedkeuring nodig is, (iii) geen beslissing heeft genomen binnen de daarvoor geldende periodes en onder de toepasselijke wettelijke bepalingen daardoor impliciete onvoorwaardelijke goedkeuring is verleend of (iv) de zaak heeft overgedragen aan een andere bevoegde autoriteit in overeenstemming met de toepasselijke regelgeving, waarna goedkeuring is verleend;
- (b) het totale aantal Aandelen (i) aangemeld onder het Bod, (ii) gehouden door de Bieder of een persoon of entiteit, rechtstreeks of niet rechtstreeks, alleen of gezamenlijk, controlerend of gecontroleerd door de Bieder (***Verbonden Partijen***), en (iii) schriftelijk onvoorwaardelijk en onherroepelijk aan de Bieder of haar Verbonden Partijen toegezegd (tezamen de ***Gecommiteerde Aandelen***), moet ten minste 95% (vijfennegentig procent) van de totale geplaatste aandelenkapitaal van Mediq op basis van volledig verwatering op de Uiterste Dag van Aanmelding (de ***Minimale Acceptatie Voorwaarde***);
- (c) er een schriftelijke bevestiging van het bestuur van de Stichting is waarin wordt bevestigd dat (i) het koopoptierecht om preferente aandelen aan haar te laten uitgeven door Mediq, niet is uitgeoefend, (ii) er geen verzoek is ingediend voor een enquête onderzoek op grond van artikel 2:346 paragraaf (c) van het Burgerlijk Wetboek, (iii)

de overeenkomst op grond waarvan de Stichting het koopoptierecht heeft verkregen onvoorwaardelijk is beëindigd onder de opschortende voorwaarde van gestanddoening van het Bod, en (iv) de overeenkomst op grond waarvan de Stichting het recht heeft om een enquêteverzoek in te dienen op grond van artikel 2:346 paragraaf (c) van het Burgerlijk Wetboek onvoorwaardelijk is beëindigd onder de opschortende voorwaarde van gestanddoening van het Bod;

- (d) zich geen Materieel Negatief Effect heeft voorgedaan;
- (e) de aanbeveling van de Raden niet is ingetrokken of gewijzigd;
- (f) geen openbare mededeling is gedaan met betrekking tot (i) een Concurrerend Bod, of (ii) een verplicht bod op de Aandelen ingevolge artikel 5:70 Wft;
- (g) er geen partieel bod is uitgebracht (als bedoeld in paragraaf 3.2 van het Bob) op de Aandelen door een derde partij;
- (h) geen mededeling is ontvangen van de AFM, waarin wordt gesteld dat het Bod is gedaan in strijd met hoofdstuk 5.5 van de Wft en dat, ingevolge artikel 5:80, paragraaf 2 van de Wft, beleggingsondernemingen niet zouden mogen meewerken aan de uitvoering en voltooiing van het Bod;
- (i) geen vonnis of beschikking is uitgesproken en geen maatregel of onderzoek is bevolen, en van kracht is, door enige rechtbank, arbitraal college, regering, overheidsinstantie of andere toezichthoudende of administratieve instantie, of enig statuut, regel, wetgeving, overheidsaanwijzing of maatregel van toepassing is verklaard op het Bod welke het afronden van het Bod op enige wezenlijke wijze kan beperken of verbieden;
- (j) Mediq geen inbreuk heeft gemaakt op enige bepaling uit de Fusieovereenkomst, voorzover deze inbreuk naar verwachting (i) redelijkerwijs materieel negatieve consequenties heeft of kan hebben voor Mediq of het Bod en (ii) niet kan worden hersteld binnen tien (10) dagen na ontvangst door Mediq van een schriftelijke aanmaning van Advent of niet is hersteld binnen tien (10) dagen na ontvangst door Mediq van een schriftelijke aanmaning van de Bieder; en
- (k) de Bieder geen inbreuk heeft gemaakt op enige bepaling uit de Fusieovereenkomst, voorzover deze inbreuk naar verwachting (i) redelijkerwijs materieel negatieve consequenties heeft of kan hebben voor Mediq of het Bod en (ii) niet kan worden hersteld binnen tien (10) dagen na ontvangst door de Bieder van een schriftelijke aanmaning van Mediq of niet is hersteld binnen tien (10) dagen na ontvangst door de Bieder van een schriftelijke aanmaning van Mediq.

12.7.2 Afstand

- (a) Alle Voorwaarden uiteengezet in Hoofdstukken 12.7.1 (met uitzondering van paragrafen 12.7.1(b), 12.7.1(h) en 12.7.1(k) en zijn uitsluitend opgenomen ten behoeve van de Bieder en hiervan mag, voor zover toegestaan op grond van de wet,

te allen tijde afstand worden gedaan door de Bieder (geheel of gedeeltelijk), door middel van een schriftelijke kennisgeving aan Mediq;

- (b) Van de Minimale Acceptatie Voorwaarde zoals weergegeven in Hoofdstuk 12.7.1(b) mag alleen afstand worden gedaan in overeenstemming met het volgende:
 - (i) indien de Gecommitteerde Aandelen op de Uiterste Dag van Aanmelding niet ten minste 95% maar meer dan 66,67% van het totale geplaatste aandelenkapitaal van Mediq vertegenwoordigen op basis van volledig verwatering op de Uiterste Dag van Aanmelding, kan te allen tijde van de Minimale Acceptatie Voorwaarde afstand worden gedaan door de Bieder door middel van een schriftelijke kennisgeving aan Mediq; en
 - (ii) indien de Gecommitteerde Aandelen op de Uiterste Dag van Aanmelding niet ten minste 66,67% van het totale geplaatste aandelenkapitaal van Mediq kapitaal vertegenwoordigen op basis van volledig verwatering op de Uiterste Dag van Aanmelding, kan van de Minimale Acceptatie Voorwaarde slechts schriftelijk afstand worden gedaan door de Bieder met de voorafgaande schriftelijke goedkeuring van de Raden.
- (c) Van de Voorwaarde in Hoofdstuk 12.7.1(h) kan geen afstand worden gedaan.
- (d) De Voorwaarde uiteengezet in Hoofdstuk 12.7.1(k) is uitsluitend opgenomen ten behoeve van Mediq en hiervan mag, voor zover toegestaan op grond van de wet, te allen tijde (geheel of gedeeltelijk) afstand worden gedaan door Mediq, door middel van een schriftelijke kennisgeving aan de Bieder;

12.7.3 Vervulling van Voorwaarden

De vervulling van elk van de Voorwaarden hangt niet af van de wil van de Bieder overeenkomstig de in artikel 12, paragraaf 2 van het Bob opgenomen verbodsbepaling.

Zowel de Bieder als Mediq zal zijn uiterste best doen om zo snel als redelijkerwijs mogelijk de vervulling van de Voorwaarden te bewerkstelligen, met dien verstande dat uiterste best inhoudt dat:

- (a) niet vereist is dat de Bieder of Mediq enige materiële betaling hoeven te doen om ervoor te zorgen dat aan Voorwaarden wordt voldaan, en
- (b) met betrekking tot Voorwaarde 12.7.1(a), van de Bieder kan worden verlangd om alle voorwaarden, verplichtingen of andere vereisten opgelegd door of opgenomen in een besluit van de relevante mededingingsautoriteit te accepteren of dergelijke voorwaarden en verplichtingen aan te bieden, zoals vereist zijn in een besluit van een relevante mededingingsautoriteit om de vereiste goedkeuring of goedkeuringen te verkrijgen zo spoedig mogelijk en in ieder geval voorafgaand aan de Uiterste Dag van Aanmelding.

Wanneer op enig moment de Bieder of Mediq kennis neemt van een feit of omstandigheid die ertoe zou kunnen leiden dat een Voorwaarde niet wordt vervuld, zal de Bieder respectievelijk Mediq daarvan onmiddellijk schriftelijk op de hoogte worden gesteld.

Ten aanzien van Voorwaarde 12.7.1(c), zijn de Bieder en Mediq een bindend advies procedure overeengekomen, voor het geval dat de Bieder meent dat de Voorwaarde niet is vervuld en Mediq het daar niet mee eens is. In een dergelijk geval zal een bindend adviseur beslissen over de kwestie binnen tien (10) Werkdagen nadat het geschil is voorgelegd aan de bindend adviseur of een kortere periode als de Bieder en Mediq kunnen overeenkomen, met dien verstande dat een besluit moet worden genomen uiterlijk 12:00 uur, CET, op de Werkdag vóór de Dag van Gestanddoening. Als bindend adviseur wordt de voorzitter van de Ondernemingskamer van het Gerechtshof van Amsterdam aangewezen of, indien deze persoon niet in staat is (om wat voor reden dan ook) het bindend advies op tijd te geven, zal op verzoek van de Bieder of Mediq een andere onafhankelijke advocaat worden benoemd door de President van de rechtbank Amsterdam. Het bindend advies is definitief en bindend voor de Bieder en Mediq en elk van de Bieder en Mediq gaat volledig akkoord met het bindend advies en de inhoud daarvan.

12.8 Aanmelding

12.8.1 Aanmeldingstermijn

De aanmeldingstermijn vangt aan om 09:00 uur, CET, op 9 november 2012 en eindigt op 4 januari 2013 om 17:40 uur, CET, tenzij de Aanmeldingstermijn wordt verlengd in overeenstemming met Hoofdstuk 12.8.3 (*Verlenging*).

Aandelen die reeds zijn aangemeld op of voorafgaande aan de Uiterste Dag van Aanmelding mogen niet worden herroepen gedurende de verlenging van de Aanmeldingstermijn, behoudens het recht van een Aandeelhouder om de Aandelen die hij of zij reeds heeft aangemeld te herroepen in overeenstemming met artikel 5b, paragraaf 5, artikel 15, paragrafen 3 en 8 en artikel 15a, paragraaf 3 van het Bob.

Indien aan alle Voorwaarden van het Bod is voldaan of, voor zover van toepassing, daarvan afstand is gedaan, zal de Bieder alle Aandelen aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin heeft aanvaard) en niet zijn ingetrokken ingevolge artikel 5b, paragraaf 5, artikel 15, paragrafen 3 en 8 en artikel 15a, paragraaf 3 van het Bob, met inachtneming van de procedures zoals uiteengezet in Hoofdstuk 12.9 (*Aanvaarding door Aandeelhouders*).

12.8.2 Gestanddoening

Het Bod wordt gedaan onder voorbehoud van de vervulling van de Voorwaarden zoals uiteengezet in Hoofdstuk 12.7. Van de Voorwaarden kan afstand worden gedaan, voor zover toegestaan bij wet of overeenkomst, zoals uiteengezet in Hoofdstuk 12.7. Indien de Bieder of Mediq voornemens is afstand te doen van één of meerdere Voorwaarden in overeenstemming met het bepaalde in Hoofdstuk 12.7, dan zal de Bieder daarvan kennis geven aan de Aandeelhouders zoals voorgeschreven door de Toepasselijke Regelgeving.

De Bieder zal niet later dan op de derde (3e) Werkdag na de Uiterste Dag van Aanmelding, zijnde de **Dag van Gestanddoening**, vaststellen of aan de Voorwaarden is voldaan dan wel daarvan afstand wordt gedaan (voor zover wettelijk toegestaan als uiteengezet in Hoofdstuk 12.7). Bovendien zal de Bieder op de Dag van Gestanddoening een openbare aankondiging doen inhoudende dat ofwel (i) het Bod gestand wordt gedaan, ofwel (ii) het Bod wordt

verlengd in overeenstemming met artikel 15 van het Bob, ofwel (iii) het Bod wordt beëindigd omdat niet is voldaan aan de Voorwaarden en daarvan geen afstand is gedaan, alles met inachtneming van artikel 16 van het Bob en de Fusieovereenkomst. Indien het Bod niet gestand wordt gedaan, zal de Bieder dit besluit motiveren.

Indien de Bieder aankondigt het Bod gestand te doen, zal de Bieder de aangemelde Aandelen accepteren tegen betaling van de Biedprijs en kan een Na-aanmeldingstermijn worden aangekondigd, zoals uiteengezet in Hoofdstuk 12.8.4.

12.8.3 Verlenging

Indien en voor zover één of meer van de Voorwaarden als uiteengezet in Hoofdstuk 12.7 niet is vervuld op de Uiterste Dag van Aanmelding, dan zal de Bieder in overeenstemming met artikel 15, paragraaf 1 en 2 van het Bob, de Aanmeldingstermijn verlengen voor een minimale periode van twee (2) weken en een maximale periode van tien (10) weken teneinde deze Voorwaarden in vervulling te doen gaan of daarvan afstand te doen, tenzij één of meer van de Voorwaarden niet is vervuld op de initiële Uiterste Dag van Aanmelding en een volledig bod is uitgebracht door een derde partij, waarbij de waarde van het volledige bod de Biedprijs overstijgt, in welk geval de Bieder niet verplicht zal zijn, maar wel het recht heeft, om het Bod te verlengen na afloop van de initiële Uiterste Dag van Aanmelding maar het Bod ook zal mogen beëindigen omdat niet is voldaan aan één of meer van de Voorwaarden en daarvan geen afstand is gedaan.

Verlenging van de Aanmeldingstermijn kan éénmalig (verlenging voor meer dan één periode is slecht mogelijk met goedkeuring van de AFM, welke alleen in uitzonderlijke omstandigheden gegeven zal worden). Ingeval van een dergelijke verlenging zullen alle verwijzingen in het Biedingsbericht naar 17:40 uur, CET, op de Uiterste Dag van Aanmelding, wijzigen naar de laatste datum en tijd van de verlengde Aanmeldingstermijn, tenzij uit de context anderszins blijkt.

Indien het Bod wordt verlengd, zodat de verplichting op grond van artikel 16 van het Bob om aan te kondigen of gestanddoening van het Bod wordt uitgesteld, zal een openbare mededeling in die zin uiterlijk dienen te worden gedaan op de derde (3e) Werkdag na de Uiterste Dag van Aanmelding, in overeenstemming met de bepalingen van artikel 15, paragraaf 1 en paragraaf 2 van het Bob. Indien de Bieder de Aanmeldingstermijn verlengt, zal het Bod aflopen op de uiterste datum en tijd waarop de Bieder de Aanmeldingstermijn verlengd.

Gedurende een verlenging van de Aanmeldingstermijn blijft elk Aandeel dat is aangemeld en niet is ingetrokken onderworpen aan het Bod, behoudens het recht van elke Aandeelhouder om de Aandelen die hij of zij reeds heeft aangemeld in te trekken.

12.8.4 Na-aanmeldingstermijn

Indien de Bieder aankondigt het Bod gestand te doen, kan de Bieder, naar eigen inzicht, in overeenstemming met artikel 17 van het Bob, binnen drie (3) Werkdagen na de Dag van Gestanddoening een Na-aanmeldingstermijn aankondigen van maximaal twee (2) weken, gedurende welke termijn Aandeelhouders alsnog Aandelen onder dezelfde voorwaarden als het Bod mogen aanmelden die nog niet zijn aangemeld.

De Bieder zal de resultaten van de Na-aanmeldingstermijn en het totale aantal en percentage van de door haar gehouden Aandelen uiterlijk op de derde (3^e) Werkdag na afloop van de Na-aanmeldingstermijn publiekelijk mededelen, in overeenstemming met artikel 17, paragraaf 4 van het Bob. Tijdens een dergelijke Na-aanmeldingstermijn zal de Bieder doorgaan met het aanvaarden van alle Aandelen die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin heeft aanvaard) en betaling voor dergelijke Aandelen zal plaatsvinden binnen vijf (5) Werkdagen na afloop van de laatste dag van de Na-aanmeldingstermijn.

Gedurende de Na-aanmeldingstermijn hebben Aandeelhouders die hun Aandelen gedurende de Aanmeldingstermijn op geldige wijze hebben aangemeld die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin heeft aanvaard) en welke Aandelen onder de voorwaarden en bepalingen van het Bod zijn geaccepteerd en Aandeelhouders die hun Aandelen hebben aangemeld gedurende de Na-aanmeldingstermijn, niet het recht om hun Aandelen in te trekken.

12.8.5 Overdracht

Indien de Bieder aankondigt het Bod gestand te doen, zullen Aandeelhouders die hun Aandelen ter aanvaarding van het Bod hebben aangemeld en geleverd aan de Bieder, op of voor de Uiterste Dag van Aanmelding, binnen acht (8) Werkdagen volgend op de Dag van Gestanddoening (de **Dag van Overdracht**), de Biedprijs ontvangen voor elk Aangemeld Aandeel.

12.9 Aanvaarding door Aandeelhouders

Aandeelhouders die hun Aandelen houden via een Toegelaten Instelling worden verzocht om hun Aanmelding via hun bank of commissionair niet later dan op de Uiterste Dag van Aanmelding om 17:40 uur, CET, kenbaar te maken, tenzij de Aanmeldingstermijn is verlengd overeenkomstig Hoofdstuk 12.8.3 (*Verlenging*). De relevante bank of commissionair kan een eerdere uiterste datum vaststellen voor Aanmelding door Aandeelhouders zodat deze bank of commissionair voldoende tijd heeft om de Aanmelding door te geven aan het Omwissel- en Betaalkantoor.

De desbetreffende Toegelaten Instellingen mogen de Aanmeldingen slechts indienen bij het Omwissel- en Betaalkantoor en alleen in schriftelijke vorm. Bij het indienen van de Aanmeldingen dient iedere Toegelaten Instelling te verklaren dat: (i) zij de aangemelde Aandelen in hun administratie hebben opgenomen; (ii) de betrokken Aandeelhouder onherroepelijk garandeert dat hij/zij zal voldoen aan alle restricties die worden genoemd in de Hoofdstukken 2 (*Restrictions*) en 3 (*Important Information*) van het Biedingsbericht; en (iii) zij zich verplicht om de aangemelde Gewone Aandelen te leveren aan de Bieder op de Dag van Overdracht, onder voorwaarde dat het Bod gestand is gedaan.

Aandeelhouders die individueel zijn geregistreerd in het aandeelhoudersregister van Mediq en die het Bod willen aanvaarden ten aanzien van hun Aandelen, dienen een compleet en getekend aanmeldingsformulier te overhandigen aan het Omwissel- en Betaalkantoor in overeenstemming met de voorwaarden van het Bod, niet later dan op de Uiterste Dag van Aanmelding om 17:40 uur, tenzij de Aanmeldingstermijn is verlengd ingevolge Hoofdstuk 12.8.3 (*Verlenging*). De aanmeldingsformulieren zijn op verzoek verkrijgbaar bij het

Omwissel- en Betaalkantoor. Het aanmeldingsformulier zal dienen als een akte van levering met betrekking tot de Aandelen waarnaar daarin verwezen wordt.

12.10 Besluitvorming en aanbeveling van de Raad van Bestuur en de Raad van Commissarissen

Vanaf het eerste moment dat door de Bieder belangstelling is getoond, is er een transactie commissie gevormd, bestaande uit de heer S. van Keulen en de heer W.M. van den Goorbergh (beide lid van de Raad van Commissarissen), de heer M.C. van Gelder (CEO Mediq) en de heer J.G. Janssen (CFO Mediq), welke samen met alle belangrijke externe professionele adviseurs, op zeer regelmatige basis conference calls en vergaderingen hebben gehad om op de hoogte te blijven van de laatste ontwikkelingen, toe te zien op het proces, het Bod en alternatieven daarvan (waaronder een stand-alone scenario en eventuele transacties met derde partijen), alsmede de overwegingen te bespreken die ten grondslag liggen aan de belangrijkste besluiten in dit kader. De Raad van Commissarissen heeft verschillende vergaderingen gehad met haar adviseurs met en zonder de leden van de Raad van Bestuur. De beslissing om de voorwaardelijke overeenkomst aan te gaan ten aanzien van het Bod, met in het bijzonder de Biedprijs, is genomen door de Raad van Commissarissen na overleg met zijn adviseurs (zonder dat de Raad van Bestuur daarbij aanwezig was).

Met inachtneming van een (potentieel) tegenstrijdig belang, nu de leden van de Raad van Bestuur waarschijnlijk als minderheidsaandeelhouder zullen deelnemen in de Bieder (zie Hoofdstuk 8.1.3), hebben de Raden, na zorgvuldige afweging van de strategische, financiële en sociale aspecten en de gevolgen van de voorgenenomen transactie, alsmede andere alternatieven voor Mediq (waaronder een stand alone scenario en eventuele transacties met derde partijen), geconcludeerd dat, gezien de huidige omstandigheden, het Bod redelijk (*fair*) is voor de Aandeelhouders van Mediq vanuit een financieel oogpunt en in het beste belang is van Mediq en alle andere *stakeholders*.

De Raad van Commissarissen en de Raad van Bestuur zijn van mening dat de Biedprijs, alsmede de overige voorwaarden van het Bod, redelijk (*reasonable and fair*) zijn jegens de Aandeelhouders met inachtneming van alle omstandigheden. In dit verband wordt verwezen naar de fairness opinies, waarin zowel ING Bank N.V. als ABN AMRO Bank N.V. van oordeel zijn dat het Bod redelijk is voor de Aandeelhouders vanuit een financieel oogpunt.

Onder verwijzing naar het bovenstaande, ondersteunen de Raden unaniem het Bod en bevelen zij unaniem de Aandeelhouders aan om het Bod te aanvaarden en om op de Mediq Aandeelhoudersvergadering, als bedoeld in Hoofdstuk 6.21 (*EGM*), vóór alle aldaar in verband met het Bod voor te stellen besluiten te stemmen.

12.11 Toezeggingen

Templeton Investment Counsel, LLC, Franklin Templeton Investments Corp, tezamen houders van ongeveer 5,0% van de Aandelen, en Silchester International Investor LLP, houder van ongeveer 15,1% van de Aandelen, hebben onherroepelijk toegezegd de door hen gehouden Aandelen aan te bieden onder het Bod als uiteengezet in dit Biedingbericht met inachtneming van dezelfde voorwaarden als van toepassing zijn op alle andere Aandeelhouders, en op de Mediq Aandeelhoudersvergadering vóór alle aldaar in het verband met het Bod voor te stellen besluiten te stemmen als uiteengezet in Hoofdstuk 6.21.

De onherroepelijke toezegging bevat gebruikelijke voorwaarden, waaronder de bepaling dat Templeton Investment Counsel, LLC, Franklin Templeton Investments Corp en Silchester International Investor LLP niet verplicht zullen zijn om hun Aandelen aan te melden of gerechtigd zullen zijn de door hen gehouden Aandelen die reeds zijn aangemeld onder het Bod in te trekken indien een Concurrerend Bod is gedaan, de Bieder niet tijdig een herziend bindend bod heeft ingediend en de Raden hun aanbeveling hebben ingetrokken of aangepast.

De onherroepelijke toezeggingen eindigen tevens indien het Bod niet gestand wordt gedaan op de Dag van Gestanddoening of voor 15 maart 2013. Templeton Investment Counsel, LLC, Franklin Templeton Investments Corp en Silchester International Investor LLP hebben geen informatie ontvangen ten aanzien van het Bod welke niet in het Biedingsbericht is opgenomen.

Ieder lid van de Raden dat Aandelen houdt op de datum van dit Biedingsbericht zoals uiteengezet in Hoofdstuk 6.8.1, heeft de onherroepelijke toezegging gedaan, onder de voorwaarde dat de Aanbeveling niet wordt ingetrokken of gewijzigd, de door hem/haar direct of indirect gehouden Aandelen aan te zullen bieden onder het Bod gedurende de Aanmeldingstermijn met inachtneming van dezelfde voorwaarden als van toepassing zijn op alle Aandeelhouders en onder de voorwaarden en beperkingen opgenomen in het Biedingsbericht. De leden van de Raden hebben geen informatie ontvangen ten aanzien van het Bod welke niet in het Biedingsbericht is opgenomen.

12.12 Governance Advent

Het bestuur van Advent bestaat per de datum van dit Biedingsbericht uit de volgende leden: Ernest G. Bachrach, John F. Brooke, Peter A. Brooke (Chairman), Mark Hoffman, Thomas H. Lauer, David M. Mussafer en Steven M. Tadler.

De leden van Advent's investment committee zijn per de datum van dit Biedingsbericht: Richard F. Kane (Senior Vice President of Operations and Business Development), David M. Mussafer (Senior Vice President) and Steven M. Tadler (Senior Vice President).

Het bestuur van Advent heeft verantwoordelijkheid ten aanzien van het strategische overzicht (maar maakt geen management beslissingen ten aanzien van het dagelijks beleid). Het bestuur heeft de exclusieve bevoegdheid om alle aanbevelingen en investeringsbeslissingen Advent ten behoeve van haar fondsen gegeven aan Advent's investment committee.

12.13 Aankondigingen

Iedere aankondiging met betrekking tot het Bod zal door middel van een persbericht worden uitgebracht. Onder voorbehoud van de wettelijke vereisten op grond van de Toepasselijke Regelgeving en zonder afbreuk te doen aan de manier waarop de Bieder een publieke aankondiging wenst te doen, zal op de Bieder geen enkele verplichting rusten om een publieke aankondiging te doen anders dan zoals hierboven uiteengezet.

12.14 Beoogd tijdschema

Verwachte datum en tijd

Gebeurtenis

08:00 uur, CET, 8 november 2012	Publicatie van het persbericht met betrekking tot de verkrijgbaarstelling van het Biedingsbericht en de aanvang van het Bod
09:00 uur, CET, 9 november 2012	Aanvang van de Aanmeldingstermijn onder het Bod
14:00 uur, CET, 20 december 2012	Mediq Aandeelhoudersvergadering, op welke vergadering onder andere het Bod zal worden besproken
17:40 uur, CET, 4 januari 2013	Uiterste Dag van Aanmelding: Uiterste datum waarop Aandeelhouders hun Aandelen kunnen aanmelden, tenzij de termijn wordt verlengd in overeenstemming met artikel 15 van het Bob
Uiterlijk drie (3) Werkdagen na de Uiterste Dag van Aanmelding	Dag van Gestanddoening De dag waarop de Bieder zal aankondigen of het Bod al dan niet gestand wordt gedaan in overeenstemming met artikel 16 van het Bob
Uiterlijk acht (8) Werkdagen na de Dag van Gestanddoening	Dag van Overdracht De dag waarop, overeenkomstig de voorwaarden van het Bod, de Bieder de Biedprijs zal betalen voor elk Aangemeld Aandeel
Uiterlijk drie (3) Werkdagen na de Dag van Gestanddoening	Na-aanmeldingstermijn Indien het Bod gestand is gedaan, zal de Bieder een Na-aanmeldingstermijn aankondigen voor een periode van niet meer dan twee (2) weken in overeenstemming met artikel 17 van het Bob

13. SELECTED CONSOLIDATED FINANCIAL INFORMATION MEDIQ

13.1 Basis for preparation

In accordance with the Decree, selected consolidated financial information of Mediq has been prepared comprising summaries of the consolidated balance sheets, consolidated income statements and the consolidated statements of cash flows for the financial years 2011, 2010 and 2009. This selected consolidated financial information has been derived from:

- (a) the consolidated financial statements for the financial year 2011 as audited by KPMG, which issued an independent auditor's report thereon, without qualification, on 15 February 2012;
- (b) the consolidated financial statements for the financial year 2010 as audited by KPMG, which issued an independent auditor's report thereon, without qualification, on 16 February 2011; and
- (c) the consolidated financial statements for the financial year 2009 as audited by PwC, which issued an independent auditor's report thereon, without qualification, on 17 February 2010.

The selected consolidated financial information set out below contains summaries only of the consolidated balance sheets, the consolidated income statements, and the consolidated statements of cash flows, excluding related note disclosures and a description of significant accounting policies. For a better understanding of Mediq's financial position, results and cash flows, these summary financial statements should be read in conjunction with the unabbreviated audited consolidated financial statements for the financial year 2011, the financial year 2010, and the financial year 2009, including the related note disclosures and a description of significant accounting policies applied for each of these years. A summary of the significant accounting policies of the Mediq consolidated financial statements for the financial year 2011 is outlined in Section 14.

13.2 Consolidated balance sheet relating to the financial years 2009, 2010 and 2011

X € 1,000	31.12.2011	31.12.2010	31.12.2009
Non-current assets			
Property, plant and equipment	114,501	109,824	123,903
Investment property	1,764	1,796	2,158
Goodwill	472,310	364,529	293,556
Other intangible assets	48,338	39,539	34,583
Investments in associates	7,613	7,204	7,192
Deferred tax assets	23,547	28,588	25,919
Pension benefit surplus	-	-	5,426
Receivables	2,862	4,050	5,842
Investments	-	-	16,670
Derivative financial instruments	7,968	356	-
	678,903	555,886	515,249
Current assets			
Inventories		231,809	210,629
	241,701		

X € 1,000	31.12.2011	31.12.2010	31.12.2009
Trade receivables	344,220	297,405	263,655
Corporate income tax	5,439	10,745	1,247
Other receivables	37,625	32,394	36,068
Derivative financial instruments	1,203	81	-
Cash and cash equivalents	67,155	67,196	109,737
Non-current assets held for sale	-	297	2,850
	697,343	639,927	624,186
Total assets	1,376,246	1,195,813	1,139,435
Equity			
Share capital and share premium	107,154	107,154	107,154
Reserves	432,412	384,862	331,414
Total equity attributable to owners of the Company	539,566	492,016	438,568
Non-controlling interests	17,155	18,207	15,539
Total equity	556,721	510,223	454,107
Non-current liabilities			
Borrowings	345,659	210,545	195,490
Derivative financial instruments	5,020	6,732	8,844
Deferred tax liabilities	27,738	22,059	14,384
Retirement and other employee benefit obligations	2,769	12,080	2,428
Provisions	3,118	4,247	1,712
	384,304	255,663	222,858
Current liabilities			
Credit institutions	197	462	1,731
Borrowings due within one year	3,852	32,075	82,015
Derivative financial instruments	294	1,577	1,304
Trade payables and other current liabilities	396,642	360,267	329,892
Corporate income tax liability	2,444	1,350	9,833
Other taxes and social security charges	26,515	25,564	20,679
Provisions	5,277	8,632	17,016
	435,221	429,927	462,470
Total equity and liabilities	1,376,246	1,195,813	1,139,435

13.3 Consolidated income statement relating to the financial years 2009, 2010 and 2011

X € 1,000	2011	2010	2009
Net sales	2,657,705	2,633,940	2,602,712
Cost of sales	2,012,576	2,043,306	2,056,728
Gross profit	645,129	590,634	545,984
Other income	5,887	14,164	26,396
Personnel costs	318,644	294,182	281,007

Depreciation and amortisation	37,938	32,267	26,221
Impairment of non-current assets	-	3,547	-
Other operating expenses	183,356	160,267	149,098
Total operating expenses	539,938	490,263	456,326
Operating result	111,078	114,535	116,054
Finance income	1,411	1,269	1,077
Finance costs	- 12,739	- 14,731	-15,637
Net finance costs	- 11,328	- 13,462	-14,560
Share of profit of associates	984	1,099	1,127
Profit before income tax	100,734	102,172	102,621
Income tax expense	- 25,020	- 23,814	-25,819
Profit for the period	75,714	78,358	76,802
Attributable to:			
Owners of the Company (net result)	73,415	76,662	74,530
Non-controlling interests	2,299	1,696	2,272
Total	75,714	78,358	76,802
IN EUROS			
Basic earnings per share attributable to owners of the Company	1.26	1.30	1.27
Diluted earnings per share attributable to owners of the Company	1.26	1.30	1.27

13.4 Consolidated cash flow statement relating to the financial years 2009, 2010 and 2011

X € 1,000	2011	2010	2009
Profit for the period	75,714	78,358	76,802
Adjustments for:			
Net finance costs	11,328	13,462	14,560
Share of profit of associates	- 984	- 1,099	-1,127
Income tax expense	25,020	23,814	25,819
Depreciation of non-current assets	20,681	19,442	18,151
Amortisation of intangible assets	17,257	12,825	8,070
Impairment of non-current assets	-	3,547	-
Book gain on sale of group companies	- 178	- 460	-7,453
Book gain on sale of non-current assets	- 118	- 4,668	-7,527
Profit on investments	-	- 2,568	-3,869
Movements:			
Movements in provisions	- 5,739	- 857	2,998
Movements in inventories	- 1,886	- 1,651	5,758
Movements in current receivables	- 42,557	- 6,348	17,204
Movements in current liabilities	24,555	4,531	-2,392
Operating cash flow	123,093	138,328	146,994
Finance cost paid	- 12,994	- 13,463	-14,985

X € 1,000	2011	2010	2009
Tax paid on operating result	- 15,376	- 42,089	-27,309
Cash flows from operating activities	94,723	82,776	104,700
Additions to non-current assets	- 23,195	- 20,619	-33,022
Acquisitions less cash and cash equivalents	- 153,776	- 90,413	-538
Finance income received	915	1,355	403
Dividends received	584	1,920	1,537
Sale of group companies	-	460	21,576
Disposals of non-current assets	5,456	41,779	24,146
Loans granted	- 259	- 735	-653
Payments received on loans	2,105	2,574	3,573
Taxes paid on investing activities	-	-	-77
Cash flows from investing activities	- 168,170	- 63,679	16,945
Proceeds from share issues	-	-	1,266
Converted by owners of the Company	-	-	-505
Purchase of own shares	- 5,574	-	-
Dividends paid	- 15,499	- 15,754	-13,497
Proceeds from borrowings	128,011	40,000	1,544
Repayments of borrowings	- 31,419	- 85,217	-971
Movements in non-controlling interests	- 1,845	595	-852
Cash flows from financing activities	73,674	- 60,376	-13,015
Net cash flow	227	- 41,279	108,630

X € 1,000	2011	2010	2009
Reconciliation with the balance sheet:			
Net cash flow	227	- 41,279	108,630
Foreign currency translation differences in net cash or cash equivalents	- 3	7	- 3,552
Subtotal	224	- 41,272	105,078
Net cash or cash equivalents at beginning of period			
Cash and cash equivalents	67,196	109,737	28,356
Credit institutions	- 462	- 1,731	- 25,428
	66,734	108,006	2,928
Net cash or cash equivalents at end of period			
Cash and cash equivalents	67,155	67,196	109,737
Credit institutions	- 197	- 462	- 1,731
	66,958	66,734	108,006
Movement in net cash or cash equivalents in the balance sheet	224	- 41,272	105,078

13.5 Assurance reports on the selected consolidated financial information of Mediq

13.5.1 PwC

Independent auditor's report from PwC on the selected consolidated financial information of Mediq for the financial year 2009

INDEPENDENT AUDITOR'S REPORT

To: the Management Board of Mediq N.V.

We refer to the selected consolidated financial information of Mediq N.V., Utrecht, as included in Sections 13.2, 13.3 and 13.4 of this Offer Memorandum. The financial information for the year 2009 of this selected consolidated financial information, comprising summaries of the consolidated balance sheet as at 31 December 2009 and the consolidated income statement and the consolidated statement of cash flows for the year then ended, are derived from the audited consolidated financial statements of Mediq N.V. for the year 2009. We expressed an unqualified audit opinion on those financial statements in our report dated 17 February 2010. Those financial statements, and the selected consolidated financial information, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements. The selected consolidated financial information as included in this Offer Memorandum does not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and by Part 9 of Book 2 of the Dutch Civil Code. Reading the comparative overview, therefore, is not a substitute for reading the audited financial statements of Mediq N.V.

The selected consolidated financial information for the years ended 31 December 2010 and 31 December 2011 of Mediq N.V. has not been audited by us.

Management Board's responsibility

The Management Board of Mediq N.V. is responsible for the preparation of the selected consolidated financial information, in accordance with the criteria as set out in the Basis for preparation paragraph in the Offer Memorandum.

Auditor's responsibility

Our responsibility is to express an opinion on the summaries of the consolidated balance sheet as at 31 December 2009 and the consolidated income statement and consolidated statement of cash flows for the year then ended of Mediq N.V., based on our procedures, which we conducted in accordance with Dutch Law, including the Dutch Standard 810 "Engagements to report on summary financial statements".

Opinion

In our opinion, the selected consolidated financial information for the year 2009, as included in Sections 13.2, 13.3 and 13.4 of this Offer Memorandum and as derived from the audited financial statements of Mediq N.V. for the year 2009, is consistent, in all material aspects, with those financial statements in accordance with the criteria as set out in the Basis for preparation paragraph in the Offer Memorandum.

Restriction on use

The selected consolidated financial information and our auditor's report thereon are intended solely for enclosure in the Offer Memorandum in connection with the recommended cash offer by AI Garden B.V., a company ultimately controlled by funds advised and managed by Advent International Corporation, and cannot be used for other purposes.

Utrecht, 8 November 2012

PricewaterhouseCoopers Accountants N.V.

Drs. C.J.A.M. Romme RA

13.5.2 KPMG

Independent auditor's report from KPMG on the selected consolidated financial information of Mediq for the financial years 2011 and 2010

INDEPENDENT AUDITOR'S REPORT

To: the Management Board of Mediq N.V.

We refer to the selected consolidated financial information of Mediq N.V., Utrecht, as included in Sections 13.2, 13.3 and 13.4 of this Offer Memorandum. The financial figures for the years 2011 and 2010 of this selected consolidated financial information, comprising summaries of the consolidated balance sheet as at 31 December 2011 and 2010, the consolidated income statement and the consolidated statement of cash flows for the years then ended, are derived from the audited consolidated financial statements for the years 2011 and 2010 of Mediq N.V. We expressed an unqualified audit opinion on the consolidated financial statements for the years 2011 and 2010 in our independent auditor's reports dated 15 February 2012 and 16 February 2011 respectively. Those consolidated financial statements, and the selected consolidated financial information, do not reflect the effects of events that occurred subsequent to the date of our reports on those financial statements. The selected consolidated financial information for the year ended 31 December 2009 of Mediq N.V. has not been audited by us.

The selected consolidated financial information as included in Sections 13.2, 13.3 and 13.4 of the Offer Memorandum does not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and by Part 9 of Book 2 of the Dutch Civil Code. Reading the selected consolidated financial information, therefore, is not a substitute for reading the audited consolidated financial statements of Mediq N.V.

The Management Board's responsibility

The Management Board of Mediq N.V. is responsible for the preparation of the selected consolidated financial information, in accordance with the criteria as set out in the Basis for preparation paragraph in the Offer Memorandum.

Auditor's responsibility

Our responsibility is to express an opinion on the 2011 and 2010 selected consolidated financial information comprising summaries of the consolidated balance sheet, consolidated income statement and consolidated statement of cash flows of Mediq N.V. based on our procedures, which were conducted in accordance with Dutch law, including the Dutch Standard 810 'Engagements to report on summary financial statements'.

Opinion

In our opinion, the 2011 and 2010 selected consolidated financial information as included in Sections 13.2, 13.3 and 13.4 of this Offer Memorandum and as derived from the audited consolidated financial statements of Mediq N.V. for the years 2011 and 2010 is consistent, in all material respects, with those financial statements in accordance with the criteria as set out in the Basis for preparation paragraph in the Offer Memorandum.

Restriction on use

The selected consolidated financial information and our auditor's report thereon are intended solely for enclosure in the Offer Memorandum in connection with the recommended cash offer of AI Garden B.V., a company ultimately controlled by funds advised and managed by Advent International Corporation, and cannot be used for other purposes.

Amstelveen, 8 November 2012
KPMG Accountants N.V.

E. Eeftink RA

13.6 Unaudited (but “reviewed”) information for the third quarter of the financial year 2012



MEDIQ

Interim Financial Report third quarter ended 30 September 2012

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Interim Financial Report third quarter ended 30 September 2012

Introduction

Mediq is an international healthcare company providing medical devices, pharmaceuticals and the associated care. The patient is at the centre of everything we do. Mediq delivers via three distribution channels: directly to people's homes (Direct), via hospitals, nursing homes and other healthcare institutions (Institutional) and via Mediq Pharmacies. Mediq operates in 15 countries and its head office is located in Utrecht, the Netherlands. The company was incorporated in 1899 and has around 8,300 employees. Its shares have been listed on NYSE Euronext Amsterdam since 1992, where they are included in the Midcap index.

This document comprises the condensed consolidated interim report and financial statements of Mediq NV for the three and nine months ended on 30 September 2012. The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". As permitted under IAS 34, these condensed consolidated interim financial statements do not contain all information that is required for annual financial statements and must therefore be read in conjunction with the consolidated financial statements 2011.

The condensed consolidated interim financial statements are unaudited. The condensed consolidated interim financial statements have been reviewed by KPMG Accountants N.V., whose review report is included on page 20.

Utrecht, the Netherlands
25 October, 2012

Marc van Gelder, Chairman of the Management Board
Hans Janssen, Chief Financial Officer

This condensed consolidated interim financial report contains forward-looking statements. Forward-looking statements are always based on assumptions and estimates relating to uncertain events over which Mediq NV has no control. They concern, for example, measures taken by the Dutch and other governments, currency movements, price fluctuations, changes in laws and regulations, legal precedents, market developments and operating policies of healthcare insurers. Mediq NV would like to stress that the contents of this interim report are based on the information that is currently available. The reality can always deviate from expectations for the future.

Summary of results

(X € 1,000,000)	First 3 quarters 2012	First 3 quarters 2011	Increase/ decrease
Income statement			
Net sales *	1,926.5	1,956.6	-2%
EBITA from ordinary activities **	73.4	87.7	- 16%
EBITA	59.8	86.8	- 31%
Amortisation of customer relationships	13.7	8.9	
Operating result (EBIT)	46.1	77.8	- 41%
Net finance costs	- 11.2	-8.9	
Share of profit of associates	0.2	0.5	
Income tax expense	- 7.0	- 17.2	
Profit after income tax attributable to:	28.1	52.2	- 46%
– owners of the Company (Net result)	27.1	50.6	- 46%
– non-controlling interests	1.0	1.6	
Balance sheet			
Working capital	164.0	188.4	- 13%
Capital employed	826.0	792.9	4%
Net debt	216.7	213.2	2%
Cash flow			
Cash flow from operating activities	105.3	69.8	51%
Additions to non-current assets	13.6	17.7	- 23%
Acquisitions	18.1	65.7	
Ratios and returns			
EBITA margin	3.1%	4.4%	
EBITA margin from ordinary activities **	3.8%	4.5%	
Earnings per share (x € 1)	0.47	0.86	- 45%
Return on average capital employed	7.1%	13.3%	
Return on average equity	6.5%	13.3%	
Interest cover	10.6	12.9	
Debt cover	1.5	1.4	
Personnel			
Average number of employees (FTE, including temporary)	7,778	7,353	6%

EBITA and net result adjusted for amortisation of customer relationships and non-operational items:

(X € 1,000,000)	First 3 quarters 2012	First 3 quarters 2011	Increase/ decrease
EBITA	59.8	86.8	- 31%
Advisory costs related to anticipated stock exchange delisting (Other)	1.4		
Release of provision for taxation (Other)		- 1.1	
Provision (Other)	- 0.8	2.0	
Transfer of Mediq pension fund to PMA pension fund (Other)	1.0		
Impairment Pharmacies Netherlands	12.0		
EBITA from ordinary activities	73.4	87.7	- 16%
Net result	27.1	50.6	- 46%
Amortisation of customer relationships after corporate income tax	9.8	6.4	
Above adjustments after corporate income tax	10.2	0.7	
Net result from ordinary activities **	47.1	57.7	- 18%

* 2011 includes change in presentation of revenues of two Swedish distribution contracts (see Annexe)

** Before amortisation of customer relationships, adjusted for non-operational items

Risk management

The Annual Report for 2011 provides, in the section on Risk Management (pages 69 to 75), a description of our risk management, risk profile and the main risks. In our view, the nature and potential impact of those risks continue to apply to the first 9 months of 2012. Additionally, in line with what we mentioned in our Half Year report 2012, the following developments are relevant to a number of risks.

Local regulations and economic conditions

Government regulation plays an important role in the markets in which we operate. We are experiencing ongoing price pressure in the countries in which we operate. In order to keep healthcare affordable, volume growth is in part mitigated by price pressure from governments and payers.

Pharmaceuticals prices and reimbursement of pharmaceutical care in the Netherlands have been deregulated as of 2012. Prices are no longer set by a regulatory body for the entire market, but are based on bilateral contracts with insurers. With the integrated pharmaceutical care programme in our Dutch pharmacies, we aim to play an important role in increasing therapy effectiveness and thereby reducing costs in primary and secondary care, rather than focusing solely on the delivery of pharmaceuticals.

During the first nine months of 2012, the sales and EBITA from ordinary activities of our Pharmacies Netherlands segment decreased strongly compared to last year, mainly due to very significant price decreases caused by a greater adverse effect than expected of patent expiries (including Lipitor) and a further extension of the preference policy. Our volumes increased less than expected. At the same time, the average reimbursement fees for basic services were lower, only partly compensated by higher fees for additional services resulting from the integrated pharmaceutical care programme.

The pressure on the results in the pharmacy sector also impacts the profitability of the wholesale activities. The development of the financial results of our Pharmacies Netherlands segment, the continuing challenging market circumstances and the insights obtained during the strategic review performed in the third quarter of 2012, gave rise to an impairment review. This resulted in an impairment of certain assets within the Dutch wholesale activities. For further details we refer to note 8.

The initiated restructuring plan at our Dutch pharmacy and wholesaling activities will result in adequate measures being put in place to optimise the efficiency and results within the current and future market dynamics and regulatory changes.

Although the impact of the economic conditions on our business operations has always been relatively limited, we continue to experience pressure from the governments and payers.

Overall, we limit the potential negative effects of the risks relating to local regulations and price pressure as much as possible by improved purchasing terms with manufacturers, efficiency improvements, deploying private label products for commodity-like products and investing in high-quality services at competitive prices. Mediq's increased international presence strengthens our ability to succeed. That is because patients who increasingly act as healthcare consumers will determine their choice of healthcare providers on the basis of the convenience and service on offer. We are represented in various relevant national and international industry associations and umbrella organisations, which enables us to participate in establishing regulations and to position ourselves opportunely for future developments.

Financing

We have a healthy financing position. We funded our acquisitions from the available cash position and existing facilities. In addition, we successfully arranged financing on the US Private Placement market for a total amount of approximately USD 150 million in 2011, with maturities of 7 and 10 years respectively. This provides us with sufficient financing headroom for funding acquisitions and/or temporary working capital fluctuations.

We have prepared several scenario analyses with respect to the potential risks that could occur due to the euro crisis and its potential effects on the banking system. Our US Private Placement has made us less dependent on bank financing. We have taken measures to reduce our counterparty risks with banks. In addition, we will closely monitor any credit risk of our customers and our main suppliers.

Increasing complexity of billing and reimbursement process

As described in the Annual Report 2011, the requirements of healthcare insurers for the reimbursement of pharmaceuticals and medical devices in the Netherlands and the USA are becoming more stringent and complex in terms of documenting and monitoring the usage of pharmaceuticals and medical devices by patients. This imposes tighter requirements for our administrative processes. Also, the number of compliance checks by healthcare insurers on the correctness of invoicing is increasing continually, especially in the USA and the Netherlands. We will intensify our efforts to address this topic within all business units and will focus on process improvements in order to mitigate the risks involved.

Other

New risks may arise in the fourth quarter of 2012 that were not known until now and that could have a material effect on our activities, objectives, results and assets. We will closely follow the developments relating to risks known to us and to any new risks, and where necessary introduce supplementary controls and take mitigating actions.

Condensed Consolidated Interim Financial Statements for the three and nine months ended 30 September 2012

Unaudited

Consolidated income statement

3 rd quarter 2012	3 rd quarter 2011	(X € 1,000,000)	NOTE	First 3 quarters 2012	First 3 quarters 2011
625.1	649.9	Net sales *	2	1,926.5	1,956.6
460.6	492.0	Cost of sales *		1,426.0	1,485.1
164.5	157.9	Gross profit		500.5	471.5
1.3	1.2	Other income	4	4.2	4.9
87.0	78.8	Personnel costs		265.6	238.0
11.4	10.1	Depreciation and amortisation		34.8	27.3
12.0	-	Impairment of fixed assets		12.0	-
50.1	46.2	Other operating expenses		146.2	133.2
160.5	135.1	Total operating expenses		458.6	398.5
5.3	24.0	Operating result		46.1	77.9
0.5	0.2	Finance income		1.4	0.2
- 4.8	- 2.4	Finance costs		- 12.6	- 9.1
- 4.3	- 2.2	Net finance costs		- 11.2	- 8.9
- 0.1	0.1	Share of profit of associates		0.2	0.4
0.9	21.9	Profit before income tax		35.1	69.4
0.3	- 5.6	Income tax expense	5	- 7.0	- 17.2
1.2	16.3	Profit for the period		28.1	52.2
		Attributable to:			
0.9	15.9	Owners of the Company (Net result)		27.1	50.6
0.3	0.4	Non-controlling interests		1.0	1.6
1.2	16.3	Total		28.1	52.2

* 2011 includes change in presentation of revenues of two Swedish distribution contracts (see Annexe)

3 rd quarter 2012	3 rd quarter 2011	(X € 1,000,000)	NOTE	First 3 quarters 2012	First 3 quarters 2011
0.02	0.28	Net earnings per share (basic) attributable to owners of the Company	6	0.47	0.86
0.02	0.28	Diluted net earnings per share attributable to owners of the Company	6	0.47	0.86

Consolidated statement of comprehensive income

3 rd quarter 2012	3 rd quarter 2011	(X € 1,000,000)	NOTE	First 3 quarters 2012	First 3 quarters 2011
1.2	16.3	Profit for the period		28.1	52.2
		Other comprehensive income			
		Actuarial gains and losses:			
-	- 2.1	- Actuarial gains and losses on defined benefit pension plans		- 7.9	- 2.8
-	0.5	- Tax effect on actuarial gains and losses		2.0	0.7
		Cash flow hedges:			
1.3	3.4	- Net change in fair value of cash flow hedges reclassified to profit or loss		- 4.1	5.1
- 0.3	- 0.8	- Tax effect on cash flow hedges		1.0	- 1.3
3.3	- 10.0	Foreign currency translation differences		9.9	- 12.0
4.3	- 9.0	Other comprehensive income for the period		0.9	- 10.3
5.5	7.3	Total comprehensive income for the period		29.0	41.9
		Attributable to:			
4.4	8.3	Owners of the Company		26.8	41.7
1.1	- 1.0	Non-controlling interests		2.2	0.2
5.5	7.3	Total comprehensive income for the period		29.0	41.9

Consolidated balance sheet

(X € 1,000,000)	NOTE	30 September 2012	31 December 2011
Non-current assets			
Property, plant and equipment	7	96.0	114.5
Investment property		1.7	1.8
Goodwill	8	482.8	472.3
Other intangible assets		47.3	48.3
Investments in associates		7.6	7.6
Deferred tax assets	13	23.9	23.5
Receivables		2.7	2.9
Derivative financial instruments		3.0	8.0
		665.0	678.9
Current assets			
Inventories	9	216.6	241.7
Trade receivables	9	285.0	344.2
Corporate income tax		9.2	5.4
Other receivables	9	40.3	37.6
Derivative financial instruments		0.1	1.2
Cash and cash equivalents		80.2	67.2
Non-current assets held for sale	10	-	-
		631.4	697.3
Total assets		1,296.4	1,376.2
Equity	11		
Share capital and share premium		106.3	107.2
Reserves		453.5	432.4
Total equity attributable to owners of the Company		559.8	539.6
Non-controlling interests		6.8	17.1
Total equity		566.6	556.7
Non-current liabilities			
Borrowings		216.4	345.7
Derivative financial instruments		-	5.0
Deferred tax liabilities	13	26.1	27.7
Retirement and other employee benefit obligations	14	3.1	2.8
Provisions	15	3.0	3.1
		248.6	384.3
Current liabilities			
Credit institutions		3.4	0.2
Borrowings due within one year		81.3	3.9
Derivative financial instruments		4.4	0.3
Trade payables and other current liabilities		358.4	396.6
Corporate income tax liability		5.5	2.4
Other taxes and social security charges		23.3	26.5
Provisions	15	4.9	5.3
		481.2	435.2
Total equity and liabilities		1,296.4	1,376.2

Consolidated statement of changes in equity

Changes in equity in the nine months ended on 30 September 2012 were as follows:

(X € 1,000,000)	Paid-up share capital	Share premium	Reserve for translation differences	Hedging reserve	Other reserves	Total attributable to owners	Non- controlling interests	Total equity
Opening balance at 1 January 2012	15.2	92.0	- 6.5	- 0.7	439.6	539.6	17.1	556.7
Total comprehensive income			8.7	- 3.1	21.2	26.8	2.2	29.0
Appropriation of 2011 profit								
- Final 2011 dividend	0.2	- 0.2			- 8.1	- 8.1		- 8.1
Cancellation of treasury shares	- 0.9				0.9		-	-
Acquisitions								
Dividend and subscribed capital							- 1.2	- 1.2
Transactions with non- controlling interests					5.6	5.6	- 11.3	- 5.7
Distribution of 2012 interim dividend	0.1	- 0.1			- 4.0	- 4.0		- 4.0
Other movements					- 0.1	- 0.1		- 0.1
Balance at 30 September 2012	14.6	91.7	2.2	- 3.8	455.1	559.8	6.8	566.6

Movements in equity in the nine months ended on 30 September 2011 were as follows:

(X € 1,000,000)	Paid-up share capital	Share premium	Reserve for translation differences	Hedging reserve	Other reserves	Total attributable to owners	Non- controlling interests	Total equity
Opening balance at 1 January 2011	14.9	92.2	4.0	- 3.9	384.8	492.0	18.2	510.2
Total comprehensive income			- 10.7	3.9	48.5	41.7	0.2	41.9
Appropriation of 2010 profit								
- Final 2010 dividend	0.1	- 0.1			- 10.9	- 10.9		- 10.9
Purchase of own shares					- 9.7	- 9.7		- 9.7
Acquisitions							0.1	0.1
Dividend and subscribed capital							- 1.4	- 1.4
Transactions with non- controlling interests								
Distribution of 2011 interim dividend	0.1	- 0.1			- 4.6	- 4.6		- 4.6
Balance at 30 September 2011	15.1	92.0	- 6.7	-	408.1	508.5	17.1	525.6

Consolidated statement of cash flows

3rd quarter 2012	3rd quarter 2011	(X € 1,000,000)	First 3 quarters 2012	First 3 quarters 2011
1.2	16.3	Profit for the period	28.1	52.2
		<i>Adjustments for:</i>		
4.3	2.2	Net finance cost	11.2	8.9
0.1	- 0.1	Share of profit of associates	- 0.2	- 0.4
- 0.3	5.6	Income tax expense	7.0	17.2
5.6	5.1	Depreciation of non-current assets	17.2	15.2
5.8	5.0	Amortisation of intangible assets	17.6	12.1
12.0	-	Impairment of fixed assets	12.0	-
- 0.1	- 0.3	Book result on sale of non-current assets	- 0.1	- 0.4
		<i>Movements:</i>		
- 0.3	- 0.7	Movements in provisions	- 8.7	- 1.9
3.7	- 17.4	Movements in inventories	32.3	- 7.6
25.7	11.7	Movements in current receivables	65.5	- 8.2
- 1.9	36.5	Movements in current liabilities	- 57.1	1.0
55.8	63.9	Operating cash flow	124.8	88.1
- 3.7	- 3.2	Finance costs paid	- 11.3	- 8.4
4.9	- 6.1	Tax paid on operating result	- 8.2	- 9.9
57.0	54.6	Cash flow from operating activities	105.3	69.8
- 4.2	- 6.8	Additions to non-current assets	- 13.6	- 17.7
- 4.9	- 43.5	Acquisitions less cash and cash equivalents	- 18.1	- 65.7
0.6	0.3	Finance income received	1.6	0.5
0.1	0.1	Dividends received	0.4	0.4
2.5	2.2	Disposals of non-current assets	5.6	4.0
-	- 0.1	Loans granted	- 0.4	- 0.2
0.2	0.1	Payments received on loans	0.9	1.7
- 5.7	- 47.7	Cash flow from investing activities	- 23.6	- 77.0
-	- 3.7	Purchase own shares	-	- 3.7
- 4.0	- 4.6	Dividends paid	- 12.0	- 15.5
-	36.6	Proceeds from borrowings	11.1	37.4
- 22.2	- 9.3	Repayments of borrowings	- 63.0	- 23.1
- 5.9	- 0.1	Movements in non-controlling interests	- 7.0	- 1.2
- 32.1	18.9	Cash flow from financing activities	- 70.9	- 6.1
19.2	25.8	Net cash flow	10.8	- 13.3
		<i>Reconciliation with the balance sheet</i>		
19.2	25.8	Net cash flow	10.8	- 13.3
- 2.5	- 4.4	Foreign currency translation differences in net cash and cash equivalents	- 1.0	- 5.2
16.7	- 21.4	Subtotal	9.8	- 18.5
		Net cash and cash equivalents at beginning of period:		
61.1	35.7	Cash and cash equivalents	67.2	67.2
- 1.0	- 8.8	Credit institutions	- 0.2	- 0.5
60.1	26.8	Opening balance	67.0	66.7
		Net cash and cash equivalents at end of period:		
80.2	48.4	Cash and cash equivalents	80.2	48.4
- 3.4	- 0.2	Credit institutions	- 3.4	- 0.2
76.8	48.2	Closing balance	76.8	48.2
16.7	21.4	Movement in net cash and cash equivalents in the balance sheet	9.8	- 18.5

Notes to the Condensed Consolidated Interim Financial Statements for the three and nine months ended 30 September 2012

1. Accounting policies for the condensed consolidated interim financial statements

General

Mediq NV (hereafter referred to as Mediq or the company) has its registered office in Utrecht, the Netherlands. The condensed consolidated interim financial statements of the group for the first nine months of 2012 include the holding company and all its group companies. In addition, Mediq holds interests in third parties (investments in associates). A list of the most significant associates is provided in the published annual financial statements for 2011.

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". As permitted under IAS 34, these condensed consolidated interim financial statements do not contain all information that is required for annual financial statements and must, therefore, be read in conjunction with the consolidated financial statements 2011.

Accounting policies for consolidated financial statements

A summary of the accounting policies used by Mediq NV for valuing assets and liabilities, determining results and the cash flow statement is provided in the consolidated financial statements 2011. The consolidated financial statements 2011 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The same accounting policies have been applied for these condensed consolidated interim financial statements, unless stated otherwise below.

Significant estimates affecting the value of assets and liabilities and the determination of results

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34. In doing so, management has to make certain assumptions and estimates that affect the value of assets and liabilities, the determination of results, and the disclosure of contingent assets and liabilities. An overview of the key estimates and assumptions is provided in the published financial statements 2011. In the first nine months of 2012, certain assumptions and estimation uncertainties changed as it relates to goodwill, other intangible assets and property, plant and equipment of segment Pharmacies Netherlands. Information on the assumptions and estimation uncertainties is included in note 8. There were no changes in other key estimates in the first nine months of 2012.

Seasonal influences

The activities and, therefore, the results of the group are only affected to a limited extent by seasonal patterns.

2. Segment reporting – results per segment

	Direct & Institutional		Pharmacies Netherlands		Pharmacies Poland		Total operating segments		Holding & Eliminations		Consolidated	
(X € 1,000,000)	YTD Q3 2012	YTD Q3 2011	YTD Q3 2012	YTD Q3 2011	YTD Q3 2012	YTD Q3 2011	YTD Q3 2012	YTD Q3 2011	YTD Q3 2012	YTD Q3 2011	YTD Q3 2012	YTD Q3 2011
Net sales, third parties *	896.4	804.6	690.4	776.9	339.7	375.1	1,926.5	1,956.6	-	-	1,926.5	1,956.6
Net sales, intercompany	8.3	9.3	5.5	1.3	2.2	0.8	16.0	11.4	- 16.0	11.4	-	-
Total net sales *	904.7	813.9	695.9	778.2	341.9	375.9	1,942.5	1,968.0	-16.0	-11.4	1,926.5	1,956.6
Cost of sales plus operating expenses and other income *	- 844.5	- 749.6	- 707.3	- 760.2	- 340.4	- 375.1	- 1,892.2	- 1,884.9	11.8	6.2	- 1,880.4	- 1,878.7
Operating result	60.2	64.3	- 11.4	18.0	1.5	0.8	50.3	83.1	- 4.2	- 5.2	46.1	77.9
EBITA from ordinary activities	73.9	73.3	0.6	18.0	1.5	0.8	76.0	92.1	- 2.6	- 4.4	73.4	87.7
Total assets	906.7	774.5	507.6	449.8	182.1	205.1	1,596.4	1,429.4	- 300.0	- 187.2	1,296.4	1,242.2
Total liabilities	624.5	554.1	527.5	508.6	79.3	93.1	1,231.3	1,155.8	- 501.4	- 439.2	729.9	716.6
Total investments in associates	-	-	7.2	6.9	-	-	7.2	6.9	0.3	0.3	7.6	7.2
Acquisitions	18.1	61.5	-	-	-	-	18.1	61.5	-	4.2	18.1	65.7
Additions to non-current assets	9.1	8.6	3.2	8.3	0.8	0.6	13.1	17.5	0.4	0.2	13.6	17.7
Amortisation	16.0	10.5	1.1	1.3	0.2	0.3	17.4	12.1	0.2	0.0	17.6	12.1
Depreciation	4.1	3.3	9.5	8.4	1.5	1.8	15.1	13.6	2.1	1.7	17.2	15.3
EBITA margin from ordinary activities *	8.2%	9.0%	0.1%	2.3%	0.4%	0.0%	3.9%	4.7%			3.8%	4.3%
Capital employed	473.9	341.4	236.1	306.3	92.5	96.6	802.5	744.3	23.5	48.6	826.0	792.9
Return on average capital employed	17.0%	26.9%	- 5.5%	7.7%	2.1%	0.9%					7.1%	13.3%

2. Segment reporting – results per country

	Netherlands		Poland		Nordics & Baltics		United States		Other countries		Consolidated	
(X € 1,000,000)	YTD Q3 2012	YTD Q3 2011	YTD Q3 2012	YTD Q3 2011	YTD Q3 2012	YTD Q3 2011	YTD Q3 2012	YTD Q3 2011	YTD Q3 2012	YTD Q3 2011	YTD Q3 2012	YTD Q3 2011
Net sales *	1,123.7	1212.2	341.9	375.9	223.8	211.5	116.0	90.6	121.1	66.4	1,926.5	1,956.6
Capital employed	341.9	411.5	92.5	96.6	152.5	141.1	109.2	98.4	129.9	45.3	826.0	792.9
Total assets	559.0	620.6	182.1	205.1	234.9	229.2	134.3	114.0	186.1	73.3	1,296.4	1,242.2
Acquisitions	1.8	45.1	-	-	-	4.7	11.6	-	4.7	15.9	18.1	65.7
Additions to non/current assets	5.9	11.0	0.8	0.6	3.7	4.9	1.7	0.9	1.5	0.3	13.6	17.7

* 2011 includes change in presentation of revenues of two Swedish distribution contracts (see Annexe)

3. Changes in the composition of Mediq NV

In the first nine months of 2012, Mediq NV completed acquisitions for a total amount of € 13.5 million. In addition, an additional and final payment amounting to € 4.6 million was paid in respect of the Assist acquisition that took place at the end of 2011. These cash flows were financed from a combination of own funds and credit facilities.

On 2 January 2012, Mediq acquired Multicare BV (trade name 'Diabeteswereld') in the Netherlands. Mediq bought 100% of the shares. Diabeteswereld is a specialised supplier of medical devices for diabetic patients. On 31 May 2012, Mediq acquired Diabetes Specialty Center (DSC) in the United States. DSC delivers insulin pumps, continuous glucose monitors and the related supplies to frequent-user, insulin-dependent diabetics. Mediq has been active in the US through Byram Healthcare since 2008.

These acquisitions are individually and jointly relatively limited in terms of size. As a consequence, only the total impact on the Mediq financial statements is disclosed below.

The acquired activities were integrated into Mediq's financial reporting as of their respective acquisition dates. Net assets determined on a preliminary basis were € 6.2 million as at 30 September 2012. The measurement of the fair value of the individual intangible assets has not yet been completed. The preliminary goodwill recognised in relation to these acquisitions amounted to € 9.5 million.

Cumulatively to September 2012, the acquired activities contributed € 15.2 million to sales, € 0.9 million to operating result and € 0.6 million to the net result. The acquisition costs were limited. If the acquired activities had been included as of 1 January 2012, Mediq's consolidated sales for the first 9 months of 2012 would have been an estimated € 1,958.5 million, the operating result € 47.9 million and the net result € 29.3 million.

In addition to aforementioned acquisitions, on 29 August 2012, Mediq acquired 41.65% of the issued shares of Cefarm Rzeszów Group for a purchase consideration of € 5.9 million. Mediq now holds 91.65% of the equity share capital of Cefarm Rzeszów Group. The carrying amount of the 41.65% non-controlling interest in this Group on the date of acquisition was € 11.6 million. As a result of this transaction, the difference between the purchase consideration and the carrying amount of the 41.65% non-controlling interest is credited to equity.

4. Other income

Other income for the first nine months of 2012 amounted to € 4.2 million (first nine months of 2011: € 4.9 million). Other income mainly comprised of income from the provision of services and information, interest on loans receivable (related to loans issued that are classified as financial assets) and book results on the sale of assets. The decrease of € 0.7 million compared to the prior year period is mainly due to the contribution from SSAO in the first half year of 2011.

5. Tax expense related to ordinary activities

The tax expense related to the result from ordinary activities for the first nine months of 2012 amounted to € 7.0 million. This corresponds to an effective tax rate of 19.9%. This is 2.9% lower than the weighted average corporate income tax rate of 22.8% mainly due to the effect of the participation exemption.

6. Net earnings per share

Earnings per share are calculated by dividing the profit attributable to the company's shareholders by the weighted average number of shares in issue during the period, excluding shares purchased by the company and held as treasury shares (note 11).

The average weighted number of shares outstanding in the first nine months of 2012, excluding the shares held as treasury shares, was 57,558,976. Earnings per share attributable to shareholders for the first nine months of 2012 were € 0.47 (2011: € 0.86). There was no dilution of earnings per share.

7. Property, plant and equipment

Property, plant and equipment amounted to € 96.0 million as at 30 September 2012 (31 December 2011: € 114.5 million). Of the decrease of € 18.5 million, € 17.2 million related to depreciation for the nine months of 2012 (first nine months of 2011: € 15.2 million) and € 11.6 million to the impairment of certain assets of Pharmacies Netherlands wholesale as indicated in note 8.

Disposals of property, plant and equipment in the first nine months of 2012 amounted to € 1.8 million (first nine months 2011: € 3.2 million).

Additions contributed to € 10.1 million (first nine months of 2011: € 13.9 million) and acquisitions € 0.9 million (first nine months of 2011: € 1.1 million) for the first nine months of 2012.

Other movements, including currency effects, had a limited effect on movements in property, plant and equipment in the nine months of 2012.

8. Goodwill

Goodwill as at 30 September 2012 amounted to € 482.8 million, up € 10.5 million from 31 December 2011. Acquisitions in the first nine months of 2012 resulted in an increase of € 9.5 million, mainly as a result of the Diabetes Specialty Center acquisition in the US. Goodwill related to disposals amounted to € 4.0 million, mainly pharmacies in the Netherlands. Currency effects amounted to € 5.0 million.

The development of the financial results of Pharmacies Netherlands in 2012, the continuing challenging market circumstances and the insights obtained during the strategic review performed in the third quarter of 2012, gave rise to an impairment review for this operating segment.

Main assumptions used in the calculations are as follows:

	WEIGHTED AVERAGE COST OF CAPITAL BEFORE INCOME TAX	EXPECTED ANNUAL LONG-TERM INFLATION	EXPECTED SALES GROWTH 2012-2016
Pharmacies Netherlands	10.4%	2.0%	2.0%

In addition, we assume an increase in market volume (due to population ageing and rising consumption) and take into account the growing market pressure on prices (government-induced).

For the group of cash generating units (CGU) pharmacies, the impairment test was conducted on the basis of value in use, which did not result in an impairment. It is inherent in the method of computation used that a change in the assumptions may lead to a different conclusion on the impairment required. If the discount rate was assumed to be 1 percentage point higher than used in the impairment test, no impairment would have been required. The impairment test performed would not indicate any impairment if the actual future cash flows were set 10% lower than estimated. A decrease in the gross margin of more than 0.8 percentage point would lead to an impairment.

The impairment test performed for CGU wholesale resulted in an impairment. The carrying amount of this CGU exceeded its realisable value based on fair value less costs to sell. Consequently, an impairment amounting to € 12.0 million was recognised. As no goodwill was applicable to this CGU, other intangible assets and property, plant and equipment have been impaired for this amount.

9. Current assets

Inventories

Inventories amounted to € 216.6 million as at 30 September 2012 (31 December 2011: € 241.7 million). The decrease of € 25.1 million is mainly attributable to a reduction in inventories at Pharmacies Netherlands. In the first nine months of 2012 the provision for obsolescence increased by € 2.1 million to € 10.2 million.

Trade receivables

Trade receivables amounted to € 285.0 million as at 30 September 2012 (31 December 2011: € 344.2 million). The decrease of € 59.2 million is the result of timing differences in payment behaviour of customers and healthcare providers and lower sales at Pharmacies Poland and Pharmacies Netherlands. The provision for doubtful debts amounted to € 8.3 million as at 30 September 2012 (31 December 2011: € 10.1 million). The decrease of € 1.8 million is mainly attributable to an accounting reclassification between the provision for doubtful debts and net accounts receivable.

Other receivables

Other receivables amounted to € 40.3 million as at 30 September 2012 (31 December 2011: € 37.6 million).

10. Non-current assets held for sale

The company held no non-current assets for sale at 30 September 2012. The land and buildings from our former distribution centre in Germany, which were put up for sale as at 30 September 2011, were sold in December 2011.

11. Equity

Reference is made to the consolidated statement of changes in equity for information on the composition, amount and changes of equity. Details of the share capital and share premium are set out below.

(X € 1,000)	Number of shares in fully paid-up equivalents (x 1,000 shares)	Paid-up share capital	Share premium	Total share capital and share premium
Opening balance at 1 January 2012	60,500	15,125	92,029	107,154
Dividend paid out in shares	1,520	373	- 373	-
Cancellation of treasury shares	- 3,535	- 884	-	- 884
Balance at 30 September 2012	58,485	14,614	91,656	106,270

The payment of the final dividend for 2011 and the interim dividend for 2012 resulted in the issue of 1,520,558 shares.

On 1 January 2012, the company held 3,535,215 treasury shares as a result of the consolidation of Stichting Samenwerking Apothekers OPG (SSAO) as of 28 July 2011. The General Meeting of Shareholders approved the cancellation of these shares formerly owned by SSAO on 23 April 2012. In the third quarter of 2012 the treasury shares have been formally cancelled. The company did not purchase any shares in its own capital in the first nine months of 2012.

The total number of ordinary shares outstanding as at 30 September 2012 was 58,485,060.

12. Dividend distributions

Shareholders can elect to receive dividend in cash or in shares. In the first nine months of 2012 € 12.0 million was distributed as cash dividend (first nine months of 2011: € 15.5 million) and 1,520,558 shares were issued (first nine months of 2011: 853,465).

The interim cash dividend of 2012 amounted to € 0.15 per share (2011: € 0.15 per share). The final cash dividend of 2011 amounted to € 0.31 per share (2010: € 0.31 per share).

13. Deferred tax

The net deferred tax liability totalled € 2.2 million as at 30 September 2012 (31 December 2011: € 4.2 million liability). Almost all of the decrease in the net deferred tax liability is related to the impairment of certain items of property, plant and equipment within Pharmacies Netherlands. The remaining decrease results from the recognition of deferred tax assets in respect of tax losses offset by amortisation of goodwill for tax purposes.

14. Retirement and other employee benefit obligations

Retirement and other employee benefit obligations amounted to € 3.1 million as at 30 September 2012 (31 December 2011: € 2.8 million):

(X € 1,000,000)	30 September 2012	31 December 2011
Present value of funded obligations	1.5	312.0
Fair value of plan assets	-	310.8
Net retirement benefit obligation	1.5	1.2
Other employee benefits	1.6	1.6
Balance at end of period	3.1	2.8

In April 2012 the Dutch pension plan (Stichting Pensioenfonds Mediq) reached agreement on a new pension arrangement and the transfer of its funds and liabilities to the multi-employer plan PMA (Pensioenfonds Medewerkers Apotheken). The PMA plan already applies to all assistants in the Dutch Pharmacies of Mediq. At the date of the agreement the present value of funded obligations was € 322.2 million and the fair value of plan assets was € 315.8 million, resulting in a net retirement benefit obligation of € 6.4 million (31 December 2011: € 0.1 million). As we do not have access to information enabling defined benefit accounting with sufficient reliability, we account for the PMA plan as a defined contribution plan.

As a result of the above, the net retirement benefit obligation of € 6.4 million was derecognised and included in the income statement. An additional one-off funding contribution to the PMA was agreed of € 8.6 million for compensation for missed indexation from prior years and other transaction costs. This amount was accrued and taken to the income statement as costs in the second quarter of 2012. Based on further completion of Stichting Pensioenfonds Mediq in the third quarter of 2012, € 1.2 million of this accrual was released to the income statement. All amounts, with a net negative effect of € 1.0 million, have been included in personnel costs.

Of the remaining obligations, € 1.5 million relates to pension provisions in non-Dutch entities, € 1.1 million to the provision for future service anniversary payments and € 0.5 million to the provision for early retirement.

15. Other provisions

Other provisions amounted to € 7.9 million as at 30 September 2012 (31 December 2011: € 8.4 million). The decrease by € 0.5 million was due to utilisation of € 3.5 million and a release from provisions of € 1.3 million, partly offset by additions of € 4.0 million and other movements of € 0.2 million. The currency impact was € 0.1 million.

The utilisation of the provisions related primarily to a legal procedure that was finalised and the payment of an earn-out arrangement for our acquisition in Norway in 2011. In addition, utilisations for staff redundancy schemes and reorganisation were made. The release mainly related to the legal procedure that was finalised. The other movements related to provisions accounted for as part of acquisitions.

The addition to the provision of € 4.0 million in the first nine months of 2012 mainly arose from provisions for reorganisation and redundancy costs, primarily at Pharmacies Netherlands. Additions to the provision for taxes and miscellaneous provisions were made as well.

16. Credit facilities and security provided

The major credit facilities are managed centrally. They are partly long-term non-bank borrowings and partly credit facilities arranged with a number of Dutch banks and one Scottish bank. The main clauses of the credit terms stipulated by the various institutions are similar to each other and to those applying to non-bank borrowings. Mediq comfortably satisfied the agreed criteria as at 30 September 2012.

17. Commitments not shown in the balance sheet

The financial statements 2011 include an overview of the commitments not shown in the balance sheet. The commitments not shown in the balance sheet relate to lease commitments, rental commitments and other commitments. In the first three quarters of 2012, the total commitments increased by € 10 million to € 179 million (31 December 2011: € 169 million).

18. Related party transactions

The following related parties of the group can be distinguished: subsidiaries, associates, the members of the Management Board and the members of the Supervisory Board. In June 2012, Mr Visser stepped down from the Supervisory Board for personal reasons. He had been a member of the Supervisory Board since 2003. The Annual Report 2011 contains a description of the main transactions and the remuneration policy for the members of the Management Board and the Supervisory Board. The Stichting Samenwerking Apothekers OPG (SSAO) was liquidated in September 2011 and, as a result, no longer qualifies as a related party.

Other transactions with related parties are summarised in the table below.

	TRANSACTION VALUE FOR 9 MONTHS ENDING 30 SEPTEMBER		BALANCE OUTSTANDING	
	2012	2011	30 September	31 December 2011
(X € 1,000,000)				
Sales of products and services				
Associates	10.6	11.9	0.6	1.1
Other related parties	3.5	3.8	0.2	0.3

19. Events after the balance sheet date

On 2 October 2012 Mediq announced the acquisition of all of the assets of A-Med Health Care (A-Med) in the United States for an amount of \$ 38.2 million (€ 29.4 million). A-Med delivers mainly urological products to patients in California (US) and employs around 75 persons. This acquisition will enhance Mediq's position in the large but fragmented US market, and establishes a leading position in the Californian home care market. The transaction is expected to be closed before year end 2012.

If the acquired activities had been included as of 1 January 2012, the impact on Mediq's consolidated net sales for the first 9 months of 2012 would have been an estimated € 15.7 million, on operating result € 2.8 million and on the net result € 1.7 million.

Utrecht, 25 October 2012

Management Board

M.C. van Gelder, Chairman
J.G. Janssen

Supervisory Board

S. van Keulen, Chairman
W.M. van den Goorbergh
F.K. de Moor
O.R. Stuge
M.J.M. van Weelden-Hulshof

Other information

Review report from KPMG Accountants N.V. on Condensed Consolidated Interim Financial Statements

To: the Management Board and Supervisory Board of Mediq N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Mediq N.V., Utrecht, as set out on pages 7 to 19 for the three and nine-month periods ended 30 September 2012, which comprise the consolidated balance sheet as at 30 September 2012, the consolidated statements of income, comprehensive income, changes in equity and cash flows and the notes for the three and nine-month periods then ended. The Management Board is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 September 2012 are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 25 October 2012
KPMG Accountants N.V.

E. Eeftink RA

Annexe – Change in presentation of revenues Swedish distribution contracts

As a result of recent acquisitions, we have conducted an in-depth review of the presentation of the sales of distribution contracts, either on a fee-for-service basis ('net') or based on the underlying sales value of products ('gross') at the end of 2011. This is to a certain extent a judgemental area. We have based our assessment on a number of criteria, including the terms of the contracts and an evaluation of how the contracts effectively work in practice. We have, for example, evaluated which elements of inventory risks, costs and credit risks are borne by Mediq or our suppliers.

To ensure consistency across the group we decided to present the revenue from two large distribution contracts in Sweden on a net basis and report the net amount of fees as revenue, as of the 2011 Annual report. Due to this change in presentation our net sales in the 2011 Annual Report are € 98 million, or - 4%, lower than presented in our quarterly press releases. The change in presentation has no effect on our EBITA for 2011. Net sales presented for 2010 will remain unchanged due to lower impact.

The table below provides a reconciliation between sales and margins presented on a gross basis (as included in the press releases on the results for Q1 up to and including Q4 2011) and a net basis of the two contracts (with effect from the 2011 Annual Report and in this report).

	Q1 2011		Q2 2011		HY 2011		Q3 2011		Q4 2011		FY 2011	
(X € 1,000,000)	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Mediq												
Net sales	672.4	647.8	684.4	658.9	1,356.8	1,306.7	671.8	649.9	727.3	701.1	2,755.9	2,657.7
EBITA	30.2	30.2	28.7	28.7	58.9	58.9	27.9	27.9	37.1	37.1	123.8	123.8
EBITA margin	4.5%	4.7%	4.2%	4.4%	4.3%	4.5%	4.2%	4.3%	5.1%	5.3%	4.5%	4.7%
D&I												
Net sales	282.5	258.0	298.6	273.0	581.1	531.0	304.7	282.8	336.7	310.5	1,222.5	1,124.3
EBITA	23.0	23.0	25.7	25.7	48.7	48.7	24.6	24.6	29.1	29.1	102.4	102.4
EBITA margin	8.1%	8.9%	8.6%	9.4%	8.4%	9.2%	8.1%	8.7%	8.6%	9.4%	8.4%	9.1%

14. FINANCIAL STATEMENTS 2011 OF MEDIQ

Mediq NV financial statements 2011

February 2012

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CONSOLIDATED INCOME STATEMENT

X € 1,000	NOTE	2011	2010
Net sales	5	2,657,705	2,633,940
Cost of sales		2,012,576	2,043,306
Gross profit		645,129	590,634
Other income	6	5,887	14,164
Personnel costs	7	318,644	294,182
Depreciation and amortisation	8	37,938	32,267
Impairment of non-current assets	9	-	3,547
Other operating expenses	10	183,356	160,267
Total operating expenses		539,938	490,263
Operating result		111,078	114,535
Finance income	11	1,411	1,269
Finance costs	11	- 12,739	- 14,731
Net finance costs		- 11,328	- 13,462
Share of profit of associates	12	984	1,099
Profit before income tax		100,734	102,172
Income tax expense	13	- 25,020	- 23,814
Profit for the period		75,714	78,358
Attributable to:			
Owners of the Company (net result)		73,415	76,662
Non-controlling interests		2,299	1,696
Total		75,714	78,358
IN EUROS			
Basic earnings per share attributable to owners of the Company	14	1.26	1.30
Diluted earnings per share attributable to owners of the Company	14	1.26	1.30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

X € 1,000	NOTE	2011	2010
Profit for the period		75,714	78,358
Other comprehensive income			
Actuarial gains and losses: 27			
• Actuarial gains and losses on defined benefit pension plans		8,899	- 14,967
• Tax effect on actuarial gains and losses		- 2,225	3,817
Cash flow hedges: 27			
• Net change in fair value of cash flow hedges reclassified to profit or loss		4,241	- 909
• Tax effect on cash flow hedges		- 1,060	232
Foreign currency translation differences 27		- 12,026	4,810
Other comprehensive income for the period		- 2,171	- 7,017
Total comprehensive income for the period		73,543	71,341
Total comprehensive income attributable to:			
Owners of the Company		72,808	69,227
Non-controlling interests		735	2,114
Total comprehensive income for the period		73,543	71,341

CONSOLIDATED BALANCE SHEET

X € 1,000	NOTE	31.12.2011	31.12.2010
Non-current assets			
Property, plant and equipment	15	114,501	109,824
Investment property	16	1,764	1,796
Goodwill	17	472,310	364,529
Other intangible assets	18	48,338	39,539
Investments in associates	19	7,613	7,204
Deferred tax assets	30	23,547	28,588
Receivables	20	2,862	4,050
Derivative financial instruments	29	7,968	356
		678,903	555,886
Current assets			
Inventories	21	241,701	231,809
Trade receivables	22	344,220	297,405
Corporate income tax		5,439	10,745
Other receivables	23	37,625	32,394
Derivative financial instruments	29	1,203	81
Cash and cash equivalents	24	67,155	67,196
Non-current assets held for sale	25	-	297
		697,343	639,927
Total assets		1,376,246	1,195,813
Equity			
Share capital and share premium	26	107,154	107,154
Reserves	27	432,412	384,862
Total equity attributable to owners of the Company		539,566	492,016
Non-controlling interests		17,155	18,207
Total equity		556,721	510,223
Non-current liabilities			
Borrowings	28	345,659	210,545
Derivative financial instruments	29	5,020	6,732
Deferred tax liabilities	30	27,738	22,059
Retirement and other employee benefit obligations	31	2,769	12,080
Provisions	32	3,118	4,247
		384,304	255,663
Current liabilities			
Credit institutions		197	462
Borrowings due within one year	28	3,852	32,075
Derivative financial instruments	29	294	1,577
Trade payables and other current liabilities	33	396,642	360,267
Corporate income tax liability		2,444	1,350
Other taxes and social security charges		26,515	25,564
Provisions	32	5,277	8,632
		435,221	429,927
Total equity and liabilities		1,376,246	1,195,813

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

X € 1,000							2010	
NOTE: 26, 27	PAID-UP SHARE CAPITAL	SHARE PREMIUM	RESERVE FOR TRANSLATION DIFFERENCES	HEDGING RESERVE	OTHER RESERVES	TOTAL ATTRIBUTABLE TO OWNERS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Opening balance at 1 January 2010	14,671	92,483	- 448	- 3,222	335,084	438,568	15,539	454,107
Profit for the period					76,662	76,662	1,696	78,358
Other comprehensive income:								
• Actuarial gains and losses on defined benefit pension plans					- 14,967	- 14,967		- 14,967
• Tax effect on pension actuarial gains and losses					3,817	3,817		3,817
• Net change in fair value of cash flow hedges				- 909		- 909		- 909
• Tax effect on cash flow hedges				232		232		232
• Foreign currency translation differences			4,392			4,392	418	4,810
Other comprehensive income			4,392	- 677	- 11,150	- 7,435	418	- 7,017
Total comprehensive income			4,392	- 677	65,512	69,227	2,114	71,341
Transactions with owners:								
2009 final dividend	151	- 151			- 11,527	- 11,527		- 11,527
Acquisitions							71	71
Dividend and subscribed capital							- 737	- 737
Transactions with non-controlling interests							1,427	1,427
Distribution of 2010 interim dividend	90	- 90			- 4,227	- 4,227		- 4,227
Other movements					- 25	- 25	- 207	- 232
Total transactions with owners of the Company	241	- 241			- 15,779	- 15,779	554	- 15,225
Balance at 31 December 2010	14,912	92,242	3,944	- 3,899	384,817	492,016	18,207	510,223

NOTE: 26, 27	PAID-UP SHARE CAPITAL	SHARE PREMIUM	RESERVE FOR TRANS- LATION DIF- FERENCES	HEDGING RESERVE	OTHER RESERVES	TOTAL ATTRI- BUTABLE TO OWNERS	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
Opening balance at 1 January 2011	14,912	92,242	3,944	- 3,899	384,817	492,016	18,207	510,223
Profit for the period					73,415	73,415	2,299	75,714
Other comprehensive income:								
• Actuarial gains and losses on defined benefit pension plans					8,899	8,899		8,899
• Tax effect on pension actuarial gains and losses					- 2,225	- 2,225		- 2,225
• Net change in fair value of cash flow hedges				4,241		4,241		4,241
• Tax effect on cash flow hedges				- 1,060		- 1,060		- 1,060
• Foreign currency translation differences			- 10,462			- 10,462	- 1,564	- 12,026
Other comprehensive income			- 10,462	3,181	6,674	- 607	- 1,564	- 2,171
Total comprehensive income			- 10,462	3,181	80,089	72,808	735	73,543
Transactions with owners:								
2010 final dividend	131	- 131			- 10,896	- 10,896		- 10,896
Acquisitions							163	163
Purchase of own shares					- 9,748	- 9,748		- 9,748
Dividend and subscribed capital							- 2,091	- 2,091
Transactions with non- controlling interests							141	141
Distribution of 2011 interim dividend	82	- 82			- 4,603	- 4,603		- 4,603
Other movements					- 11	- 11		- 11
Total transactions with owners of the Company	213	- 213			- 25,258	- 25,258	-1 ,787	- 27,045
Balance at 31 December 2011	15,125	92,029	-6,518	- 718	439,648	539,566	17,155	556,721

CONSOLIDATED STATEMENT OF CASH FLOWS

X € 1,000	NOTE	2011	2010
Profit for the period		75,714	78,358
Adjustments for:			
Net finance costs	11	11,328	13,462
Share of profit of associates	12	- 984	- 1,099
Income tax expense	13	25,020	23,814
Depreciation of non-current assets	8	20,681	19,442
Amortisation of intangible assets	8	17,257	12,825
Impairment of non-current assets	9	-	3,547
Book gain on sale of group companies	6	- 178	- 460
Book gain on sale of non-current assets	6	- 118	- 4,668
Profit on investments	6	-	- 2,568
Movements:			
Movements in provisions		- 5,739	- 857
Movements in inventories	34	- 1,886	- 1,651
Movements in current receivables	34	- 42,557	- 6,348
Movements in current liabilities	34	24,555	4,531
Operating cash flow		123,093	138,328
Finance cost paid		- 12,994	- 13,463
Tax paid on operating result		- 15,376	- 42,089
Cash flows from operating activities		94,723	82,776
Additions to non-current assets	15, 16, 17, 18	- 23,195	- 20,619
Acquisitions less cash and cash equivalents	4	- 153,776	- 90,413
Finance income received		915	1,355
Dividends received	6, 19	584	1,920
Sale of group companies	4	-	460
Disposals of non-current assets		5,456	41,779
Loans granted	20	- 259	- 735
Payments received on loans	20	2,105	2,574
Cash flows from investing activities		- 168,170	- 63,679
Purchase of own shares		- 5,574	-
Dividends paid		- 15,499	- 15,754
Proceeds from borrowings		128,011	40,000
Repayments of borrowings		- 31,419	- 85,217
Movements in non-controlling interests		- 1,845	595
Cash flows from financing activities		73,674	- 60,376
Net cash flow		227	- 41,279

X € 1,000	2011	2010
Reconciliation with the balance sheet:		
Net cash flow	227	- 41,279
Foreign currency translation differences in net cash or cash equivalents	- 3	7
Subtotal	224	- 41,272
Net cash or cash equivalents at beginning of period		
Cash and cash equivalents	67,196	109,737
Credit institutions	- 462	- 1,731
	66,734	108,006
Net cash or cash equivalents at end of period		
Cash and cash equivalents	67,155	67,196
Credit institutions	- 197	- 462
	66,958	66,734
Movement in net cash or cash equivalents in the balance sheet	224	- 41,272

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 REPORTING ENTITY

Mediq NV ('Mediq') has its registered office in Utrecht, the Netherlands. The consolidated financial statements of the group for 2011 include the holding company and all its group companies. In addition Mediq holds interests in third parties (investments in associates). A list of the most significant associates can be found in the notes.

2 BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The 2011 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs).

The Supervisory Board discussed the draft financial statements with the Management Board. Following the discussion, the Management Board released the full-year results for publication on 15 February 2012. The annual report will be submitted for adoption to the General Meeting of Shareholders on 11 April 2012.

BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the basis of the historical cost convention, except for the following material balance sheet items:

- Non-current financial assets that are investments are carried at fair value with fair value changes taken through profit or loss;
- Derivatives (derivative financial instruments) are carried at fair value.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The financial statements are prepared in euros, Mediq's functional and reporting currency. All financial information in euros is rounded to the nearest thousand.

USE OF ESTIMATES AND JUDGEMENTS

The financial statements are prepared in accordance with EU-IFRSs. In doing so, management has to make certain assumptions and estimates that affect the value of assets and liabilities, the determination of results, and the disclosure of contingent assets and liabilities. The actual outcomes may differ from those estimates. The estimates and underlying assumptions are reviewed continually. Revisions of estimates are recognised in the period in which the estimates are revised and in future periods affected by the revision.

In particular, information on the assumptions and estimation uncertainties that the Management Board judges to be the most critical to fairly presenting the financial position and that require subjective or complex judgement by management is included in the following sections of the notes:

- Note 4: Acquisitions and disposals of subsidiaries and non-controlling interests
- Note 17: Intangible assets
- Note 22: Collectibility of receivables due
- Note 30: Deferred tax assets and liabilities
- Note 31: Retirement and other employee benefit obligations
- Note 32 and Note 36: Provisions and contingent liabilities

CHANGES IN ACCOUNTING POLICIES

New and amended standards adopted by the group

There are no IFRS standards or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2011 that have a material impact on the group.

3 SIGNIFICANT ACCOUNTING POLICIES

The main policies used in preparing the consolidated financial statements are explained below. The group companies have consistently applied these policies for the periods included in these consolidated financial statements, unless stated otherwise.

BASIS OF CONSOLIDATION

Group companies

The consolidation includes the financial information of Mediq and of companies controlled by the company. In general, the company holds, directly or indirectly, more than 50% of the voting rights in these companies. The assets, liabilities and results of these companies ('group companies') are consolidated in full. Transactions, balances and unrealised results between group companies are eliminated. Non-controlling interests in the consolidated results and equity are stated separately.

Business combinations

Business combinations are accounted for using the acquisition method as of the date of acquisition, i.e. the date on which control is transferred to Mediq. Mediq has control if we have the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, we take account of potential voting rights that are currently exercisable.

Goodwill is measured as follows:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the acquisition is achieved in stages, the fair value of the previously held equity interest in the acquiree; net of
- the net recognised amount (generally fair value) of the identifiable assets acquired and the liabilities assumed.

If the difference is negative, a book gain is recognised immediately in the income statement as a bargain purchase gain.

Acquisition-related costs, other than costs relating to share or bond issues, are recognised in the income statement when incurred.

The fair value of a contingent consideration is recognised on the acquisition date. A contingent consideration classified as equity is not subsequently revalued and changes are accounted for within equity. All other subsequent changes after initial recognition are taken through profit or loss.

Disposals

The financial information of group companies that have been sold is included in the consolidation up to the date that control ends. On the sale of a group company, the difference between the sale proceeds and carrying amount, including goodwill and accumulated translation differences, is recognised in profit or loss. If the group retains an interest in the former subsidiary, the interest is recognised at fair value as from the date control ends.

Investments in associates

An associate is an entity over whose financial and operating policies the group has significant influence, but not control, because of its equity interest in the entity. Investments in associates are recognised on the basis of the equity method, together with the goodwill purchased on acquisition, less any impairment losses on individual assets.

The value of associates according to the equity method is determined in accordance with the group's accounting policies. Investments in associates are initially recognised at cost, which is allocated according to the fair value of the net assets at the date of acquisition. Subsequent valuations are based on fair values determined in the same way.

We determine the share of profit of associates in accordance with Mediq's accounting policies. For these interests, we present pro rata amounts in the income statement based on the equity method. Dividend distributions received from associates are set off against the carrying amounts of the investments in them.

If our share in losses exceeds the value of the interest in the associate, the carrying amount of the entity is written down to nil and no further losses are recognised, except if we have entered into a legally enforceable or constructive obligation or have made payments on behalf of an associate. Transactions with our associates are carried out at arm's length.

Elimination of intra-group transactions

Intra-group balances and transactions, any unrealised income and expenses on intra-group transactions or gains or losses from such transactions are eliminated in preparing the consolidated financial statements. Unrealised profits and losses arising from transactions with associates are eliminated in proportion to the group's interest in the investment.

FOREIGN CURRENCY TRANSLATION

Transactions and balance sheet positions

Trading transactions and balance sheet positions in foreign currencies are recorded by individual group companies in the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rates at that date. The resulting translation differences and the foreign exchange differences arising on settlement of such transactions are recognised in profit or loss.

Group companies

The results and balance sheet items of all group companies that report in a functional currency other than the euro are translated into euros as follows:

- assets and liabilities are translated into euros at the exchange rate ruling on the balance sheet date;
- income statement items are translated into euros at the exchange rate that approximates the exchange rate on the transaction date;
- gains and losses arising on the translation of the net asset value of consolidated entities are recognised directly in equity.

On the disposal of all or part of a foreign entity resulting in a loss of control, any cumulative currency translation differences are recognised in profit or loss as part of the gain or loss on the sale.

Goodwill arising on the acquisition of a foreign activity and adjustments to its fair value are part of the investment in the foreign activity. They are translated into euros at the exchange rate at the balance sheet date.

The following exchange rates have been used in these financial statements for the main countries in which Mediq is active:

IN EUROS					
		BALANCE SHEET AT 31.12.2011	INCOME STATEMENT 2011	BALANCE SHEET AT 31.12.2010	INCOME STATEMENT 2010
US dollar (USD)	100	77.29	71.78	74.84	75.35
Polish zloty (PLN)	100	22.43	24.30	25.16	24.93
Danish krone (DKK)	100	13.45	13.42	13.42	13.43
Norwegian krone (NOK)	100	12.90	12.85	12.82	12.46
Swedish krona (SEK)	100	11.22	11.11	11.15	10.73
Swiss franc (CHF)	100	82.26	81.20	79.97	72.74

STATEMENT OF CASH FLOWS

The statement of cash flows is drawn up using the indirect method. The cash items in the statement of cash flows comprise cash and cash equivalents, the bank credits and money market borrowings included under current liabilities. Cash flows in foreign currencies are translated at the exchange rate at the time of the transaction.

Investments in group companies are included at cost of acquisition of the equity instruments or - if applicable - capital employed, plus interest-bearing debts acquired less cash and cash equivalents held by the acquired company.

PROPERTY, PLANT AND EQUIPMENT

We value property, plant and equipment at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is recognised as an expense and calculated on a straight-line basis taking into account useful life and any residual value. Land is not depreciated. Buildings are depreciated over a period of between 10 and 33 years. Plant, equipment and other operating assets are depreciated over periods ranging from 3 to 10 years.

Maintenance, repairs and refurbishments are generally treated as costs in the period in which they are carried out. Major refurbishments are capitalised as part of the carrying amount of the assets to which they relate, if it is reasonable to assume that the future economic benefits will exceed the original carrying amount. They are depreciated over their residual lives but not exceeding the remaining useful lives of the respective assets concerned.

All residual values and useful lives are reviewed at the end of each year. In the case of revised expectations, the differences are treated as changes in accounting estimates.

Fair value is reviewed at intervals of a few years by independent experts.

INVESTMENT PROPERTY

The carrying amount of investment property is determined using the cost model and the same accounting policies that are applied to property, plant and equipment.

GOODWILL

Intangible assets include goodwill purchased on acquisitions. Goodwill on acquisitions of associates is recognised under investments in associates. Goodwill is calculated as the difference between the cost of acquisition at the date of acquiring a company and the group's share of the fair value of the identifiable assets and liabilities. After initial recognition, goodwill is carried at cost less accumulated impairment losses.

For the sale of an entity over which we have control, the amount of goodwill written off is in proportion to the entity's share in the total value of the cash generating unit to which it belongs.

OTHER INTANGIBLE ASSETS

Intangible assets other than goodwill, such as software, websites and identified assets on investments in group companies, and customer relationships, are valued at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised as a cost and calculated on a straight-line basis over the asset's expected useful life, which lies between three and five years for software and websites. The amortisation period for customer relationships depends on the customer attrition rate estimated in advance.

NON-CURRENT FINANCIAL ASSETS

Financial assets are recognised in the balance sheet up to their date of settlement. The group holds financial assets in the following categories:

- **Receivables**

After initial recognition at fair value plus directly attributable transaction costs, receivables included in this category are carried at amortised cost, net of a provision for doubtful debts where necessary. All differences between the amount loaned (after settlement of any premium or discount) and the scheduled repayments to be received are recognised in profit or loss during the term of the receivable in accordance with the effective interest method. Receivables due within one year are classified as current assets.

- **Investments**

These financial assets are recognised at fair value. We recognise the gains and losses on investments (including dividends received) directly in profit or loss.

IMPAIRMENT OF NON-CURRENT ASSETS

At each balance-sheet date, the group assesses whether there are indications that an asset might have been impaired. If such an indication exists, the recoverable amount of the asset is calculated. If it is not possible to determine the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. Goodwill is tested annually for impairment even if there are no such indications.

For goodwill impairment tests, the determining factor is the level on which we monitor goodwill within the company. In line with this approach, a chain of pharmacies, as opposed to the individual pharmacies, is treated as a single unit for the purpose of impairment testing. The individual group company is treated as cash-generating unit for our other activities.

An impairment loss arises if the net carrying amount of an asset exceeds its realisable value, where the realisable value is the higher of the fair value less costs to sell and its value in use. If the realisable value is less than the net carrying amount, the asset is written off to its realisable value (that is, an impairment loss is recognised). Impairment losses are taken directly to profit or loss.

Should the circumstances that led to the impairment change to such an extent that the realisable value increases, the impairment is fully or partly reversed, except in the case of goodwill. In such cases, the carrying amount of the asset is increased to the revised realisable value, subject to a maximum of the carrying amount that would have been determined had no impairment loss been recognised for the asset.

INVENTORIES

Inventories are recognised at the lower of their weighted average cost and realisable value. The average cost includes freight charges, excise duties, discounts, bonuses, and manufacturing and repackaging costs to the extent that they are directly attributable to the inventory. The realisable value is the estimated selling price under ordinary business conditions, less the estimated costs of completion and selling expenses.

TRADE RECEIVABLES

After their initial recognition at fair value, trade receivables are carried at amortised cost less any collection costs. A provision for doubtful debts is established when it is more likely than not that the group will not be able to collect the full amount of a trade receivable. The size of the provision is the difference between the net carrying amount of the trade receivables and the present value of the expected cash flows. Additions to the provision are charged to profit or loss.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and bank balances and other demand deposits. Cash and cash equivalents are carried at face value.

NON-CURRENT ASSETS HELD FOR SALE

Assets are classified as 'held for sale' if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the appropriate level of management must be committed to sell the asset, and an active programme to locate a buyer and complete the transaction must have been initiated. Furthermore, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. If events or circumstances beyond the group's control prevent the sale from being completed within one year, but all other criteria for classification as 'held for sale' are still met in full, the period required to complete the sale is extended. These assets are valued at the lower of their carrying amount and fair value less costs to sell on the date they are classified as 'held for sale'.

EQUITY

Purchased own shares are classified as treasury shares and presented as a deduction from other reserves within equity, until those shares are cancelled or sold. If the purchased shares are sold, the sale proceeds are added to other reserves.

For the buyout or sale of non-controlling interests in an entity over which we already have control, the difference between the fair value and carrying amount is recognised directly in equity.

The owners of the Company are entitled to dividend as adopted by the General Meeting of Shareholders. The dividend distribution is recognised in the consolidated balance sheet as a liability in the period in which the dividend distribution is approved by the General Meeting of Shareholders.

LONG-TERM BORROWINGS

We recognise long-term borrowings initially at fair value less transaction costs. Subsequently, they are carried at amortised cost. All differences between the amounts received (net of transaction costs) and the repayment obligations are recognised in profit or loss during the term of the debt in accordance with the effective interest method. Long-term liabilities repayable within one year are classified as current liabilities.

FINANCE LEASES

Lease contracts under which substantially all risks and rewards of ownership of the asset have been transferred to the group are included in the balance sheet at the commencement of the lease contract at the lower of the fair value of the asset and the present value of the minimum number of lease payments. The lease payments are apportioned between a repayment component and a finance charge, based on an implicit interest rate. We recognise long-term lease commitments, excluding the interest components, under long-term liabilities. Lease payments due within one year are included under current liabilities. The interest component of

the lease payment is recognised in profit or loss. The corresponding assets are depreciated over their remaining useful life or, if shorter, the remaining term of the lease contract.

OPERATING LEASES

We recognise lease contracts under which the risks and rewards of ownership of the asset are not substantially transferred in full to the group as operating leases. Operating lease commitments are recognised in profit or loss on a straight-line basis over the term of their respective lease contracts.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are recognised at fair value. The treatment of the related results depends on the type of hedged position and whether or not hedge accounting is applied to the derivative.

In principle, we apply hedge accounting to all long-term interest rate swaps. In all cases this relates to cash flow hedges. At the inception of the hedge transaction, the relationship between the derivative and the hedged item is recorded, as well as the risk management objective for the hedge position and the general strategy for entering into hedge transactions. At the inception of the hedge and subsequently, we record whether the derivatives involved in the hedge transactions effectively hedge the fluctuations in the cash flows, including the results of the testing. In this way, the criteria for applying hedge accounting are satisfied. To the extent a hedge is effective, changes in the fair value of the derivative are recognised in other comprehensive income, taken directly to equity and presented in the hedging reserve. The potential gain or loss on the ineffective portion of a hedge (i.e. if the hedge relationship is deemed ineffective) is recognised directly in profit or loss as part of the financial result. If a derivative expires or is sold, or if it no longer meets the criteria for hedge accounting, all related accumulated gains or losses that have been taken to equity will be recognised in profit or loss. If we no longer expect an intended transaction to take place, the total related accumulated gains or losses recognised in equity are taken directly to profit or loss.

We do not apply hedge accounting to forward currency contracts. The results on these derivatives are recognised directly in profit or loss as part of the financial result. Derivatives used for hedging long-term positions are presented as non-current assets or non-current liabilities. If a derivative is used for hedging a short-term position, we present the instrument under current assets or current liabilities.

INCOME TAXES

Income taxes comprise current and deferred taxation. The income tax expense is in principle recognised in the income statement. However, income taxes relating to items taken directly to equity are likewise taken directly to equity.

Current tax consists of income taxes on the taxable profit, which is calculated on the basis of tax rates enacted or substantively enacted at the end of the reporting period. In addition, adjustments to prior-year taxation can be included.

We use the liability method when recognising a provision for deferred tax assets and liabilities relating to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes on the one hand and the values for tax purposes on the other, and also when carry-forward tax losses are available. Deferred tax items reflecting temporary differences are calculated using the tax rates ruling at the end of the reporting year or the tax rates applicable for the next year that have already been enacted in law.

Deferred tax assets and liabilities within the same fiscal unit are netted off only if Mediq has an enforceable right to do so and intends to settle them on a net basis. We recognise deferred tax assets, including those relating to tax losses carried forward, if it is probable that future profits will be realised to enable us to utilise the temporary differences. They are valued at the statutory

tax rate at the time when realisation is expected to take place. A provision for deferred tax is recognised for temporary differences arising on investments in group companies, where the fair value of the assets and liabilities acquired differs from their carrying amounts.

Deferred tax items are carried at nominal value.

RETIREMENT AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

The group has defined contribution plans as well as defined benefit plans.

Defined contribution plans

Defined contribution plans are post-employment benefit plans for which the group has no legal or constructive obligation to pay further contributions if the pension fund does not hold sufficient assets to pay all employee benefits relating to employee service. Obligations for contributions to defined contribution plans are recognised in profit or loss for the period in which they arise. Under such plans, fixed contributions are paid to a pension fund or insurance company.

Defined benefit plans

If a pension plan does not qualify as a defined contribution plan, it is deemed a defined benefit plan. All obligations under these plans in relation to the current and prior periods are included in the balance sheet. The pension obligations are determined by qualified actuaries using the Projected Unit Credit Method. The present value of an obligation is calculated using a discount rate based on the interest rate on high quality corporate bonds whose terms are comparable to that of the pension obligation. The fair value of the investment portfolio held by the pension fund to cover the pension obligations is deducted from the total value of these obligations. The actuarial valuations are requested at least once a year, and in any event for the year-end values.

A retirement benefit surplus is recognised as an asset if the future contribution to be paid by the company is likely to be lower than the service costs of the plan, or if reductions in contributions and/or payments flow back to the entity in another way.

The actuarial gains and losses on defined benefit plans are recognised in other comprehensive income. The pension charges for defined benefit plans are based on the expected current service costs, the expected interest costs on the benefit obligations and the expected return on the plan assets.

Other employee benefits

Obligations relating to early retirement and future service anniversary payments are determined on the basis of actuarial calculations. The expected costs of these benefits are allocated to the period of service, using the same valuation principles as for the defined benefit plans. Actuarial differences arising from changes in assumptions are taken directly to the income statement.

PROVISIONS

Provisions are defined as constructive or legally enforceable obligations arising as a result of a past event for which it is probable that an outflow of resources will be necessary and management can make a reliable estimate of the size of the obligation. If the impact is material, provisions are carried at the present value of the expected expenditure required to settle the obligation. We treat the increase in the provision over time as an interest expense and present it under finance income and costs.

TRADE PAYABLES AND OTHER CURRENT LIABILITIES

After their initial recognition at fair value, trade payables and other current liabilities are carried at amortised cost applying the effective interest method.

NET SALES

Income from the supply of goods is recognised when:

- all significant risks and rewards of ownership of the goods are transferred to the buyer;
- the amount of the revenue can be determined reliably and it is probable that the economic benefits associated with the transaction will flow to the company;
- the costs incurred or to be incurred in respect of the transaction can be determined reliably.

Income from the rendering of services is recognised pro rata based on the stage of completion of the services at the balance sheet date compared to the total services to be rendered.

Net sales represents the income from the supply of goods and services, after deduction of discounts and the like, taxes levied on revenue, and elimination of intra-group sales.

As a result of recent acquisitions, the presentation for revenue for distribution arrangements was identified as a matter for in depth review and included the analysis of the detailed operational aspects of all contracts. The classification of contracts as gross or net is based on the evaluation of a number of criteria and is a judgemental area. Besides being based on the terms of the contracts it is also based on how the contracts effectively work. In 2011 it was decided to change the reporting for revenue of two large distribution contracts in Sweden, as of the 2011 Annual Results. Net sales figures of 2010 have not been adjusted due to lower materiality.

COST OF SALES

Cost of sales represents the purchase price of trade stocks, including additional costs such as incoming freight, handling and other charges directly attributable to the purchase of the goods, and write-downs of inventories. The purchase price is net of discounts and supplier bonuses.

OTHER INCOME

Profit on investments comprises dividends received by the group, net of applicable taxes, and changes in the market value of investments. Dividends on investments are recognised when the group has acquired the right to receive them. Gains and losses on the sale of subsidiaries are the results arising from the sale of group companies. The gain or loss is the difference between the proceeds and the net carrying amount (including goodwill and cumulative translation differences) at the time of transfer of control. Income from interest-bearing receivables is calculated using the effective interest method.

PERSONNEL COSTS

The long-term remuneration costs represent the rights attributed to the reporting period and future entitlements of members of the Management Board, Executive Vice Presidents and certain senior managers of the group. The expense in respect of rights granted and future entitlements is based on service in the current reporting period and is amortised over the period in which the performance is assessed.

FINANCE INCOME

Finance income comprises the interest received from credit institutions on temporary debit balances. This item also includes exchange differences on foreign currency transactions and changes in the fair value of financial instruments.

FINANCE COSTS

Finance costs represent the interest owed on debts calculated using the effective interest method, the interest portion of the finance lease payments, exchange differences on foreign currency transactions and changes in the fair value of financial instruments.

SHARE OF PROFIT OF ASSOCIATES

Share of profit of associates represents the group's share, calculated pro rata, of the net result of non-consolidated interests and gains and losses on the sale of associates over whose policy the group exercises significant influence, net of the applicable taxes.

EARNINGS PER SHARE

Mediq reports both earnings per share and diluted earnings per share. Earnings per ordinary share are calculated on the basis of the profit or loss attributable to the owners of the Company, divided by the weighted average number of ordinary shares in issue during the reporting period (adjusted for treasury shares held). To calculate earnings per share after dilution, the weighted average number of ordinary shares in issue during the reporting period (adjusted for treasury shares held) is adjusted for all potentially dilutive effects on ordinary shares.

SEGMENT REPORTING

Segment information is provided on the operating segments of the group. An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the group. In line with the management approach, the operating segments are based on the structure of the internal management reporting as provided to the Management Board to facilitate strategic decision-making and to assess performance.

NEW RELEVANT STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

IAS 19, 'Employee benefits' was amended in June 2011. The impact on the group is expected to be limited. In line with the group's accounting policies, all actuarial gains and losses are already recognised in other comprehensive income as they occur. Another amendment is to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability. Based on the expected rate of return on plan assets and discount rate currently applied by the group, this change is also deemed to have a limited impact. The same applies to the immediate recognition of past service costs.

We are currently assessing the consequences of other IFRS standards or IFRIC interpretations that are not yet effective. These changes are expected to have no or only a limited impact on the group.

HOLDING COMPANY INCOME STATEMENT FORMAT

As the 2011 income statement of the holding company is incorporated in the consolidated financial statements, a condensed income statement of Mediq Holding NV is presented in accordance with Section 402 of Part 9, Book 2 of the Dutch Civil Code.

4 CHANGES IN THE COMPOSITION OF MEDIQ

ACQUISITIONS

Mediq completed acquisitions totalling € 157.8 million in 2011, financed from a combination of own funds and credit facilities. Of this total, € 16.8 million related to 95.88% of the shares of the French company NM Médical, a consideration of € 40.0 million was transferred to obtain a 100% share in healthcare supplier PBG in the Netherlands and € 89.6 million was paid for a 100% share in Assist in Germany. The remaining amount of € 11.4 million related to four smaller acquisitions in the direct and institutional channel in the Netherlands, Norway and Sweden, as well as a single pharmacy in the Netherlands.

Acquisition of NM Médical, France

On 30 April 2011 Mediq acquired NM Médical in France. This acquisition made Mediq the leading supplier of medical devices to general practitioners (GPs) in France. Mediq did not previously have any activities in France. The company employs around 81 FTEs. NM Médical supplies a broad range of medical devices to healthcare professionals, mainly GPs but physiotherapists as well. The range encompasses all medical devices required by healthcare professionals, from stethoscopes, diagnostic equipment and sterilisation materials to disinfectants and wound care products. The acquisition gives Mediq a new platform for launching direct activities in France in the future.

In the eight months up to 31 December 2011, the acquired activities contributed € 19.5 million to sales and € 1.0 million to the operating result (excluding amortisation of customer relationships of € 0.6 million). If the acquired activities had been included as from 1 January 2011, the contributions to consolidated sales and the operating result would have been € 29.3 million and € 1.4 million (excluding amortisation of customer relationships) respectively. These estimates are based on the assumption that the valuation of the acquired activities as of 30 April 2011 would be the same if the acquisition had occurred on 1 January 2011.

Acquisition of PBG, the Netherlands

On 1 August 2011 Mediq acquired PBG in the Netherlands. PBG is a supplier of medical devices to diabetics, GPs, obstetricians and other healthcare providers. The acquisition consolidates Mediq's position on the Dutch market. PBG employs a total of 70 people. With its Vermeulen Medical and Mediteq labels, PBG is the leading supplier to GPs and obstetricians. In addition, PBG supplies a wide range of medical disposables and small medical equipment, under the brand names MSN international and DSN, to pharmacies and wholesalers in the Netherlands as well as abroad and strengthens Mediq's position on the institutional market in the Netherlands.

In the five months up to 31 December 2011 the acquired activities contributed € 28.0 million to sales and € 2.1 million to the operating result (excluding amortisation of customer relationships of € 1.7 million). If the acquired activities had been included as from 1 January 2011, the contributions to consolidated sales and the operating result would have been € 67.2 million and € 5.0 million (excluding amortisation of customer relationships) respectively. These estimates are based on the assumption that the valuation of the acquired activities as of 1 August 2011 would be the same if the acquisition had occurred on 1 January 2011.

Acquisition of Assist, Germany

On 29 December 2011 Mediq acquired Assist, a leading supplier of medical devices in Germany. The company employs around 310 FTEs. Assist covers Germany in supplying medical devices for tube feeding, infusion therapy, ostomy, incontinence and wound and respiratory care to patients at home. This acquisition made Mediq the second player in the German market. Assist fits in with Mediq's strategy to further expand direct activities and substantially reinforces Mediq's German market position in the direct supply of medical devices to patients at home.

We have consolidated Assist as of 29 December 2011. If the acquired activities had been included as from 1 January 2011, the estimated contribution to consolidated sales would have been € 67 million. Given the timing of completion of the acquisition and the fact that, as a consequence, provisional accounting has been applied for Assist, no further disclosures can be provided with regard to the impact of the acquisition on Mediq's full year consolidated operating result (excluding amortisation of customer relationships). Based on the preliminary results of Assist for the period up to 29 December 2011 an additional consideration of between € 3 million and € 5 million is expected to be paid.

Other acquisitions

The other acquisitions related to our direct and institutional activities in the Netherlands (Romedic), Norway (Medicus Plesner), Sweden (part of Mediq24) and our pharmacy activities in the Netherlands (1 single pharmacy). The aggregate acquisition amount for these companies was € 11.4 million. Separately, these acquisitions are not material. The aggregated contributions of these acquisitions in 2011 were € 14.9 million to sales and € 1.7 million to the operating result (excluding amortisation of customer relationships of € 1.1 million). If the acquired activities had been included as of 1 January 2011, their contributions to consolidated sales and to the operating result (excluding amortisation of customer relationships) would have been € 26.5 million and € 2.3 million respectively. These estimates are based on the assumption that the

valuation of the acquired activities as of their respective acquisition dates would be the same if the acquisition had occurred on 1 January 2011.

A contingent consideration arrangement applies to one of the aforementioned acquisitions. This arrangement requires Mediq to pay in cash to the former owners an additional undiscounted amount if certain business performance criteria are met. The potential undiscounted amount of all future payments that Mediq could be required to make under this arrangement is not material.

ACQUISITION-RELATED COSTS

Acquisition-related costs (external legal services, due diligence and transfer tax) amounted to a total of € 1.8 million and are reported under other operating expenses (of which € 0.4 million in the segment Direct & Institutional and the remainder in Other).

EFFECT OF ACQUISITIONS ON ASSETS AND LIABILITIES

Identifiable assets acquired and liabilities assumed

The fair values of the acquired assets and liabilities assumed were as follows at the time of acquisition:

X € 1,000						
	NOTE	NM MÉDICAL, FRANCE	PBG, THE NETHERLANDS	ASSIST, GERMANY*	OTHER ACQUISITIONS	TOTAL
Property, plant and equipment	15, 16	168	660	11,949	321	13,098
Intangible assets	18	3,445	11,914	2,258	3,635	21,252
Inventories	21	2,009	3,953	7,336	2,027	15,325
(Trade) receivables	22, 23	2,940	7,529	10,134	1,189	21,792
Cash and cash equivalents	24	1,170	808	4,883	222	7,083
Credit institutions		- 204	-	-	-	- 204
Borrowings due within one year	28	-	-	- 2,501	- 374	- 2,875
Deferred tax liabilities	30	- 1,069	- 2,981	- 251	- 903	- 5,204
(Trade) payables	33	- 4,303	- 7,169	- 6,236	- 3,511	- 21,219
Provisions	32	- 195	-	- 1,284	- 642	- 2,121
Net identified assets/liabilities		3,961	14,714	26,288	1,964	46,927

* Provisional

In addition to the amount paid for the assets and liabilities identified as part of these acquisitions, we paid an amount for the location, the expertise of the incumbent management and future demographic changes. If such an intangible item is identifiable, it is included in the balance sheet as an intangible asset, subject to three criteria. First, the asset has to be separable or arise from a contractual or other legal right. Second, it has to be likely that the future economic benefits of the intangible asset will accrue to the group. Third, it must be possible to determine the cost of the asset reliably.

The fair value of the customer relationship was determined using a number of variables, the most significant being the expected cash flows attributable to the customer relationship, the customer attrition rate and the discount rate used.

The future cash flows were based on the most recent long-term forecasts from the perspective of the purchased entity before acquisition. The customer attrition rate was based on the historical data collected by the acquired entity, supplemented with empirical data from group companies and generally expected market developments. The discount rate used was our estimate of the weighted average cost of capital for the unit concerned. It is possible that the above assumptions might not hold in the future.

The trade receivables comprise gross contractual receivables of € 18.1 million, with no material amount expected to be uncollectible at the acquisition date.

Goodwill

The goodwill relating to the acquisitions in 2011 is as follows:

X € 1,000					
	NM MÉDICAL, FRANCE	PBG, THE NETHERLANDS	ASSIST, GERMANY*	OTHER ACQUISITIONS	TOTAL
Total consideration transferred	16,824	40,000	89,601	11,355	157,780
Non-controlling interests	- 163	-	-	-	- 163
Identifiable net assets/liabilities	3,961	14,714	26,288	1,964	46,927
Goodwill	13,026	25,286	63,313	9,391	111,016

* Provisional

The value of intangible assets that are not identifiable in the balance sheet, such as location or the quality of the incumbent management, is included in the item goodwill. Goodwill also relates to aspects not directly linked to the acquired business, such as demographic developments, insofar as these are expected to contribute to the realisable cash flow. The carrying amount of the goodwill is not expected to be deductible for tax purposes. Given the timing of the acquisition of Assist no purchase price allocation and valuation of intangibles has been performed. As a result the difference of the consideration transferred and the provisional value of the assets and liabilities was added to the goodwill.

EFFECT OF ACQUISITIONS ON CASH FLOWS

The changes in the composition of Mediq had the following effects on cash flows:

X € 1,000					
	NM MÉDICAL, FRANCE	PBG, THE NETHERLANDS	ASSIST, GERMANY*	OTHER ACQUISITIONS	TOTAL
Net identified assets/liabilities	3,961	14,714	26,288	1,964	46,927
Non-controlling interests	- 163	-	-	-	- 163
Goodwill on acquisitions	13,026	25,286	63,313	9,391	111,016
Cash and cash equivalents paid	16,824	40,000	89,601	11,355	157,780
Net funds/(debt) acquired	966	808	2,382	- 152	4,004
Net cash outflow	15,858	39,192	87,219	11,507	153,776

• Provisional

CONSOLIDATION OF STICHTING SAMENWERKING APOTHEKERS OPG (SSAO)

The SSAO was founded when the former cooperative OPG was listed on the stock exchange in 1992. The foundation's purpose was to support projects in the field of pharmaceutical care to enhance its quality and effectiveness. Following consultation between the SSAO, Mediq and the tax authorities regarding the donations by the SSAO, it was decided to transfer the remaining assets and liabilities to Mediq and to liquidate the SSAO.

Mediq has consolidated the SSAO as of 28 July. The General Meeting of Shareholders will be asked on 11 April 2012 to approve the cancellation of the 3,535,215 Mediq shares formerly owned by SSAO. This will reduce the number of Mediq shares outstanding by 5.87%. The consolidation had a limited one-off effect on Mediq's equity (- € 9.7 million) and cash flow (- €

5.6 million). Mediq's future results will not be affected, but the consolidation has a positive effect on earnings per share.

CHANGES IN PHARMACY CHAINS

The number of pharmacies in our pharmacy chain in the Netherlands increased to 226 in 2011 (2010: 225). Of these, eight pharmacies are not included in the consolidation as we do not have control (2010: 8). During the financial year one pharmacy was acquired, two smaller pharmacies were closed and two new pharmacies were established. In 2011 Mediq reduced its interest in a single pharmacy in the segment Pharmacies Netherlands. The transaction did not result in a loss of control. The impact on equity attributable to the owners of the Company is negligible.

In Poland two underperforming pharmacies were closed. This brought the total number of pharmacies at year-end to 197 (2010: 199).

ACQUISITIONS AND DISPOSALS IN PRECEDING FINANCIAL YEAR

Mediq completed acquisitions totalling € 96.3 million in 2010. On 31 May 2010 Mediq acquired the healthcare activities of Oriola-KD in the Nordics and the Baltics for an amount of € 85.4 million. The other acquisitions related to our direct activities in the Netherlands (Medisource), Denmark (Opco A/S), and Germany (Krämer Medizintechnik) and our pharmacy activities in Poland (Corda) and the Netherlands (5 individual pharmacies). The aggregate acquisition amount for these companies was € 10.9 million.

The acquisitions in 2010 had the following effects on the assets and liabilities of Mediq at the time of acquisition:

X € 1,000			
	HEALTHCARE ACTIVITIES ORIOLA-KD	OTHER ACQUISITIONS	TOTAL
Property, plant and equipment	3,992	949	4,941
Intangible assets	11,891	1,151	13,042
Deferred taxation	-	7	7
Inventories	17,047	1,257	18,304
(Trade) receivables	20,127	1,856	21,983
Cash and cash equivalents	6,073	- 166	5,907
Deferred tax liabilities	- 3,065	- 253	- 3,318
(Trade) payables	- 25,860	- 2,906	- 28,766
Provisions	- 378	-	- 378
Net identified assets/liabilities	29,827	1,895	31,722
Goodwill on acquisitions	55,611	8,987	64,598
Cash and cash equivalents paid	85,438	10,882	96,320
Cash and cash equivalents acquired	- 6,073	166	- 5,907
Net cash outflow	79,365	11,048	90,413

No disposals took place in 2010.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

5 SEGMENT REPORTING

The group has three reportable segments that jointly form the group's strategic divisions: Direct & Institutional, Pharmacies Netherlands and Pharmacies Poland. These operational segments generate revenues from the sale of pharmaceuticals, medical devices and related services to patients at home or to hospitals and nursing homes (Direct & Institutional) and the sale of pharmaceuticals and medical devices via pharmacies and wholesalers (Pharmacies Netherlands and Pharmacies Poland).

Direct & Institutional is treated as a single operating segment on the basis of the structure of the management information and the nature of its activities. Medical devices, pharmaceuticals and related services are delivered via both the direct and institutional channels. Purchasing is largely performed centrally and the other processes are likewise largely similar. The institutional channel provides support to the direct channel, with the institutional channel ensuring the substantial critical purchasing mass required to pursue a private label strategy. Lastly, the regulations for products and processes for direct and institutional activities are largely similar within the various countries.

Information on sales and assets is provided for each material geographical area. This is done on the basis of the location of the group company in line with reporting in prior years. The customers of our group companies are predominantly established in the country where the group company concerned is also established.

The activities of the holding company are group-wide activities including finance, human resource management, marketing and purchasing of non-trading goods. Costs incurred at a group level for business units have wherever possible been allocated to the business units concerned. The results of these activities are reported separately to the Management Board and are presented in the segment summary in the column 'Holding company and eliminations'.

A summary of the results of the reportable segments is provided below. The Management Board assesses the performance of the operating segments on the basis of the EBITA. The accounting policies applied by the operating segments are identical to those of the group. The EBITA per segment includes the costs allocated at the group level.

Amortisation of customer relationships, finance income and costs, share of profit of associates and taxes are not included in the EBITA per segment. Net finance income and costs and the share of profit of associates are however assessed for each operating segment.

Transactions between segments are at arm's length.

SEGMENT REPORTING

X € 1,000,000

	DIRECT & INSTITUTIONAL		PHARMACIES NETHERLANDS		PHARMACIES POLAND		TOTAL OPERATING SEGMENTS		HOLDING COMPANY & ELIMINATIONS		CONSOLIDATED	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net sales, third parties	1,112.3	1,028.3	1,041.1	1,080.3	504.4	525.3	2,657.7	2,633.9	-	-	2,657.7	2,633.9
Net sales, intercompany	12.0	12.3	1.7	0.9	0.9	0.0	14.8	13.2	- 14.8	- 13.2	-	-
Total net sales	1,124.3	1,040.6	1,042.8	1,081.2	505.3	525.3	2,672.5	2,647.1	- 14.8	- 13.2	2,657.7	2,633.9
Cost of sales plus operating expenses and other income	- 1,034.6	- 954.5	- 1,017.0	- 1,054.2	- 504.3	- 524.9	- 2,556.0	- 2,533.6	9.4	14.2	- 2,546.6	- 2,519.4
Operating result	89.7	86.1	25.8	27.0	1.0	0.4	116.5	113.5	- 5.4	1.0	111.1	114.5
EBITA from ordinary activities	102.4	94.1	25.8	25.0	1.0	2.0	129.2	121.2	- 4.5	- 4.3	124.7	116.9
Total assets	915.2	694.6	574.4	485.1	188.6	214.3	1,678.2	1,394.0	- 302.0	- 198.2	1,376.2	1,195.8
Total liabilities	663.0	488.4	583.6	541.9	77.7	140.3	1,324.2	1,170.6	- 504.7	- 485.0	819.5	685.6
Total investments in associates	-	-	7.3	7.0	-	-	7.3	7.0	0.3	0.2	7.6	7.2
Acquisitions	152.3	85.1	1.5	1.5	-	3.8	153.8	90.4	-	-	153.8	90.4
Additions to non-current assets	11.5	7.2	10.4	10.4	1.1	1.9	23.0	19.5	0.2	1.1	23.2	20.6
Amortisation	15.1	8.6	1.8	2.5	0.3	0.4	17.2	11.5	0.1	1.3	17.3	12.8
Depreciation	4.5	5.0	11.7	11.2	2.3	2.4	18.5	18.6	2.2	0.8	20.7	19.4
Impairment of non-current assets	-	-	-	1.3	-	2.2	-	3.5	-	-	-	3.5
EBITA margin	9.1%	9.0%	2.5%	2.3%	0.2%	0.4%	-	-	-	-	4.7%	4.4%
Capital employed	439.3	302.5	295.5	296.2	103.1	121.4	837.9	720.1	36.4	20.9	874.3	741.0
Return on average capital employed	26.9%	31.4%	8.4%	8.2%	0.9%	0.3%	-	-	-	-	14.1%	15.4%
Average working capital as percentage of sales	3.6%	3.0%	9.6%	9.1%	9.7%	8.8%	-	-	-	-	7.7%	6.7%

The group is active in fifteen different countries. The activities in Norway, Sweden, Finland, Denmark, Estonia, Latvia and Lithuania are combined in 'Nordics & Baltics' in the summary below. Germany, Hungary, Switzerland, France and Belgium are included in 'Other countries'.

X € 1,000,000												
	NETHERLANDS		POLAND		NORDICS & BALTICS		USA		OTHER		CONSOLIDATED	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net sales	1,640.7	1,639.2	505.3	525.3	294.7	272.3	123.9	124.8	93.1	72.3	2,657.7	2,633.9
Capital employed	386.9	347.4	103.1	121.4	152.7	144.3	99.7	98.7	131.9	29.2	874.3	741.0
Total assets	561.0	532.8	188.6	214.3	327.5	231.9	116.2	123.6	182.9	93.2	1,376.2	1,195.8
Acquisitions	46.0	4.0	0.0	3.8	4.7	82.1	-	-	103.1	0.5	153.8	90.4
Additions to non-current assets	14.1	14.6	1.1	1.9	5.9	2.8	1.7	1.1	0.4	0.2	23.2	20.6

6 OTHER INCOME

X € 1,000	2011	2010
Provision of information	1,545	2,100
Services	1,308	1,553
Contribution from Stichting Samenwerkende Apothekers OPG	1,084	-
Income from overdue payments by customers	810	861
Interest on loans receivable	396	836
Book gain on sale of group companies	178	460
Book gain on sale of assets	118	4,668
Profit on investments	-	1,829
Investment dividend	-	739
Grants	-	116
Miscellaneous income	448	1,002
Total	5,887	14,164

The objective of Stichting Samenwerking Apothekers OPG (SSAO) is to support professional or commercial pharmaceutical projects in the Netherlands and as such it makes donations to several projects. Mediq is beneficiary in some of these and received a total of € 1.1 million in the first half year of 2011, prior to the consolidation of the SSAO.

The interest on loans receivable relates to loans issued that are classified as financial assets.

In 2010, the gain on sale of assets comprised the sale of pharmacy properties in the Netherlands and the sale of properties in Belgium. The profits on investments and dividends were related to the 6.29% interest in Andreae-Noris Zahn (Anzag). This interest was sold in December 2010.

7 PERSONNEL COSTS

X € 1,000	2011	2010
Wages and salaries	219,319	207,182
Social security charges	31,528	28,601
Cost of temporary staff	26,542	18,762
Charges for defined contribution plans	10,078	9,098
Charges for defined benefit plans	10,221	10,050
Long-term remuneration	645	1,302
Other personnel costs	20,311	19,187
Total	318,644	294,182

Long-term remuneration for 2011 relates to rights granted and future entitlements of the members of the Management Board, Executive Vice Presidents and certain senior managers of the group. This comprises unconditional remuneration and an estimate of long-term remuneration payable over a period of three years.

The remuneration of the Management Board and the Supervisory Board is disclosed in the note on related parties (see note 38).

NUMBER OF EMPLOYEES

IN FTEs				
	YEAR-END 2011	YEAR-END 2010	AVERAGE 2011	AVERAGE 2010
Direct & Institutional	2,751	2,187	2,375	1,943
Pharmacies Netherlands	2,599	2,518	2,567	2,547
Pharmacies Poland	2,401	2,428	2,426	2,533
Other	52	51	51	52
Total	7,803	7,184	7,419	7,075

8 DEPRECIATION AND AMORTISATION

X € 1,000	2011	2010
Property, plant and equipment	20,649	19,404
Intangible assets	17,257	12,825
Investment property	32	38
Total	37,938	32,267

The amortisation of € 12.8 million of customer relationships is included in the amortisation of intangible assets (2010: € 8.0 million).

9 IMPAIRMENT OF NON-CURRENT ASSETS

X € 1,000	2011	2010
Goodwill impairment for Pharmacies Poland	-	2,219
Write-down of Pharmacies Netherlands investment property	-	540
Write-down of Pharmacies Netherlands intangible assets	-	788
Total	-	3,547

No goodwill impairment charges were recognised in 2011 (2010: € 2.2 million). The impairment in 2010 related entirely to goodwill for the segment Pharmacies Poland.

There were no other write-downs in 2011 (2010: € 1.3 million). In 2010, the fair value of some land and buildings was determined to be lower than their carrying amount. The write-down of intangible assets applied to software in development. Both write-downs related to the segment Pharmacies Netherlands.

10 OTHER OPERATING EXPENSES

X € 1,000	2011	2010
Selling expenses	75,027	59,526
Accommodation costs	48,873	44,946
Costs of licences and minor purchases	21,075	21,775
General expenses	38,381	34,020
Total	183,356	160,267

11 FINANCE INCOME AND COSTS

X € 1,000	2011	2010
Finance costs		
Interest expense on borrowings measured at amortised cost and related derivatives	- 12,440	- 13,109
Change in fair value of financial instruments	- 30	- 1,353
Exchange differences on foreign currency transactions	- 269	-
Other finance costs	-	- 269
Subtotal	- 12,739	- 14,731
Finance income		
Interest income on bank loans and current accounts	758	476
Change in fair value of financial instruments	510	-
Exchange differences on foreign currency transactions	143	793
Subtotal	1,411	1,269
Total finance income and costs	- 11,328	- 13,462

Fair value changes in financial instruments also include exchange gains or losses on the US dollar borrowings from institutional investors as well as the related currency component in the combined currency and interest rate swaps.

12 SHARE OF PROFIT OF ASSOCIATES

X € 1,000	2011	2010
Share of profit of associates among Dutch pharmacies	984	1,207
Share of profit of other associates	-	- 108
Total	984	1,099

13 INCOME TAX EXPENSE

X € 1,000	2011	2010
Current tax		
Current tax due for current financial year	22,546	19,411
Tax on prior year results	297	- 2,362
	22,843	17,049
Deferred tax		
Recognition and reversal of temporary differences	2,712	7,542
Income from changes in tax loss carry-forward positions	- 574	- 1,120
Reduction in tax rate	39	361
	2,177	6,765
Total	25,020	23,814

In the table below, we show the reconciliation between the average nominal and effective corporate income tax rates for the group, together with the corresponding amounts. This is based on the profit before income tax.

X € 1,000	RATES		AMOUNT	
	2011	2010	2011	2010
Weighted average corporate income tax rate	25.0%	25.8%	25,167	26,369
Effects of:				
• participation exemption	- 1.5%	- 2.1%	- 1,558	- 2,110
• partly deductible costs	1.1%	1.2%	1,073	1,225
• tax-exempt income	- 0.3%	- 0.5%	- 327	- 556
• tax on prior year results	0.3%	- 2.3%	297	- 2,362
• goodwill impairment	-	0.4%	-	422
• reduction in tax rate	0.0%	0.4%	39	361
• losses not capitalised	0.0%	0.2%	- 10	162
• other	0.2%	0.2%	339	303
Effective tax rate	24.8%	23.3%		
Total			25,020	23,814

The participation exemption results from tax-exempt income relating to participations. Partly deductible costs relate to recurring non-deductible costs and acquisition costs incurred.

The amount of deferred taxes included in the income statement consists of the following items:

X € 1,000	2011	2010
Property, plant and equipment	1,329	1,166
Intangible assets	- 3,929	- 1,549
Goodwill	3,446	7,419
Financial assets	- 14	- 26
Trade receivables	687	- 354
Inventories	261	- 306
Tax losses	574	1,120
Other assets	37	84
Retirement and other employee benefits	434	159
Provisions	248	- 32
Other liabilities	- 896	- 916
Total	2,177	6,765

14 NET EARNINGS PER SHARE

X € 1,000	2011	2010
Net earnings per share		
Result for the year attributable to owners of the Company	73,415	76,662
Average number of shares	58,464	59,194
Net earnings per share (basic) (x € 1)	1.26	1.30
Diluted net earnings per share		
Result for the year attributable to owners of the Company	73,415	76,662
Average number of shares	58,464	59,194
Diluted net earnings per share (x € 1)	1.26	1.30

Net earnings per share are calculated by dividing the company's net result by the average number of shares in issue during the year excluding shares purchased by the company and held as treasury shares. Mediq acquired 3.5 million shares in its own capital through the consolidation of Stichting Samenwerking Apothekers OPG as of 28 July 2011. The shares are held as treasury shares (note 26).

The average number of shares in 2011, excluding the shares held as treasury shares, was 58,464,455. Net earnings per share in 2011 were € 1.26 (2010: € 1.30). There was no dilution of earnings per share in 2011.

NOTES TO THE CONSOLIDATED BALANCE SHEET

15 PROPERTY, PLANT AND EQUIPMENT

X € 1,000				2010	
	LAND AND BUILDINGS	PLANT AND EQUIPMENT	OTHER	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	TOTAL PROPERTY, PLANT AND EQUIPMENT
Cost	115,747	28,322	80,487	1,713	226,269
Accumulated depreciation	- 35,321	- 18,344	- 48,701	-	- 102,366
Carrying amount at 1 January 2010	80,426	9,978	31,786	1,713	123,903
Acquisitions	591	3,738	585	27	4,941
Additions	2,866	4,228	6,208	3,044	16,346
Disposals	- 15,114	- 849	- 139	- 171	- 16,273
Depreciation	- 6,505	- 3,778	- 9,123	-	- 19,406
Impairment	- 415	-	-	-	- 415
Foreign currency translation effects	193	145	439	7	784
Reclassified to non-current assets held for sale	- 9	-	-	-	- 9
Other reclassifications	- 68	- 16	- 544	580	- 47
Assets taken into use	-	1,774	1,242	- 3,016	-
Carrying amount at 31 December 2010	61,965	15,220	30,454	2,184	109,824
Cost	98,742	35,626	79,437	2,184	215,994
Accumulated depreciation	- 36,777	- 20,406	- 48,983	-	- 106,170
Carrying amount at 31 December 2010	61,965	15,220	30,454	2,184	109,824

X € 1,000				2011	
	LAND AND BUILDINGS	PLANT AND EQUIPMENT	OTHER	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	TOTAL PROPERTY, PLANT AND EQUIPMENT
Cost	98,742	35,626	79,437	2,184	215,994
Accumulated depreciation	- 36,777	- 20,406	- 48,983	-	- 106,170
Carrying amount at 1 January 2011	61,965	15,220	30,454	2,184	109,824
Acquisitions	10,626	489	1,857	126	13,098
Additions	2,543	4,517	5,460	5,900	18,420
Disposals	- 3,118	- 809	- 552	- 62	- 4,542
Depreciation	- 5,645	- 4,656	- 10,348	-	- 20,649
Foreign currency translation effects	- 630	- 212	- 817	- 33	- 1,692
Other reclassifications	406	94	154	- 612	42
Assets taken into use	177	2,611	3,248	- 6,036	-
Carrying amount at 31 December 2011	66,324	17,254	29,456	1,467	114,501
Cost	111,132	42,914	85,703	1,467	241,216
Accumulated depreciation	- 44,808	- 25,660	- 56,247	-	- 126,715
Carrying amount at 31 December 2011	66,324	17,254	29,456	1,467	114,501

The depreciation rates applied are as follows:

Land	0%
Buildings	3% - 10%
Plant and equipment	10% - 33%
Other operating assets	10% - 33%

The fair value of land and buildings is € 81.7 million (2010: € 77.9 million, including the value of non-current assets held for sale). The fair value of land and buildings as part of the acquisition of Assist in Germany is kept equal to the provisional opening balance sheet as at 29 December 2011.

The fair value of other property, plant and equipment does not differ materially from the carrying amount.

The carrying amount of assets under finance leases is € 0.6 million (2010: € 0.9 million). These assets are virtually all classified under plant and equipment.

As in the previous financial year, no property has been pledged as security. The total commitment for the purchase of property, plant and equipment amounts to € 0.5 million (2010: € 0.3 million).

16 INVESTMENT PROPERTY

X € 1,000	2011	2010
Cost	2,452	2,682
Accumulated depreciation	- 656	- 524
Carrying amount at 1 January	1,796	2,158
Disposals	-	- 199
Depreciation	- 32	- 38
Impairment	-	- 125
Carrying amount at 31 December	1,764	1,796
Cost	2,452	2,452
Accumulated depreciation	- 688	- 656
Carrying amount at 31 December	1,764	1,796

Investment property is depreciated on a straight-line basis. The depreciation rates applied for investment property are 3% - 10%.

The fair value of investment property was € 1.8 million at 31 December 2011 (2010: € 1.8 million).

The rental income and operating costs for property investments are not material.

17 GOODWILL

X € 1,000	2011	2010
Cost	566,394	493,153
Accumulated impairments	- 201,865	- 199,597
Carrying amount at 1 January	364,529	293,556
Acquisitions	111,016	64,598
Reduction of interest in pharmacies	- 617	-
Impairment	-	- 2,219
Foreign currency translation effects	- 2,618	8,594
Carrying amount at 31 December	472,310	364,529
Cost	673,834	566,394
Accumulated impairments	- 201,524	- 201,865
Carrying amount at 31 December	472,310	364,529

The acquisitions in 2011 relate mainly to the segment Direct & Institutional. The sale of group companies relates to the reduction of Mediq's interest in a single pharmacy in the segment Pharmacies Netherlands. The corresponding goodwill has been derecognised. Foreign exchange effects were largely caused by the strong depreciation of the Polish zloty, partly off-set by the appreciation of the US dollar. In 2010, an impairment charge was recognised in the segment Pharmacies Poland.

Goodwill is specified in the table below by operating segment:

X € 1,000				
	DIRECT & INSTITUTIONAL	PHARMACIES NETHERLANDS	PHARMACIES POLAND	TOTAL
Netherlands	52,327	112,619	-	164,946
USA	77,577	-	-	77,577
Poland	-	-	41,950	41,950
Nordics & Baltics	96,821	-	-	96,821
Other countries	91,016	-	-	91,016
Total	317,741	112,619	41,950	472,310

For impairment tests, the determining factor is the level where, from a strategic and operational perspective, the management activities are carried out. In line with this approach, a chain of pharmacies, as opposed to the individual pharmacies, is treated as a single unit for the purpose of impairment testing.

ASSUMPTIONS

The framework for tests of impairment comprises the existing activities excluding results on future acquisitions and/or disposals. In addition, we assume an increase in market volume (due to population ageing and rising consumption) and take into account the growing market pressure on prices, government-induced or otherwise. This basis is valid in the long term for our activities in all countries where we operate.

In all the impairment tests performed, value in use is determined by calculating the present value of expected future cash flows. The expected cash flows for each of the next five years are calculated separately. In general the 2012 budget is the starting point for the coming year. The cash flows for subsequent years are based on the latest strategic and financial long-term plans, taking into account the assessments of the responsible management. The cash flow for the sixth and subsequent years is assumed to be equal to that of the fifth. In our opinion, this leads to the best possible estimates of future developments at the present time.

The tests are carried out in the local currency. The discount rate is based on the weighted average cost of capital before tax that is relevant to the assets of the unit. The applicable interest rate per country is taken into account for that purpose. In determining the discount rate, no account is taken of market risks per country, because the specific market risks (caused for instance by countries, regulatory risks, prices etc.) are included in the determination of expected future cash flows.

The operating result is a major determinant of future cash flows. The operating margin varies between 1.7% and 4.7% for the impairment tests carried out for the pharmacy chains. Average expected sales growth for our pharmacies ranges between 2.0% and 3.5%.

The other main assumptions in the calculations are as follows:

	WEIGHTED AVERAGE COST OF CAPITAL BEFORE INCOME TAX	EXPECTED ANNUAL LONG-TERM INFLATION	EXPECTED SALES GROWTH 2012-2016
Netherlands	10.4%	1.9% - 2.0%	2.0% - 8.0%
USA	11.1%	2.5%	7.0%
Poland	13.0%	3.5%	3.5%
Nordics & Baltics	10.0% - 11.3%	2.0% - 2.1%	1.0% - 5.0%
Other countries	8.3% - 15.4%	0.7% - 3.0%	4.0% - 5.0%

The impairment testing 2011 did not result in impairments. Impairment testing in 2010 led to an impairment in the segment Pharmacies Poland. A goodwill impairment of € 2.2 million was recognised, prompted by revised assessments of sales developments for the pre-wholesale activities.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

An impairment test of goodwill is carried out at least once a year or when required because of changed circumstances. Any test of impairment inevitably involves factors that have to be estimated. The realisable value is influenced by factors such as our prognosis for future economic conditions and expectations regarding market developments and operations. The estimates made for these factors may change over time, which could lead to an impairment recognised in profit or loss. The realisable value also depends on the discount rate used, which is our estimate of the weighted average cost of capital for the unit concerned.

It is inherent in the method of computation used that a change in the assumptions may lead to a different conclusion on the impairment required. If the discount rate is assumed to be 1 percentage point higher than assumed in the individual impairment tests, no impairment would have been required. The individual impairment tests performed would not indicate any impairment if the actual future cash flows were set 10% lower than estimated. Additionally a decrease of 1 percentage point in the gross margin in the individual impairment tests would not result in an impairment, except for Pharmacies Netherlands.

For the relevant group of cash generating units of Pharmacies Netherlands a decrease in the gross margin of more than 0.6 percentage point would lead to an impairment.

18 OTHER INTANGIBLE ASSETS

X € 1,000				2010
	SOFTWARE AND WEBSITES	SOFTWARE AND WEBSITES UNDER CONSTRUCTION	CUSTOMER RELATIONSHIPS	TOTAL
Cost	23,409	3,471	36,343	63,223
Accumulated amortisation	- 14,466	-	- 14,174	- 28,640
Carrying amount at 1 January 2010	8,943	3,471	22,169	34,583
Acquisitions	115	-	12,927	13,042
Additions	1,868	1,930	475	4,273
Disposals	- 32	-	-	- 32
Amortisation	- 4,787	-	- 8,038	- 12,825
Impairment	-	- 788	-	- 788
Foreign currency translation effect	98	22	1,119	1,239
Reclassifications	626	- 579	-	47
Assets taken into use	3,239	- 3,239	-	-
Carrying amount at 31 December 2010	10,070	817	28,652	39,539
Cost	29,647	817	51,257	81,721
Accumulated amortisation	- 19,577	-	- 22,605	- 42,182
Carrying amount at 31 December 2010	10,070	817	28,652	39,539

X € 1,000				2011
	SOFTWARE AND WEBSITES	SOFTWARE AND WEBSITES UNDER CONSTRUCTION	CUSTOMER RELATIONSHIPS	TOTAL
Cost	29,647	817	51,257	81,721
Accumulated amortisation	- 19,577	-	- 22,605	- 42,182
Carrying amount at 1 January 2011	10,070	817	28,652	39,539
Acquisitions	506	1,843	18,903	21,252
Additions	2,754	2,007	14	4,775
Disposals	- 3	-	-	- 3
Amortisation	- 4,500	-	- 12,757	- 17,257
Foreign currency translation effect	- 116	2	188	74
Reclassifications	369	-	- 411	- 42
Assets taken into use	1,971	- 1,971	-	-
Carrying amount at 31 December 2011	11,051	2,698	34,589	48,338
Cost	35,436	2,698	70,267	108,401
Accumulated amortisation	- 24,385	-	- 35,678	- 60,063
Carrying amount at 31 December 2011	11,051	2,698	34,589	48,338

The item software and websites comprises intangible assets with a limited useful life. They are amortised between 20% and 33% per annum.

The item customer relationships comprises intangible assets with a limited useful life. The value of a customer relationship is mainly determined by logistics performance, products supplied and service provided and accessibility via internet and telephone. These factors jointly determine customers' assessment of the entities concerned and what motivates them to remain a customer. The amortisation rate is between 12.5% and 100.0%.

As in the previous year, no intangible assets have been pledged as security for liabilities. There were no impairments in 2011. In 2010 an impairment was recognised for the item software and websites under construction.

19 INVESTMENTS IN ASSOCIATES

X € 1,000		
Balance at 1 January 2010	7,192	
Acquisitions	140	
Share of profit of associates	1,099	
Carrying amount of disposals	- 41	
Dividends received	- 1,181	
Other	- 5	
Balance at 31 December 2010	7,204	
Acquisitions	112	
Share of profit of associates	984	
Carrying amount of disposals	- 104	
Dividends received	- 584	
Other	1	
Balance at 31 December 2011	7,613	

Associates at 31 December 2011 includes an amount of € 3.9 million of goodwill (2010: € 3.9 million).

The principal associates of the group are shown below. None of them are listed companies.

		2011	2010
NAME	LOCATION	% SHARE HOLDING	% SHARE HOLDING
Apotheek Heer	Maastricht	49%	49%
Apothekengroep Noord-Holland	Noord-Holland	50%	50%
Apotheek Axel	Axel	50%	50%
Apotheek Willekens	Vught	50%	50%
Apotheek Binnendijk	Nijmegen	49%	49%
Apotheek de Eendracht	Klundert	50%	50%
Politheek Lievensberg	Bergen op Zoom	50%	50%

The size of the individual associates is immaterial.

The aggregate figures of the principal associates are shown below, broken down into total assets and liabilities (excluding goodwill) and the most important items in the income statement.

X € 1,000	2011	2010
Assets	9,253	9,241
Liabilities	5,716	5,359
Sales	25,400	25,254
Net result	1,919	1,494

20 RECEIVABLES

X € 1,000				
	LOANS TO CUSTOMERS	CUSTOMER SUPPLY COMMITMENTS	OTHER RECEIVABLES	TOTAL
Balance at 1 January 2010	5,500	240	102	5,842
Loans granted	735	-	-	735
Acquisitions	-	-	7	7
Repayments	- 2,244	- 326	- 4	- 2,574
Deducted for doubtful debts	466	-	-	466
Fair value changes	-	16	-	16
Reclassification to current	- 557	110	- 37	- 484
Foreign currency translation effect	15	-	27	42
Balance at 31 December 2010	3,915	40	95	4,050
Loans granted	256	-	3	259
Repayments	- 1,860	- 225	- 19	- 2,105
Deducted for doubtful debts	148	-	-	148
Fair value changes	-	3	-	3
Reclassification to current	354	186	-	540
Foreign currency translation effect	- 33	-	-	- 33
Balance at 31 December 2011	2,780	4	78	2,862

The receivables are non-current financial assets carried at amortised cost. The current portion of loans to customers is € 2.1 million (2010: € 3.6 million) and is included in current assets.

Loans granted to customers have an average term of 3.1 years (2010: 3.2 years), relate mainly to loans issued in the Netherlands, and carry interest at an average rate of 5.8% (2010: 5.9%). The fair value of loans granted to customers approximates their carrying amount.

The item loans granted to customers includes an amount of € 0.2 million (2010: € 0.4 million) for loan default. There are no loans to customers for which repayment is partly past due and which have not been provided for. The borrowers have provided security for the large majority of the loans to customers. The fair value of this security cannot be estimated with sufficient reliability.

The customer supply commitments have an average term of 1.2 years (2010: 1.5 years). Supply commitments represent future purchase discounts paid in advance to pharmacies in exchange for a commitment by the pharmacies to make purchases during the agreed period. We recognise settlements of these supply commitments as discounts granted. No provision for doubtful debts was recognised for this either in 2011 or in 2010. The fair value of the supply commitments is in line with the carrying amount. No security has been provided by the debtors.

There is no concentration of credit risks relating to loans and customer supply commitments, as the number of debtors is large. See note 37 for further details.

CONDITIONS AND REPAYMENT TERMS

X € 1,000						
	TOTAL	< 1 YEAR	NON-CURRENT RECEIVABLES	1 - 2 YEARS	2 - 5 YEARS	MORE THAN 5 YEARS
Loans to customers	5,138	2,148	2,990	752	1,973	265
Customer supply commitments	33	29	4	4	-	-
Other receivables	78	-	78	78	-	-
	5,249	2,177	3,072	834	1,973	265
Provision for doubtful debts	- 487	- 277	- 210			
Total	4,762	1,900	2,862			

21 INVENTORIES

X € 1,000	31.12.2011	31.12.2010
Finished products	249,741	242,485
Less: provision for obsolescence	8,040	10,676
Total	241,701	231,809

We carry a very limited portion of the inventories at realisable value, which is lower than the weighted average cost. The realisable value of this portion of inventories is € 8.0 million (2010: € 10.7 million) lower than the weighed average cost. In 2011, a release of € 2.8 million (2010: charge of € 2.8 million) was recognised in the income statement for the write-down of inventories and the reversal of inventory write-downs of prior years.

The inventories are not pledged as security for liabilities.

The cost of the inventories included in the income statement under cost of sales amounted to € 2,012.6 million (2010: € 2,043.3 million).

22 TRADE RECEIVABLES

X € 1,000	31.12.2011	31.12.2010
Trade receivables	354,327	308,511
Less: provision for doubtful debts	10,107	11,106
Total	344,220	297,405

The provision for doubtful debts provides a good reflection of the risk of uncollectibility at the balance sheet date. Accordingly, the carrying amount of the trade receivables is approximately equal to their fair value. The provision has been recognised at nominal value, given its current nature.

BREAKDOWN OF TRADE RECEIVABLES BY AGE

X € 1,000	31.12.2011	31.12.2010
Not overdue	294,884	257,221
Past due < 30 days	36,491	30,479
Past due > 30 < 60 days	6,476	4,867
Past due > 60 < 90 days	4,253	3,620
Past due > 90 days	12,223	12,324
Provision for doubtful debts	- 10,107	- 11,106
Total	344,220	297,405

The working capital tied up in trade receivables is expressed in terms of days by means of DSO (Days of Sales Outstanding). The average DSO for 2011, measured on the basis of a 13-point average, was 37.2 days (2010: 36.8 days).

At the balance sheet date, € 59.4 million (2010: € 51.3 million) of trade receivables was not settled on the contractually agreed due date. The provision for doubtful debts relates entirely to trade receivables past the contractually agreed due date for payment. Items that are considered doubtful have been fully provided for. Estimates and assumptions are applied to determine the size of the provision. Those estimates and assumptions are based on age analysis and specific developments in terms of market conditions and credit risks. In the judgement of Mediq, the credit quality for receivables past due at the balance sheet date but not provided for is sufficient.

Of the receivables more than 90 days past due, € 0.9 million (2010: € 0.8 million) relates to cash to be collected on behalf of third parties. Due to the nature of the agreement, no risk is incurred on the collection of these receivables.

PROVISION FOR DOUBTFUL DEBTS

X € 1,000	2011	2010
Balance at 1 January	11,106	14,117
Acquisitions	530	15
Addition	5,920	5,851
Use	- 5,655	- 7,115
Release	- 1,705	- 2,046
Foreign currency translation effects	- 220	391
Other movements	131	- 107
Balance at 31 December	10,107	11,106

In the 2011 financial year, a net amount of € 4.2 million was charged to profit or loss (2010: € 3.8 million).

See note 37 for further details on credit concentration and credit risks.

23 OTHER RECEIVABLES

X € 1,000	31.12.2011	31.12.2010
Prepayments	22,140	16,783
Bonuses and discounts receivable	5,977	3,798
Loans to customers (current portion of long-term loans)	1,871	3,324
Other taxes and social security charges	1,992	1,347
Outstanding settlements of acquisitions and disposals	1,589	645
Customer supply commitments (current portion of long-term loans)	29	215
Contributions to be received from Stichting Samenwerking Apothekers OPG (SSAO)	-	3,101
Other	4,027	3,181
Total	37,625	32,394

The fair value of the other receivables is equal to their carrying amount, owing to their short-term nature. The current portion of non-current loans to customers includes an amount of € 0.3 million as a provision for doubtful debts.

Outstanding settlements of acquisitions and disposals relates mainly to the acquisition of PBG and the disposal of our Belgian activities.

24 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists mainly of current accounts held at banks and time deposits with short maturities. All the balances are at the free disposal of the group.

25 NON-CURRENT ASSETS HELD FOR SALE

The company held no non-current assets for sale at 31 December 2011. The land and buildings from our former distribution centre in Germany, which were put up for sale as at the end of 2010, were sold in December 2011.

26 SHARE CAPITAL AND SHARE PREMIUM

See the consolidated statement of changes in equity for information on the composition, amount and changes of equity.

Details of the share capital and share premium are set out below. Information on other elements of equity (reserves) is set out in note 27.

X € 1,000				
	NUMBER OF SHARES IN FULLY PAID-UP EQUIVALENTS (X 1,000 SHARES)	PAID-UP SHARE CAPITAL	SHARE PREMIUM	TOTAL SHARE CAPITAL AND SHARE PREMIUM
Opening balance at 1 January 2010	58,684	14,671	92,483	107,154
Dividend paid out in shares	962	241	- 241	-
Balance at 31 December 2010	59,646	14,912	92,242	107,154
Opening balance at 1 January 2011	59,646	14,912	92,242	107,154
Dividend paid out in shares	854	213	- 213	-
Balance at 31 December 2011	60,500	15,125	92,029	107,154

OPTIONAL DIVIDEND

As in 2010, distributions of dividend with the option of settlement in cash or in shares were available. As a consequence, 853,465 shares were newly issued in 2011.

PAID-UP SHARE CAPITAL

As at 31 December 2011, 60,499,717 shares (with a nominal value of € 0.25 each) had been issued and fully paid up.

SHARE PREMIUM

The share premium can be distributed tax-free.

TREASURY SHARES

The company acquired 3,535,215 shares in its own capital through the consolidation of Stichting Samenwerking Apothekers OPG as of 28 July 2011. The net negative effect on equity was € 9.7 million and has been deducted from other reserves within equity. The General Meeting of Shareholders will be asked on 11 April 2012 to approve the cancellation of these shares formerly owned by SSAO.

27 RESERVES

Direct changes in equity are recognised net of tax effects. Transactions with holders of non-controlling interests comprise the differences between the carrying amounts and the fair values of buy-outs or sales of non-controlling interests in entities over which we have control.

The item dividend and subscribed capital includes the dividend received by the holders of non-controlling interests and the subscribed capital set off against their share of the equity of the company in which they have a non-controlling interest.

RESERVE FOR TRANSLATION DIFFERENCES

The reserve for translation differences comprises all cumulative translation differences arising from the translation of the financial statements of activities in currencies other than the euro. The reserve is not freely distributable.

Translation differences included in comprehensive income for the year under review are - € 12.0 million. This amount includes - € 1.6 million in respect of holders of non-controlling interests.

HEDGING RESERVE

The hedging reserve consists of the effective portion of the cumulative net change in the fair value of cash flow hedges where the hedged transactions have not yet taken place.

OTHER RESERVES

The other reserves comprise statutory reserves not freely distributable of € 0.9 million (2010: € 0.7 million) for retained earnings of subsidiaries whose distribution cannot be effected without limitation by Mediq.

APPROPRIATION OF 2010 PROFIT

After deduction of the final dividend of € 0.31 per share adopted by the General Meeting of Shareholders on 13 April 2011, the profit of € 65.8 million was added to other reserves.

Part of the final dividend for 2010 was distributed in cash and amounted to € 10.9 million (€ 0.31 per share). The remainder was distributed in shares, resulting in the issue of 526,868 Mediq shares and reducing the share premium by € 0.1 million. In addition, an interim dividend was paid in 2011, partly in cash (a total of € 4.6 million, € 0.15 per share) and partly in shares (issue of 326,597 Mediq shares).

A final dividend of € 0.31 per share will be proposed to the General Meeting of Shareholders. The proposed final dividend has not yet been included in the financial statements. The final dividend will be made available in cash or in the form of shares, at the option of the owners of the Company.

28 NON-CURRENT LIABILITIES

X € 1,000	31.12.2011	31.12.2010
Borrowings from institutional investors	159,469	76,129
Borrowings from banks	185,134	160,102
Advance discounts	4,397	4,946
Other non-current liabilities	511	1,443
	349,511	242,620
Less: portion of borrowings due within one year	3,852	32,075
Total	345,659	210,545

The non-current liabilities can be broken down by currency as follows:

X € 1,000	31.12.2011	31.12.2010
Euros	181,400	100,426
US dollars (year-end 2011 222.0 million and year-end 2010 USD 190.0 million)	168,111	142,194
Total	349,511	242,620

BORROWINGS

These relate to:

- New borrowings amounting to € 112.4 million (2010: -) from institutional investors in the USA and England. If this financing is viewed in conjunction with the forward currency contracts linked to these borrowings, future repayment obligations amount to € 111.7 million (2010: -);
- Borrowings amounting to € 47.1 million (2010: € 76.1 million) from institutional investors in the USA and England. If this financing is viewed in conjunction with the forward currency contracts linked to these borrowings, future repayment obligations amount to € 46.9 million (2010: € 77.7 million);
- Borrowings of € 185.1 million (2010: € 160.1 million) from Dutch banks and a Scottish bank.

In 2011, € 30.8 million was repaid on US private placements and € 0.6 million on bilateral loans. An amount of € 22.6 million was raised under existing facilities and € 105.4 million under new US private placements in 2011.

All borrowings as at 31 December 2011 had been concluded at market rates of interest. Foreign exchange differences due to borrowings (and their related interest cash flows) by group companies denominated in a different currency than the reporting currency are fully hedged by currency swaps. For part of the new US private placement, a hedge instrument was used to mitigate the pricing risk during the bidding and negotiation process. This instrument was settled in 2011 and the costs are amortised over the remaining duration of the loan; the value is included in the total book value of the borrowings from institutional investors.

The change in the borrowings from institutional investors is mainly due to the new private placement loan we entered into in 2011 and partly attributable to the valuation of the US dollar loans.

The average rate of interest on the bank and non-bank borrowings in 2011 was 4.2% (2010: 4.1%). Part of the borrowings was entered into at a fixed rate of interest. The borrowings at a variable rate of interest have been fixed for the entire term by means of interest rate swaps.

No security has been provided for bank or other borrowings. The main credit facilities are subject to the same ratios: a maximum debt cover of 3.5 and a minimum interest cover of 5. In addition, the usual negative pledge, cross default and pari passu clauses, adapted as appropriate, is part of the loan agreements concluded with the various lenders. The borrowings under these facilities are repayable on demand if the set ratios cease to be met.

At 31 December 2011, the debt cover and interest cover were 1.7 and 13.9 respectively. At 31 December 2010, they were 1.1 and 11.8 respectively. See the Glossary of Terms for more information on the definitions of debt cover and interest cover.

29 DERIVATIVE FINANCIAL INSTRUMENTS

X € 1,000	2011	2010
Non-current assets relating to derivative financial instruments	7,968	356
Current assets relating to derivative financial instruments	1,203	81
Non-current liabilities relating to derivative financial instruments	- 5,020	- 6,732
Current liabilities relating to derivative financial instruments	- 294	- 1,577
Total	3,857	- 7,872

The table below shows derivatives classified by type:

X € 1,000		
	CARRYING AMOUNT AT 31.12.2011	CARRYING AMOUNT AT 31.12.2010
Interest rate swaps	- 4,671	- 6,751
Forward currency contracts	550	- 1,037
Combined currency/interest rate swaps	7,978	- 84
Total	3,857	- 7,872

The carrying amounts of the various derivatives at 31 December 2011 and 31 December 2010 were equal to their fair values.

We use interest rate swaps and forward currency contracts to manage interest rate and currency risks. Receivables under derivatives are presented in non-current and current assets.

Interest rate swaps have been entered into for the full term of all outstanding variable-rate loans from banks to swap the 1-month Euribor paid on those loans for a fixed interest.

Forward exchange contracts hedge the risk of volatility of future transactions in foreign currencies. Such future transactions can be both trade activities with third parties or financing transactions with various group companies. Financing transactions with group companies always take place in the functional currency of the group company concerned, with forward exchange contracts as a hedge of the risk of volatility in foreign currencies. The amount disclosed relates mainly to positions in PLN, SEK, NOK and USD.

The combined currency and interest rate swaps have been entered into on the USD loans from institutional investors to convert the principal amount and fixed interest in USD to a principal and fixed amount in euros. See note 37 for more information on risk management and financial instruments.

30 DEFERRED TAXES

We only net off deferred tax assets and liabilities within the same fiscal unit if the group has an enforceable right to do so and intends to settle them on a net basis.

The positions are provided below:

X € 1,000	2011	2010
Deferred tax assets after netting	23,547	28,588
Deferred tax liabilities after netting	- 27,738	- 22,059
Total	- 4,191	6,529

Terms

X € 1,000	2010				
	TOTAL	< 1 YEAR	1 - 2 YEARS	2 - 5 YEARS	MORE THAN 5 YEARS
Deferred tax assets	28,588	9,546	4,535	13,213	1,294
Deferred tax liabilities	- 22,059	- 3,408	- 2,316	- 2,762	- 13,573
Total	6,529	6,138	2,219	10,451	- 12,279

X € 1,000	2011				
	TOTAL	< 1 YEAR	1 - 2 YEARS	2 - 5 YEARS	MORE THAN 5 YEARS
Deferred tax assets	23,547	5,980	4,986	7,166	5,415
Deferred tax liabilities	- 27,738	- 3,416	- 2,087	- 3,486	- 18,749
Total	- 4,191	2,564	2,899	3,680	- 13,334

The changes in net deferred tax assets and liabilities can be broken down as follows:

X € 1,000	2011	2010
Balance at 1 January	6,529	11,535
Taken/charged to profit or loss	- 2,177	- 6,765
Taken/charged to equity	- 3,257	4,359
Acquisitions and sales of group companies	- 5,204	- 3,318
Disposals	-	929
Foreign currency translation effect	- 82	- 211
Balance at 31 December	- 4,191	6,529

The deferred tax assets and liabilities, before netting, relate to the following items:

X € 1,000				
	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	2011	2010	2011	2010
Property, plant and equipment	1,203	1,281	- 6,733	- 5,531
Intangible assets	806	810	- 10,122	- 8,847
Goodwill	16,322	18,748	- 12,382	- 11,663
Financial assets	1,165	1,678	- 1,058	- 524
Trade receivables	681	874	- 875	- 489
Inventories	352	670	35	30
Tax losses	2,645	3,410	627	613
Other assets	21	40	-	-
Employee benefit obligations	80	2,696	10	32
Provisions	1,045	1,259	- 274	1
Other liabilities	1,486	1,196	775	245
Deferred tax assets/liabilities	25,806	32,662	- 29,997	- 26,133
Netting of deferred tax items	- 2,259	- 4,074	2,259	4,074
Net deferred tax assets/liabilities	23,547	28,588	- 27,738	- 22,059

Deferred tax assets are recognised if it is probable that they will be realised. In determining this, we take into account various factors such as future taxable income, tax planning and possible adjustments to prior years' tax returns.

The deferred tax assets relate mainly to goodwill that can be amortised for tax purposes and goodwill purchased before 2001.

A total of € 2.4 million of the amount for available tax losses relates to Poland and the USA. On the basis of the actual results we expect to set off these tax losses in full in future periods.

Given that the set off of tax losses against future tax profits is uncertain and also that such loss relief may be possible only in the long term, tax losses in Poland/the Netherlands/Belgium/Denmark and Germany for a non-discounted amount of € 13.1 million (2010: € 12.7 million) have not been recognised as deferred tax assets. They expire as follows:

X € 1,000					
	TOTAL	< 1 YEAR	1 - 2 YEARS	2 - 5 YEARS	MORE THAN 5 YEARS
Tax losses not recognised	13,073	3,595	3,830	1,515	4,133

31 RETIREMENT AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

The retirement and other employee benefit obligations include the obligations under defined benefit plans and other employee benefits. The other employee benefits relate to early retirement and a provision for future service anniversary benefits.

DEFINED BENEFIT PLANS

Net obligation at balance sheet date

X € 1,000	2011	2010
Present value of funded obligations	311,997	296,994
Fair value of plan assets	310,848	285,859
Net retirement benefit obligation	1,149	11,135
Other employee benefits	1,620	945
Balance at end of period	2,769	12,080

PENSION PROVISION

A defined benefit plan applies to a part of Mediq's workforce.

The present value of the funded obligations recognised at year-end 2011 for defined benefit plans relates almost entirely (approximately 99%) to the Dutch entities that are members of Stichting Pensioenfonds Mediq. The number of insureds concerned is approximately 4,600, of which some 1,300 are active participants. The remaining retirement benefit obligation relates to partial defined benefit obligations in Norway, Sweden and France.

The obligation for the defined benefit plans is included in the balance sheet. The obligation is the balance of the fair value of plan assets and the present value of the defined benefit obligation at the balance sheet date, after adjustment for actuarial gains and losses. For this purpose we assess expected returns, expected wage increases, career prospects and the likelihood of dismissals. The pension cost calculated in advance is reported as an expense in the income statement.

The changes in obligations included on the balance sheet can be broken down as follows:

Present value of funded obligations

X € 1,000	2011	2010
Balance at 1 January	296,994	250,011
Interest expense	14,493	12,899
Current service cost	6,019	4,404
Contribution by participants	2,616	1,956
Actuarial gains and losses	- 593	34,969
Benefits paid	- 7,671	- 7,293
Foreign currency translation effect	-	48
Acquisition of group companies	139	-
Balance at 31 December	311,997	296,994

Fair value of plan assets

X € 1,000	2011	2010
Balance at 1 January	285,859	254,463
Expected return on plan assets	11,539	8,703
Pension contributions	14,063	11,434
Benefits paid	- 7,671	- 7,293
Actuarial gains and losses	8,306	20,002
Other costs	- 1,248	- 1,450
Balance at 31 December	310,848	285,859

None of the plan assets in 2011 or 2010 were shares in Mediq. The actual return on the plan assets in the year under review was € 19.8 million (+ 6.9%) and was € 28.7 million (+ 11.2%) in the previous year.

The actuarial and demographic assumptions set out below relate to the Dutch entities.

Financial assumptions

The main actuarial assumptions at the balance sheet date:

	2011	2010
Discount rate at 31 December	4.6%	4.7%
Expected return on plan assets	4.4%	3.9%
Future salary increases	2.5%	2.5%
Future pension increases	2.5%	2.5%

The discount rate of 4.6% is based on the return on high-grade corporate bonds. The average term of the obligations matches the average term of the bonds on whose return the discount rate is based. Based on the asset mix, the return assumed on the plan assets is 4.4%. This return is determined from the best possible estimates of the long-term development of returns on the principal asset categories.

The rate of future salary increase of 2.5% is based on general salary increases and individual age-dependent increases.

Demographic assumptions

The probability rates for disability were derived from the report the Dutch Association of Insurers. They were adapted to Wholesale Sector II, but without industry-specific adjustments.

In August 2010, the Actuarial Association issued a new generation table (Forecast table 2010-2060). This table is applied to calculate the year-end 2011 obligation for defined benefit plans of the Dutch entities that are members of Stichting Pensioenfondsen Mediq.

The average life expectancy of participants by category:

	2011	2010
Active participants		
Average age	42.8	42.5
Average future life expectancy	44.6	44.9
Non-active participants		
Average age	49.0	48.6
Average future life expectancy	38.3	38.7
Pensioners		
Average age	71.7	71.5
Average future life expectancy	16.7	16.7
Dependants		
Average age	71.2	71.0

Accumulated actuarial gains and losses including tax effect

X € 1,000	2011	2010
Actuarial gains and losses in equity at beginning of year	1,757	12,907
Actuarial gains and losses in total comprehensive income for the year	8,899	- 11,150
Actuarial gains and losses in equity at end of year	10,656	1,757

Value of plan assets

The value of the plan assets relates only to the Dutch entities and can be broken down as follows:

X € 1,000	2011	2010
Fixed-interest securities	215,736 69%	209,459 73%
Shares and derivatives	58,517 19%	73,072 26%
Other	36,595 12%	3,328 1%
Total	310,848 100%	285,859 100%

The expected return on assets is based on an estimate of the expected long-term return on fixed-interest securities and shares for the strategic asset mix. Fixed-interest securities consist mainly of government bonds. The shares comprise mainly investments in equity funds and property. Other consists mainly of cash and cash equivalents.

Multi-year summary

X € 1,000	2011	2010	2009	2008	2007
Present value of funded obligations	311,997	296,994	250,011	221,222	214,342
Fair value of plan assets	310,848	285,859	254,463	204,173	220,202
Retirement benefit surplus or obligation	1,149	11,135	- 4,452	17,049	- 5,860
Experience adjustment of the obligations	- 6,331	8,758	18,869	- 4,397	- 37,086
Experience adjustment of plan assets	8,306	20,002	33,162	- 35,653	- 9,149

The experience adjustments relate to changes in the principles and assumptions used to determine the benefits granted.

Income statement costs

The costs included in the income statement under personnel costs can be broken down as follows:

X € 1,000	2011	2010
Interest expense on obligations	14,493	12,899
Current service cost	6,019	4,404
Expected return on plan assets	- 11,539	- 8,703
Other costs	1,248	1,450
Total	10,221	10,050

The pension obligations of the Dutch business units falling within the scope of the group's collective labour agreement are administered by the Mediq company pension fund, a foundation that makes its decisions independently.

The past service and other pension obligations are fully funded by the foundation. The total contribution to the Mediq pension fund in 2011 was approximately 28.8% of the relevant salary bill. After deduction of

the employees' contributions totalling some 5%, the balance of around 24% was contributed by the employer. The total contribution to the Mediq pension fund in 2012 is expected to be € 14.0 million, around 28% of the relevant salary bill. The financing of the pension fund is laid down in a cooperation agreement with Mediq.

The provisional cover ratio, in line with the requirements of the Financial Assessment Framework of De Nederlandsche Bank (the Dutch central bank), was around 103.7% at 31 December 2011 (definitive cover ratio at year-end 2010: 111.9%).

DEFINED CONTRIBUTION PLANS

The pension obligations of Dutch business units not falling within the scope of the Mediq Collective Labour Agreement and foreign business units are generally insured with separate industry multi-employer plans or insurance and reinsurance companies, or are insured via local governments. The pension obligations for the large majority of the employees at our Dutch pharmacies are insured with industry multi-employer plans and an occupational pension fund. In addition to the employees in the Netherlands who are entitled to the Dutch state old-age pension, the employees of our foreign group companies are as a rule also entitled to a state pension.

In Poland, the government mandates a pension bonus in addition to the state pension. Norway operates a pension plan based on government-regulated pension accrual. In connection with this plan, the company includes a provision for pensions in its balance sheet.

The pension plans of the industry multi-employer plan for pharmacy assistants and the occupational pension fund for pharmacists (both in the Netherlands) are treated as defined contribution plans, even though according to the regulations they qualify as defined benefit plans. No information has been received from either fund on the valuation of their assets. The funds state that there is insufficient information and no consistent and reliable method for allocating the liability, plan assets and expenses individually to the participating employers. Accordingly, we account for these two pension plans as defined contribution plans in the financial statements of Mediq.

32 PROVISIONS

X € 1,000					
	RESTRUCTURING	LEGAL ISSUES	TAX	MISCELLANEOUS	TOTAL
Balance at 1 January 2010	6,459	1,185	8,545	2,539	18,728
Addition	4,504	110	1,237	1,459	7,310
Use	- 5,265	-	-	- 460	- 5,725
Release	- 1,607	- 20	- 2,015	- 74	- 3,716
Accrued interest	-	-	163	-	163
Foreign currency translation effect	-	-	-	72	72
Reclassification	-	-	- 5,043	1,090	- 3,953
Balance at 31 December 2010	4,091	1,275	2,887	4,626	12,879
Addition	260	1,879	344	1,386	3,869
Use	- 1,724	- 75	- 250	- 971	- 3,020
Release	- 1,868	-	- 1,149	- 1,005	- 4,022
Foreign currency translation effect	-	-	-	30	30
Reclassification	-	-	- 251	- 1,090	- 1,341
Balance at 31 December 2011	759	3,079	1,581	2,976	8,395

BREAKDOWN OF THE PROVISION

X € 1,000	2011	2010
Non-current	3,118	4,247
Current	5,277	8,632
Total	8,395	12,879

Restructuring

The implementation of the second and third step of the reorganisation programme of Pharmacies Netherlands and the reorganisation at the institutional activities in the Netherlands led to an amount of € 1.7 million being utilised and a remaining amount of € 1.9 million being released in 2011. An addition of € 0.3 million was recognised for a reorganisation programme in a warehouse of Pharmacies Netherlands; this mainly concerns redundancy schemes. The reorganisation costs comprise mainly severance costs and are based on a detailed redundancy plan.

Legal issues

The provision for legal issues changed mainly as a result of an addition for new legal proceedings. The assumptions underlying the provisions are supported by the opinion of external experts wherever possible.

Taxation

The release of € 1.1 million in the provision for tax relates to the provision for dividend tax which was raised in 2009, and concerned the past conversion of B shares into A shares as part of the transition from a co-operative to a public limited liability company. The 2011 closing balance relates to corporate income tax risks in several countries.

Miscellaneous

Miscellaneous provisions include a provision for long-term remuneration for directors, a provision for an earn-out arrangement and a provision for ongoing inquiries by healthcare insurers into the correctness of amounts received in the past in the USA. Wherever possible, provisions are supported by the opinion of internal or external experts or by the use of other sources. Ultimately the assumptions are inevitably partly based on management's judgement.

33 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

X € 1,000	31.12.2011	31.12.2010
Trade payables	332,824	305,480
Accrued fixed allowances and holiday entitlements	23,499	19,014
Interest payable	3,106	1,705
Commitments in respect of acquisitions	287	364
Other	36,926	33,704
Total	396,642	360,267

The working capital tied up by trade payables is expressed in days by means of DPO (Days of Payables Outstanding). The average DPO for 2011, which is measured on the basis of a 13-point average, was 42.3 days (2010: 42.5 days).

The commitments in respect of acquisitions relate to acquisition amounts not yet paid. Their fair value is equal to their carrying amount, owing to their short-term nature.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

34 RECONCILIATION OF CASH FLOW CHANGES WITH BALANCE SHEET CHANGES

The statement of cash flows is drawn up using the indirect method, based on the result for the financial year. Operating cash flow is then adjusted for non-cash components in the result, and for components relating to capital expenditure. For most of the components of the statement of cash flows, direct references are included to the notes to the consolidated income statement or the notes to the consolidated balance sheet.

Additional information is set out below for other material components for which further details can improve the required disclosure.

CASH FLOW FROM OPERATING ACTIVITIES

The change of the provisions included in the statement of cash flows relates to retirement and other employee benefit obligations and other provisions. The change relates on the one hand to the application of the provision and the payment of pension contributions (cash flows) and on the other to an adjustment of the operating result for additions or releases taken through profit or loss (non-cash changes).

The changes relating to working capital can be reconciled as follows with the balance sheet items relating to them:

X € 1,000			
	INVENTORIES	TRADE RECEIVABLES AND OTHER RECEIVABLES	TRADE PAYABLES AND OTHER CURRENT LIABILITIES
Balance at 1 January 2011	231,809	329,799	- 360,267
Acquisitions	15,325	21,792	- 21,219
Foreign currency translation differences	- 7,318	- 7,429	9,734
Other non-cash movements	- 1	- 4,874	- 335
Cash flow movements	1,886	42,557	- 24,555
Balance at 31 December 2011	241,701	381,845	- 396,642

CASH FLOW FROM INVESTING ACTIVITIES

The item acquisitions is determined on the basis of enterprise value, which provides information on the capital requirement resulting from acquisitions. Except for cash and short-term deposits and interest-bearing debt, all balance sheet changes arising from an acquisition are included under this item. The above likewise applies to the item sale of group companies and interests. See note 4 Changes in the composition of Mediq NV for a reconciliation with the statement of cash flows.

Disposals of non-current assets relate to the sale of assets carried under property, plant and equipment, investment property, intangible assets, investments and assets held for sale.

OTHER DISCLOSURES

35 CREDIT FACILITIES AND SECURITY PROVIDED

We manage the major credit facilities centrally. They are partly long-term non-bank borrowings and partly credit facilities arranged with three Dutch financial institutions and one Scottish financial institution. The latter facilities are lines of credit for short-term and medium-term borrowings. The main credit condition provisions of the various institutions are similar to each other and to those applying to non-bank borrowings. At year-end 2011, we comfortably satisfied these conditions.

At 31 December 2011 Mediq had issued bank guarantees on behalf of third parties for an amount of € 13.5 million (2010: € 9.0 million). Of this, € 7.0 million are bank guarantees in respect of legal disputes (2010: € 7.0 million).

36 RIGHTS AND COMMITMENTS NOT SHOWN IN THE BALANCE SHEET

OPERATING LEASE AND RENTAL COMMITMENTS

The commitments not shown in the balance sheet amounted to € 169 million at 31 December 2011 (at 31 December 2010: € 176 million) and can be broken down as follows:

X € 1,000,000	31.12.2011	31.12.2010
Lease and rental commitments		
• Due within one year	38	38
• Due between one and five years	86	87
• Due after more than five years	41	48
Other	4	3
Total	169	176

Operating lease charges totalling € 6.6 million (2010: € 5.9 million) and rental commitments of € 33.8 million (2010: € 30.0 million) were taken to profit or loss in the financial year.

Despite the new acquisitions in 2011 the total commitments not shown in the balance sheet decreased by € 7 million compared to 2010. The decrease is a result of the yearly expirations of rental commitments and, on the other hand, limited new rental and lease agreements.

CONTINGENT LIABILITIES

Mediq is involved in a number of legal cases and ongoing disputes or potential legal proceedings. Where necessary, sufficient provisions have been formed for legal issues (see note 32 for more information). Based on a review of these issues, the Management Board considers that further additions are not necessary.

General guarantees within the meaning of Section 403 of Book 2 of the Dutch Civil Code have been issued by Mediq NV on behalf of virtually all its group companies established in the Netherlands, except for group companies that we do not wholly own, specifically a number of pharmacies in Pharmacies Netherlands.

37 RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

GENERAL

In the implementation of our strategy we target average long-term growth in net earnings per share of 8% per year. In addition, we set a financial target for return on average capital employed (based on the operating result) of at least 15% before tax. We aim to distribute around 35% of the net result as dividend.

No significant changes in terms of capital management were effected in the year under review. An enabling condition in our policy is a healthy financing structure that maintains a balance between adequate solvency, the leverage of loan capital and sufficient available funding. We aim to continue to be rated by the market as 'investment grade', as this provides us with comparatively low financing costs as well as flexibility in implementing our growth strategy. Our balance sheet and cash flow are strong. This enables us to continue to grow through acquisitions.

As a result of its activities, Mediq is exposed to various financial risks. We apply a group-wide treasury policy for adequate management of our cash flows and financing flows and the financial risks relating to them, including (re)financing risks, currency risks and interest rate risks.

In addition, price risks are relevant for the group. The fee systems for pharmaceuticals and medical products in the various countries are complex. Prices are determined to a significant extent by the government and insurers. The section 'System of fees and reimbursements' in the directors' report provides an overview of the key legislation, regulations and payers in the most relevant countries in this context.

A summary is provided below of the main financial risks relating to our objectives, categorised as liquidity risks, currency risks, interest rate risks and credit risks. We also state how we manage these risks.

LIQUIDITY RISK

Liquidity risk is the risk that Mediq is unable at the required time to meet its financial obligations. Liquidity management is based on the principle that sufficient liquidity is maintained in the form of credit facilities or cash and cash equivalents to meet the obligations in both normal and exceptional circumstances. Cash flows are forecasted within the group on a regular basis and the extent is determined to which the group has sufficient liquidity for the operating activities while maintaining sufficient credit facilities (headroom).

Our total credit facilities, comprising long-term borrowings from institutional investors and medium-term and current bank facilities, amounted to € 430 million as at 31 December 2011 (2010: € 432 million), with headroom of € 88 million under the committed facilities at year-end 2011 (2010: € 115 million). The company therefore has credit facilities that are sufficient for the existing and expected credit requirements of the group.

The extent of the risk that the ratios agreed with lenders are exceeded is regularly determined. With the present net debt position of € 278.3 million, the ratios for interest cover and debt cover are respectively 13.9 and 1.7. This is comfortably within the limits agreed with the various lenders of a minimum interest cover of 5.0 and a maximum debt cover of 3.5. These agreed limits are the same for the main lenders.

A 10% fall in our operating result (defined for this purpose as operating result before depreciation of property, plant and equipment and amortisation of intangible assets and impairments) would reduce interest cover by 1.4 points, at unchanged interest rates on interest-bearing debt. The agreed minimum interest cover of 5.0 would only be reached if the operating result fell by more than 64%. A 10% fall in

our operating result would increase debt cover by 0.2 points. The agreed maximum debt cover of 3.5 would be reached if the operating result fell by more than 52%.

The expected cash flows of the financial obligations as at 31 December 2011, including estimated interest payments, are as follows:

X € 1,000								
	CARRYING AMOUNT	EXPECTED CASH FLOW	< 1 YEAR	1 - 2 YEARS	2 - 3 YEARS	3 - 4 YEARS	4 - 5 YEARS	MORE THAN 5 YEARS
Borrowings from institutional investors	151,491	191,589	7,052	6,958	51,952	4,738	4,675	116,214
Borrowings from banks	189,805	196,989	7,001	189,988	-	-	-	-
Other non-current liabilities	511	491	101	99	98	97	96	-
Credit institutions	197	197	197	-	-	-	-	-
Trade payables and other current liabilities, excluding interest	396,642	396,642	396,642	-	-	-	-	-
Total financial liabilities	738,646	785,908	410,993	197,045	52,050	4,835	4,771	116,214

The expected cash flows for borrowings from institutional investors and the borrowings from banks are reported together with the interest rate swaps and combined currency-interest rate swaps. These interest rate swaps and combined currency-interest rate swaps exactly match the repayment amounts and interest payment dates on the hedged positions. Therefore the carrying amount of the borrowings from institutional investors in this summary includes the combined currency-interest rate swaps and the carrying amount of the borrowings from banks includes the interest rate swaps. This presentation does justice to the fact that on balance, as a result of the cash flow hedges, we pay fixed interest on the loans. The other derivatives, which are forward currency contracts, all expire within a period of one year.

CURRENCY RISKS

Mediq is subject to currency risks on sales, purchases and loans denominated in currencies other than the functional currency of the Mediq entity concerned. Currency risks relate mainly to the US dollar, the Polish zloty and the Swedish krona.

Our policy is aimed at systematic hedging of currency risks arising from trade transactions or loans in currencies other than the own currency of the group company concerned, often by means of forward currency transactions. We do not hedge translation risks. We regard our positions in other countries (in this case outside the euro area) as strategic and assume that over the longer term, currency fluctuations will on balance have a neutral effect.

The currency exposure within the group from trade activities is very limited. Cash flows arising from the operation of forward currency contracts match as far as possible but offset those of the hedged position. No hedge accounting is applied for these derivatives.

Within the combined currency and interest rate swap, changes in the fair value concerning the currency component of the derivative on the one hand and the hedged position on the other are reciprocally neutralised in full.

The sensitivity of the operating result of 2011 in respect of the currency risk of our positions outside the euro area to a 10% change in the exchange rate of the euro is € 1.7 million. Gains or losses on forward currency contracts offset the currency risk from purchasing contracts in foreign currencies. The currency risk in respect of net result of 2011 amounts to € 0.8 million.

INTEREST RATE RISKS

We use various financial instruments within the group to manage interest rate risks. In the Netherlands, the cash flows of the group companies were already centralised by the use of cash pools. In 2010 the foreign group companies introduced this as well to reduce the capital required from operating activities and the related interest expense.

The risk policy is aimed at limiting the short-term impact of interest rate fluctuations on results and at locking in the interest rate for the long term. In principle, hedge accounting is applied for interest rate swaps (cash flow hedging). To avoid exposure to market fluctuations, variable interest rates are swapped into fixed rate contracts.

The schedule of repayments and interest payments of the hedge position is taken fully into account for interest rate swaps used to prevent interest rate risks. As a result the hedge is prospectively effective. We apply hedge accounting to all interest rate swaps. The hedges were all effective in both 2011 and in 2010.

On the basis of the financing position as at year-end 2011, we estimate that an increase or decrease of 1 percentage point in the euro money market interest rates will have an effect of approximately € 0.3 million on net finance costs. Fluctuations in long-term interest rates had a limited direct effect on the result in 2011, as the interest rate terms are fixed for the remaining maturity of virtually all existing medium and long-term borrowings.

CREDIT RISKS

Credit risk is the risk of financial loss if a customer or counterparty in a financial instrument fails to meet its contractual obligations. The risk for Mediq arises mainly from trade receivables, for which credit concentration is limited however. Our wholesaling activities in the pharmaceutical and institutional markets have a large number of customers and accordingly there is no concentration of credit risk. A total of some 31% (2010: 38%) of trade receivables relate to these activities.

Trade receivables at our pharmacies and direct activities in the Netherlands often relate to receivables from healthcare insurers. Deliveries from our pharmacies in Poland are often settled in cash. The receivables due from the five largest healthcare insurers in the Netherlands account for 22% (2010: 27%) of the trade receivables. The largest party has a share of 8%. These healthcare insurers are subject to supervision by the Dutch Central Bank. We consider the credit risk with these parties to be limited.

The maximum credit risk is equal to the carrying amount of each financial instrument on the balance sheet and relates to the following items:

X € 1,000	31.12.2011	31.12.2010
Loans to customers	2,780	3,915
Customer supply commitments	4	40
Other receivables, non-current assets	78	95
Trade receivables	344,220	297,405
Other receivables, current assets	37,625	32,394
Total	384,707	333,849

The group limits its credit risk exposure on financial instruments by setting credit limits for each counterparty and concluding contracts only with respected parties. The position at the balance sheet date is a good reflection of the positions in the past financial year.

Security has been provided by the borrowers for the majority of the loans issued. The majority of security provided consists in pledges of shares of the second rank. In addition the borrowers have provided security in the form of entries in the mortgage register in the second rank. The fair value of this security

cannot be sufficient reliably estimated. No security has been provided for a portion of the loans granted to customers and the customer supply commitments.

In terms of risk management for trade receivables outstanding the analysis of Days of Sales Outstanding (DSO) is an important measure of items outstanding. In the past year average DSO amounted to 37.2 days (2010: 36.9 days). The analysis of the DSO is a standard performance indicator in the monthly results to be reported by group companies. These provide the most senior management with a continuous insight into the relative capital tied up in, and the velocity of, debtors.

FINANCIAL INSTRUMENTS BY CATEGORY

The table below sets out the carrying amount of the various financial instruments by category as at the balance sheet date.

X € 1,000	31.12.2011	31.12.2010
Receivables and loans		
Loans to customers	2,780	3,915
Customer supply commitments	4	40
Other receivables, non-current assets	78	95
Derivative financial instruments, non-current assets	7,968	356
Trade receivables	344,220	297,405
Other receivables, current assets	37,625	32,394
Derivative financial instruments, current assets	1,203	81
Cash and cash equivalents	67,155	67,196
Total assets, financial instruments	461,033	401,482
Borrowings, long-term liabilities	345,659	210,545
Derivative financial instruments, long-term liabilities	5,020	6,732
Credit institutions	197	462
Borrowings due within one year	3,852	32,075
Derivative financial instruments, current liabilities	294	1,577
Trade payables	332,824	305,480
Other payables, current liabilities	63,818	54,787
Total liabilities, financial instruments	751,664	611,658

Of the financial instruments listed above, investments and derivatives are measured at fair value. Cash and cash equivalents are likewise carried at fair value. The other items are measured at fair value on initial recognition only and subsequently at amortised cost. See the accounting policies for further details.

METHOD FOR FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

We use a three-level fair value hierarchy:

- Level 1: fair value is determined by reference to quoted prices in active markets for identical assets and liabilities.
- Level 2: fair value is determined on the basis of other inputs than quoted prices that are observable (direct and indirect sources).
- Level 3: fair value is determined on the basis of inputs that are not based on observable market data.

Level 1

The financial asset at fair value through profit or loss is measured by reference to quoted prices in an active market. At the end of 2011 and 2010 Mediq had no assets in this category.

Level 2

As there are no external market prices on which to base the value of receivables, borrowings and commitments relating to derivatives, their fair value is determined from generally accepted valuation

models. The value determined in this way is equal to the price at which the derivative can be sold in a transparent market. We set the values regularly in consultation with accepted external market parties.

We calculate the fair value of the interest rate swaps as the present value of the future cash flows from the derivative, using discount rates in line with the interest rate curve based on the risk free yields (i.e. the zero coupon curve) at the balance sheet date. For the valuation of forward currency contracts, the future cash flows in the contract currency are discounted at a rate based on the term and contract currency. The present value at the balance sheet date in the contract currency is translated at the closing exchange rate ruling on the same day. In the combined currency and interest rate swaps, all interest rate effects, including differences between the forward and closing exchange rates, are allocated to the interest rate swap. As a result, the currency swap in the combined currency and interest rate swaps is valued at the closing exchange rate ruling on the balance sheet date.

The fair value of all currency and interest rate swaps is reviewed independently based on the specific characteristics of the contracts concluded. The review did not indicate any reason to adjust the fair value calculated by the group.

Level 3

Financial instruments carried at fair value determined by reference to input that is not based on observable market data do not apply to Mediq.

The other receivables, borrowings and commitments are carried at amortised cost. The fair value of the long-term liabilities is some € 2.0 million higher than the carrying amount. This difference is due to a lower market rate of interest, linked to the agreed terms, than the contractually agreed interest rate. The fair values of the other items do not differ materially from their carrying amounts.

38 RELATED PARTY TRANSACTIONS

The following related parties of the group can be distinguished: subsidiaries, associates, the members of the Management Board and the members of the Supervisory Board.

The remuneration of the Management Board and the Supervisory Board can be broken down as follows:

X € 1,000	2011	2010
Management Board		
Wages and salaries	1,320	1,587
Pension charges	229	176
Long-term remuneration	496	194
Other personnel costs	11	11
Subtotal	2,056	1,968
Supervisory Board		
Salaries and social security charges	222	234
Total remuneration of the Management Board and the Supervisory Board	2,278	2,202

Further details of the remuneration are set out below:

REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD

X € 1,000	2011	2010
M.C. van Gelder		
Gross salary	550	510
Variable short-term remuneration	235	431
Total short-term remuneration	785	941
Total long-term remuneration	295	115
Pension contribution	136	104
J.G. Janssen		
Gross salary	375	350
Variable short-term remuneration	160	296
Total short-term remuneration	535	646
Total long-term remuneration	201	79
Pension contribution	93	72

The total remuneration of the members of the Management Board, special compensation and the contributions under the pension plans amounted to € 2.1 million (2010: € 2.0 million).

REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD

X € 1,000	2011	2010
S. van Keulen (as from 1 April 2010)	44	27
B.T. Visser	40	40
W.M. van den Goorbergh	35	35
O.R. Stuge	35	35
F.K. de Moor	34	34
M.J.M. van Weelden-Hulshof	34	34
J.F. van Duyne (until 31 August 2010)		29
Total	222	234

One of the members of the Supervisory Board, Mrs M.J.M. van Weelden-Hulshof, is a customer of the group in her capacity as a community pharmacist.

The remuneration report provides details of the remuneration policy for members of the Management Board and members of the Supervisory Board. No shares were awarded for 2011 to the members of the Management Board as part of the remuneration system.

The members of the Supervisory Board of Mediq held a total of 75,050 shares in Mediq as at 31 December 2011 (31 December 2010: 75,050). The number of shares held by present members of the Management Board at 31 December 2011 totalled 95,778 (31 December 2010: 72,778).

The numbers of shares per member of the Management Board and the blocked shares held by former members of the Management Board at year-end 2011 were as follows:

	SHAREHOLDING AT YEAR-END 2011	OF WHICH BLOCKED UNDER SHARE PLAN	TO BE RELEASED IN 2012	TO BE RELEASED IN 2013
M.C. van Gelder	66,778	23,881	13,608	10,273
J.G. Janssen	29,000	-	-	-
Former members of the Management Board	17,399*	17,399	10,208	7,191
Total	113,177	41,280	23,816	17,464

* Relates only to the number blocked for former members.

It has been agreed with the members of the Management Board that they will build up share interests in Mediq amounting to twice their fixed annual salary over the next years. Mr van Gelder increased his share interest in 2011 by 17,000 shares from 49,778 shares to 66,778 shares. Mr Janssen increased his share interest in 2011 by 6,000 shares from 23,000 shares to 29,000 shares.

Mr van Gelder is a member of the Supervisory Board of Maxeda, with which an agreement has been signed for the joint purchasing of non-trading goods. Maxeda receives a reasonable and arm's length fee for services rendered in this respect. Mr van Gelder receives no compensation whatsoever in connection with this agreement.

Other related party transactions

X € 1,000,000				
	TRANSACTION VALUE		BALANCE OUTSTANDING AT 31 DECEMBER	
	2011	2010	2011	2010
Sales of products and services				
Associates	16.0	16.4	1.1	1.3
Other related parties	5.1	5.2	0.3	0.3

The transactions with these related parties are at arm's length.

STICHTING SAMENWERKING APOTHEKERS OPG

Stichting Samenwerking Apothekers OPG ('Foundation') was established in 1992 under a different name when Mediq was listed on the stock exchange. The member pharmacists at the time donated part of the reserves in Mediq to the Foundation in the form of Mediq securities. The object of the Foundation was to support projects benefiting the pharmacy profession in the Netherlands. This includes professional practice, in particular, increasing the quality and effectiveness of the pharmacy business. Mediq was beneficiary in some of these projects and received a total of € 1.1 million in the first half year of 2011 related to the settlement of previous commitments. No donations were received in 2010.

Up to 28 July the Board of the Foundation consisted of three independent pharmacists, one of whom was the chairman, and three members appointed by Mediq. In the event of a tied vote, the chairman had the casting vote. Until this date the Foundation operated independently of Mediq, which had no control over the Foundation's policy. Following consultation between the SSAO, Mediq and the tax authorities regarding the distributions by the SSAO, it was decided to change the relationship between SSAO and Mediq. As a result the remaining assets and liabilities of SSAO were transferred to Mediq and Mediq has consolidated the SSAO as of 28 July. The SSAO was liquidated in September 2011.

39 EVENTS AFTER THE BALANCE SHEET DATE

ACQUISITION OF DIABETESWERELD

On 2 January 2012 Mediq acquired Multicare B.V. (trade name 'Diabeteswereld') in the Netherlands. Mediq bought 100% of the shares.

Diabeteswereld has 5 employees and is a specialised supplier of medical devices for diabetic patients. This acquisition is relatively limited in terms of size and has no material impact on the group's sales, the result and assets and liabilities.

HOLDING COMPANY BALANCE SHEET

Before profit appropriation

X € 1,000	NOTE	31.12.2011	31.12.2010
Non-current assets			
Property, plant and equipment	40	5,609	6,317
Intangible assets	41	169	379
Interests in group companies	42	429,848	325,030
Derivative financial instruments		7,978	356
Deferred tax assets		4,049	8,228
		447,653	340,310
Current assets			
Receivables from group companies		675,068	633,350
Other receivables		7,203	11,283
Derivatives		1,202	81
Cash and cash equivalents		8,902	1,363
		692,375	646,077
Total assets		1,140,028	986,387
Equity	43		
Paid-up share capital		15,125	14,912
Share premium		92,029	92,242
Reserve for translation differences		- 6,518	3,944
Reserve for cash flow hedges		- 718	- 3,899
Other reserves		366,233	308,154
Profit for the period		73,415	76,662
		539,566	492,016
Provisions	44	6,615	16,379
Non-current liabilities			
Borrowings	45	268,136	120,589
Derivative financial instruments		5,020	6,732
		273,156	127,321
Current liabilities			
Borrowings due within one year		550	30,486
Derivative financial instruments		-	421
Trade payables		947	1,060
Amounts owed to group companies		304,225	304,454
Taxes and social security charges		2,981	1,248
Other payables		11,988	13,002
		320,691	350,671
Total equity and liabilities		1,140,028	986,387

HOLDING COMPANY INCOME STATEMENT

X € 1,000	2011	2010
Results of group companies after tax	79,436	82,069
Other income and expense after tax	- 6,021	- 5,407
Net result	73,415	76,662

NOTES TO THE HOLDING COMPANY FINANCIAL STATEMENTS

ACCOUNTING POLICIES FOR THE HOLDING COMPANY FINANCIAL STATEMENTS

GENERAL

The company financial statements of Mediq NV are prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code. We utilise the option afforded by Section 362(8) of Book 2 of the Dutch Civil Code to apply the accounting policies used for the consolidated financial statements to the holding company financial statements. The policies include those covering the presentation of financial instruments as equity or loan capital.

DETAILS OF ACCOUNTING POLICIES

The accounting policies for the holding company financial statements are the same as those for the consolidated financial statements. If an accounting policy is not set out in detail, please refer to the corresponding accounting policies as included in the notes to the consolidated financial statements.

Shareholdings

This includes group companies as well as associates.

We include investments in group companies on the balance sheet based on the equity method. On the acquisition of a group company, its individual assets, liabilities and contingent liabilities are measured at fair value on the date of acquisition. If the cost of acquisition is higher than the fair value of the group's share in the separately identifiable net assets, the excess is recognised as goodwill. Goodwill is capitalised. After initial recognition, goodwill is carried at cost less accumulated impairment losses. If the acquisition price is lower than the net fair value of the identifiable net assets, we recognise the difference directly in profit or loss. On the sale of a group company, we recognise the difference between the sale proceeds and carrying amount, including goodwill and accumulated translation differences, in profit or loss.

NOTES TO THE HOLDING COMPANY INCOME STATEMENT

INCOME STATEMENT FORMAT

As the 2011 income statement of the holding company is incorporated in the consolidated financial statements, a condensed income statement of Mediq Holding NV is presented in accordance with Section 402 of Part 9, Book 2 of the Dutch Civil Code.

NOTES TO THE HOLDING COMPANY BALANCE SHEET

40 PROPERTY, PLANT AND EQUIPMENT

X € 1,000	2011	2010
Cost	7,127	7,090
Accumulated depreciation	- 810	- 865
Carrying amount at 1 January	6,317	6,225
Additions	168	934
Depreciation	- 876	- 842
Carrying amount at 31 December	5,609	6,317
Cost	7,295	7,127
Accumulated depreciation	- 1,686	- 810
Carrying amount at 31 December	5,609	6,317

Property, plant and equipment relate to other operating assets.

41 INTANGIBLE ASSETS

X € 1,000	2011	2010
Cost	2,344	2,141
Accumulated amortisation	- 1,965	- 1,853
Carrying amount at 1 January	379	288
Additions	38	203
Disposal	- 189	-
Amortisation	- 59	- 112
Carrying amount at 31 December	169	379
Cost	316	2,344
Accumulated amortisation	- 147	- 1,965
Carrying amount at 31 December	169	379

Intangible assets relate to software and websites.

42 NON-CURRENT FINANCIAL ASSETS

INTERESTS IN GROUP COMPANIES

X € 1,000	2011	2010
Balance at 1 January	325,030	238,596
Share of profit	79,436	82,069
Foreign currency translation effect	- 10,462	4,391
Other movements	35,844	- 26
Balance at 31 December	429,848	325,030

Interests in group companies are measured on the basis of the equity method. Other movements are mainly the result of the consolidation of Stichting Samenwerking Apothekers OPG as of 28 July 2011.

43 EQUITY

X € 1,000								2010	
	PAID-UP SHARE CAPITAL	SHARE PREMIUM	RESERVE FOR TRANSLATION DIFFERENCES	HEDGING RESERVE	STATUTORY RESERVE FOR INVESTMENTS IN ASSOCIATES	OTHER RESERVES	TOTAL	PROFIT FOR THE PERIOD	TOTAL EQUITY
Opening balance at 1 January 2010	14,671	92,483	- 448	- 3,222	1,509	259,045	364,038	74,530	438,568
Other comprehensive income:									
• Actuarial gains and losses on defined benefit plans						- 14,967	- 14,967		- 14,967
• Tax effect on actuarial gains and losses						3,817	3,817		3,817
• Net change in fair value of cash flow hedges reclassified to profit or loss				- 909			- 909		- 909
• Tax effect on cash flow hedges				232			232		232
• Foreign currency translation differences			4,392				4,392		4,392
Other comprehensive income			4,392	- 677		- 11,150	- 7,435		- 7,435
Profit for the period								76,662	76,662
Total comprehensive income			4,392	- 677		- 11,150	- 7,435	76,662	69,227
Transactions with owners, recognised directly in equity:									
• 2009 final dividend	151	- 151						- 11,527	- 11,527
• Addition to reserves						63,003	63,003	- 63,003	-
Distribution of 2010 interim dividend	90	- 90				- 4,227	- 4,227		- 4,227
Other movements					- 859	833	- 25		- 25
Balance at 31 December 2010	14,912	92,242	3,944	- 3,899	650	307,505	415,354	76,662	492,016

X € 1,000

2011

	PAID-UP SHARE CAPITAL	SHARE PREMIUM	RESERVE FOR TRANSLATION DIFFERENCES	HEDGING RESERVE	STATUTORY RESERVE FOR INVESTMENTS IN ASSOCIATES	OTHER RESERVES	TOTAL	PROFIT FOR THE PERIOD	TOTAL EQUITY
Opening balance at 1 January 2011	14,912	92,242	3,944	- 3,899	650	307,505	415,354	76,662	492,016
Other comprehensive income:									
• Actuarial gains and losses on defined benefit plans						8,899	8,899		8,899
• Tax effect on actuarial gains and losses						- 2,225	- 2,225		- 2,225
• Net change in fair value of cash flow hedges reclassified to profit or loss				4,241			4,241		4,241
• Tax effect on cash flow hedges				- 1,060			- 1,060		- 1,060
• Foreign currency translation differences			- 10,462				- 10,462		- 10,462
Other comprehensive income			- 10,462	3,181		6,674	- 607		- 607
Profit for the period								73,415	73,415
Total comprehensive income			- 10,462	3,181		6,674	- 607	73,415	72,808
Transactions with owners, recognised directly in equity:									
• 2010 final dividend	131	- 131						- 10,896	- 10,896
• Addition to reserves						65,766	65,766	- 65,766	-
Purchase of own shares						- 9,748	- 9,748		- 9,748
Distribution of 2011 interim dividend	82	- 82				- 4,603	- 4,603		- 4,603
Other movements					281	- 292	- 11		- 11
Balance at 31 December 2011	15,125	92,029	- 6,518	- 718	931	365,302	466,151	73,415	539,566

PAID-UP SHARE CAPITAL

X € 1,000		
	NUMBER OF SHARES IN FULLY PAID-UP EQUIVALENTS	PAID-UP SHARE CAPITAL
Opening balance at 1 January 2010	58,684	14,671
Dividend paid out in shares	962	241
Balance at 31 December 2010	59,646	14,912
Opening balance at 1 January 2011	59,646	14,912
Dividend paid out in shares	854	213
Balance at 31 December 2011	60,500	15,125

PAID-UP SHARE CAPITAL

As at 31 December 2011, 60,499,717 shares (with a nominal value of € 0.25 each) had been issued and fully paid up.

SHARE PREMIUM

The share premium can be distributed tax-free.

STATUTORY RESERVE FOR INVESTMENTS IN ASSOCIATES

This reserve relates to retained earnings of investments in group companies whose distribution cannot be effected by Mediq without limitation. This applies only to group companies with associates. The statutory reserve is reduced by the dividend – from these investments – to which a right has arisen up to the date on which the financial statements are adopted.

TREASURY SHARES

The company acquired 3,535,215 shares in its own capital through the consolidation of Stichting Samenwerking Apothekers OPG as of 28 July 2011. The net negative effect on equity was € 9.7 million and has been deducted from other reserves within equity. The General Meeting of Shareholders will be asked on 11 April 2012 to approve the cancellation of these Mediq shares formerly owned by SSAO.

The members of the Supervisory Board of Mediq held a total of 75,050 shares in Mediq as at 31 December 2011 (31 December 2010: 75,050). The number of shares held by present members of the Management Board at 31 December 2011 totalled 95,778 (31 December 2010: 72,778).

APPROPRIATION OF 2010 PROFIT

After deduction of the final dividend of € 0.31 per share set by the General Meeting of Shareholders on 13 April 2011, the profit of € 65.8 million was added to other reserves.

We refer to the consolidated statement of changes in equity for information on the composition, amount and changes of equity.

44 PROVISIONS

X € 1,000	31.12.2011	31.12.2010
Provision for tax liabilities	926	370
Provision for pension obligations	75	10,625
Other provisions	5,614	5,384
Total	6,615	16,379

The provision for tax liabilities relates to deferred taxes. The other provisions relate principally to provisions for retirement and other employee benefits, risks in respect of corporate income tax and provisions for legal proceedings.

45 LONG-TERM DEBTS

Long-term debts consist of borrowings amounting to € 140.0 million (2010: € 70.0 million) from Dutch banks and one Scottish bank and non-bank borrowings amounting to € 124.3 million from four institutional investors in the USA and England (2010: € 46.2 million). If the financing from institutional investors is viewed in conjunction with the forward currency contracts, future repayment obligations amount to € 120.0 million (2010: € 77.7 million). In addition, € 3.8 million in advance rental discounts was recognised under non-current liabilities (2010: 4.4 million). As in 2010, there are no long-term debts repayable to group companies.

The remaining terms of the long-term debts can be broken down as follows:

X € 1,000	31.12.2011	31.12.2010
Due between one and five years after the balance sheet date		
Borrowings from banks	140,000	70,000
Borrowings from institutional investors	47,045	46,193
Advance rental discounts	2,198	2,198
Due after more than five years after the balance sheet date		
Borrowings from banks	-	-
Borrowings from institutional investors	77,244	-
Advance rental discounts	1,649	2,198
Total	268,136	120,589

In addition, an amount of approximately € 0.5 million relating to these long-term debts is included under current liabilities.

The long-term debts can be broken down by currency as follows:

X € 1,000	31.12.2011	31.12.2010
Euros	173,847	94,397
US dollars	94,289	26,192
Total	268,136	120,589

The foreign exchange risks in respect of the result and cash flows are fully hedged by currency swaps. The average rate of interest on these long-term borrowings is 4.2% (2010: 4.2%). The interest rate risk on these borrowings has been largely hedged by interest rate swaps. The conditions attached to borrowings are a maximum debt cover 3.5, a minimum interest cover of 5.0, and the usual negative pledge, cross default and pari passu clauses.

46 COMMITMENTS NOT SHOWN IN THE BALANCE SHEET

GUARANTEES AND COMMITMENTS

General guarantees within the meaning of Section 403 of Book 2 of the Dutch Civil Code have been issued by Mediq NV on behalf of virtually all its group companies established in the Netherlands, except for group companies that we do not wholly own, specifically a number of pharmacies in Pharmacies Netherlands. In addition, Mediq NV has commitments under lease contracts for cars and rental commitments for the group's head office building in Utrecht.

X € 1,000	31.12.2011	31.12.2010
Lease commitments		
• Due within one year	401	306
• Due between one and five years	465	279
	866	585
Rental commitments		
• Due within one year	2,589	2,467
• Due between one and five years	10,355	9,868
• Due after more than five years	7,551	9,868
	20,495	22,203
Total	21,361	22,788

FISCAL UNIT

Mediq and virtually all its wholly-owned subsidiaries in the Netherlands form a fiscal unit for corporate income tax and VAT purposes. The group and its group companies forming part of this fiscal unit are jointly and severally liable for each other's debts in respect of corporate income tax and VAT.

47 AUDITOR'S FEES

The fees of KPMG Accountants amounted to € 0.8 million in 2011 (2010: € 0.9 million). They comprised the following:

X € 1,000	2011			2010		
	KPMG ACCOUNTANTS NV	OTHER KPMG NETWORK	TOTAL KPMG	KPMG ACCOUNTANTS NV	OTHER KPMG NETWORK	TOTAL KPMG
Audit of financial statements	282	343	625	284	369	653
Other audit services	38	5	43	58	14	72
Tax advisory services	-	28	28	-	-	-
Other non-audit services	100	45	145	165	35	200
Total	420	421	841	507	418	925

The fees are included in full in general expenses. The fees for other audit procedures relate mainly to purchase price allocations of acquired companies in 2011. The other non-audit services comprise fees for agreed-upon procedures and advisory services.

Utrecht, 15 February 2012

Management Board

M.C. van Gelder, Chairman

J.G. Janssen

Supervisory Board

S. van Keulen, Chairman

B.T. Visser, Vice-Chairman

W.M. van den Goorbergh

F.K. de Moor

O.R. Stuge

M.J.M. van Weelden-Hulshof

OTHER INFORMATION

PROPOSED PROFIT APPROPRIATION AND DIVIDEND

Pursuant to Article 37 of the Articles of Association of the company the Management Board will propose the following appropriation of the profit for approval by the General Meeting of Shareholders on 11 April 2012:

X € 1,000	2011
Net result attributable to owners of the Company	73,415
Available for dividend (€ 0.46 per share)	26,685
	46,730

On the basis of this proposal, a dividend of € 0.46 (€ 2010: 0.46) will be distributed per share of € 0.25 nominal value in the form of a dividend that owners of the Company can elect to receive in cash or shares. This represents a pay-out of 37%. An amount of € 0.15 per share has already been distributed as interim dividend. The final dividend of € 0.31 (2010: € 0.31) will be made payable on 8 May 2012 in cash or in the form of shares, at the option of the shareholder.

EVENTS AFTER THE BALANCE SHEET DATE

For information on events after the balance sheet, please see note 39.

INDEPENDENT AUDITOR'S REPORT

To the General Meeting of Shareholders of Mediq NV

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements 2011 of Mediq NV, Utrecht as set out on pages 79 to 153. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2011, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2011, the company income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the report of the Management Board in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, Management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Mediq NV as at 31 December 2011 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Mediq NV as at 31 December 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the report of the Management Board, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and if the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the report of the Management Board, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 15 February 2012

KPMG ACCOUNTANTS NV

E. Eeftink RA

TEN-YEAR SUMMARY *

X € 1,000,000											
	IFRS								NL RJ		
	2011	2010	2009	2008	2007	2006	2005	2004	2004	2003	2002
BALANCE SHEET											
Intangible assets	520.6	404.1	328.1	338.8	435.0	364.9	321.5	292.9	282.4	245.9	208.1
Property, plant and equipment	116.3	111.6	126.1	134.5	119.2	103.4	102.2	98.5	105.6	113.4	94.7
Non-current financial assets	10.5	11.3	29.7	29.3	48.5	51.8	49.6	48.3	35.8	41.3	48.5
Current assets	697.3	639.9	624.2	592.5	538.2	497.3	478.4	445.1	443.7	425.4	440.7
Derivative financial instruments	8.0	0.4	-	0.1	-	-	2.4	-			
Deferred tax and pension assets	23.5	28.6	31.3	22.0	31.3	33.4	14.5	9.7			
Total assets	1,376.2	1,195.8	1,139.4	1,117.1	1,172.2	1,050.8	968.4	894.4	867.5	826.0	792.0
Total equity	556.7	510.2	454.1	379.1	578.3	511.2	440.4	393.6	404.6	364.5	324.6
Non-current liabilities											
Borrowings	345.7	210.5	195.5	280.1	164.6	131.9	109.5	98.3	98.6	39.7	55.5
Derivative financial instruments	5.0	6.7	8.8	7.9	4.5	2.0	-	2.6			
Deferred tax	27.7	22.1	14.4	12.2	19.3	7.8	8.8	12.6			
Retirement and other employee benefit obligations	2.8	12.1	1.3	17.8	2.0	26.4	38.2	39.4			
Other provisions	8.4	12.9	19.8	9.4	5.4	10.1	9.3	15.2	31.6	46.7	49.3
Current liabilities	429.9	421.3	445.5	410.7	398.1	361.4	362.3	332.6	332.8	375.1	362.6
Total equity and liabilities	1,376.2	1,195.8	1,139.4	1,117.1	1,172.2	1,050.8	968.4	894.4	867.5	826.0	792.0
Capital employed	874.3	741.0	667.4	706.1	787.8	700.5	636.5	615.9	591.2	559.4	490.2
Working capital	203.4	185.2	151.2	180.6	152.5	146.1	147.5	166.1	165.7	157.1	134.3
INCOME STATEMENT											
Net sales	2,657.7	2,633.9	2,602.7	2,730.2	2,476.7	2,281.0	2,229.0	2,071.3	2,072.1	2,098.3	2,093.5
Gross profit	645.1	590.6	546.0	543.2	494.8	448.3	410.9	387.1	387.7	389.5	348.7
Operating expenses and other income	534.0	476.1	429.9	646.1	360.3	318.1	298.8	287.7	310.7	294.1	268.1
Operating result	111.1	114.5	116.1	-102.9	134.5	130.2	112.1	99.4	77.0	95.5	80.6
Net result	73.4	76.7	74.5	- 127.9	93.0	99.9	81.8	67.1	53.2	61.7	64.0
OTHER KEY FIGURES											
Balance sheet											
AS % OF TOTAL ASSETS											
Total equity	40.5%	42.7%	39.9%	33.9%	49.3%	48.6%	45.5%	44.0%	46.6%	44.1%	41.0%
Capital employed	63.5%	62.0%	58.6%	63.2%	67.2%	66.7%	65.7%	68.9%	68.2%	67.7%	61.9%
Working capital	14.8%	15.5%	13.3%	16.2%	13.0%	13.9%	15.2%	18.6%	19.1%	19.0%	17.0%
Income statement											
AS % OF NET SALES											
Operating result	4.2%	4.3%	4.5%	- 3.8%	5.4%	5.7%	5.0%	4.8%	3.7%	4.5%	3.9%
Net result	2.8%	2.9%	2.9%	- 4.7%	3.8%	4.4%	3.7%	3.2%	2.6%	2.9%	3.1%
GROWTH IN %											
Net sales	0.9%	1.2%	- 4.7%	10.2%	8.6%	2.3%	7.6%	N/A	- 1.2%	0.2%	8.0%
Operating result	- 3.0%	- 1.3%	> 100%	<-100%	3.3%	16.1%	12.8%	N/A	- 19.3%	18.5%	0.0%
Net result	- 4.3%	2.9%	> 100%	<-100%	- 6.9%	22.1%	21.8%	N/A	- 13.9%	- 3.6%	- 7.6%

X € 1,000,000											
	IFRS								NL RJ		
	2011	2010	2009	2008	2007	2006	2005	2004	2004	2003	2002
Ratios											
Return on average equity	14.3%	16.9%	18.6%	- 27.0%	17.6%	21.7%	20.7%	19.6%	14.9%	19.4%	23.7%
Return on average capital employed	14.1%	15.4%	16.9%	- 13.1%	18.1%	19.5%	17.9%	16.9%	13.4%	18.2%	18.5%
Total asset turnover rate	2.1	2.3	2.3	2.4	2.2	2.3	2.4	2.4	2.5	2.6	2.8
Capital employed turnover rate	3.3	3.8	3.8	3.7	3.4	3.4	3.6	3.5	3.6	4.0	4.8
Interest cover	13.9	11.8	8.9	7.6	14.5	17.2	15.2	15.7	20.0	29.4	15.8
Yield on equity certificates **											
X 1,000											
Nominal average number of shares in fully paid-up equivalents ***	58,464	59,194	58,632	58,438	58,380	58,372	58,120	57,784	57,944	57,568	56,592
PER SHARE, X € 1											
Net earnings	1.26	1.30	1.27	- 2.19	1.59	1.71	1.41	1.16	0.93	1.07	1.13
Dividend	0.46	0.46	0.44	0.30	0.54	0.50	0.43	0.36	0.37	0.36	0.35
Equity	9.47	8.25	7.48	6.25	9.61	8.47	7.32	6.28	6.47	5.90	5.45
X 1,000											
Nominal average number of shares assuming all converted ***	58,464	59,194	58,792	59,305	59,837	60,776	61,760	62,872	62,708	63,376	63,420
PER NOMINAL SHARE, X € 1											
Net diluted earnings	1.26	1.30	1.27	- 2.19	1.55	1.64	1.32	1.07	0.84	0.98	1.01
PER SHARE, X € 1											
Market price - high	14.85	16.41	13.20	19.80	28.50	22.58	16.84	11.19	11.19	9.13	11.98
Market price - low	10.80	12.08	6.08	8.40	18.50	15.05	10.71	8.88	8.88	6.15	7.38
Market price - year-end	11.77	14.00	12.89	9.29	19.00	22.25	15.08	10.75	10.75	9.01	8.20
Price/earnings ratio at year-end	9.3	10.8	10.1	- 8.7	11.9	13.0	10.7	9.2	11.7	8.3	7.3
Employees											
IN FTEs											
Average number of employees (excluding temporary)	6,637	6,346	6,273	6,386	5,830	5,462	5,169	5,015	5,017	4,920	4,535
PER EMPLOYEE, X € 1,000											
Gross profit	97.2	93.1	87.0	85.0	85.1	83.0	79.5	77.2	77.3	79.2	76.9
Wage costs	41.0	40.4	38.4	37.3	34.1	33.1	32.1	31.9	32.2	31.9	31.2

* The figures in this summary have not been restated for changes in accounting policies implemented during the ten-year period.

** Recalculated for the 4:1 share split as from 17 April 2007.

*** Calculated under Dutch GAAP based on the number of shares at the end of the year.

GLOSSARY OF TERMS

The terms defined here fall into two categories: financial concepts and general definitions used in the markets where Mediq operates.

FINANCIAL

Capital employed – Property, plant and equipment, and intangible assets, plus financial assets (excluding derivative financial instruments), working capital, assets available for sale and deferred tax assets.

Capital employed turnover rate – Net sales plus other income for the current financial year divided by average capital employed calculated on the basis of the balances at the end of the previous and current financial years.

Customer relationship – Comprises an intangible asset whose value depends largely on logistical performance, service supplied and accessibility via internet and telephone. These factors in combination determine customers' assessment of the entities concerned and what motivates them to remain a customer.

Days of Payables Outstanding (DPO) – Reflects the amount of trade payables expressed as cost of sales per day. A higher DPO signifies lower working capital tied up.

Days of Sales Outstanding (DSO) – Reflects the amount of trade receivables expressed as net sales to third parties per day. A higher DSO signifies a higher payment term for customers and higher working capital tied up.

Debt cover – The debt cover has been agreed with the principal providers of interest-bearing debt to the group and is included in the relevant finance contracts. Debt cover is calculated as follows:

X € 1,000	2011	2010
Net debt	278,277	177,450
Operating result before depreciation, amortisation and impairment (EBITDA)	149,016	150,349
Plus: share of profit of associates	984	1,099
Plus: EBITDA on acquisitions and disposals translated to a full reporting period	15,900	3,750
Subtotal	165,900	155,198
Debt cover	1.7	1.1

EBITA – Operating result before amortisation of customer relationships.

EBITA from ordinary activities – EBITA adjusted for non-operational items.

Economic profit – Consists of the surplus of the operating result (including depreciation, amortisation and impairments) net of the return on capital invested demanded by investors.

Effective tax rate – Reflects reported income tax expense divided by profit before income tax.

Free cash flow – Cash flow from operating activities less additions to non-current assets.

Fully paid-up equivalents – The nominal number of shares adjusted for the extent to which they are paid up.

Interest-bearing debt – Long-term debts plus amounts owed to credit institutions, adjusted for the currency swaps hedging these borrowings.

Interest cover – The interest cover has been agreed with the principal providers of interest-bearing debt to the group and is included in the relevant finance contracts. Interest cover is calculated as follows:

X € 1,000	2011	2010
Operating result before depreciation, amortisation and impairment (EBITDA)	149,016	150,349
Plus: share of profit of associates	984	1,099
Plus: EBITDA on acquisitions and disposals translated to a full reporting period	15,900	3,750
Subtotal	165,900	155,198
Interest on interest-bearing debt and finance lease	11,960	13,159
Interest cover	13.9	11.8

Net debt – The net debt level has been agreed with the principal providers of interest-bearing debt to the group and is included in the relevant finance contracts. Net debt is calculated as follows:

X € 1,000	2011	2010
Interest-bearing debt	349,708	243,083
Less: cash and cash equivalents	67,155	67,196
Plus: currency component of the combined currency and interest rate swap	- 4,276	1,563
Net debt	278,277	177,450

Net result from ordinary activities – Net result before amortisation customer relationships after corporate income tax and adjusted for non-operational items after corporate income tax.

Operating margin – Operating result as a percentage of net sales.

Provisions

Addition

Increase in a provision charged to profit or loss or to equity.

Use

Reduction in a provision as a result of actual expenditure.

Release

Reduction in a provision released to profit or loss or to equity.

Return on average capital employed – Operating result for the current financial year divided by average capital employed.

Return on average equity – Net result for the current financial year divided by average equity.

Total assets – Balance sheet total

Total asset turnover rate – Net sales plus other income for the current financial year divided by average capital employed calculated on the basis of the balances at the end of the previous and current financial years.

Total number of ordinary shares after conversion – The nominal number of shares assuming that all outstanding B shares are converted into A shares and the premium still to be paid has been remitted.

Weighted Average Cost of Capital – The return on capital assumed by Mediq to be required, based on a normative ratio of equity to loan capital.

Working capital – Current assets (excluding cash and cash equivalents, assets available for sale, derivative financial instruments) less current debt (excluding amounts owed to credit institutions and derivative financial instruments).

15. MEDIQ ARTICLES OF ASSOCIATION

15.1 Mediq Articles of Association post offer but with listing

Name. Registered Office. Statutory Structure.

Article 1.

- 1.1. The company bears the name: Mediq N.V.
- 1.2. It is based in Utrecht.
- 1.3. The company is subject to the mitigated company regime as referred to in Sections 2:152 up to and including 2:161a and Section 2:164 of the Dutch Civil Code and as incorporated in the Articles.

Object.

Article 2.

The company has as its object:

- a. directly or through the agency of third parties, the purchase, sale, adaptation, processing and manufacture of pharmaceutical and chemical products, semi manufactured goods, raw materials, medical aids, technical medical equipment and in general all necessities for health care, including logistical services and services for the benefit of the pharmacies sector, including all items, products and services connected to the above or that may promote the said object;
- b. participation in, exercise of management over and financing of other companies of whatsoever nature, the acquisition, exploitation, encumbrance and disposal of movable and immovable goods, the contracting and issue of loans in terms of mortgages or otherwise, and the management and investment of capital, as well as the provision of guarantees for the debts of third parties;
- c. all other legal means and remedies that may be of service to these objectives, either directly or indirectly.

Capital.

Article 3.

The authorised capital of the company amounts to twenty-five million euros (EUR 25,000,000,-), divided into one hundred million (100,000,000) ordinary shares of twenty-five euro cents (EUR 0.25) each.

Issue of shares. Pre-emption right.

Article 4.

- 4.1. The management is authorised to issue shares subject to the approval of the supervisory board and to set the price and additional conditions that apply to the issue if, and to the extent that, the management has been appointed as an authorised body for the issue of shares by the general shareholders' meeting, referred to below as 'the general meeting'. An appointment as referred to above, can only be made for a limited period of a maximum of five years and cannot be extended for any subsequent period of longer than five years.
- 4.2. If, and to the extent that, no appointment within the meaning of the first clause of this article has been made, the general meeting is authorised to issue shares, but only when issues are proposed by the management and approved by the supervisory board.
- 4.3. In the case of the issue of ordinary shares, holders of ordinary shares have a pre-

emption right in proportion to the number of ordinary shares they hold. No pre-emption right exists with regard to shares issued against contributions made other than in cash or shares issued to employees of the company or employees of a group company. The management is authorised, subject to the approval of the supervisory board, to limit or rule out any pre-emption right that accrues to shareholders, but only when the management has been appointed as an authorised body for this purpose and subject to the proviso that the management can only exercise this authority if it is authorised to issue shares at that time. The stipulation of the second sentence of the first clause applies *mutatis mutandis*.

- 4.4. If, and to the extent that, the appointment referred to in the third clause is not in effect, the general meeting is authorised to limit or rule out any pre-emption right that accrues to shareholders, but only when this action is proposed by the management and is approved by the supervisory board.
- 4.5. A majority of at least two thirds of the votes taken at a meeting where less than half of the subscribed capital is present or represented is required for a valid decision of the general meeting to be made according to the third or fourth clause of this article.
- 4.6. This article 4 is applicable *mutatis mutandis* to the granting of rights to take up shares, but is not applicable to the issue of shares to any person exercising a previously obtained right to take up shares, in which case no pre-emption right exists.
- 4.7. All notices to shareholders will take place in accordance with the stipulations covering the convening of general meetings, as referred to in article 26, clause 2.

Issue price, payment on shares.

Article 5.

- 5.1. Notwithstanding the provisions of article 2:80, (2) of the Dutch Civil Code, no ordinary shares will be issued below par. Ordinary shares are issued only as fully paid up shares.
- 5.2. Where no other form of contribution has been agreed, payment must be made in cash. Cash payments can be accepted in foreign currencies with the agreement of the company. Payments in foreign currencies will only be regarded as having been made to the extent that the foreign currency tendered can be freely exchanged for euros. The exchange rate on the date of payment or the application of the condition contained in the next clause will be decisive. The company is entitled to require payment against the rate of exchange on a particular day during a period two months prior to the final date on which payment must be made, subject to the proviso that the shares or certificates will then be immediately included in the official list of a stock exchange outside of the Netherlands.

Acquisition of own shares.

Article 6.

- 6.1. The company is entitled to acquire its own shares in return for payment where, and to the extent that:
 - a. its own capital, less the acquisition price, is no lower than the subscribed and called up capital plus reserves that must be maintained according to law;

- b. the nominal amount of the shares in its own capital that the company acquires, holds or holds in pledge, or which are held by any subsidiary company, amounts to no more than half of the subscribed capital;
 - c. the general meeting gives authority to the management to acquire such shares, which authority can only be given for periods of no more than eighteen months, notwithstanding the provisions contained in legislation and these articles of association.
- 6.2. Shares acquired by the company can be disposed of by the company. Notwithstanding the stipulations of clause 1, the management is not authorised to acquire its own shares as meant above, or to dispose of such shares, other than with the prior approval of the supervisory board. If certificates of shares in the company's capital are issued, these certificates will be regarded as equivalent to shares for the application of this clause and the previous clause.
- 6.3. No vote can be cast at the general meeting for any share owned by the company or a subsidiary company. Likewise no vote can be cast for any share of which the company or a subsidiary company holds the certificate.
- 6.4. Usufruct holders and pledge holders of shares owned by the company or its subsidiary companies are not excluded from their voting rights if this right of usufruct or pledge was established before the share was acquired by the company or a subsidiary company. Neither the company nor any subsidiary company can make use of any voting right attached to a share for which it holds the right of usufruct or pledge.
- 6.5. When determining the extent to which shareholders' votes are present or represented or the extent to which the share capital is present or represented, no account is taken of shares precluded from voting rights by law or by the articles of association.
- 6.6. Shares in its own capital held by the company are not counted for profit distribution purposes.

Capital reduction. Withdrawal of shares.

Article 7.

With due regard to the provisions of article 2:99 of the Dutch Civil Code, and on a proposal by the supervisory board, the general meeting can decide to reduce the issued capital by the withdrawal of ordinary shares or by reducing the amount of the capital represented by ordinary shares through changes to the articles of association. As part of any such decision, the ordinary shares to which the decision relates must be clearly designated and the implementation of the decision must be regulated.

Any partial repayment or exemption will take place proportionally to all the shares concerned. This proportionality requirement can be dispensed with, subject to the agreement of all the shareholders concerned.

Shares.

Article 8.

- 8.1. Ordinary shares can be registered shares or bearer shares, depending on the preference of the holder. Such shares will ordinarily be bearer shares, unless the shareholder expressly or implicitly indicates that he requires registered shares.

- 8.2. No share certificates are issued for registered ordinary shares. All ordinary bearer shares are included in a single share certificate.
- 8.3. The holder of ordinary shares is entitled to inform the company in writing that he wishes to have his shares in the form of registered shares; unless this notification is given, his shares will be included as bearer shares in the share certificate referred to in the second sentence of clause 2.
- 8.4. The company arranges for the storage of the share certificate referred to in clause 2 of this article on behalf of the entitled party or parties by Euroclear Nederland, being the Central Institute within the meaning of the Giro Security Transactions Act (hereinafter: 'Euroclear').
- 8.5. The company confers a right to entitled parties with respect to ordinary bearer shares in that (a) the company allows Euroclear to add ordinary shares to the share certificate; and (b) appoints for the entitled party an affiliated institution (hereinafter: 'affiliated institution') within the meaning of the Giro Security Transactions Act, which in turn accredits him as a participant (hereinafter: 'participant') in its collective depository as meant in the Giro Security Transactions Act. The participants are also designated below as holders of bearer shares and are recognised as such by the company where necessary.
- 8.6. The administration of the share certificate is irrevocably placed in the hands of Euroclear, and Euroclear is irrevocably authorised to take all action necessary, including acceptance and delivery, and to operate jointly on the company's behalf in crediting and debiting the share certificate.
- 8.7. When a participant in the affiliated institution wishes the delivery of one or more ordinary bearer shares up to the maximum of his participation, the ordinary bearer shares held by this participant will be converted, at the time the request is made, into the equivalent number of ordinary registered shares and (a) Euroclear will permit the company to deduct these ordinary shares from the share certificate, (b) to have the entitled party removed as a participant in the collective depository, (c) authorise Euroclear by an official instrument to deliver these ordinary A shares to the entitled party, subject to compliance with the delivery formalities, (d) the company will recognise this delivery, and, (e) the management of the company will register the holder as a holder of ordinary registered shares in the register of shareholders.

The company is not entitled to charge any shareholder who elects to have his ordinary shares converted to either registered shares or bearer shares on the basis of the provisions of this clause or clause 3 of this article any amount in excess of the costs actually incurred.

- 8.8. A shareholder is at any time entitled to have one or more of his ordinary registered shares converted to bearer shares by (a) himself conveying the ordinary shares to Euroclear by deed of conveyance, (b) the company acknowledging this conveyance, (c) Euroclear permitting the company to add these ordinary shares to the share certificate, (d) an affiliated institution designated by the shareholder then accrediting the shareholder as a participant in its collective depository and (e) the company's management deleting the name of the shareholder as the holder of these ordinary shares from the register of shareholders.

Registry of shareholders.

Article 9.

- 9.1. With due regard to the provisions of the law on registered shares, a register of shareholders is maintained by or on behalf of the company and is kept up-to-date regularly. This register may consist either fully or partly of further registers kept at more than one address, as the management shall decide.
- 9.2. The register contains details of each shareholder including his name and address, and the additional details the law requires to be registered, together with such further particulars as the management, with or without a request from the shareholder, considers necessary.
- 9.3. The management decides the form and content of the register, taking into account the stipulations of the first two clauses of this article.
- 9.4. At his request, the shareholder will be provided free of charge with a statement of what the register holds regarding the shares registered in his name, which statement can be signed on behalf of the company by a special mandate holder appointed for this purpose by the company.
- 9.5. The stipulations of the preceding for clauses apply *mutatis mutandis* to persons entitled to a right of usufruct or pledge over one or more shares.

Delivery of registered shares.

Article 10.

- 10.1. The delivery of registered shares, the delivery or termination or a right of usufruct over registered shares or the confirmation or relinquishment of a right of usufruct or right of pledge over registered shares is effected by means of a written contract, subject to observation of the provisions of article 2:86 or article 2:86c of the Dutch Civil Code.
- 10.2. The stipulation contained in clause 1 of this article applies *mutatis mutandis* to the allocation of registered shares on division of any form of property formerly held as part of a community.
- 10.3. The company is entitled to charge fees set by the management, such charges being a maximum of the cost price incurred, to persons at whose request actions are taken based on the stipulations of articles 8 and 9 above and this article 10.

Article 11.

(Is cancelled, note that number remains to avoid renumbering).

Usufruct users. Pledge holders. Certificate holders.

Article 12.

- 12.1. The rights attributable by law to holders of share certificates issued with the cooperation of the company do not apply to any usufruct holder not entitled to voting rights under the provisions of article 2:88 of the Dutch Civil Code or to any pledge holder not entitled to voting rights under the provisions of article 2:89 of the Dutch Civil Code.
- 12.2. Where reference is made below in these articles of association to other rights to attend meetings, these shall be understood to relate to holders of share certificates issued with the co-operation of the company to persons who pursuant to clause 4 of article 2:88 or clause 4 of article 2:89 of the Dutch Civil Code are entitled to the rights attributable by law to holders of share certificates issued with the co-

operation of the company.

Management. Supervision of the management.

Article 13.

- 13.1. The company is managed by a management consisting of two managers under the supervision of a supervisory board.
- 13.2. The managers are appointed by the general meeting.
- 13.3. A manager is appointed for a period of a maximum of four years, subject to the proviso that, unless the manager retires earlier, his term of office ends after the first general shareholders' meeting held in the fourth year after the year of his appointment. A manager may be reappointed, subject to the stipulations contained in the preceding sentence. The supervisory board is entitled to draw up a retirement schedule for managers.
- 13.4. Both the management and the supervisory board on an individual basis may recommend candidates for appointment. A recommendation for appointment must state the candidate's age, his profession, the number of the shares he holds and the positions he holds or has held, in so far as these are relevant for the performance of the duties as manager. The recommendation will state the reasons on which it is based.
- 13.5. A manager may be removed or suspended by the general meeting. A manager may also be suspended by the supervisory board. A suspension by the supervisory board may be discontinued at any time by the general meeting. A suspension can be extended one or more times, however will not last longer than three months. The suspension ends if after this period no decision has been taken regarding the discontinuation of the suspension or removal. The manager is given the opportunity to be heard by the general meeting in which his suspension or removal will be resolved upon and will also be entitled to be assisted by a lawyer.
- 13.6. The policy concerning the remuneration of managers is established by the general meeting on the proposal of the supervisory board. The proposal for the remuneration policy is made in writing, and at the same time as the introduction to the general meeting of the works council member or members legally appointed for this purpose. The remuneration of managers is carried out in compliance with the policy established by the supervisory board as referred to in the first sentence of this article. The supervisory board makes a proposal for the approval of the general meeting regarding the regulations for the remuneration of managers in the form of shares or rights to acquire shares. The proposal must at least contain stipulations regarding the number of shares to be allocated to managers, and what criteria apply for allocation or amendment. The absence of the approval of the general meeting does not affect the powers of representation of the supervisory board.
- 13.7. The company will not extend any personal loans or guarantees to its managers.
- 13.8. Insofar as not otherwise prescribed by law, managers and supervisory board members will be reimbursed for:
 - (i) making a defence against claims brought about by an action or omission in the exercise of their duties or of other duties which they carry out or have carried out at the request of the company;

- (ii) any compensation or fines which they are obliged to pay due to an action or omission as referred to above under (i);
- (iii) reasonable costs of appearing in other legal actions in which they involved as a manager or supervisory board member or as a former manager or supervisory board member, with the exception of actions in which they primarily bring their own claims to court.

A person concerned has no claim to the reimbursement as referred to above in as much and so far as:

- (i) a Dutch judge has ruled that the action or omission of the person concerned can be characterised as deliberate, consciously reckless or gravely culpable, unless otherwise prescribed by law, or in the given circumstances are such that they would be unacceptable by standards of reasonableness or fairness, or
- (ii) the costs or loss of assets of the person concerned is covered by insurance, and the insurer has reimbursed these costs or loss of assets. The company may take out liability insurance on behalf of the persons concerned. The supervisory board with respect to the management, and the management with respect to the supervisory board, may negotiate the above further by mutual agreement.

- 13.9. Taking into account the provisions of these articles of association, the management will draw up procedural management rules, which will include rules related to management decision-making. The management rules must also include a breakdown of responsibilities that give details of the particular responsibilities given to each manager. The management is entitled to make changes to the procedural rules wherever necessary. The management procedural rules, together with any subsequent proposals for changes to these rules, will be submitted to the supervisory board for approval.

Representation.

Article 14.

- 14.1. The management collectively and each manager individually is authorised to represent the company and to conclude binding agreements with third parties on behalf of the company.
- 14.2. In the event that a manager has a direct or indirect conflict of interest with the company, he is not authorized to represent the company with regard to such matters. In that case the company must be represented with regard to such matters by another manager. In the event that according to the first sentence no manager is authorized to represent the company, the company will be represented by one or more person(s) appointed for this purpose by the supervisory board, notwithstanding the provisions set out in article 2:146 of the Dutch Civil Code regarding these matters or other provisions provided by law. In the event that a manager holds an interest in some other manner described within the meaning of the first sentence of this clause, which interest is in conflict with that of the company, he is nevertheless authorised to represent the company in the same way as any other manager.
- 14.3. A manager will not take part in decision-making on a matter or transaction in

which the manager has a conflict of interests with the company.

- 14.4. The management is entitled to extend special and general powers of attorney to persons, whether employed by the company or not, for the purpose of representing the company and of concluding binding agreements with third parties on behalf of the company. The scope and the limitations of powers of attorney issued to such persons will be determined by the management. The management may also extend any titles to such persons as it shall think fit.
- 14.5. The management is authorised to take actions intended to have legal effects as described in article 2:94, paragraph 1 of the Dutch Civil Code insofar as such authority is not expressly ruled out or restricted by any stipulation of these articles of association or by any decision made by the supervisory board.

Chairman of the managers. Company secretary. Decisions taken by the management.

Article 15.

- 15.1. The supervisory board appoints a chairman from among the managers, as well as one or more vice-chairmen.
- 15.2. The management appoints and discharges a secretary of the company subject to the approval of the supervisory board. The secretary thus appointed has the title of 'company secretary'.
- 15.3. The management meets as often as a manager so requests. It takes decisions on the basis of an absolute majority of the votes cast. The motion is lost if the votes are tied, unless there are two or more managers, in which case the chairman of the managers, if this chairman has been appointed, will have the casting vote.
- 15.4. The management meets at any location it considers suitable. Meetings can also be conducted by telephone or by video, subject to the proviso that all participating management members are able to understand each other simultaneously. The management can also take decisions outside of a meeting, subject to the proviso that such decisions are taken by means of usual means of communication (and can be motion in question).
- 15.5. A statement signed by a manager to the effect that the management has taken a particular decision shall apply as evidence of that decision with respect to third parties.
- 15.6. The management rules will contain provisions relating to the method of convening management meetings and the internal procedures that will apply to these meetings.

Compulsory prior approval of management decisions. Statement of position.

Article 16.

- 16.1. Without prejudice to the stipulations elsewhere in these articles of association, the management requires the prior approval of the supervisory board and the general meeting for decisions concerning significant alterations to the identity or the character of the company or its activities, including in any event:
 - a. transfer of the company or of practically the whole company to third parties;
 - b. the commencement or discontinuation of arrangements of longstanding partnership and co-operation involving the company or a dependent

- company and any other legal person or company, or as a fully liable partner in a limited partnership or a commercial partnership, if such partnership and co-operation arrangements or the discontinuity of these arrangements have major significance for the company;
- c. the taking up of a participation to the value of at least one third of the amount of the subscribed capital and reserves according to the company's balance sheet and explanatory notes by the company or an independent company in the capital of another company, or the significant increase or reduction of such a participation.
- 16.2. Without prejudice to that which is stated in article 18, clause 4 of these articles of association, the management presents to the supervisory board for its approval:
- a. the operational and financial aims of the company;
 - b. the strategy which is to lead to the achievement of these aims; and
 - c. the preconditions which are employed with regard to the abovementioned strategy, including the financial ratios.
- 16.3. Apart from the decisions for which approval of the supervisory board is prescribed elsewhere in these articles of association, the decision of the supervisory board is also required for decisions of the management regarding:
- a. issue and acquisition of shares in, and debt instruments chargeable to, the company or chargeable to a limited partnership or a commercial partnership of which the company is a fully liable partner;
 - b. collaboration in the issue of share certificates;
 - c. an application for listing or withdrawal of the listing of the documents referred to under a and b from the official list of any stock exchange;
 - d. entering into or termination of a long term cooperation of the company or a dependent company with another legal entity or company or, as a partner with full liability, in a limited partnership or general partnership if such cooperation or termination is of fundamental importance for the company;
 - e. the commencement or discontinuation of arrangements of longstanding partnership and co-operation involving the company or a dependent company and any other legal person or company, or as a fully liable partner in a limited partnership or a commercial partnership, if such partnership and co-operation arrangements or the discontinuity of these arrangements have major significance for the company;
 - f. investments requiring an amount equivalent to at least one quarter of the subscribed capital and reserves of the company according to its balance sheet and explanatory notes;
 - g. a proposal for amendments to the articles of association;
 - h. a proposal for the liquidation of the company;
 - i. notification of bankruptcy and application for suspension of payments;
 - j. termination of the contracts of employment of a significant number of the company's employees or the employees of a dependent company at the same time or within a short period;
 - k. significant changes in the working conditions of a significant number of

the company's employees or the employees of a dependent company at the same time or within a short period;

- l. a proposal for the reduction of the subscribed capital;
- m. a proposal for a merger or division within the meaning of Title 7, Volume 2 of the Dutch Civil Code.

16.4. Without prejudice to what is stated in the first clause of this article, the supervisory board is entitled when making decisions to this end to subject other decisions taken by the management yet to be clarified to its own approval. The supervisory board will notify the management of the nature of these decisions at the moment they arise.

16.5. The absence of the approval of the general meeting or the supervisory board for a decision as referred to above in this article does not affect the powers of representation of the management as a whole or of individual managers.

Vacancy or absence.

Article 17.

In the case of any vacancy or the absence of any manager, the other managers or the sole remaining manager will temporarily take charge of the entire management. In the case of vacancies or the absence of all managers or of the sole manager, the supervisory board will temporarily take charge of the management; the supervisory board shall then be authorised to appoint one or more temporary managers from within its own ranks or from elsewhere. In the case of vacancies, the supervisory board will take the necessary action in order to effect definitive provisions as early as possible.

Supervisory board.

Article 18.

18.1. The supervisory board is charged with maintaining supervision over the policy of the management, over the general course of affairs in the company and over the activities carried out by the company. The supervisory board supports the management with advice regarding general aspects of policy integral to the activities of the company. In the fulfilment of the board's tasks, the supervisory board members direct themselves at all times to the interests of the company and its activities.

18.2. The supervisory board may establish committees from among its ranks.

18.3. The supervisory board will establish rules for the allocation of tasks and the working methods of the supervisory board and its committees.

18.4. The management provides the supervisory board with the necessary data for the fulfilment of its tasks in good time. The management informs the supervisory board at least once a year in writing of the broad outline of the strategic policy, and the company's management and control systems.

18.5. The general meeting, at the suggestion of the supervisory board, determines the reimbursement to be paid to members of the supervisory board.

18.6. Expenses incurred in the course of their duties are reimbursed to supervisory board members.

18.7. No shares and/or share rights will be awarded to supervisory board members by way of remuneration.

18.8. The company does not extend personal loans or guarantees to its supervisory

board members.

Number of supervisory board members. Appointment.

Article 19.

- 19.1. The supervisory board consists of five members consisting of three members A, one member B and one member C.
- 19.2. The supervisory board establishes a profile for its composition, taking account of the nature of the company, its activities and the desired expertise and background of the supervisory board members.

The supervisory board consults the general shareholders' meeting and the works council on the profile and any amendments with regard to it.
- 19.3. The supervisory board will take immediate measures to increase the number of its members if the number of supervisory board members falls to less than five.
- 19.4. Supervisory board members are appointed for a term of a maximum of four years, subject to the proviso that, unless a supervisory board member retires early, his term of office ends after the first subsequent general shareholders' meeting held in the fourth year after the year of his appointment. Supervisory board members can be reappointed, subject to the provisions of the preceding clause. A supervisory board member can, subject to the foregoing, be a member of the supervisory board for a maximum of twelve years, whether or not continuously, unless the general shareholders' meeting determines otherwise at the suggestion of the supervisory board.
- 19.5. Only natural persons can be supervisory board members. Supervisory board members cannot be:
 - a. persons employed by the company;
 - b. persons employed by a dependent company;
 - c. managers or persons employed by an employee interests organisation that endeavours to be involved in determining the working conditions of persons meant under a. and b.
- 19.6. The members of the supervisory board are appointed by the general shareholders' meeting upon nomination by the supervisory board; in the case referred to in the last sentence of clause 11 of this article the appointment is made by the supervisory board.

With regard to supervisory board member C, the supervisory board will only put a person on the nomination, who is independent. Such person will at least not be independent if such person is a representative of a person or legal entity holding at least ten per cent (10%) of the shares in the capital of the company.

The supervisory board makes the recommendation known to the general meeting and the works council at the same time.
- 19.7. In relation to the appointment of supervisory board members A, the general meeting is entitled to recommend persons for appointment as supervisory board members. The supervisory board will notify the general meeting in good time if and for what reason a vacancy needs to be filled.
- 19.8. Notification of candidates includes details of the candidate's age, profession, the figure represented by the shares he holds in the capital of the company and the positions he holds or has previously held, insofar as the experience gained thereby

may be important in connection with the fulfilment of the tasks of a supervisory board member. Information is also given in respect of the legal persons to which he is already bound as the supervisory director; if this group includes legal persons who are part of the same group, the designation of this group can be regarded as sufficient. The notification will state the sources on which it is based. In the case of a re-appointment, account must be taken of the manner in which the candidate has discharged his duties as a supervisory board member.

- 19.9. With regard to supervisory board member B, the supervisory board will put a person recommended by the works council on the nomination, unless the supervisory board objects to his recommendation on the grounds of the expectation that the carrying out of the duties of a supervisory board member by the recommended person, or the appointment to the supervisory board in accordance with the recommendation, would not lead to a proper composition of the supervisory board.
- 19.10. If the supervisory board makes an objection against a person recommended by the works council it will declare its objection to the works council, together with the reasons for it. The supervisory board will consult with the works council immediately with a view to reaching agreement on the list of candidates. If the supervisory board establishes that no agreement can be reached, a representative of the supervisory board appointed for the purpose requests the Enterprise Section of the Amsterdam courts of law to declare the objection to be valid. This request will not be submitted earlier than after four weeks have passed from the date of the consultation with the works council. The supervisory board places the recommended person on the list of candidates if the Enterprise Section declares the objection to be invalid. If the Enterprise Section declares the objection to be valid, then the works council can make a new recommendation in accordance with the stipulations of clause 9 of this article.
- 19.11. The general meeting can reject the list of candidates by an absolute majority of the votes cast, representing at least one third of the subscribed capital. Article 2:158, paragraph 9 of the Dutch Civil Code is applicable with regard to the convening of a new general meeting for the appointment of the recommended person. If the recommendation is then rejected the supervisory board makes a new recommendation. Clauses 7 to 10 of this article apply. If the general meeting does not appoint the recommended person and does not decide to reject the recommendation, the supervisory board appoints the recommended person.
- 19.12. Where mention is made of a works council in these articles of association, is to be understood a works council related to the activities of the company or the activities of a dependent company. Where there is more than one works council, such councils will have equal powers. If a central works council is set up for the activity or activities concerned, the powers of the works council in accordance with this article will accrue to this central works council. The works council will take no decisions within the meaning of this article on the matter to be decided until consultations have taken place between the company and the works council at least once.
- 19.13. Both the submission of a recommendation as meant in clause 7 of this article and

the appointment as meant in clause 6 of this article can be dealt with in the same meeting of shareholders.

Retirement of supervisory board members.

Article 20.

- 20.1. A supervisory board member shall retire at the latest after the first subsequent annual general shareholders' meeting held in the fourth year after the year of his appointment. If an interim vacancy arises in the supervisory board the Board is considered as fully established; nevertheless, definitive provisions will be made to fill the vacancy as soon as possible.
- 20.2. The Enterprise Section of the Court of Justice of Amsterdam may, in response to a relevant application, discharge a supervisory director on the ground of neglect his duties or due to significant changes in circumstances, based upon which the maintenance of the person in question as a supervisory director cannot be reasonably expected of the company. This application can be made by the company, represented in this matter by the supervisory board, or by a person specifically designated as the representative of the general meeting or the works council.
- 20.3. A supervisory board member can be suspended by the supervisory board; the suspension will come to an end by force of law if the company has not submitted the application referred to in the previous clause to the Enterprise Section within one month of the commencement of the suspension.

Absence of all supervisory board members.

Article 21.

- 21.1. If all supervisory board members are absent then, in accordance with the provisions of article 22 below, the appointment will be made by the general meeting.
- 21.2. The works council may recommend persons for appointment as supervisory board member B. The persons convening the general meeting will inform the works council in good time that the appointment as supervisory board member B will be a subject on the agenda at the general meeting, with a notification of whether the appointment of a supervisory board member B will take place in accordance with the works council's right of recommendation on the basis of article 19 clause 9.
- 21.3. Article 19, clauses 9 and 10 apply *mutatis mutandis*.

Vote of no confidence in the supervisory board.

Article 22.

- 22.1. The general meeting can pass a vote of no confidence in the supervisory board by a majority of votes cast, representing at least one third of the subscribed capital. If at least one third of the subscribed capital is not represented at the meeting, a new meeting may not be convened. Reasons will be given for a decision to bring a vote of no confidence against the supervisory board. Such a decision cannot be taken with regard to supervisory board members who are appointed by the Enterprise Section in accordance with clause 3 of this article.
- 22.2. A decision as referred to in clause 1 will not be taken until after the management has notified the works council of the proposal for the decision and the reasons for it. The notification will be made at least thirty days before the general meeting at

which the proposal will be dealt with. If the works council determines a position on the proposal then the management will inform the supervisory board and the general meeting of this position. The works council is entitled to explain its position in the general meeting.

- 22.3. The decision referred to in clause 1 results in the immediate discharge of the supervisory board. The management then immediately requests the Enterprise Section of the Amsterdam district court to temporarily appoint one or more supervisory board members. The Enterprise Section regulates the consequences of the appointment.
- 22.4. The supervisory board facilitates the establishment of a new council within a period determined by the Enterprise Section, having due regard to article 19.

Organisation of the supervisory board.

Article 23.

- 23.1. Subject to the observance of these articles of association, the supervisory board is entitled to draw up procedural rules for supervisory board members under which the division of its tasks among the different supervisory board members is regulated, and the supervisory board is entitled to set up the committees it regards necessary, subject to the proviso that the competencies of these committees are clearly set out in the procedural rules for supervisory board members.
- 23.2. The supervisory board can determine that one or more of its members will have access to all operational areas of the company and will be authorised to inspect all books, correspondence and other documents and take cognisance of all actions that have been implemented.
- 23.3. The supervisory board is entitled to procure such advice at the expense of the company as the supervisory board considers necessary for the proper fulfilment of its tasks.
- 23.4. The supervisory board member C is the chairman of the supervisory board. The supervisory board appoints from its ranks one or more vice-chairmen to deputise for the chairman in his absence. The chairman appoints a secretary from the ranks of the supervisory board members or elsewhere, and makes deputising arrangements for the secretary in his absence. The supervisory board can also delegate one or more supervisory board members from its ranks who will have the task of maintaining more regular contact with the management; their findings will be reported to the supervisory board. The function of chairman and delegated supervisory director are compatible.
- 23.5. The supervisory board meets at least four times a year and at other times whenever the chairman, two or more supervisory board members or a manager consider necessary.
- 23.6. The notice convening these meetings is issued in writing by or on behalf of the chairman, including a statement of the topics to be discussed; the meeting is held at the location given in the notice. Where a request made by two or more members or a manager for the convening of a meeting fails to result in the holding of this meeting within 14 days, the persons making the request are entitled to convene the meeting themselves in writing. Where they are invited to do so, the managers are obliged to attend the meetings of the supervisory board and to

- provide all information required by the board at these meetings.
- 23.7. Meetings of the supervisory board are chaired by the chairman or a vice-chairman. The meeting appoints a chairman for itself in the absence of the chairman and any vice-chairmen. Minutes are taken of the matters discussed at the meeting of the supervisory board by the secretary. The minutes are confirmed in the same meeting or in the next subsequent meeting of the supervisory board and are then signed by the chairman and the secretary as evidence of confirmation.
- 23.8. In order to be valid, decisions taken by the supervisory board are taken at a meeting in which the majority of the supervisory board members are present or represented and by means of an absolute majority of the valid votes cast. Blank votes and ineligible votes are disregarded. A supervisory director can be represented by a fellow supervisory director subject to written power of attorney. Under written power of attorney is also to be understood all such powers of attorney transmitted by the usual means of communication and received in writing.
- 23.9. A supervisory board member will not take part in decision-making on a matter or transaction whereby that supervisory board member has a conflict of interests with the company.
- 23.10. Each supervisory board member is entitled to one vote.
- 23.11. Votes on matters before the meeting are made verbally. Voting by acclamation is possible where none of the supervisory board members present are opposed. The motion is regarded as rejected when the votes are tied.
- 23.12. Unless the supervisory board decides otherwise, when, in the case of a choice being made between persons, no one candidate receives an absolute majority of the votes, a second ballot will be held between the two candidates who combine the largest number of votes. In the event that a number of candidates have the same number of votes and would be eligible for a new ballot, the two candidates who will be allowed to proceed to the new ballot will be chosen by lot.
- 23.13. When the required number of supervisory board members is not present or represented at a meeting of the supervisory board, a new meeting will be convened, to be held at least one week later and no later than one month after the first meeting, in which, regardless of the number of supervisory board members present, decisions can be made on matters listed in the notice convening the original meeting.
- 23.14. The supervisory board is also entitled to take decisions outside of its meetings as long such decisions are taken using the usual means of communication (and such decisions can be reproduced in writing) and all supervisory board members approve the motion in question. A decision of this type is entered into the minutes register of the supervisory board held by the secretary to the board; the documentary evidence of the taking of these kinds of decisions is kept with the minutes register.

General shareholders' meeting. Annual general shareholders' meeting.

Article 24.

- 24.1. The annual general shareholders' meeting is held within six months of the end of

the financial year.

- 24.2. The agenda for the general shareholders' meeting referred to in the preceding clause includes at least the following items:
- a. the written annual report published by the managers on the course of affairs in the company, the management of the company during the previous financial year and the preliminary recommendations with respect to the annual accounts issued by the supervisory board;
 - b. adoption of the annual accounts;
 - c. proposals of the management or of the supervisory board, as well as proposals by shareholders placed on the agenda in accordance with the conditions of article 27, clause 2;
 - d. the discussion of any substantial amendment to the company's corporate governance structure;
 - e. the company's policy on reserves and dividends;
 - f. where applicable, the proposal for distribution of dividends;
 - g. the proposal regarding discharge of the management with respect to their management during the financial year concerned;
 - h. the proposal regarding discharge of the supervisory board with respect to their supervision during the financial year concerned; and
 - i. any proposals of the management, the supervisory board, shareholders or certificate holders, if introduced in accordance with legal stipulations and the stipulations of the articles of association.

Without prejudice to the provisions of the foregoing clause, the provisions of article 27, clause 2 apply to proposals by shareholders or certificate holders. The items referred to above under a up to and including h do not need to be included in the agenda if the term to make the annual accounts generally available has been extended under or pursuant to the law or a proposal thereto has been included in the agenda.

- 24.3. The management and the supervisory board will inform the general shareholders' meeting of all facts and circumstances which are relevant to the proposals on the agenda by means of notes on the agenda. These notes on the agenda will be placed on the company website.
- 24.4. The management and the supervisory board will provide all requested information to the general shareholders' meeting, unless this is contrary to important interests of the company. If the management or the supervisory board invoke such important interests they will state their reasons for this.

Extraordinary general shareholders' meeting.

Article 25.

- 25.1. Extraordinary general meetings of shareholders are held as often as the management and/or the supervisory board consider necessary and must be held if one or more shareholders or other persons entitled to attend meetings who jointly represent at least ten percent (10%) of the subscribed capital request this in writing from the management or the supervisory board, subject to providing a precise statement of the topics to be discussed.
- 25.2. Written requests as referred to in clause 1 of this article may be submitted

electronically and shall comply with conditions stipulated by the management, subject to the approval of the supervisory board, which conditions shall be posted on the company's website.

- 25.3. If the management or supervisory board remain negligent in giving effect to a request as meant in clause 1 of this article, so that the general shareholders' meeting cannot be held within six weeks following the submission of the request, the parties making the request will be entitled to convene the meeting themselves.

**Location of the general meeting and notice
convening the general shareholders' meeting.**

Article 26.

- 26.1. The general shareholders' meeting will be held in Utrecht, Amsterdam, Amersfoort, Arnhem, Bussum, Haarlemmermeer, Hilversum, Nieuwegein or Zeist. The notice convening the meeting will provide full information to shareholders and other persons entitled to attend meetings regarding the location.
- 26.2. The notice for the convening of the general shareholders' meeting will take place in accordance with the relevant provisions prescribed by law. The management may, subject to the approval of the supervisory board, decide that holders of ordinary shares will be convened in writing to the addresses of the persons holding these shares as shown in the register of shareholders or will be convened an announcement published by electronic means.
- 26.3. The notice convening the general shareholders' meeting is issued by the management, the supervisory board or by persons authorised for this purpose according to law or by virtue of these articles of association.

Convocation period. Agenda.

Article 27.

- 27.1. Convocation notice is issued with due observance of the statutory notification period. The convocation notice includes the agenda for this meeting and the other legal requirements or indicates that the agenda is available for inspection at the company's offices by persons entitled to attend the meeting; a copy of the agenda can be obtained free of charge.
- 27.2. One or more shareholders who jointly represent at least a part of the subscribed capital as prescribed by law, and those which comply with the other requirements as described in article 2:114a paragraph 2 of the Dutch Civil Code, are entitled to request the management or the supervisory board in writing and by reasons supported to include items for discussion or a motion to adopt a resolution on the agenda, provided that the company receives the request or motion no later than on the sixtieth day prior to the date of the meeting.
- 27.3. Written requests as referred to in clause 2 of this article may be submitted electronically and shall comply with conditions stipulated by the management, subject to the approval of the supervisory board, which conditions shall be posted on the company's website.

Chairman of the general shareholders' meeting. Minutes.

Article 28.

- 28.1. The general shareholders' meeting is chaired by the chairman of the supervisory board. In the absence of the chairman of the supervisory board the meeting will be

chaired by another person appointed by the supervisory board. The chairman of the meeting appoints the secretary for the meeting.

- 28.2. A certificate, signed by the chairman and the meeting secretary, containing confirmation that the general shareholders' meeting has taken a particular decision, is valid as evidence to third parties of such a decision.
- 28.3. The meeting secretary takes the minutes of the matters dealt with at the meeting, which minutes are then signed by the chairman and the secretary.
- 28.4. The chairman of the supervisory board is entitled to request that a public notary draw up a notarised statement of the minutes of the meeting.
- 28.5. Unless a notarised statement of the minutes of the meeting is drawn up, the minutes of the general shareholders' meeting will be made available to shareholders on request within a maximum of three months after the meeting, after which shareholders will have the opportunity to respond to the minutes during the following three months. The minutes will then be approved in the manner described in clause 3.

Attendance at the general shareholders' meeting.

Article 29.

- 29.1. All shareholders and other persons in possession of voting rights in the general shareholders' meeting are entitled to attend the general shareholders' meeting, to speak at the meeting and to vote. The above applies *mutatis mutandis* to other persons entitled to attend meetings, subject to the proviso that they have no voting rights.
- 29.2. The management may, subject to the approval of the supervisory board, decide that the business transacted at a general shareholders' meeting can be taken note of by electronic means of communication.
- 29.3. The management may, subject to the approval of the supervisory board, decide that each person entitled to attend general shareholders' meetings (and vote thereat) may, either in person or by written proxy, vote at and/or participate in that meeting by electronic means of communication, provided that such person can be identified through the electronic means of communication and furthermore provided that such person can directly take note of the business transacted at the general shareholders' meeting concerned. The management may, subject to the approval of the supervisory board, attach conditions to the use of the electronic means of communication, which conditions shall be announced at the convocation of the general shareholders' meeting and shall be posted on the company's website.
- 29.4. The general shareholders' meeting is entitled to draw up procedural rules relating to matters including length of speaking time. Insofar as such procedural rules are not applicable, the chairman can impose limits on speaking time if he regards it necessary with a view to the efficient conduct of the meeting.
- 29.5. Persons who qualify as being entitled to attend meetings are those who: (i) are shareholders or otherwise entitled to attend meetings at times to be determined with due observance of the relevant statutory provisions by the management, these times to be referred to below as: the 'registration times' and (ii) are registered as such in a register designated by the management (or one or more

sections of such register), hereinafter referred to as: the 'register', subject to the proviso (iii) that the holder of the register, at the request of the shareholder or certificate holder concerned, has given notice in writing to the company prior to the general meeting that the shareholder or certificate holder concerned intends to attend, regardless of who is the actual shareholder or certificate holder at the time of the general shareholders' meeting. The notice must contain the name and the number of shares or certificates in respect of which the shareholder or certificate holder is entitled to attend the general shareholders' meeting. The stipulation under (iii) above regarding notice to the company also applies to the holder of a written power of attorney issued by a shareholder or certificate holder.

- 29.6. In the notice convening the general meeting the day of registration is reported, together with details of the registration procedure and the location at which the registration must be made.
- 29.7. The management may, subject to the approval of the supervisory board, decide that persons entitled to attend general shareholders' meetings and vote thereat may, within a period prior to the general shareholders' meeting to be set by the management, which period cannot begin prior to the registration date as meant in clause 5 of this article, cast their votes electronically in a manner to be decided by the management or by post. Votes cast in accordance with the previous sentence are equal to votes cast at the meeting.
- 29.8. The shareholders, or other persons entitled to attend meetings or their appointed representatives, must sign the attendance list and provide details of the number of shares they represent, and where applicable, the votes they are entitled to cast.

Article 30.

- 30.1. Shareholders and other persons entitled to attend meetings can have themselves represented by means of a written power of attorney, as long as a written document from which this power of attorney appears is handed in to the company two (2) days prior to the day of the meeting at the latest.
- 30.2. The chairman of the meeting, with due regard to the provisions of article 2:13 of the Dutch Civil Code, decides all questions relating to the admission of shareholders to the general meeting, the exercise of voting rights, the results of ballots and all other matters relating to the general meeting and to shareholders.

Decision-making at the general meeting.

Article 31.

- 31.1. Insofar as not otherwise determined by these articles of association or by law, decisions are taken on an ordinary majority of the votes. Blank votes and ineligible votes are disregarded. The chairman decides the method of voting, including the possibility of voting by acclamation.
- 31.2. Where a ballot relates to the appointment of persons and more than one person has been put forward for appointment, balloting will take place until one of the candidates presented has achieved an ordinary majority of the votes.
- 31.3. The motion will be rejected in the event that the votes are tied.
- 31.4. The general meeting is authorised to resolve to:
 - a. any change to the articles of association;
 - b. the liquidation of the company;

- c. a legal merger or legal division,
only with the prior approval of the supervisory board.
- 31.5. A decision of the general meeting regarding changes to the articles of association is accordingly only valid if the full proposal is made available for inspection by shareholders and other persons entitled to attend meetings at the company's offices from the date of the convening of the general shareholders' meeting to the time of the conclusion of the said general meeting.

Voting right per share.

Article 32.

Unless the law or the articles of association specify otherwise, each ordinary share gives the right to cast one vote at the general meeting.

Article 33.

(Is cancelled, note that number remains to avoid renumbering).

Article 34.

(Is cancelled, note that number remains to avoid renumbering).

Annual accounts. Annual report of the management.

Article 35.

- 35.1. The company's financial year is the same as the calendar year.
- 35.2. Yearly within the period set under or pursuant to the law the management shall make the annual accounts generally available. The management sends the annual accounts to the works council. The annual accounts are accompanied by a declaration by the accountant, as referred to in clause 5, by the annual report and by the other information that, under or pursuant to the law, must be made generally available together with the annual accounts. The annual accounts are signed by all managers and all supervisory board members; if the signature of one or more of them is absent then this will be reported together with the reasons for it.
- 35.3. The management will explain the broad outline of the corporate governance structure of the company in a separate chapter of the annual report. In this chapter how the company follows the code of conduct adopted by the management as referred to in article 2:391, paragraph 4 of the Dutch Civil Code will be indicated. If the company does not follow the provisions referred to in the foregoing sentence, then it will be indicated by the management in the aforementioned chapter why and to what extent the company deviates from these provisions.
- 35.4. The management is obliged to draw up the annual accounts according to generally accepted principles and in accordance with all other applicable legal rulings.
- 35.5. The supervisory board undertakes to have the annual accounts verified by one or more registered accountants appointed for this purpose by the general meeting or by other experts appointed within the meaning of article 2:393 of the Dutch Civil Code. The registered accountant or the appointed expert submits a report of his investigations to the supervisory board and the management and presents the results of his investigations in a statement.
- 35.6. The annual accounts, the annual report of the management, the report of the supervisory board and the other information that, under or pursuant to the law, must be made generally available together with the annual accounts, are generally

available from the date of the notice convening the general shareholders' meeting dealing with these matters until the close of the said meeting. The proposal for adoption of the annual accounts is presented to the general meeting.

Profit and loss.

Article 36.

- 36.1. From the profit achieved in any financial year, such an amount shall be reserved as the supervisory board determines on the proposal of the management. Insofar as no reservation takes place, the remaining profit will be placed at the free disposal of the general meeting.
- 36.2. The management is entitled, subject to due observance of the provisions of article 2:105 of the Dutch Civil Code and with the approval of the supervisory board, to pay interim dividends, if and to the extent that the profit so permits.
- 36.3. The general meeting, subject to approval by the supervisory board, on a proposal by the management, can decide to pay out dividends or reserves either fully or in part, instead of in cash, in the form of shares in the capital of the company.
- 36.4. The company can only make payments insofar as the capital and reserves of the company are greater than the subscribed and called up component of the capital, plus the legally prescribed reserves.

Agio reserves. Payments charged to the agio reserve or other reserves.

Article 37.

- 37.1. In addition to any other reserves, the company has an agio reserve for ordinary shares.
- 37.2. Notwithstanding the stipulations of article 36, clause 12, the management, subject to the approval of the supervisory board, can permit the company to make payments from the agio reserves or any other reserves incorporated in the annual accounts, not being a legally compulsory reserve.

Payments. Availability for payment.

Article 38.

- 38.1. Payments made on the grounds of articles 36 or 37 will be payable from a date to be determined by the management.
- 38.2. Payments on the grounds of articles 36 or 37 will be made payable to an address or addresses in the Netherlands to be determined by the management.
- 38.3. Notifications regarding payments, as well as all relevant data and locations as meant in the above clauses of this article will take place in accordance the provisions with respect to convening a meeting as described in article 26 paragraph 2.
- 38.4. Payments in cash that are not claimed within five years of the start of the second day on which they are made due and payable will revert to the company.

Dissolution. Liquidation.

Article 39.

- 39.1. In the case of the dissolution of the company, liquidation will be placed in the hands of a person appointed for this purpose by the general shareholders' meeting, under the supervision of the supervisory board.
- 39.2. The general shareholders' meeting, on a proposal by the supervisory board, will determine the remuneration to be paid to the liquidators and the persons to be

charged with the supervision of the liquidation.

- 39.3. The liquidation will proceed in accordance with the legal provisions. The articles of association will remain in force as far as possible during the liquidation.
- 39.4. On the conclusion of the liquidation the liquidators will present their account of the liquidation and the justification of the steps they have taken in accordance with the rules prescribed by law.
- 39.5. Once the company has ceased to exist, the company's books and documents will remain in the custody of a party appointed for this purpose by the liquidators for the period of time prescribed by law.

Payment to shareholders following dissolution.

Article 40.

The remaining capital of the company following the repayment of all debts and the costs of the liquidation will be paid to holders of ordinary shares in proportion to the number of ordinary shares that any of them holds.

Non called up payments following dissolution.

Article 41.

Amounts payable to shareholders or creditors that are not claimed within six (6) months of the final date on which final payments can be called up, will be deposited in the consignment fund.

15.2 Mediq Articles of Association post offer and after delisting

CHAPTER 1. DEFINITIONS AND CONSTRUCTION.

Article 1. Definitions and Construction.

1.1 In these Articles of Association, the following terms have the following meanings:

Share means a share in the capital of the Company.

Shareholder means a holder of one or more Shares.

General Meeting or **General Meeting of Shareholders** means the body of the Company consisting of the person or persons holding the voting rights attached to Shares, as a Shareholder or otherwise, or (as the case may be) a meeting of such persons (or their representatives) and other persons holding Meeting Rights.

Managing Director means a member of the Management Board.

Management Board means the management board of the Company.

Supervisory Director means a member of the Supervisory Board.

Works Council means the central works council as established with the Company, unless Dutch law otherwise requires.

Supervisory Board means the supervisory board of the Company.

Company means the company the internal organisation of which is governed by these Articles of Association.

Meeting Rights means the right to be invited to General Meetings of Shareholders and to speak at such meetings, as a Shareholder or as a person to whom these rights have been attributed in accordance with Article 9.

1.2 A message **in writing** means a message transmitted by letter, by telecopier, by e-mail or by any other means of electronic communication provided the relevant message or document is legible and reproducible, and the term **written** is to be construed accordingly.

1.3 The Management Board, the Supervisory Board and the General Meeting each constitute a distinct body of the Company.

1.4 References to **Articles** refer to articles which are part of these Articles of Association, except where expressly indicated otherwise.

1.5 Unless the context otherwise requires, words and expressions contained and not otherwise defined in these Articles of Association bear the same meaning as in the Dutch Civil Code. References in these Articles of Association to the law are references to provisions of Dutch law as it reads from time to time.

CHAPTER 2. NAME, OFFICIAL SEAT AND OBJECTS.

Article 2. Name and Official Seat.

2.1 The Company's name is:

Mediq N.V.

2.2 The official seat of the Company is in Utrecht.

2.3 The Company is subject to the mitigated large company regime as referred to in Sections 2:152 up to and including 2:161a and Section 2:164 of the Dutch Civil Code and as incorporated in the Articles.

Article 3. Objects.

The Company has as its object:

a. directly or through the agency of third parties, the purchase, sale, adaptation,

- processing and manufacture of pharmaceutical and chemical products, semi manufactured goods, raw materials, medical aids, technical medical equipment and in general all necessities for health care, including logistical services and services for the benefit of the pharmacies sector, including all items, products and services connected to the above or that may promote the said object;
- b. participation in, exercise of management over and financing of other companies of whatsoever nature, the acquisition, exploitation, encumbrance and disposal of movable and immovable goods, the contracting and issue of loans in terms of mortgages or otherwise, and the management and investment of capital, as well as the provision of guarantees for the debts of third parties;
 - c. all other legal means and remedies that may be of service to these objectives, either directly or indirectly.

CHAPTER 3. CAPITAL AND SHARES.

Article 4. Authorised Capital.

- 4.1 The authorised capital of the Company is twenty-five million euro (EUR 25,000,000).
- 4.2 The authorised capital of the Company is divided into one hundred million (100,000,000) Shares, with a nominal value of twenty-five euro cent (EUR 0.25) each.
- 4.3 All Shares are registered. No share certificates will be issued.

Article 5. Register of Shareholders.

- 5.1 The Management Board must keep a register of Shareholders in which the names and addresses of all Shareholders are recorded. In the register of Shareholders, the names and addresses of all other persons holding Meeting Rights must also be recorded, as well as the names and addresses of all holders of a right of pledge or usufruct in respect of Shares not holding Meeting Rights.
- 5.2 Section 2:85 of the Dutch Civil Code applies to the register of Shareholders.

Article 6. Issuance of Shares.

- 6.1 Shares may be issued pursuant to a resolution of the General Meeting or of another body of the Company designated for that purpose by a resolution of the General Meeting for a fixed period, not exceeding five years. On such designation the number of Shares which may be issued must be specified. The designation may be extended, from time to time, for a period not exceeding five years. Unless the designation provides otherwise, it may not be withdrawn.
- 6.2 A resolution to issue Shares must stipulate the issue price and the other conditions of issue.
- 6.3 The provisions of Articles 6.1 and 6.2 apply by analogy to the granting of rights to subscribe for Shares, but do not apply to the issuance of Shares to a person exercising a right to subscribe for Shares previously granted.
- 6.4 The issue of a Share furthermore requires a notarial deed, to be executed for that purpose before a civil law notary registered in the Netherlands, to which deed those involved in the issuance must be parties.
- 6.5 Upon issuance of Shares, each Shareholder will have a right of pre-emption in proportion to the aggregate nominal value of his Shares, subject to the relevant limitations prescribed by law and the provisions of Articles 6.6, 6.7 and 6.8.

- 6.6 Shareholders will have no right of pre-emption on Shares which are issued to employees of the Company or of a group company (*groepsmaatschappij*).
- 6.7 Prior to each single issuance of Shares, the right of pre-emption may be limited or excluded by a resolution of the General Meeting. The right of pre-emption may also be limited or excluded by the body of the Company designated pursuant to Article 6.1 hereof, if, by a resolution of the General Meeting, it was designated and authorised for a fixed period, not exceeding five years, to limit or exclude such right of pre-emption. The designation may be extended, from time to time, for a period not exceeding five years. Unless the designation provides otherwise, it may not be withdrawn. If less than one-half of the Company's issued capital is represented at the meeting, a majority of at least two-thirds of the votes cast will be required for a resolution of the General Meeting to limit or exclude such right of pre-emption or to make such designation.
- 6.8 Shareholders will have no right of pre-emption in respect of Shares which are issued to a person exercising a right to subscribe for Shares previously granted.
- 6.9 Upon subscription of each Share, the full nominal value thereof must be paid up, and, in addition, if the Share is issued at a higher amount, the difference between such amounts.
- 6.10 The Management Board is authorised to perform legal acts relating to non-cash contributions on Shares and other legal acts mentioned in Section 2:94 of the Dutch Civil Code, without prior approval of the General Meeting.

Article 7. Own Shares; Reduction of the Issued Capital.

- 7.1 The Company and its subsidiaries (*dochtermaatschappijen*) may acquire fully paid-up Shares or depositary receipts thereof, with due observance of the relevant provisions prescribed by law.
- 7.2 The Company and its subsidiaries (*dochtermaatschappijen*) may grant loans with a view to a subscription for or an acquisition of Shares or depositary receipts thereof, with due observance of the relevant provisions prescribed by law.
- 7.3 The Company may not give security, guarantee the price, or in any other way answer to or bind itself either severally or jointly for or on behalf of third parties, with a view to a subscription for or an acquisition of Shares or depositary receipts thereof by others. This prohibition also applies to subsidiaries (*dochtermaatschappijen*).
- 7.4 The prohibition of Article 7.3 does not apply to Shares or depositary receipts thereof subscribed or acquired by or for employees of the Company or of a group company (*groepsmaatschappij*).
- 7.5 In the General Meeting, no voting rights may be exercised for any Share held by the Company or a subsidiary (*dochtermaatschappij*) thereof, nor for any Share for which the Company or a subsidiary (*dochtermaatschappij*) thereof holds the depositary receipts.
- 7.6 The General Meeting may resolve to reduce the Company's issued capital in accordance with the relevant provisions prescribed by law.

Article 8. Transfer of Shares.

- 8.1 The transfer of a Share requires a notarial deed, to be executed for that purpose before a civil law notary registered in the Netherlands, to which deed those

involved in the transfer must be parties.

- 8.2 Unless the Company itself is party to the transfer, the rights attributable to the Share can only be exercised after the Company has acknowledged said transfer or said deed has been served upon it, in accordance with the relevant provisions of the law.

Article 9. Pledging of Shares and Usufruct in Shares; Depositary Receipts.

- 9.1 The provisions of Articles 8.1 and 8.2 apply by analogy to the pledging of Shares.
- 9.2 The voting rights attached to pledged Shares accrue to the Shareholder. However, pursuant to a written agreement between the Shareholder and the pledgee, the voting rights may accrue to the pledgee if such transfer of voting rights has been approved by the General Meeting. The Meeting Rights accrue to the Shareholder, whether holding voting rights or not, and to the pledgee holding voting rights, but will not accrue to the pledgee not holding voting rights.
- 9.3 The provisions of Articles 8.1 and 8.2 apply by analogy to the creation or transfer of a right of usufruct in Shares. The voting rights attached to Shares encumbered by a right of usufruct accrue to the Shareholder. The Meeting Rights will not accrue to the holder of a right of usufruct.
- 9.4 The Company will not cooperate in the issuance of depositary receipts for Shares and will not grant Meeting Rights to holders of depositary receipts issued for Shares.

CHAPTER 4. THE MANAGEMENT BOARD.

Article 10. Managing Directors.

- 10.1 The Management Board will consist of two Managing Directors. Both individuals and legal entities can be Managing Directors.
- 10.2 Managing Directors are appointed by the General Meeting. Both the Management or the Supervisory Board on an individual basis may recommend candidates for appointment. A recommendation for appointment must state the candidate's age, his profession, the number of the Shares he holds and the positions he holds or has held, in so far as these are relevant for the performance of the duties as manager. The recommendation will state the reasons on which it is based.
- 10.3 A Managing Director may be suspended or removed by the General Meeting at any time. A Managing Director may also be suspended by the Supervisory Board. A suspension by the Supervisory Board may be discontinued at any time by the General Meeting.
- 10.4 The Company has a policy on the remuneration of the Management Board. Section 2:135 of the Dutch Civil Code applies to this policy.
- 10.5 The authority to establish remuneration and other conditions of employment for Managing Directors is vested in the Supervisory Board, with due observance of the policy referred to in Article 10.4. With respect to arrangements in the form of Shares or rights to subscribe for Shares, the Supervisory Board must submit a proposal to the General Meeting for approval. The proposal must as a minimum state the number of Shares or rights to subscribe for Shares that can be granted to the Management Board and the conditions for granting or changing thereof.

Article 11. Duties, Decision-making Process and Allocation of Duties.

- 11.1 The Management Board is entrusted with the management of the Company. In the

exercise of their duties, the Managing Directors must be guided by the interests of the Company and the business connected with it.

- 11.2 The Management Board appoints and discharges a secretary of the Company subject to the approval of the Supervisory Board. The secretary thus appointed has the title of 'Company secretary'.
- 11.3 The Management Board may establish rules regarding its decision-making process and working methods. In this context, the Management Board may also determine the duties for which each Managing Director is particularly responsible. The Supervisory Board may resolve that such rules and allocation of duties must be put in writing and that such rules and allocation of duties will be subject to its approval.
- 11.4 Management Board resolutions at all times may be adopted in writing, provided the proposal concerned is submitted to all Managing Directors then in office and none of them objects to this manner of adopting resolutions.

Article 12. Representation.

- 12.1 The Company is represented by the Management Board. Each Managing Director is also authorised to represent the Company.
- 12.2 The Management Board may appoint officers with general or limited power to represent the Company. Each officer will be competent to represent the Company, subject to any restrictions imposed on him. The Management Board will determine each officer's title. The authority of an officer thus appointed may not extend to any transaction where the Company has a conflict of interest with the officer concerned or with one or more Managing Directors.
- 12.3 Legal acts of the Company vis-à-vis a holder of all of the Shares, or vis-à-vis a participant in a community property of married or registered non-married partners of which all of the Shares form a part, whereby the Company is represented by such Shareholder or one of the participants, must be put in writing. With regard to the foregoing sentence, Shares held by the Company or its subsidiaries (*dochtermaatschappijen*) will not be taken into account. The aforementioned provisions in this Article 12.3 do not apply to legal acts which, under their agreed terms, form part of the normal course of business of the Company.

Article 13. Approval of Management Board Resolutions.

- 13.1 Resolutions of the Management Board entailing a significant change in the identity or character of the Company or its business are subject to the approval of the General Meeting and the Supervisory Board, including in any case:
 - (a) the transfer of (nearly) the entire business of the Company to a third party;
 - (b) entering into or breaking off long-term co-operations of the Company or a subsidiary (*dochtermaatschappij*) with another legal entity or company or as fully liable partner in a limited partnership or general partnership, if this co-operation or termination is of major significance for the Company;
 - (c) acquiring or disposing of participating interests in the capital of a company of at least one third of the sum of the assets of the Company as shown on its balance sheet plus explanatory notes or, if the Company prepares a consolidated balance sheet, its consolidated balance sheet plus explanatory notes according to the last adopted annual accounts of the

Company, by the Company or a subsidiary (*dochtermaatschappij*).

- 13.2 Without prejudice to that which is stated in article 19, paragraph 2 of these Articles of Association, the Management Board presents to the Supervisory Board for its approval:
- (a) the operational and financial aims of the Company;
 - (b) the strategy which is to lead to the achievement of these aims; and
 - (c) the preconditions which are employed with regard to the abovementioned strategy, including the financial ratios.
- 13.3 Without prejudice to any other applicable provisions of the law or these Articles of Association, Management Board resolutions with respect to any one or more of the following matters are subject to the approval of the Supervisory Board:
- (a) issue and acquisition of Shares and debentures at the expense of the Company or of debentures at the expense of a limited partnership or general partnership in respect of which the Company is a partner with full liability;
 - (b) cooperation in the issuance of depositary receipts for Shares;
 - (c) the application for admission of the securities under (a) and (b) above to a regulated market or multilateral trading facility as referred to in Section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) or a comparable regulated market or multilateral trading facility system from a state that is not a member state, or, as the case may be, the cancellation of such admission;
 - (d) entering into or termination of a long term cooperation of the Company or a Dependent Company with another legal entity or company or, as a partner with full liability, in a limited partnership or general partnership if such cooperation or termination is of fundamental importance for the Company;
 - (e) participation by the Company or a Dependent Company in the capital of another company if the value of such participation is at least one quarter of the amount of the issued capital plus reserves of the Company according to its balance sheet and explanatory notes, as well as significantly increasing or reducing such participation;
 - (f) investments requiring an amount equal to at least one quarter of the issued capital plus reserves of the Company according to its balance sheet and explanatory notes;
 - (g) proposal to amend these Articles of Association;
 - (h) proposal to dissolve the Company;
 - (i) petition for bankruptcy or a request for suspension of payments (*surseance van betaling*);
 - (j) termination of the employment of a considerable number of employees of the Company or of a Dependent Company simultaneously or within a short period of time;
 - (k) radical change in the employment conditions of a considerable number of the employees of the Company or of a Dependent Company;
 - (l) proposal to reduce the Company's issued capital;

- (m) proposal to merge or demerge prescribe in accordance with Title 7, Book 2 of the Dutch Civil Code.
- 13.4 Without prejudice to what is stated in this article 13, the Supervisory Board is entitled when making decisions to this end to subject other decisions taken by the Management Board yet to be clarified to its own approval. The Supervisory Board will notify the Management Board of the nature of these decisions at the moment they arise.
- 13.5 The absence of approval by the General Meeting and or the Supervisory Board of a resolution of a resolution as referred to this Article 13 will not affect the authority of the Management Board or the Managing Directors to represent the Company.

Article 14. Conflicts of Interest.

- 14.1 A Managing Director may not participate in deliberating or decision-making within the Management Board, if with respect to the matter concerned he has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it.
- 14.2 The Managing Director who in connection with a (potential) conflict of interests does not exercise the duties and powers otherwise accruing to him as a Managing Director, will as such be regarded as a Managing Director who is unable to perform his duties within the meaning of Article 15.
- 14.3 In the event of a conflict of interests as referred to in Article 14.1, the provisions of Article 12.1 will continue to apply unimpaired. In addition, the Supervisory Board may, ad hoc or otherwise, appoint one or more persons to represent the Company in matters in which a (potential) conflict of interests exists between the Company and one or more Managing Directors.

Article 15. Vacancy or Inability to Act.

- 15.1 If a seat on the Management Board is vacant (*ontstentenis*) or a Managing Director is unable to perform his duties (*belet*), the remaining Managing Directors or Managing Director will be temporarily entrusted with the management of the Company.
- 15.2 If all seats on the Management Board are vacant or all Managing Directors or the sole Managing Director, as the case may be, are unable to perform their duties, the management of the Company will be temporarily entrusted to the Supervisory Board, with the authority to temporarily entrust the management of the Company to one or more Supervisory Directors and/or one or more other persons.
- 15.3 When determining to which extent Managing Directors are present or represented, consent to a manner of adopting resolutions, or vote, no account will be taken of vacant board seats and Managing Directors who are unable to perform their duties.

CHAPTER 5. THE SUPERVISORY BOARD.

Article 16. Supervisory Directors.

- 16.1 The Company will have a Supervisory Board consisting of five Supervisory Directors, consisting of three Supervisory Directors A, one Supervisory Director B and one Supervisory Director C. If the number of Supervisory Directors is less than five, the Supervisory Board must take measures forthwith to supplement the

- number of Supervisory Directors.
- 16.2 Only individuals may be Supervisory Directors.
- 16.3 The Supervisory Board will adopt a profile on its composition, taking into account the character of the business, its activities and the desired expertise and background of the Supervisory Directors. The Supervisory Board will discuss the profile in the General Meeting and with the Works Council, for the first time at the occasion of adoption and subsequently at each amendment thereof.
- 16.4 Supervisory Directors cannot be:
- (a) persons in the service of the Company;
 - (b) persons in the service of a Dependent Company;
 - (c) officials or persons in the service of a trade union which is usually involved in determining the terms of employment of the persons referred to under (a) and (b);
- 16.5 The General Meeting may award a remuneration to the Supervisory Directors.
- Article 17. Appointment of Supervisory Directors.**
- 17.1 Notwithstanding the provision of Article 17.6, Supervisory Directors are appointed by the General Meeting on a nomination of the Supervisory Board. The nomination will state the reasons on which it is based.
- 17.2 In relation to the appointment of Supervisory Directors A, the General Meeting is entitled to recommend persons for appointment as supervisory board members. The Supervisory Board must inform them in time, when and why and in accordance with what profile a vacancy has to be filled in its midst.
- 17.3 With regard to Supervisory Director B, the supervisory board will put a person recommended by the works council on the nomination, unless the supervisory board objects to his recommendation on the grounds of the expectation that the carrying out of the duties of a supervisory board member by the recommended person, or the appointment to the supervisory board in accordance with the recommendation, would not lead to a proper composition of the supervisory board; taken into account Section 2:158 subsection 6 and 7 of the Dutch Civil Code.
- 17.4 With regard to Supervisory Director C, the Supervisory Board will only put a person on the nomination, who is independent. Such person will at least not be independent if such person is a representative of a person or legal entity holding at least ten per cent (10%) of the shares in the capital of the Company.
- 17.5 A nomination or a recommendation as referred to in this Article 17 must state the candidate's age, his profession, the number of the Shares he holds and the positions he holds or has held, in so far as these are relevant for the performance of the duties of a Supervisory Director. Furthermore, the names of the legal entities of which he is already a Supervisory Director must be indicated; if those include legal entities which belong to a group, reference of that group will be sufficient. The recommendation and the nomination for appointment or re-appointment must be accounted for by giving reasons for it. In case of re-appointment, the performance in the past period of the candidate as a Supervisory Director will be taken into account.
- 17.6 The General Meeting can reject the nomination by an absolute majority of the

votes cast, representing at least one third of the issued capital. If the General Meeting resolves by an absolute majority of the votes cast to reject the nomination but this majority does not represent at least one third of the issued capital, a new meeting can be convened where the nomination can be rejected by an absolute majority of the votes cast. The Supervisory Board will then prepare a new nomination. Articles 17.2 through 17.5 apply. If the General Meeting does not appoint the person nominated by the Supervisory Board and does not resolve to reject the nomination, the Supervisory Board will appoint the person nominated.

- 17.7 The making of a recommendation as referred to in Article 17.2 as well as the resolution to appoint or object, can be discussed in one and the same General Meeting. The notice of that meeting therefore states the vacancy and the opportunity for the General Meeting to make a recommendation and, for the situation in which no recommendation is made by the General Meeting, the name of the person nominated by the Supervisory Board. If the General Meeting does not make a recommendation, the person nominated can be appointed by the General Meeting.
- 17.8 If all Supervisory Directors are absent then, other in accordance with the provisions of Article 18.5, the appointment will be made by the General Meeting. The works council may recommend persons for appointment as Supervisory Directors B. The persons convening the general meeting will inform the Works Council in good time that the appointment as Supervisory Directors B will be a subject on the agenda at the general meeting, with a notification of whether the appointment of a supervisory board member B will take place in accordance with the Works Council's right of recommendation on the basis of Section 2:158 subsection 7 of the Dutch Civil Code.

Article 18. Retirement, suspension and removal.

- 18.1 A Supervisory Director must retire not later than the day on which the first General Meeting is held after four years have elapsed since his appointment.
- 18.2 The Supervisory Directors will retire periodically in accordance with a rotation plan to be drawn up by the Supervisory Board. Any alteration to the rotation plan cannot require a Supervisory Director to resign against his will before the term of his appointment has lapsed.
- 18.3 A Supervisory Director can be suspended by the Supervisory Board; the suspension will lapse by law, if the Company has not submitted a petition as referred to in Article 18.4 to the Commercial Division within one month after commencement of the suspension.
- 18.4 The Commercial Division of the Amsterdam Court of Appeal may upon a request to that effect remove a Supervisory Director for neglecting his duties, for other important reasons or for a fundamental change of circumstances on the basis of which in all reasonableness the Company cannot be required to keep him on as a Supervisory Director. Section 2:161 subsection 2 of the Dutch Civil Code is applicable to such request.
- 18.5 The General Meeting can, by an absolute majority of the votes cast, representing at least one third of the issued capital, resolve to abandon its trust (*het vertrouwen*

opzeggen) in the entire Supervisory Board. Section 2:161a of the Dutch Civil Code is applicable to such abandon of trust.

Article 19. Duties and Powers.

- 19.1 It is the duty of the Supervisory Board to supervise the management of the Management Board and the general course of affairs of the Company and the business connected with it. The Supervisory Board will assist the Management Board by giving advice. In performing their duties, the Supervisory Directors must act in accordance with the interests of the Company and the business connected with it.
- 19.2 The Management Board must supply the Supervisory Board in due time with the information required for the performance of its duties.
- 19.3 At least once a year, the Management Board must inform the Supervisory Board in writing of the main aspects of the strategic policy, the general and financial risks and the Company's management and auditing systems.
- 19.4 The Supervisory Board may request assistance from experts. The costs of such assistance will be for the account of the Company.
- 19.5 The Supervisory Board may decide that one or more Supervisory Directors and/or experts have access to the office and the other buildings and premises of the Company and that such persons are authorised to inspect the books and records of the Company.
- 19.6 The Supervisory Board may establish rules regarding its decision-making process and working methods, in addition to the relevant provisions of these Articles of Association.

Article 20. Chairperson and Secretary.

- 20.1 The Supervisory Director C is also chairman of the Supervisory Board. The Supervisory Board may also appoint a deputy chairperson from among its members, who must take over the duties and powers of the chairperson in the latter's absence.
- 20.2 The Supervisory Board will appoint a secretary of the Supervisory Board, from among its members or not, and make arrangements for his substitution in case of absence.

Article 21. Meetings.

- 21.1 The Supervisory Board meets whenever a Supervisory Director or the Management Board deems necessary.
- 21.2 A Supervisory Director may be represented at a meeting by another Supervisory Director authorised in writing.
- 21.3 The meetings of the Supervisory Board are presided over by its chairperson or his deputy. In their absence, the chairperson of the meeting is appointed by a majority of the votes cast by the Supervisory Directors present at the meeting.
- 21.4 The chairperson of the meeting appoints a secretary for the meeting.
- 21.5 The secretary of a meeting of the Supervisory Board must keep minutes of the proceedings at the meeting. The minutes must be adopted by the Supervisory Board, in the same meeting or the next. Evidencing their adoption, the minutes must be signed by the chairperson and the secretary of the meeting in which the minutes are adopted.

- 21.6 The Supervisory Board meets with the Management Board as often as the Supervisory Board or the Management Board deems necessary.

Article 22. Decision-making Process.

- 22.1 When making Supervisory Board resolutions, each Supervisory Director may cast one vote.
- 22.2 All resolutions of the Supervisory Board will be adopted by a majority of the votes cast.
- 22.3 At a meeting, the Supervisory Board may only pass valid resolutions if the majority of the Supervisory Directors then in office are present or represented.
- 22.4 Supervisory Board resolutions may also be adopted in a manner other than at a meeting, in writing or otherwise, provided the proposal concerned is submitted to all Supervisory Directors then in office and none of them objects to the relevant manner of adopting resolutions. A report must be prepared by the secretary of the Supervisory Board on a resolution adopted other than at a meeting which is not adopted in writing, and such report must be signed by the chairperson and the secretary of the Supervisory Board. Adoption of resolutions in writing is effected by written statements from all Supervisory Directors then in office.
- 22.5 A Supervisory Director will not participate in deliberating or decision-making within the Supervisory Board, if with respect to the matter concerned he has a direct or indirect personal interests that conflicts with the interests of the Company and the business connected with it. If, as a result hereof, the Supervisory Board cannot make a decision, the General meeting must resolve the matter.

Article 23. Vacancy or Inability to Act and Conflicts of Interest.

- 23.1 If a seat on the Supervisory Board is vacant or a Supervisory Director is unable to perform his duties, the remaining Supervisory Directors or Supervisory Director will be temporarily entrusted with the duties and powers of the Supervisory Board.
- 23.2 If all seats on the Supervisory Board are vacant or all Supervisory Directors are unable to perform their duties, the Management Board and the General Meeting must determine jointly to what extent and in which manner the duties and powers of the Supervisory Board are to be taken over temporarily.
- 23.3 A Supervisory Director may not participate in deliberating or decision-making within the Supervisory Board, if with respect to the matter concerned he has a direct or indirect personal interests that conflicts with the interests of the Company and the business connected with it. If, as a result hereof, the Supervisory Board cannot make a decision, the General meeting will resolve the matter

Article 24. Indemnity Managing Directors and Supervisory Directors.

- 24.1 Insofar as not otherwise prescribed by law, Managing Directors and Supervisory Directors will be reimbursed for:
- (i) making a defence against claims brought about by an action or omission in the exercise of their duties or of other duties which they carry out or have carried out at the request of the Company;

- (ii) any compensation or fines which they are obliged to pay due to an action or omission as referred to above under (i);
 - (iii) reasonable costs of appearing in other legal actions in which they involved as a Managing Director and Supervisory Director or as a former Managing Director and Supervisory Director, with the exception of actions in which they primarily bring their own claims to court.
- 24.2 A person concerned has no claim to the reimbursement as referred to in Article 24.1 in as much and so far as (i) a Dutch judge has ruled that the action or omission of the person concerned can be characterised as deliberate, consciously reckless or gravely culpable, unless otherwise prescribed by law, or in the given circumstances are such that they would be unacceptable by standards of reasonableness or fairness, or (ii) the costs or loss of assets of the person concerned is covered by insurance, and the insurer has reimbursed these costs or loss of assets. The Company may take out liability insurance on behalf of the persons concerned. The Supervisory Board with respect to the Management Board, and the Management Board with respect to the Supervisory Board, may negotiate the above further by mutual agreement.

CHAPTER 6. THE WORKS COUNCIL.

Article 25. Position adopted and Right to Explain.

- 25.1 The following proposals and nomination will not be put to the General Meeting unless the Works Council has been given the opportunity to, timely prior to such general meeting, adopt a certain position:
 - (a) a proposal to appoint, suspend or resign a Managing Director as referred to in Article 10;
 - (b) a proposal to adopt or amend the remuneration policy as referred to in Article 10.5;
 - (c) a proposal to approve a resolution as referred to Article 13.1; and
 - (d) a nomination for appointment of a Supervisory Director as referred to in Article 17.1.
- 25.2 The Chairman or a member of the Works Council designated thereto by him, may explain the position of the Works Council as referred to in Article 25.1 at the General Meeting. The absence of such position does not affect the decision-making regarding the proposal.
- 25.3 The powers of the Works Council referred to in Article 25.1 apply insofar as and to the extent prescribed by Sections 2:107a, 2:134a, 2:135 and 2:158 subsection 4 of the Dutch Civil Code.

Article 26. Works Council and Mitigated Company Regime.

- 26.1 Notice of the meeting convened as referred to in Article 17.7 may not be given unless it is certain:
 - (a) that the Works Council has either made a recommendation as referred to in Article 17.3, or has given notice that it does not wish to do so, or that a reasonable period of time, to be determined by the Supervisory Board, has lapsed in which to make a recommendation; and
 - (b) if the Works Council has made a recommendation as referred to in Article 17.3, the Supervisory Board nominated the person recommended.

- 26.2 After preparation of the annual accounts, the Management Board must send these to the Works Council.
- 26.3 An amendment of the Articles of Association following which, in accordance with Section 2:158 subsection 12 of the Dutch Civil Code, the Articles of Association deviate from the statutory provisions regarding appointment of Supervisory Directors, is subject to approval of the Works Council.

CHAPTER 7. ANNUAL ACCOUNTS AND DISTRIBUTIONS.

Article 27. Financial Year and Annual Accounts.

- 27.1 The Company's financial year is the calendar year.
- 27.2 Annually, not later than five months after the end of the financial year, save where this period is extended by the General Meeting by not more than six months by reason of special circumstances, the Management Board must prepare annual accounts, and must deposit the same for inspection by the Shareholders and other persons holding Meeting Rights at the Company's office.
- 27.3 Within the same period, the Management Board must also deposit the annual report for inspection by the Shareholders and other persons Meeting Rights, unless the Company is not obliged thereto pursuant to Section 2:396 or Section 2:403 of the Dutch Civil Code.
- 27.4 The annual accounts must be signed by the Managing Directors and the Supervisory Directors. If the signature of one or more of them is missing, this must be stated and reasons for this omission must be given.
- 27.5 Annually, the Supervisory Board will prepare a report, which will be enclosed with the annual accounts and the annual report. The provisions of Article 21.3 apply by analogy.
- 27.6 The Company may, and if the law so requires must, appoint an accountant to audit the annual accounts. Such appointment must be made by the General Meeting.
- 27.7 The annual accounts must be submitted to the General Meeting for adoption.
- 27.8 At the General Meeting at which it is resolved to adopt the annual accounts, it will be separately proposed that the Managing Directors on the one hand and the Supervisory Directors on the other be released from liability for their respective duties, insofar as the exercise of such duties is reflected in the annual accounts or otherwise disclosed to the General Meeting prior to the adoption of the annual accounts.

Article 28. Profits and Distributions.

- 28.1 After the prior approval of the Supervisory Board, the authority to decide over the allocation of profits determined by the adoption of the annual accounts and to make distributions is vested in the General Meeting, with due observance of the limitations prescribed by law.
- 28.2 Distributions may be made only up to an amount which does not exceed the amount of the Distributable Equity and, if it concerns an interim distribution, the compliance with this requirement is evidenced by an interim statement of assets and liabilities as referred to in Section 2:105, subsection 4, of the Dutch Civil Code. The Company must deposit the statement of assets and liabilities at the office of the Commercial Register within eight days after the day on which the resolution to make the distribution is published.

- 28.3 The authority of the General Meeting to make distributions applies to both distributions at the expense of non-appropriated profits and distributions at the expense of any reserves, and to both distributions on the occasion of the adoption of the annual accounts and interim distributions.
- 28.4 A resolution to make a distribution will not be effective until approved by the Management Board. The Management Board must refuse to grant such approval if it knows or reasonably should foresee that after the distribution the Company would not be able to continue to pay its debts as they fall due.

CHAPTER 8. GENERAL MEETING OF SHAREHOLDERS.

Article 29. General Meetings of Shareholders.

- 29.1 The annual General Meeting of Shareholders must be held within six months after the end of the financial year.
- 29.2 Other General Meetings of Shareholders will be held as often as the Management Board or the Supervisory Board deems necessary.
- 29.3 Shareholders and/or other persons holding Meeting Rights representing in the aggregate at least one-tenth of the Company's issued capital may request the Management Board or the Supervisory Board to convene a General Meeting of Shareholders, stating specifically the business to be discussed. If the Management Board or the Supervisory Board has not given proper and timely notice of a General Meeting of Shareholders such that the meeting can be held within six weeks after receipt of the request, the applicants will be authorised to convene a meeting themselves.
- 29.4 Within three months of it becoming apparent to the Management Board that the equity of the Company has decreased to an amount equal to or lower than half of the paid-up part of the capital, a General Meeting of Shareholders will be held to discuss any requisite measures.

Article 30. Notice, Agenda and Venue of Meetings.

- 30.1 Notice of General Meetings of Shareholders will be given by the Management Board or the Supervisory Board, without prejudice to the provisions of Article 29.3.
- 30.2 Notice of the meeting must be given no later than on the fifteenth day prior to the day of the meeting.
- 30.3 The notice convening the meeting must specify the business to be discussed. Other business not specified in such notice may be announced at a later date, with due observance of the term referred to in Article 30.2.
- 30.4 Items for which a written request has been submitted by one or more Shareholders and/or other persons holding Meeting Rights, alone or jointly representing at least a part of the issued share capital as prescribed by law, must be included in the notice or announced in the same manner, provided that the Company received the request or proposed resolutions, including the reasons for if, no later than on the sixtieth day before the date of the meeting can be given.
- 30.5 The notice of the meeting must be in writing and sent to the addresses of the persons holding Meeting Rights as shown in the register of Shareholders. However, if a Shareholder or another person holding Meeting Rights has provided the Company with another address for the purpose of receiving such notice, the

notice may alternatively be sent to such other address.

- 30.6 General Meetings of Shareholders are held in Utrecht, Amsterdam, Amersfoort, Arnhem, Bussum, Haarlemmermeer, Hilversum, Nieuwegein or Zeist. General Meetings of Shareholders may also be held elsewhere, in which case valid resolutions of the General Meeting may only be adopted if all of the Company's issued capital is represented.

Article 31. Admittance and Rights at Meetings.

- 31.1 Each Shareholder, and any other person holding Meeting Rights, is entitled to attend the General Meetings of Shareholders, to address the meeting and, to the extent this right has accrued to him, to exercise his voting rights. They may be represented in a meeting by a proxy authorised in writing.
- 31.2 The Meeting Rights and voting rights may be exercised using any appropriate means of electronic communication, if that possibility is expressly provided for in the notice of the meeting or accepted by the chairperson of the meeting. The means of electronic communication used must be such that the persons holding Meeting Rights or their representatives can be identified through it to the satisfaction of the chairperson of the meeting. The notice of the meeting may contain further details and the chairperson of the meeting may give further requirements with respect to the permitted means of electronic communication and its use.
- 31.3 The chairperson of the meeting may determine that each person with voting rights present at a meeting must sign the attendance list. The chairperson of the meeting may also decide that the attendance list must be signed by other persons present at the meeting as well.
- 31.4 The Managing Directors and the Supervisory Directors have the right to give advice in the General Meetings of Shareholders.
- 31.5 The chairperson of the meeting decides on the admittance of other persons to the meeting, without prejudice to the provisions of Article 25.2.

Article 32. Chairperson and Secretary of the Meeting.

- 32.1 The General Meetings of Shareholders are presided over by the chairperson of the Supervisory Board. In his absence, the Supervisory Directors present at the meeting will appoint a chairperson for the meeting from among their midst. The Supervisory Board may appoint a different chairperson for a General Meeting of Shareholders.
- 32.2 If the chairpersonship of a meeting is not provided in accordance with Article 32.1, the chairperson of the meeting will be appointed by a majority of the votes cast by the persons with voting rights present at the meeting.
- 32.3 The chairperson of the meeting must appoint a secretary for the meeting.

Article 33. Minutes; Recording of Shareholders' Resolutions.

- 33.1 The secretary of a General Meeting of Shareholders must keep minutes of the proceedings at the meeting. The minutes must be adopted by the chairperson and the secretary of the meeting and as evidence thereof must be signed by them.
- 33.2 The Management Board must keep a record of all resolutions adopted by the General Meeting. If the Management Board is not represented at a meeting, the chairperson of the meeting must ensure that the Management Board is provided

with a transcript of the resolutions adopted, as soon as possible after the meeting. The records must be deposited at the Company's office for inspection by the Shareholders. On application, each of them must be provided with a copy of or an extract from the records.

Article 34. Adoption of Resolutions in a Meeting.

- 34.1 Each Share confers the right to cast one vote.
- 34.2 To the extent that the law or these Articles of Association do not provide otherwise, all resolutions of the General Meeting will be adopted by a simple majority of the votes cast, without a quorum being required.
- 34.3 If there is a tie in voting, the proposal will thus be rejected.
- 34.4 If the formalities for convening and holding of General Meetings of Shareholders, as prescribed by law or these Articles of Association, have not been complied with, valid resolutions of the General Meeting may only be adopted in a meeting, if in such meeting all of the Company's issued capital is represented and such resolution is carried by unanimous vote.
- 34.5 When determining how many votes are cast by Shareholders, how many Shareholders are present or represented, or what portion of the Company's issued capital is represented, no account will be taken of Shares for which no vote can be cast pursuant to the law.

Article 35. Voting.

- 35.1 All voting must take place orally. The chairperson is, however, entitled to decide that votes be cast by a secret ballot. If it concerns the holding of a vote on persons, anyone present at the meeting with voting rights may demand a vote by a secret ballot. Votes by secret ballot must be cast by means of secret, unsigned ballot papers.
- 35.2 Blank and invalid votes will not be counted as votes.
- 35.3 Resolutions may be adopted by acclamation if none of the persons with voting rights present at the meeting objects.
- 35.4 The chairperson's decision at the meeting on the result of a vote will be final and conclusive. The same applies to the contents of an adopted resolution if a vote is taken on an unwritten proposal. However, if the correctness of such decision is challenged immediately after it is pronounced, a new vote must be taken if either the majority of the persons with voting rights present at the meeting or, where the original vote was not taken by roll call or in writing, any person with voting rights present at the meeting, so demands. The legal consequences of the original vote will be made null and void by the new vote.

Article 36. Adoption of Resolutions without holding Meetings.

- 36.1 Shareholders may adopt resolutions of the General Meeting in writing without holding a meeting, provided they are adopted by the unanimous vote of all Shareholders entitled to vote. The provisions of Articles 31.4 and 25.2 apply by analogy. Adoption of resolutions outside of meetings is not permissible if any person other than Shareholders holds Meeting Rights.
- 36.2 Each Shareholder with voting rights must ensure that the Management Board is informed of the resolutions thus adopted as soon as possible in writing. The Management Board must keep a record of the resolutions adopted and it must add

such records to those referred to in Article 33.2.

CHAPTER 9. AMENDMENT OF THE ARTICLES OF ASSOCIATION, DISSOLUTION AND LIQUIDATION.

Article 37. Amendment of the Articles of Association.

The General Meeting may resolve to amend these Articles of Association. Such resolution requires the prior approval of the Supervisory Board. When a proposal to amend these Articles of Association is to be made to the General Meeting, the notice convening the General Meeting must state so and a copy of the proposal, including the verbatim text thereof, must be deposited and kept available at the Company's office for inspection by the Shareholders and other persons holding Meeting Rights, until the conclusion of the meeting.

Article 38. Dissolution and Liquidation.

- 38.1 The Company may be dissolved pursuant to a resolution to that effect by the General Meeting. Such resolution requires the prior approval of the Supervisory Board. When a proposal to dissolve the Company is to be made to the General Meeting, this must be stated in the notice convening the General Meeting.
- 38.2 If the Company is dissolved pursuant to a resolution of the General Meeting, the Managing Directors become the liquidators of the dissolved Company's property, unless the General Meeting resolves to appoint one or more other persons as liquidator.
- 38.3 During liquidation, the provisions of these Articles of Association remain in force to the extent possible.
- 38.4 The balance remaining after payment of the debts of the dissolved Company must be transferred to the Shareholders in proportion to the aggregate nominal value of the Shares held by each.
- 38.5 In addition, the liquidation is subject to the relevant provisions of Book 2, Title 1, of the Dutch Civil Code.

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