ANNUAL REPORT | 2013

Advancing the Science

# of Food Security

NEOGEN
CORPORATION

CONTENTS

The mission of

Neogen Corporation

is to be the leading company in the development and marketing of solutions for food and animal safety.

Thanks for the legacy, Lon

As Neogen marks its 31st year, we must say thanks to one of the team who helped guide and mold the company to its market cap of more than $1 billion. Lon Bohannon retired from Neogen in August 2013 to pursue some opportunities with his family that he had considered for some time.

Lon joined Neogen in October 1985 as the company's first financial officer when revenues were less than $4 million. He helped successfully sell the Neogen dream until the company became financially successful. Lon then stepped in as president and chief operating officer as we consistently set quarter after quarter revenue and earnings records. He was a key member of the team that developed hundreds of new products, made dozens of good acquisitions, and helped grow the team to more than 800 employees.

Lon's greatest contribution is the legacy he leaves behind. For several months prior to his retirement, he helped select Steve Snyder to become the company's new president and spent a number of weeks proudly introducing Steve to our people and operations.

Lon, thanks for your role in our success and the legacy you leave.

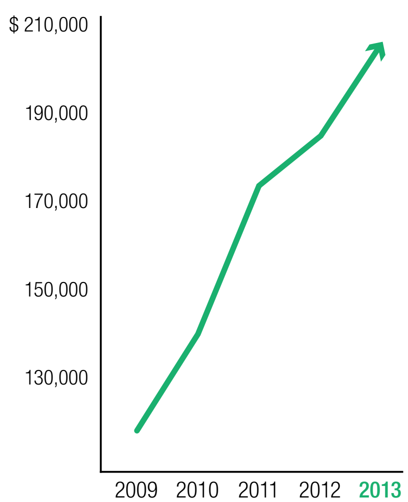
Financial Highlights

Amounts in thousands, except per share

Years Ended May 31	2013	2012	2011	2010	2009
Operations:					
Total Revenues	**$ 207,528**	$ 184,046	$ 172,683	$ 140,509	$ 118,721
Food Safety Sales	**106,158**	91,104	85,514	76,454	61,025
Animal Safety Sales	**101,370**	92,942	87,169	64,055	57,696
Operating Income	**40,706**	33,739	35,835	26,879	20,488
Net Income Attributable to Neogen	**$ 27,190**	$ 22,513	$ 22,839	$ 17,521	$ 13,874
Basic Net Income Per Share	**$ 1.14**	$ 0.96	$ 0.99	$ 0.78	$ 0.63
Diluted Net Income Per Share	**$ 1.12**	$ 0.94	$ 0.96	$ 0.76	$ 0.61
Average Diluted Shares Outstanding	**24,327**	24,019	23,791	23,091	22,587

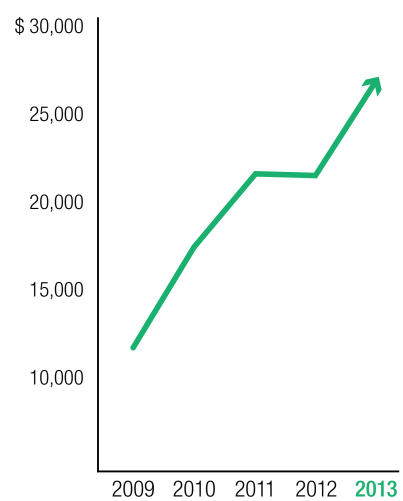
Total Revenues

Dollars in thousands



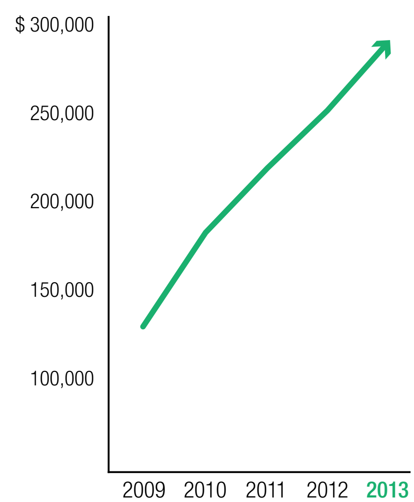
Net Income

Dollars in thousands



Total Assets

Dollars in thousands



In thousands

Year Ended May 31	2013	2012	2011	2010	2009
Financial Strength:					
Cash and Marketable Securities	**$ 85,369**	$ 68,645	$ 56,083	$ 22,806	$ 13,842
Working Capital	**150,728**	123,962	104,705	68,987	62,520
Total Assets	**290,558**	251,600	219,662	180,233	142,176
Long-Term Debt	**–**	–	–	–	–
Equity	**258,287**	219,054	188,978	153,053	128,679

A Message from Management

To our stockholders, employees and friends:

The story of Neogen's 2013 year got its start in the summer of 2008. Neogen had just recorded revenues of over $100 million for the first time. We set our goal to double that and exceed $200 million in revenue by the end of 2013. We accomplished that goal as revenues rose to $207.5 million in five years. That is an increase of 13% from the prior year.

Net income rose even faster as we ended the year at $27.2 million, or 21% over a year earlier. Earnings increased to $1.12 per share compared to the prior year's $0.94.

The year also marked a continuation in performance consistency as the fourth quarter was the 85th quarter in the past 90 quarters that Neogen reported revenue increases as compared with the prior year—a record now spanning more than 22 years.

Neogen's gross margins increased to 52.8% of sales for the 2013 fiscal year as compared to 50.2% in the prior year. Neogen's management believes that though gross margins are important, the company should be judged more by its operating income. Expressed as a percent of sales, operating profits for the 2013 year were 19.6%, which is very near our goal of keeping this number around 20%. We believe if that number drifts much below 20%, we need to look harder at cost and efficiencies. If it climbs much above the 20% mark, we feel we should be increasing our investment for future growth.

Balance Sheet Strong

We continued our effective management of working capital during the year. On a percentage basis, both our inventory and accounts receivable balances grew by less than the increase in revenue. Cash flow generated from operations for the year was $26,561,000. This allowed us to make several acquisitions and enhance our plant, property, and equipment to continue to improve efficiencies and maintain growth. Shareholder equity continued its strong growth at an increase of 18% over a year earlier.

Food Safety Robust

Our Animal Safety and Food Safety divisions enjoyed solid growth in fiscal year 2013. This resulted from a combination of increased market share, new product introductions, and synergistic acquisitions.

The Food Safety group led in revenue growth for the year with approximately $106.2 million in sales—a 16.5% increase from the prior year. As Neogen develops diagnostic tests for a range of global food safety concerns, the opportunities continue to compound. For example, natural toxins were an issue in the U.S. during the 2012 growing season due to widespread drought, leading to an outbreak of aflatoxin. Conversely, parts of Europe faced cold and wet growing conditions that affected wheat with an outbreak of deoxynivalenol, or DON. Neogen has diagnostic tests that are considered leaders in the detection of these toxins, among others.

Additionally, several countries placed an embargo on U.S. pork related to a concern over a growth promoter that is used in the U.S. but not approved in many other countries. Neogen was ready to meet testing demands with a test developed in cooperation with the drug manufacturer. This test helped U.S. pork producers quickly calm the fears of their international customers.

Economic Adulteration

The mixing of a lower value product with a higher value one in an effort to achieve a higher selling price is occurring more frequently as costs for raw materials continue to increase. The horse meat scandal, which began in early 2013 in the U.K., is only one example of unscrupulous entities adulterating food—in this case, mixing horse meat with ground beef. Neogen had the only rapid test to detect the presence of horse meat and helped processors as well as retail grocery chains in assuring customers of wholesome product.

Seldom has a day gone by where there is not a recall of food products because of pathogens or unlabelled allergens. Neogen is a global leader in allergen testing and continues to grow its offering of pathogen tests, which are available on three different platforms to allow for detection based on genetic markers or antibody recognition.

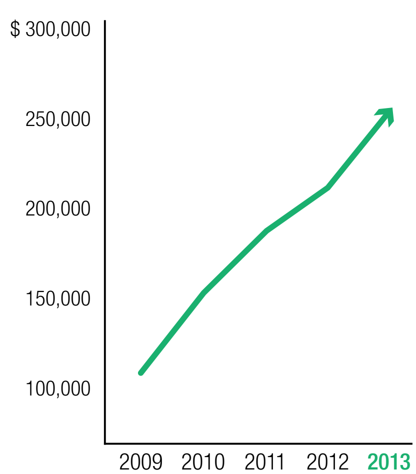
Animal Safety Strong

Revenues from our Animal Safety group also showed solid growth for the year with an increase of more than 9% compared to the year prior. Much of that growth came from biocontrol products that help maintain food safety inside the farm gate. Revenues from our rodenticide products, which are used by food producers and processors, showed strong double-digit increases. We also benefited from revenue increases from one of our small animal supplements due to a production shortfall by a competitor.

Our animal genomics business continued to build strength and has established itself as one of the leading agricultural genomic testing labs in the U.S. Our genomic research and bioinformatics has made us an even more valuable partner to the leading worldwide swine, poultry, and cattle breeders. During the year, we introduced new programs for the beef and dairy industries to aid them in selecting the proper females for replacement animals in their herds using a simple hair sample. Both programs assist producers by giving them actionable results about economically valuable traits and disease resistance.

Equity

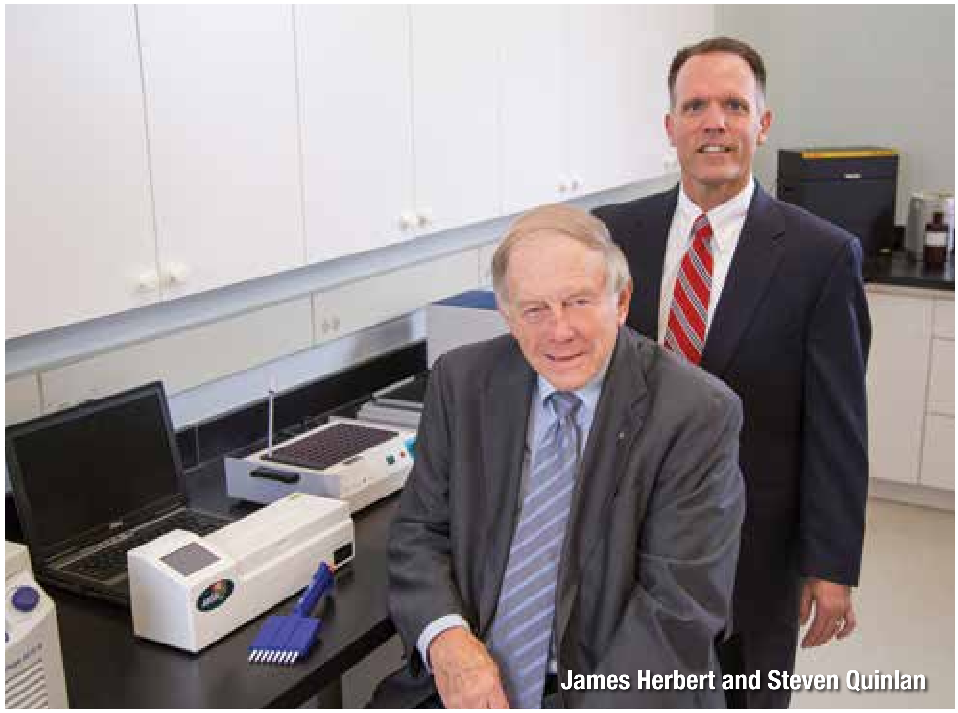
Dollars in thousands



Acquisition Opportunities Continue

During the year, Neogen made acquisitions that will primarily benefit the Animal Safety business. Last fall, Neogen acquired the stock of Macleod® Pharmaceuticals, a producer of a popular veterinary antibiotic. Sales were accretive to the top and the bottom line since most of Macleod's customers were also Neogen customers.

In January, Neogen acquired the assets of Scidera Genomics, an animal genomics business based in Davis, California. The company was a pioneer in the development of cattle, poultry, swine, and canine genetic testing. Most of its customers had not previously been customers of Neogen's GeneSeek® animal genomics group. Neogen retained that business and relocated the company to its GeneSeek headquarters in Lincoln, Nebraska.



James Herbert and Steven Quinlan

Four weeks after the close of the 2013 fiscal year, Neogen acquired the assets of SyrVet® Inc., a 26-year-old supplier of veterinary instruments to farmers, ranchers, and veterinarians in more than 30 countries. Once a competitor, SyrVet now brings some key distribution channels currently not served by Neogen and also broadens Neogen's product offerings.

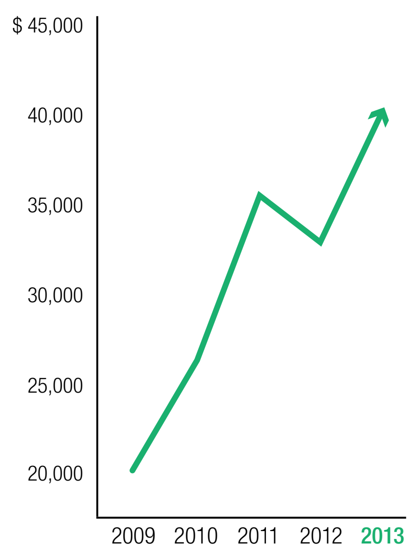
Growing Global Demand

Approximately 40% of Neogen's 2013 revenue came from sources outside the U.S. Neogen continues to work with more than 120 independent distributors to capitalize on international opportunities. However, Neogen continues to also develop its own distribution in countries of key importance. Neogen's subsidiary operations in Mexico and Brazil continue to gain traction. The strongest international growth continues to come from our Neogen Europe subsidiary located in Ayr, Scotland. That location now has over 100 employees and has direct responsibility for sales in the U.K., Germany, France, and Holland. They also provide distribution and service for our distributors in the European Union.

Neogen Europe's growth for the past year was 27% following a year earlier when growth was 11%. Neogen continued to expand its Scotland operations by purchasing a 36,000 square foot historic manor house for administrative and sales personnel growth. This is on the same property where the company owns three other buildings used in research and development, manufacturing, and service laboratories operations.

Operating Income

Dollars in thousands



Future Even Brighter

As our management looks over the next five years in the planning process, the future has never been brighter. The worldwide markets continue to grow as concerns about food safety and related animal issues increase. Neogen's research and development group continues to become stronger and more experienced as they push new products off of the lab bench on a regular basis. Our sales and marketing groups also continue to grow and become more experienced. With more than 800 employees, strong cash flow, and no borrowing, our critical mass should be helpful.

Though food and animal safety regulatory programs continue to expand in many countries around the world, it is not just the regulatory pressures that will account for our future growth. Our mission, along with the products and services we provide, will be extremely important in producing the quantity and quality of food required in the near future. Though we have talked about food security for the last couple of years, you are likely hearing it from many other sources today. We have dedicated most of this year's annual report to our view of food security and the products and strategy we will use to address this.

However, do not expect us to change our growth strategy; it will still come from increased market share, new products, and acquisitions.

James L. Herbert
Chairman and CEO

Steven J. Quinlan
Vice President and CFO

Advancing the Science of Food Security

Neogen's mission, developed over three decades ago, is just as appropriate today: The mission of Neogen Corporation is to be the leading company in the development and marketing of solutions for food and animal safety.

Though Neogen's products are now critical in protecting the safety of our food around the world, they will play an even more critical role in the years ahead. Demographers estimate that the world's population will double from the turn of the century to reach 9.6 billion by 2050. This fast change in population growth and structure will drive an increased focus on food security. Food security is defined as providing a population with the quantity and quality of food required to sustain an active life.

It is also estimated that by 2030 the world's middle class will grow from 1.8 billion to 4.9 billion, and the spending of this group will grow from $20 trillion to $56 trillion. This group will demand better quality food with its increased spending power.

The hurdles created by food safety and animal safety will become even more critical in satisfying the food demands of the world over the next few decades. Science will clearly be the key to food security as we are required to produce more food of higher quality.

Neogen's ability to discover, develop, and deploy scientific products has been instrumental in the company's growth. That continued advancement of user-friendly science was a key in Neogen doubling its revenue growth in the past five years to achieve revenues of over $200 million in 2013. This year's annual report highlights some of the applications of our science that are making the hurdles of food safety and animal safety easier to overcome.

ADVANCING ANIMAL SAFETY

Neogen views animal safety and food safety as one continuum that begins inside the farm gate, and continues all the way to the consumer's plate. The trend for fewer, but much larger, farms and ranches has intensified the need for advanced animal safety products and practices. Rapidly spreading diseases and poor practices can devastate an animal population and result in lower production and poor quality animal protein products.

Neogen uses its own experienced sales force, and a network of distributors, to reach veterinarians and professional animal caregivers primarily in the beef, dairy, swine, poultry, equine, and companion animal care businesses. The company offers these animal producers and caregivers a comprehensive line of products to enhance animal safety, including:

Biosecurity

Protecting livestock and poultry production facilities from biological hazards is critical to ensuring the safety, quality and quantity of food production. Maintaining a facility's biosecurity greatly lessens the chance that a rapidly communicable disease such as bird flu or hoof-and-mouth can devastate a poultry or cattle population, respectively.

The company's comprehensive line of agricultural biosecurity products, including rodenticides, cleaners, disinfectants and fly control, help protect livestock from the spread of dangerous pathogens in large, modern integrated production facilities. Rats and mice remain a serious threat to food and feedstuffs, and spread disease. Neogen's proven line of rodenticides and insect products are used for effective control of rodent and insect infestations and are critical components of an overall biosecurity plan. Pathogens at the farm can travel to the processing plant and then throughout the food chain.

Veterinary instruments and products

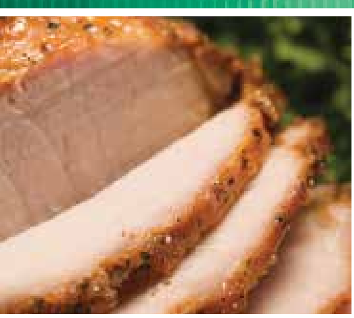
In addition to keeping animal environments clean and safe, providing animals the best quality care is also critical to their safety and health.

Neogen's veterinary instruments and supplies, including those from its Ideal® Instruments subsidiary and newly acquired SyrVet Inc. (July 2013), provide the best animal care practices. The company's precision veterinary drug delivery instruments help minimize drug residues that might otherwise contaminate meat and milk supplies. The company's line of patented detectable needles greatly lessen the chance that a broken needle would ever be found in retail meat products. Neogen's wide range of other veterinary supplies, pharmaceuticals and nutritional supplements also support animal safety.

Animal feed safety

Much like food safety is critical to protect the health of humans, animal feed safety is critical to the health and optimal performance of livestock. Gaining and maintaining weight are crucial factors in livestock, milk and egg production. Contaminated feed can lead to animals refusing to eat or becoming sick if they do eat—both costly to livestock operations and overall livestock production. Some toxins in grain and drug feed additives may also contaminate meat and milk.

Neogen's advanced test kits for mycotoxins (i.e., mold toxins) and bacterial pathogens (e.g., *Salmonella*) rapidly and accurately detect the contaminants well before they reach feed troughs.



Detectable veterinary needles

Ideal's D3 Needles™ were engineered to be three times stronger than conventional veterinary needles—and offer unique detectability at the packing plant should they ever break off in an animal. The D3's unprecedented combination of metal alloys makes the needles both extraordinarily strong and easily detectable with standard meat industry metal detectors.

Animal genetics

Neogen's agrigenomics help livestock and poultry producers pick the best available males and females to produce the next generation of animals. An investigation of an animal's profile from animal hair or blood can identify superior traits to pass on to offspring, along with an absence of genetic disease or abnormalities.

Neogen's GeneSeek® and Igenity® genomic products simply expedite and clarify trait selection. For example, a cattle rancher can use Neogen's new Igenity replacement heifer profiler to rapidly and accurately identify animals more likely to produce calves with superior traits, such as body composition and fertility, and less likely to have genetic diseases. This simple and inexpensive testing potentially saves ranchers thousands of dollars spent on raising inferior animals, since animals as young as a day old can be tested, and significantly improves the amount of high quality beef that can be produced using the same amount of resources.

ADVANCING FOOD SAFETY

To reach each of its worldwide food safety customers and prospects with expertise and experience, Neogen divides the food industry into market segments. These markets include milling and grain, meat and poultry, seafood, fruit and vegetable, dairy, beverage, food service, nutraceutical, pet food, and food testing laboratories.

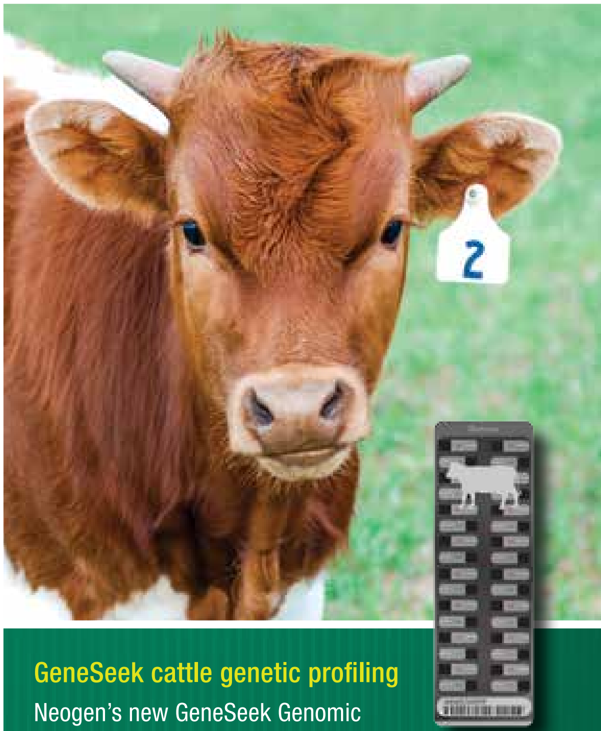
Neogen offers these food producers and processors a complete line of diagnostics to enhance food quantity and safety, including products to detect:

Crop disease, toxins and GMOs

Crop growers and processors face numerous challenges with the quantity and quality of their products while they're still in the ground, and throughout their distribution and processing.

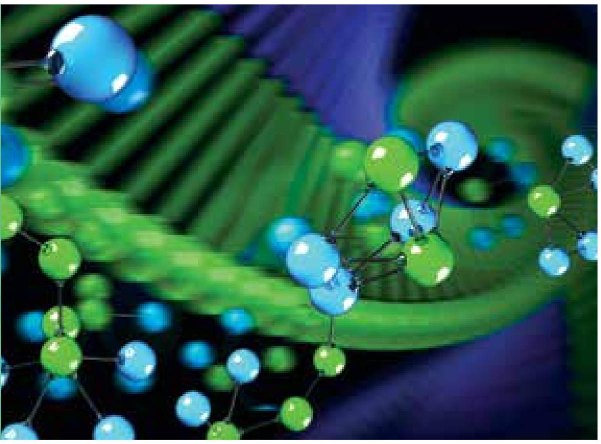
Neogen offers plant disease diagnostics for fruits, vegetables, and cereals such as wheat. These detect the early onset of disease, and allow for effective treatment before it can devastate healthy and profitable crops. The company's plant diagnostics now include tests for more than 250 different viral, bacterial and fungal plant pathogens.

Neogen's simple and quick Reveal® Q+ fully quantitative lateral flow tests for mycotoxins, including aflatoxin and deoxynivalenol (DON), can help prevent the adverse



GeneSeek cattle genetic profiling

Neogen's new GeneSeek Genomic Profiler™ for cattle reveals an animal's genetic potential well before breeding, as well as the animal's parentage, and important genetic trait and disease information on the animal. The custom, high density chip features a unique new design that analyzes nearly 78,000 single nucleotide polymorphisms (SNPs) selectively chosen from studies on thousands of animals.



ANSR rapid molecular pathogen detection

Neogen's ANSR rapidly detects foodborne pathogens such as *Salmonella* and *Listeria* by rapidly creating millions of copies of any target pathogen DNA in a sample, and then binding molecular beacons to the created copies. The ANSR reader detects the fluorescence created when the beacons bind to target pathogen DNA.

effects that mold toxins can cause if they contaminate food or animal feed. The company's Reveal test kits for genetically-modified (GMO) grains help verify the identity of certain crops, including corn and soy.

Foodborne pathogens

Protecting the food supply from the severe consequences of pathogen contamination is one of the most critical challenges facing food producers and processors.

Neogen's ANSR™ test system is the quickest and easiest testing method to definitively detect pathogen DNA in food and environmental samples—providing results in as little as 10 minutes. ANSR and a complementary line of lateral flow tests for foodborne pathogens such as *E. coli*, *Salmonella* and *Listeria*, can help ensure the safety of the food supply. Neogen's new NeoSEEK™ genomic system provides fast and precise DNA-definitive confirmation for seven strains of Shiga toxin-producing *E. coli* (STEC). Its rapid results save producers time and money, while reducing waste.

Neogen's Acumedia® subsidiary has provided high quality dehydrated culture media (DCM) since 1978 for numerous applications. Acumedia produces more than 200 different catalog formulations, and more than 200 different customized formulations, many of which play an important role in the control of harmful pathogens in food.

Drug residues

Eliminating veterinary drug residues from the food supply also eliminates their potential adverse effects, including direct threats to human health, increasing human antibiotic resistance, and in the case of milk, inhibiting further processing.

Neogen's BetaStar® testing products detect the beta-lactam group of veterinary antibiotics in milk, and its BetaStar Combo detects beta-lactams and tetracyclines, another common group of antibiotics. The company also offers a line of drug detection tests for feed additives and antibiotics used in meat and seafood products, including ractopamine, clenbuterol, and chloramphenicol.

Seafood toxins

Seafood producers face numerous challenges in delivering safe products either from wild harvest or aquaculture. Keeping seafood wholesome throughout the often lengthy distribution process is also a challenge. Testing prior to harvest often allows for postponing shipments until the product is safe.

Neogen offers rapid tests to detect naturally-occurring toxins in shellfish that cause amnesic shellfish poisoning and diarrhetic shellfish poisoning. The company's rapid tests for sulfites and histamine ensure the safe treatment of the seafood post-harvest. Sulfites, which are used on shrimp to keep them fresh, can cause a dangerous allergic reaction if ingested in a sufficient quantity. Histamine is produced in certain species, including tuna, if they are not refrigerated properly following harvest. Human deaths are recorded each year from histamine.

Though Neogen's products are now critical in safeguarding the safety of our food around the world, they will play an even more critical role in the years ahead.

Food adulteration

Preventing the adulteration or substitution of meat or fish products with non-desirable or cheaper options is important for economic, regulatory, health and ethical reasons, especially where particular species of meat are prohibited by cultural or religious beliefs. Species identification also helps ensure animals treated with veterinary drugs not intended for use in food animals don't make their way into the consumer food chain.

Neogen's easy and accurate meat and fish speciation testing options can be performed on-site, including F.A.S.T. Species Identification Kits. The F.A.S.T. kits are simple screening tests that detect the existence of a different species in uncooked meats and meat products as low as 1%. Neogen also offers a laboratory testing service that delivers precise quantitative results. Tests are available for the detection of horse, cow, pig, poultry, sheep and several other species.

Food allergens

For a growing number of food-allergic people worldwide, enhancing their food security means ensuring that their food is free of unlabeled food allergens.

Neogen offers screening and quantitative food allergen test kits for many allergens, including major food allergens such as milk, eggs, peanuts, soy, crustacea, shellfish, and gliadin (gluten). Neogen's Reveal 3-D food allergen tests are simple, single-step test kits to help stop the accidental contamination of non-allergenic foods with unlabeled allergenic residues.

Spoilage organisms

When it comes to feeding a rapidly growing population, one of the biggest stumbling blocks is spoilage and waste. As the global population grows, producers seek ways to make food stay fresh or shelf-stable longer, which widens the window in which the product can get from the farm or factory to the dinner plate. However, the biggest problems are often microscopic yeasts, molds and bacteria that can thwart the preservation of food, leading to costly losses for the producer and wasted food.

Neogen's Soleris® rapid microbial system detects spoilage microorganisms in a fraction of the time needed for traditional methods, with less labor and handling time. For example, the Soleris system can detect yeast or mold in a sample in 48 hours or less—days faster than most tests. Monitoring for spoilage organisms can help alleviate food losses and help producers ensure they are producing the highest quality products.

Sanitation concerns

Securing the safety of a food product is highly dependent on the surfaces the food touches, such as belts, conveyors, and filler heads.

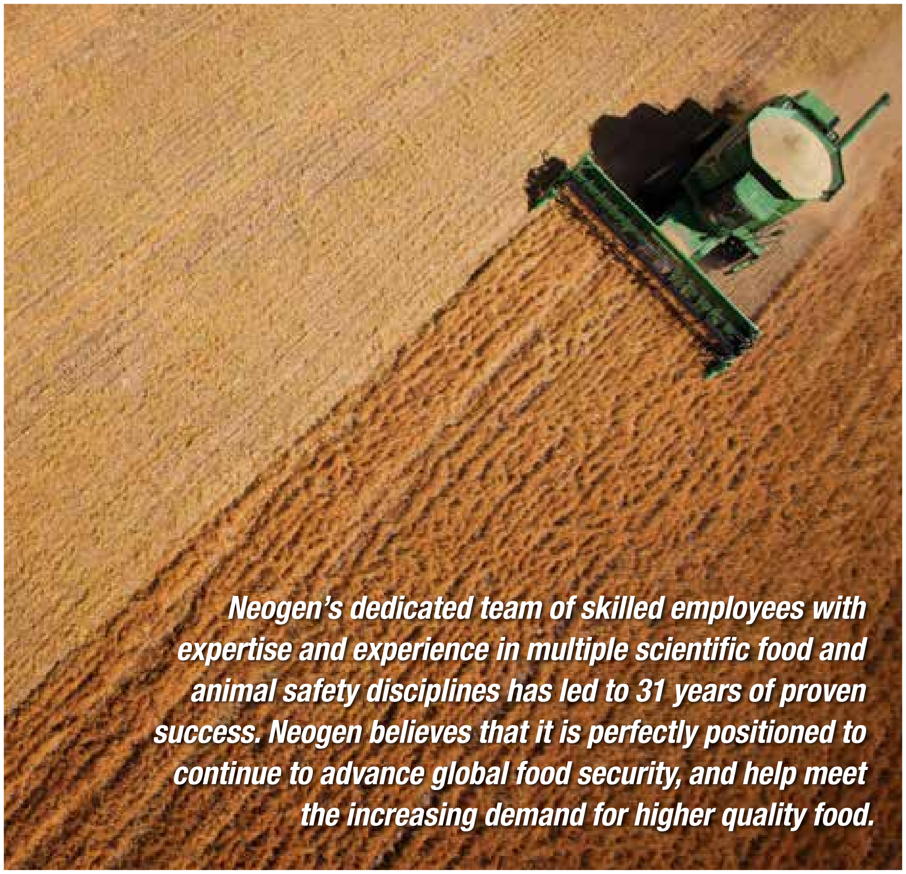
Neogen's AccuPoint® 2 Sanitation Monitoring System quickly and easily measures the ATP collected from food contact surfaces or liquids as an indication of the cleanliness. This inexpensive test provides results in minutes and allows for surfaces to be recleaned, if necessary, before processing resumes.

Sanitation monitoring with RFID technology

Neogen's AccuPoint 2 Sanitation Monitoring System uses radio frequency identification (RFID) technology to make testing in a facility much easier, and an updated software program to simplify data creation and interpretation. The user simply swipes the instrument near the tag and the site group is read automatically. With just one swipe, the instrument can be ready to test.

NeoSEEK Shiga toxin-producing *E. coli* (STEC) detection

Neogen's NeoSEEK™ technology uses mass spectrometry-based multiplexing to genetically distinguish bacteria in a food sample, and then compares those results with the known genetic makeup of the target seven *E. coli* strains—026, 045, 0103, 0111, 0121, 0145, and 0157. Like the better known and widely regulated *E. coli* 0157:H7 strain, these other six *E. coli* strains are known food safety concerns, and produce Shiga toxins, which are well known to cause severe illness.



Neogen's dedicated team of skilled employees with expertise and experience in multiple scientific food and animal safety disciplines has led to 31 years of proven success. Neogen believes that it is perfectly positioned to continue to advance global food security, and help meet the increasing demand for higher quality food.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The information in this Management's Discussion and Analysis of Financial Condition and Results of Operations contains both historical financial information and forward-looking statements. Neogen Corporation management does not provide forecasts of future financial performance. While management is optimistic about the Company's long-term prospects, historical financial information may not be indicative of future financial results.

Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements. There are a number of important factors, including competition, recruitment and dependence on key employees, impact of weather on agriculture and food production, identification and integration of acquisitions, research and development risks, patent and trade secret protection, government regulation and other risks detailed from time to time in the Company's reports on file at the Securities and Exchange Commission, that could cause Neogen Corporation's results to differ materially from those indicated by such forward-looking statements, including those detailed in this Management's Discussion and Analysis of Financial Condition and Results of Operations.

In addition, any forward-looking statements represent management's views only as of the day this Report on Form 10-K was first filed with the Securities and Exchange Commission and should not be relied upon as representing management's views as of any subsequent date. While management may elect to update forward-looking statements at some point in the future, it specifically disclaims any obligation to do so, even if its views change.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The discussion and analysis of the Company's financial condition and results of operations are based on the consolidated financial statements that have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires that management make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates the estimates, including but not limited to those related to receivable allowances, inventories and intangible assets. These estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The following critical accounting policies reflect management's more significant judgments and estimates used in the preparation of the consolidated financial statements.

Revenue Recognition

Revenue from products and services is recognized when a purchase order has been received, the product has been shipped or the service performed, the sales price is fixed and determinable, and collection of any receivable is probable. To the extent customer payment is received before all recognition criteria has been met, these revenues are initially deferred and later recognized in the period that all recognition criteria has been met. Where right of return exists, allowances are made at the time of sale to reflect expected returns based on historical experience.

Accounts Receivable Allowance

Management attempts to minimize credit risk by reviewing customers' credit history before extending credit and by monitoring credit exposure on a regular basis. An allowance for possible losses on accounts receivable is established based upon factors surrounding the credit risk of specific customers, historical trends and other information. Collateral or other security is generally not required for accounts receivable. Once a receivable balance has been determined to be uncollectible, that amount is written off to the allowance for doubtful accounts.

Inventory

A reserve for obsolete and slow moving inventory has been established and is reviewed at least quarterly based on an analysis of the inventory taking into account the current condition of the asset as well as other known facts and future plans. The amount of reserve required to record inventory at lower of cost or market may be adjusted as conditions change. Product obsolescence may be caused by shelf-life expiration, discontinuance of a product line, replacement products in the marketplace or other competitive situations.

Goodwill and Other Intangible Assets

Goodwill represents the excess of purchase price over fair value of tangible net assets of acquired businesses after amounts are allocated to other identifiable intangible assets. Other intangible assets include customer relationships, trademarks, licenses, trade names, covenants not-to-compete and patents. Amortizable intangible assets are amortized on either an accelerated or a straight-line basis over five to 20 years. The Company reviews the carrying amounts of goodwill and other non-amortizable intangible assets annually, or when indications of impairment exist, to determine if such assets may be impaired. If the Company's qualitative assessment concludes that it is probable that an impairment exists, or the Company skips the qualitative assessment, then the Company performs a quantitative assessment. If the carrying amounts of these assets are deemed to be less than fair value based upon a discounted cash flow analysis and comparison to comparable EBITDA multiples of peer companies, such assets are reduced to their estimated fair value and a charge is made to operations.

Long-lived Assets

Management reviews the carrying values of its long-lived assets to be held and used, including definite-lived intangible assets, for possible impairment whenever events or changes in business conditions warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated separately identifiable undiscounted cash flows over the remaining useful life of the asset are less than the carrying value of the asset. In such an event, fair value is determined using discounted cash flows and, if lower than the carrying value, impairment is recognized through a charge to operations.

Equity Compensation Plans

ASC 718 – Compensation – Stock Compensation addresses the accounting for share-based employee compensation. Further information on the Company's equity compensation plans, including inputs used to determine fair value of options is disclosed in Note 5 to the consolidated financial statements. ASC 718 requires that share options awarded to employees and shares of stock awarded to employees under certain stock purchase plans be recognized as compensation expense based on their fair value at grant date. The fair market value of options granted under the Company's stock option plans was estimated on the date of grant using the Black-Scholes option-pricing model using assumptions for inputs such as interest rates, expected dividends, volatility measures and specific employee exercise behavior patterns based on statistical data. Some of the inputs used are not market-observable and have to be estimated or derived from available data. Use of different estimates would produce different option values, which in turn would result in higher or lower compensation expense recognized.

To value options, several recognized valuation models exist. None of these models can be singled out as being the best or most correct one. The model applied by the Company is able to handle some of the specific features included in the options granted, which is the reason for its use. If a different model were used, the option values would differ despite using the same inputs. Accordingly, using different assumptions coupled with using a different valuation model could have a significant impact on the fair value of employee stock options. Fair value could be either higher or lower than the ones produced by the model applied and the inputs used.

RESULTS OF OPERATIONS

Executive Overview

Total revenue of $207,528,000 in fiscal 2013 represented a 13% increase compared to revenue of $184,046,000 in fiscal 2012. Net income attributable to Neogen for 2013 was $27,190,000, or $1.12 per fully diluted share, compared to $22,513,000, or $0.94 per fully diluted share, in fiscal 2012. The Company's percentage of revenues from customers outside the United States was 40.1% of total revenues in 2013 compared to 41.7% of total revenues in 2012. Cash flow from operations for 2013 was $26,561,000, compared to $22,277,000 in 2012, an increase of 19%.

Consolidated gross margins increased from 50.2% in 2012 to 52.8% in 2013, due primarily to shifts in product mix within the Company's Animal Safety segment, and to a lesser extent, a higher proportion of overall sales growth derived from the Food Safety segment, which has higher than average gross margins. Margins improved in the Animal Safety segment as the result of higher sales of a canine thyroid replacement product, a recovery in rodenticide sales from a weak 2012, and new product revenues from acquisitions, all of which are higher gross margin products within the segment. Operating expenses as a percentage of revenues increased from 31.9% in 2012 to 33.1% in 2013, as the Company continued to make investments in personnel and other infrastructure initiatives, which it believes should lead to increased market penetration and improved operating performance in future periods.

The Animal Safety segment benefitted from acquisitions in 2013, with revenue from acquisitions totaling $5.8 million during the year. The Uniprim product line of veterinary antibiotics, acquired from Macleod Pharmaceuticals in October 2012, helped to improve gross margins within Animal Safety. GeneSeek added to its offerings and capabilities with the Igenity acquisition in late fiscal year 2012 and the Scidera acquisition in January 2013.

Neogen Europe recorded a revenue increase of more than 20% in 2013. Sales were particularly strong in Germany, where unusually wet, cool weather during the fall growing season resulted in a mycotoxin outbreak in the small grain crops; growth in the United Kingdom was due to increased meat speciation testing in the second half of the year, the result of mislabeled meat products. Neogen Europe also achieved significant increases in sales of services to genomics customers in the EU. Neogen Latinoamérica and Neogen do Brasil continued to build out their sales and operations infrastructures, resulting in improved market presence, and recorded revenue gains of more than 10% and 40%, respectively, in 2013 over 2012, albeit from relatively small bases.

Service revenue of $23,394,000 was an increase of 22% over the prior year, primarily the result of the increases in genomic services at Neogen Europe, which reports within the Food Safety segment; additionally, DNA testing benefitted from the Igenity and Scidera acquisitions during the year and also from strong market acceptance of new products for the cattle industry.

Revenues

(Dollars in thousands)	May 31, 2013	Increase/ (Decrease)	May 31, 2012	Increase/ (Decrease)	May 31, 2011
			Twelve Months Ended		
Food Safety:					
Natural Toxins, Allergens and Drug Residues	**$ 54,723**	**20%**	$ 45,671	6%	$ 43,108
Bacterial and General Sanitation	**26,051**	**6%**	24,677	11%	22,268
Dehydrated Culture Media and Other	**25,384**	**22%**	20,756	3%	20,138
	106,158	**17%**	91,104	7%	85,514
Animal Safety:					
Life Sciences and Other	**7,739**	**(6%)**	8,190	4%	7,902
Vaccine	**2,479**	**(11%)**	2,772	16%	2,392
Rodenticides and Disinfectants	**27,130**	**2%**	26,491	(6%)	28,226
Veterinary Instruments and Other	**43,815**	**18%**	36,997	21%	30,629
DNA Testing	**20,207**	**9%**	18,492	3%	18,020
	101,370	**9%**	92,942	7%	87,169
Total Revenues	**$ 207,528**	**13%**	$ 184,046	7%	$ 172,683

Year Ended May 31, 2013 Compared to Year Ended May 31, 2012

The Company's Food Safety segment revenues were $106.2 million in 2013, 17% higher than 2012, with increases in each major product category. Sales of Natural Toxins, Allergens and Drug Residues products increased 20% in 2013 compared to the prior year. The increase was led by sales of aflatoxin test kits, readers, and accessories, resulting from an outbreak in the United States caused by unusually hot and dry conditions. Additionally, cool wet growing conditions in Germany in fall 2012 contributed to an outbreak of deoxynivalenol, or DON, in the small grains crop, and resulted in increased sales of the Company's test kits to detect the toxin. Allergen test kit revenues continued to achieve solid growth with an increase of 24% in fiscal 2013 compared to fiscal 2012. This product line had core growth of 16% this year, and also benefitted from a significant increase in demand for meat speciation testing in Europe in the second half of the year, the result of the discovery of mislabeled meat products. Originally, horse meat was found in products labeled as beef; further testing also found instances of pork and other meat products in beef. These are all examples of economic adulteration of food, which has become quite problematic within the food safety industry, and should result in higher ongoing levels of speciation testing in the future. Also in this category, sales of Drug Residues products, primarily used to determine the presence of antibiotics in raw fluid milk from dairy animals, increased 3% compared to the prior year.

Sales of Bacterial and General Sanitation products increased 6% in 2013, compared with 2012. Within this category, General Sanitation products, designed to measure environmental cleanliness, achieved growth of 8%; increased sales of filters and ampoule media products, the result of increased penetration in the beverage segment, more than offset lower equipment sales to international markets. The Company's line of pathogen testing products grew by 6% in 2013; the new ANSR pathogen detection system gained traction during the latter half of the year, assisted by a focused marketing program.

Dehydrated Culture Media and Other Sales increased 22% for the year. Contributions from genomics service revenues to European customers resulting from increased sales staffing and the introduction of new service offerings, led the growth in the category. Sales of Acumedia products to the traditional markets in the U.S. were up 17% over a weak 2012. Additionally, customers affected by the aflatoxin and DON outbreaks significantly increased purchases of miscellaneous lab supplies necessary for processing samples, which are recorded in this category.

Revenue for the Animal Safety segment was $101.4 million, an increase of 9% compared to 2012. The acquisitions of Igenity, Macleod Pharmaceuticals and Scidera Genomics contributed $5.8 million to revenues in this segment in fiscal 2013.

Life Sciences and Other revenues decreased 6% in FY 13 compared to FY 12. Within this category, racing kits were down 18% due to state lab closures and consolidations and the continued decline of the racing industry in the U.S. Food residues were down 28% due to lower ractopamine kit sales from lost business in China as government laboratories there have been purchasing kits made by Chinese manufacturers; further, a large user of this kit ceased using ractopamine, a feed additive used to promote leanness in animals in its operations, and stopped buying the Company's kits. Partially offsetting these losses was a 4% increase in sales to the forensics market. Vaccine revenues decreased 11% compared to the prior year, the result of a decline in the number of horses in the U.S. and the timing of orders by a large international distributor.

Rodenticide and Disinfectant revenues increased by 2% compared to 2012. Rodenticide sales increased 20% due to seasonal conditions, new product formulations, marketing campaigns, and a prior year that was negatively affected by EPA labeling changes. Almost entirely offsetting this increase was an 11% decrease in lower-margin sales of cleaners and disinfectants. The decrease was primarily due to competition from lower-priced generics, particularly internationally, lack of disease outbreak for most of the year, which led to lower demand, and timing of large international orders.

Veterinary Instruments and Other revenues increased 18% in FY13 compared to FY12. Within this category, the Company benefitted from sales of the veterinary antibiotic, Uniprim, acquired in the Macleod Pharmaceuticals purchase, and a 113% increase in the small animal supplements line due to new business captured on canine thyroid replacement products. Partially offsetting these gains were a 27% decrease in vitamin supplements, due to unusually high prior year sales caused by products coming off backorder and a decline in the number of cattle, and a 13% decrease in hoof and leg care products, due to lower animal counts and difficult financial conditions in the dairy industry.

DNA Testing revenues increased 9% in 2013 compared to the prior year. The Company gained new business resulting from the Igenity and Scidera Genomics acquisitions and had strong market acceptance of new products for cattle parentage testing in the latter half of the year.

Year Ended May 31, 2012 Compared to Year Ended May 31, 2011

The Company's Food Safety segment revenues grew by 7% overall in 2012, with increases in each major product category compared to 2011. Organic revenue growth was 6% in the segment, compared to the prior year. The increase in Natural Toxins, Allergens and Drug Residues of 6% in 2012 included strong contributions in Drug Residues revenues, primarily tests to determine the presence of antibiotics in dairy animals, which increased 11% compared to 2011. Natural Toxins test kits revenue increased 1% in 2012 compared to 2011, as increased aflatoxin test kit revenues, caused by abnormally warm and dry weather conditions in the 2011 growing season, offset year-over-year declines in DON revenues resulting from an outbreak in the 2010 growing season which did not recur in fiscal year 2011. Allergen product revenues increased by 6% compared to 2011, as increased worldwide concern over the presence of allergens in finished food products positively affected sales.

Bacterial and General Sanitation revenues increased in 2012 by 11% compared with 2011, marking continued double-digit increases. While sales of diagnostic test kits to detect pathogens such as *E. coli*, *Listeria* and *Salmonella* remained relatively flat with a 1% increase in product revenues, Soleris microbial detection instruments and vials, designed to detect the presence of yeasts, molds and other contaminants in foods, increased by 20% compared to 2011. AccuPoint readers and device sales, used to detect the cleanliness of contact surfaces in food preparation environments, achieved an 8% increase in product revenues over 2011. Continued market acceptance of these products was strong.

Dehydrated Culture Media and Other revenues increased by 3% in 2012, as declines in domestic traditional dehydrated culture media were offset with increased international revenues, certain genomics service revenues to a number of European customers and higher shipping revenues.

Animal Safety revenues increased by 7% overall and included minimal revenues from the Igenity acquisition, which closed in May 2012. Life Sciences and Other revenues increased 4% in 2012 with broad-based increases from existing customers and new key accounts with increases in OEM Reagent products leading the increases.

Vaccine revenues increased by 16% compared with 2011, as effective marketing programs to animal practitioners resulted in continued utilization of the Company's equine vaccine products.

Rodenticide and Disinfectant revenues decreased by 6% in comparison with 2011 following a year in which revenue increased by 17% due to a change in the law regarding product packaging for rodenticides, which went into effect on June 4, 2011. This law resulted in strong sales of rodenticides in the second half of 2011, which the Company believes pulled sales that might otherwise have occurred in 2012 into 2011. The Company's line of cleaners and disinfectants continued to be well accepted in the market, and increased 10% in 2012 compared to 2011. The product line continues to be a strong synergistic fit as it is marketed with the Company's full line of biosecurity solutions.

Veterinary Instruments and Other products increased 21% for the year due to increased market penetration by several large distributors, both domestic and international, in 2012. Animal Care products led the revenue increases at 27%, disposable gloves and apparel increased by 25%, and Ideal Instruments product offerings, such as needles and syringe products, increased by 10% for the year, with broad based increases in several other product groups.

DNA Testing revenues, resulting from the purchase of GeneSeek, Inc. in April 2010, increased 3% in 2012, compared to 2011. The acquisition of the Igenity product line in May of 2012 did not contribute significantly in the year.

Cost of Revenues

(Dollars in thousands)	**2013**	**Increase**	2012	Increase	2011
Cost of Revenues	**$ 98,034**	**7%**	$ 91,621	8%	$ 84,891

Cost of revenues increased 7% in 2013 and 8% in 2012 in comparison with the prior years. This compares with revenue increases of 13% and 7% in 2013 and in 2012, respectively. Expressed as a percentage of revenues, cost of revenues was 47%, 50% and 49% in 2013, 2012, and 2011, respectively. The decrease in cost of revenues, expressed as a percentage of sales, in 2013 compared to 2012 was due to product mix changes in the Animal Safety segment and higher sales in the Food Safety segment, as a percentage of the total. Margins improved in the Animal Safety segments as the result of higher sales of a canine thyroid replacement product, recovering rodenticide sales from a weak 2012, and new product revenues from acquisitions, all of which are higher than average gross margin products within the segment. The increase in cost of goods sold, expressed as a percentage of sales, in 2012 compared to 2011 was also due to product mix within the Animal Safety segment.

Food Safety gross margins were 64%, 65% and 64% in 2013, 2012 and 2011, respectively. The minor changes in margins between periods relate primarily to changes in product mix. Food Safety segment sales were 51.2% of overall sales in 2013 compared to 49.5% in both 2012 and 2011. The sales shift towards diagnostic products, which have higher margins, contributed to the Company's overall gross margin improvement in 2013.

Animal Safety gross margins were 41%, 36% and 37% in 2013, 2012 and 2011, respectively. The improvement in the margins from 2012 to 2013 was due to a shift in product mix resulting from higher sales of small animal supplements, rodenticides and the new Uniprim product line acquired from Macleod Pharmaceuticals. Additionally, GeneSeek benefitted from higher margins due to new service offerings acquired in the Igenity and Scidera Genomics purchases. The change in the margins from 2011 to 2012 was primarily due to product mix, as a decline in rodenticide revenues, which generally have a higher gross margin, were offset by increases in cleaners and disinfectants, which are a lower margin product.

Operating Expenses

(Dollars in thousands)	**2013**	**Increase/ (Decrease)**	2012	Increase/ (Decrease)	2011
Sales and Marketing	**$ 40,791**	**16%**	$ 35,026	17%	$ 30,020
General and Administrative	**20,216**	**19%**	17,024	13%	15,112
Research and Development	**7,781**	**17%**	6,636	(3%)	6,825

Sales and marketing expenses increased by 16% in 2013 and by 17% in 2012, each compared with the prior year. As a percentage of sales, sales and marketing expense increased to 20% in 2013 from 19% in 2012 and from 17% in 2011. The 2012 and 2013 increases were primarily the result of the significant investment in sales and marketing personnel that the Company announced and undertook beginning in late 2011. Since 2011, 48 positions have been added, an increase of 26%, consisting of additional field sales, marketing, and technical service personnel. This investment was designed to improve the Company's sales and marketing capabilities, increase market penetration and facilitate the Company's domestic and international expansion opportunities. Other significant expense increases were for royalties, based on increased sales of products that require royalty payments; shipping expenses, corresponding to the increase in revenues; higher advertising costs, and marketing promotions.

General and administrative expenses increased 19% in 2013 compared to 2012 and by 13% in 2012 compared to 2011. The increase in 2013 resulted primarily from increased salaries due to increases in personnel, investments in information technology infrastructure necessary to support the growth of the Company, increased amortization relating to businesses acquired and legal expenses related to the protection of the Company's intellectual property.

Research and development expenses increased 17% in 2013 compared to 2012 and decreased by 3% in 2012 in comparison with 2011. As a percentage of revenue, these expenses were 4% in 2013, 2012 and 2011. Although some fluctuation in research and development expenses will occur across periods, management expects research and development expenses to approximate 3% to 5% of revenues. Certain Company products, particularly on the Animal Safety side of the business, require relatively less investment in research and development expenses. For those products requiring support by research and development, the Company estimates that it spends 8% to 10% of revenues in its research and development efforts. The increase in 2013 is the result of the significant costs resulting from the testing and commercialization of the new products introduced during the year.

Operating Income

(Dollars in thousands)	**2013**	**Increase/ (Decrease)**	2012	Increase/ (Decrease)	2011
Operating Income	**$ 40,706**	**21%**	$ 33,739	(6%)	$ 35,835

During fiscal year 2013, the Company's operating income increased by 21% compared to 2012 and decreased in 2012 by 6% when compared to 2011. As a percentage of revenues, it was 20%, 18% and 21% in 2013, 2012 and 2011 respectively. The increase in operating income in 2013 was driven by the 13% increase in revenues which, when combined with the improved gross margins, more than offset the increased operating expenses. The decline in operating income in 2012 was due primarily to the increases in selling, general and administrative expenses, which more than offset the higher gross margins resulting from increased revenue. In general, the Company has been successful in improving its operating income from revenue and gross margin growth from existing products and acquisitions and through control of manufacturing, distribution and administrative costs. In each of the last two fiscal years, the Company's operating expenses have risen, on a percentage basis, faster than the increase in revenues. This is the result of the investment the Company has been making in its sales, marketing and operations infrastructure, to position the Company for future growth opportunities.

Other Income (Expense)

(Dollars in thousands)	**2013**	**Increase**	2012	Increase	2011
Other Income (Expense)	**$ 435**	**335%**	$ 100	N/A	$ (640)

Other Income (Expense) consists principally of royalty income, interest income from investing the Company's excess cash balances, the impact of foreign currency transactions, adjustments to contingent considerations and other miscellaneous items.

In 2013, Other Income primarily consisted of royalty income totaling $364,000, interest income of $144,000, and $100,000 for the reversal of the secondary payment obligation relating to the Igenity acquisition, due to lower than projected sales for the first year. This was offset by $113,000 of secondary payment expense for the final year relating to the GeneSeek acquisition and losses on foreign currency transactions totaling $166,000.

In 2012, Other Income primarily consisted of royalty income totaling $329,000 in 2012, interest income of $107,000, and $154,000 for the reversal of the secondary payment obligation relating to the GeneSeek acquisition, due to lower than projected profitability for the year, offset by losses on foreign currency transactions totaling $531,000.

In 2011, Other Income included a charge of $787,000 related to an increase in the secondary payment obligation for the GeneSeek acquisition due to the achievement of specified profitability levels, royalty income of $317,000, interest income of $95,000, and gains from foreign currency transactions of $281,000.

Provision for Income Taxes

(Dollars in thousands)	**2013**	**Increase/ (Decrease)**	2012	Increase/ (Decrease)	2011
Provision for Income Taxes	**$ 14,100**	**23%**	$ 11,450	(8%)	$ 12,400

The tax provision was 34% of pretax income in 2013, 34% in 2012 and 35% in 2011. Fluctuations in the tax rate from the 35% corporate rate is primarily due to tax credits related to manufacturing and R & D activities partially offset by the provision for state taxes. At the end of 2011, the Company was under audit by the Internal Revenue Service for its 2009 fiscal year; in 2012 this audit was expanded to include the 2010 fiscal year as well. The audit concluded in late 2012 with a small favorable adjustment; thus, amounts totaling $550,000 which had been reserved as uncertain tax positions were reversed, resulting in an effective tax rate of 33.7% for 2012. Absent this adjustment, the Company's 2012 tax rate would have been 35.5%, compared to 34.3% in 2012 and 35.2% in 2011.

Net Income and Net Income Per Share

(Dollars in thousands, except per share data)	**2013**	**Increase**	2012	Decrease	2011
Net Income	**$ 27,190**	**21%**	$ 22,513	(1%)	$ 22,839
Net Income Per Share – Basic	**$ 1.14**		$ 0.96		$ 0.99
Net Income Per Share – Diluted	**$ 1.12**		$ 0.94		$ 0.96

Net income increased by 21% in 2013 and decreased by 1% in 2012 in comparison with the prior year. As a percentage of revenue, net income was 13% in 2013, 12% in 2012 and 13% in 2011.

Future Operating Results

Neogen Corporation's future operating results involve a number of risks and uncertainties. Actual events or results may differ materially from those discussed in this report. Factors that could cause or contribute to such differences include, but are not limited to, the factors discussed below as well as those discussed elsewhere in this report. Management's ability to grow the business in the future depends upon its ability to successfully implement various strategies, including:

- Developing, manufacturing and marketing new products with new features and capabilities
- Expanding the Company's markets by fostering increased use of Company products by customers
- Maintaining or increasing gross and net operating margins in changing cost environments
- Strengthening sales and marketing activities in geographies outside of the U.S.
- Developing and implementing new technology development strategies
- Identifying and completing acquisitions that enhance existing product categories or create new products or services

Financial Condition and Liquidity

On May 31, 2013, the Company had $50,032,000 in cash and cash equivalents, $35,337,000 in marketable securities, and working capital of $150,728,000. The Company has a financing agreement with a bank providing for an unsecured revolving line of credit of $12,000,000 that expires on September 1, 2014. There were no advances against this line of credit during 2013, 2012 and 2011 and no balance outstanding at May 31, 2013 and 2012. For the year ended May 31, 2013, cash generated from operating activities was $26,561,000; proceeds from stock option activity provided an additional $12,646,000 of cash. For the same period, additions to property and equipment, and business acquisitions used cash of $8,897,000 and $13,318,000, respectively.

Accounts receivable increased by $3,085,000, or 9%, compared to May 31, 2012, primarily due to the increase in revenues. These accounts are being actively managed and no losses thereon in excess of amounts reserved are currently expected. Days sales outstanding, a measurement of the time it takes to collect receivables, decreased from 60 days at May 31, 2012 to 57 days at May 31, 2013.

Inventory levels increased by $3,323,000, or 9%, in 2013 compared to 2012. Increases were due primarily to the need to support higher sales volumes. During 2013, the Company continued programs aimed at improving inventory turnover and expects to maintain those programs into the future.

In December 2012, Neogen Europe purchased Oswald Hall, a 36,000 square foot building in Ayr, Scotland, for approximately $1,500,000 to accommodate its future growth needs. The Company completed construction of a warehouse in Randolph, Wisconsin in early 2012. It also purchased a 132,000 square foot warehouse facility in Lexington, Kentucky in August 2011 for $4.9 million. These facilities are generally believed to be adequate to support the Company's existing operations in the near term.

Neogen has been profitable from operations for its last 81 quarters and has generated positive cash flow from operations during this period. However, the Company's cash on hand and current borrowing availability may not be sufficient to meet the Company's cash requirements to commercialize products currently under development or its plans to acquire additional businesses, technology and products that fit within the Company's strategic plan. Accordingly, the Company may be required to or may choose to issue equity securities or enter into other financing arrangements for a portion of the Company's future capital needs.

The Company is subject to certain legal and other proceedings in the normal course of business that, in the opinion of management, have not had, and are not expected to have, a material effect on its results of operations or financial position.

Contractual Obligations

The Company has the following contractual obligations due by period:

(In thousands)	Total	Less than one year	1–3 years	3–5 years	More than 5 years
Long-Term Debt	$ 0	$ 0	$ 0	$ 0	$ 0
Operating Leases	1,803	467	493	337	506
Unconditional Purchase Obligations	33,365	32,865	500	0	0
	$ 35,168	$ 33,332	$ 993	$ 337	$ 506

New Accounting Pronouncements

See discussion of any New Accounting Pronouncements in Note 1 to Consolidated Financial Statements.

Neogen Corporation and Subsidiaries: Consolidated Balance Sheets

Assets *(In thousands)*	Year ended May 31 2013	2012
Current Assets		
Cash and cash equivalents	**$ 50,032**	$ 49,045
Marketable securities	**35,337**	19,600
Accounts receivable, less allowance of $900 and $800 at May 31, 2013 and 2012	**38,737**	35,652
Inventories	**38,315**	34,992
Deferred income taxes	**1,462**	1,328
Prepaid expenses and other current assets	**4,564**	3,324
Total Current Assets	**168,447**	143,941
Property and Equipment		
Land and improvements	**1,669**	1,439
Buildings and improvements	**22,779**	20,657
Machinery and equipment	**33,060**	27,508
Furniture and fixtures	**1,021**	1,410
Construction in progress	**1,561**	590
	60,090	51,604
Less accumulated depreciation	**25,745**	21,671
Net Property and Equipment	**34,345**	29,933
Other Assets		
Goodwill	**59,491**	53,052
Other non-amortizable intangible assets	**6,660**	5,270
Amortizable customer-based intangibles, net of accumulated amortization of $9,446 and $7,111 at May 31, 2013 and 2012	**12,345**	10,826
Other non-current assets, net of accumulated amortization of $4,222 and $3,578 at May 31, 2013 and 2012	**9,270**	8,578
Total Other Assets	**87,766**	77,726
	$ 290,558	$ 251,600

Liabilities and Equity *(In thousands, except share and per share)*	2013	2012
Current Liabilities		
Accounts payable	**$ 9,212**	$ 10,760
Accruals		
Compensation and benefits	**3,227**	2,756
Federal income taxes	**165**	809
Other	**5,115**	5,654
Total Current Liabilities	**17,719**	19,979
Deferred Income Taxes	**12,449**	9,974
Other Long-Term Liabilities	**2,103**	2,593
Total Liabilities	**32,271**	32,546
Commitments and contingencies (note 7)		
Equity		
Preferred stock, $1.00 par value - shares authorized 100,000; none issued and outstanding	**–**	–
Common stock, $0.16 par value - shares authorized 60,000,000; 24,056,014 and 23,619,761 shares issued and outstanding at May 31, 2013 and 2012	**3,849**	3,779
Additional paid-in capital	**101,859**	89,592
Accumulated other comprehensive loss	**(1,372)**	(1,227)
Retained earnings	**153,885**	126,695
Total Neogen Corporation and Subsidiaries Stockholders' Equity	**258,221**	218,839
Non-controlling interest	**66**	215
Total Equity	**258,287**	219,054
	$ 290,558	$ 251,600

See accompanying notes to consolidated financial statements.

Neogen Corporation and Subsidiaries: Consolidated Statements of Income

(In thousands, except per share)	Year ended May 31 2013	2012	2011
Revenues			
Product revenues	$ 184,134	$ 164,910	$ 154,664
Service revenues	23,394	19,136	18,019
Total Revenues	207,528	184,046	172,683
Cost of Revenues			
Cost of product revenues	$ 84,045	$ 78,823	$ 72,839
Cost of service revenues	13,989	12,798	12,052
Total Cost of Revenues	98,034	91,621	84,891
Gross Margin	109,494	92,425	87,792
Operating Expenses			
Sales and marketing	40,791	35,026	30,020
General and administrative	20,216	17,024	15,112
Research and development	7,781	6,636	6,825
	68,788	58,686	51,957
Operating Income	40,706	33,739	35,835
Other Income (Expense)			
Interest income	144	107	95
Royalty income	364	329	317
Change in purchase consideration	(14)	154	(787)
Other, net	(59)	(490)	(265)
	435	100	(640)
Income Before Income Taxes	41,141	33,839	35,195
Provision for Income Taxes	14,100	11,450	12,400
Net Income	27,041	22,389	22,795
Net Loss (Income) Attributable to Noncontrolling Interest	149	124	44
Net Income Attributable to Neogen	$ 27,190	$ 22,513	22,839
Net Income Attributable to Neogen Per Share			
Basic	$ 1.14	$ 0.96	$ 0.99
Diluted	$ 1.12	$ 0.94	$ 0.96

See accompanying notes to consolidated financial statements.

Neogen Corporation and Subsidiaries: Consolidated Statements of Comprehensive Income

(In thousands)	Year ended May 31 2013	2012	2011
Net Income	27,041	22,389	22,795
Other Comprehensive Loss, Net of Tax: Currency Translation Adjustments	(145)	(833)	1,282
Other Comprehensive Loss	(145)	(833)	1,282
Comprehensive Income	26,896	21,556	24,077
Comprehensive Loss (Income) Attributable to Noncontrolling Interest	149	124	44
Comprehensive Income Attributable to Neogen Corporation	27,045	21,680	24,121

See accompanying notes to consolidated financial statements.

Neogen Corporation and Subsidiaries: Consolidated Statements of Equity

(In thousands, except shares)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Noncontrolling Interest	Total Equity
Balance, May 31, 2010	22,625,399	$ 3,621	$ 69,550	$ (1,676)	$ 81,343	$ 383	$ 153,221
Exercise of options and warrants, including share-based compensation and $2,992 income tax benefit	646,953	103	11,283				11,386
Issuance of shares under Employee Stock Purchase Plan	18,252	3	415				418
Comprehensive income:							
Net income (loss) for 2011					22,839	(44)	22,795
Other comprehensive loss				1,282			1,282
Balance, May 31, 2011	23,290,604	$ 3,727	$ 81,248	$ (394)	$ 104,182	$ 339	$ 189,102
Exercise of options and warrants, including share-based compensation and $1,829 income tax benefit	315,013	50	7,837				7,887
Issuance of shares under Employee Stock Purchase Plan	14,144	2	507				509
Comprehensive income:							
Net income (loss) for 2012					22,513	(124)	22,389
Other comprehensive loss				(833)			(833)
Balance, May 31, 2012	23,619,761	$ 3,779	$ 89,592	$ (1,227)	$ 126,695	$ 215	$ 219,054
Exercise of options and warrants, including share-based compensation and $3,113 income tax benefit	421,328	68	11,733				11,801
Issuance of shares under Employee Stock Purchase Plan	14,925	2	534				536
Comprehensive income:							
Net income (loss) for 2013					27,190	(149)	27,041
Other comprehensive loss				(145)			(145)
Balance, May 31, 2013	**24,056,014**	**$ 3,849**	**$ 101,859**	**$ (1,372)**	**$ 153,885**	**$ 66**	**$ 258,287**

See accompanying notes to consolidated financial statements.

Neogen Corporation and Subsidiaries: Consolidated Statements of Cash Flows

(In thousands)		**2013**		2012		2011
Net income	**$**	**27,041**	$	22,389	$	22,795
Adjustments to reconcile net income to net cash provided from operating activities:						
Depreciation and amortization		**7,411**		6,173		5,329
Deferred income taxes		**287**		1,340		2,253
Share-based compensation		**3,064**		2,455		2,237
Excess income tax benefit from the exercise of stock options		**(3,113)**		(1,829)		(2,992)
Changes in operating assets and liabilities, net of business acquisitions:						
Accounts receivable		**(2,674)**		(7,204)		(903)
Inventories		**(2,082)**		(3,093)		(434)
Prepaid expenses and other current assets		**(1,505)**		1,497		499
Accounts payable		**(1,417)**		2,330		1,196
Accruals and other changes		**(451)**		(1,781)		(1,137)
Net cash from operating activities		**26,561**		22,277		28,843
Cash flows used in investing activities						
Purchases of property, equipment and other noncurrent assets		**(8,897)**		(12,413)		(7,796)
Proceeds from the sale of marketable securities		**67,039**		72,270		40,076
Purchases of marketable securities		**(82,776)**		(71,631)		(60,315)
Business acquisitions, net of cash acquired		**(13,318)**		(4,011)		–
Net cash used in investing activities		**(37,952)**		(15,785)		(28,035)
Cash flows from financing activities						
Exercise of options		**9,533**		5,797		10,259
Excess income tax benefit from the exercise of stock options		**3,113**		1,829		2,992
Increase (decrease) in other long-term liabilities		**(155)**		(750)		(1,217)
Net cash from financing activities		**12,491**		6,876		12,034
Effect of exchange rate on cash		**(113)**		(167)		196
Net increase (decrease) in cash and cash equivalents		**987**		13,201		13,038
Cash and cash equivalents at beginning of year		**49,045**		35,844		22,806
Cash and cash equivalents at end of year	**$**	**50,032**	$	49,045	$	35,844
Supplement cash flow information						
Income taxes paid, net of refunds	**$**	**8,986**	$	6,445	$	9,863

See accompanying notes to consolidated financial statements.

Neogen Corporation and Subsidiaries: Notes to Consolidated Financial Statements

1. Summary of Accounting Policies

Nature of Operations

Neogen Corporation develops, manufactures, and markets a diverse line of products and services dedicated to food and animal safety.

Basis of Consolidation

The consolidated financial statements include the accounts of Neogen Corporation and its subsidiaries (collectively, the Company), all of which are wholly owned, with the exception of Neogen Latinoamérica S.A.P.I. DE C.V., which is 60% owned, and Neogen do Brasil, which is 92% owned. Noncontrolling interest represents the noncontrolling owner's proportionate share in the equity of the Company's majority owned subsidiaries. The noncontrolling owner's proportionate share in the income or losses of the Company's majority owned subsidiaries is subtracted from or added to, net income to calculate the net income attributable to Neogen Corporation.

All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

Comprehensive Income

Comprehensive income represents net income and any revenues, expenses, gains and losses that, under U.S. generally accepted accounting principles, are excluded from net income and recognized directly as a component of equity. Accumulated other comprehensive income (loss) consists solely of foreign currency translation adjustments.

Accounts Receivable and Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of accounts receivable. Management attempts to minimize credit risk by reviewing customers' credit history before extending credit and by monitoring credit exposure on a regular basis. An allowance for possible losses on accounts receivable is established based upon factors surrounding the credit risk of specific customers, historical trends and other information. Collateral or other security is generally not required for accounts receivable. Once a receivable balance has been determined to be uncollectible, that amount is written off to the allowance for doubtful accounts. No customer accounted for more than 10% of accounts receivable at May 31, 2013. One customer accounted for more than 10% of accounts receivable at May 31, 2012. As of May 31, 2012, the balance due from that customer was $3,785,000, approximately 10% of the total of all outstanding accounts receivable. The activity in the allowance for doubtful accounts was as follows:

Year ended May 31	**2013**	2012	2011
Beginning balance	**$ 800,000**	$ 800,000	$ 600,000
Provision	**193,033**	90,821	446,346
Recoveries	**24,029**	12,211	88,175
Write-offs, net	**(117,062)**	(103,032)	(334,521)
Ending balance	**$ 900,000**	$ 800,000	$ 800,000

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments other than cash equivalents and marketable securities, which include accounts receivable and accounts payable, approximate fair value based on either their short maturity or current terms for similar instruments.

Fair Value Measurements

Fair value measurements are determined based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants exclusive of any transaction costs. The Company utilizes a fair value hierarchy based upon the observability of inputs used in valuation techniques as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank demand accounts, savings deposits, certificates of deposit and commercial paper with original maturities of 90 days or less. Cash and cash equivalents were $50,032,000 and $49,045,000 at May 31, 2013 and 2012, respectively. The carrying value of these assets approximates fair value due to the short maturity of these instruments and meet the Level 1 criteria.

Marketable Securities

The Company has marketable securities held by banks or broker-dealers consisting of short-term domestic certificates of deposit of $13,348,000 and commercial paper rated at least A-2/P-2 with maturities between 91 days and one year of $21,989,000. Outstanding marketable securities at May 31, 2013 were $35,337,000; there were $19,600,000 marketable securities outstanding at May 31, 2012. These securities are classified as held for sale. The primary objective of the Company's short-term investment activity is to preserve capital for the purpose of funding operations, capital expenditures and business acquisitions; short-term investments are not entered into for trading or speculative purposes. These securities are recorded at fair values (that approximate carrying value) based on recent trades or pricing models and therefore meet the Level 2 criteria.

Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out method, or market. The components of inventories were as follows:

(In thousands)	**2013**	2012
Raw materials	**$ 16,587**	$ 13,997
Work-in-process	**3,583**	2,110
Purchased finished goods	**18,145**	18,885
	$ 38,315	$ 34,992

No less frequently than quarterly, inventory is analyzed for slow moving and obsolete inventory and the valuation allowance is adjusted as required. Write-offs against the allowance are not separately identified. The valuation allowance for inventory was $1,250,000 and $1,100,000 at May 31, 2013 and 2012, respectively.

Property and Equipment

Property and equipment is stated at cost. Expenditures for major improvements are capitalized while repairs and maintenance are charged to expense. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets, which are generally seven to 39 years for buildings and improvements and three to 10 years for furniture, fixtures, machinery and equipment. Depreciation expense was $4,417,000, $3,646,000 and $3,185,000 in 2013, 2012 and 2011, respectively.

Goodwill and Other Intangible Assets

Goodwill represents the excess of purchase price over fair value of tangible net assets of acquired businesses after amounts are allocated to other identifiable intangible assets. Other intangible assets include customer relationships, trademarks, licenses, trade names, covenants not-to-compete and patents. Amortizable intangible assets are amortized on either an accelerated or a straight-line basis over five to 20 years. The Company reviews the carrying amounts of goodwill and other non-amortizable intangible assets annually, or when indications of impairment exist, to determine if such assets may be impaired. If the Company's qualitative assessment concludes that it is probable that an impairment exists, or the Company skips the qualitative assessment, then the Company performs a quantitative assessment. If the carrying amounts of these assets are deemed to be less than fair value based upon a discounted cash flow analysis and comparison to comparable EBITDA multiples of peer companies, such assets are reduced to their estimated fair value and a charge is made to operations. The remaining weighted-average amortization period for customer based intangibles and other intangible is 12 and 13 years, respectively, at May 31, 2013 and May 31, 2012.

Long-lived Assets

Management reviews the carrying values of its long-lived assets to be held and used, including definite-lived intangible assets, for possible impairment whenever events or changes in business conditions warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated separately identifiable undiscounted cash flows over the remaining useful life of the asset are less than the carrying value of the asset. In such an event, fair value is determined using discounted cash flows and if lower than the carrying value, impairment is recognized through a charge to operations.

Reclassifications

Certain amounts in the 2012 and 2011 financial statements have been reclassified to conform to the 2013 presentation.

Stock Options

At May 31, 2013, the Company had stock option plans which are described more fully in Note 5.

The weighted-average fair value per share of stock options granted during 2013, 2012 and 2011, estimated on the date of grant using the Black-Scholes option pricing model, was $13.81, $10.41 and $8.66 respectively. The fair value of stock options granted was estimated using the following weighted-average assumptions:

Year ended May 31	**2013**	2012	2011
Risk-free interest rate	**1.2%**	1.2%	1.7%
Expected dividend yield	**0%**	0%	0%
Expected stock price volatility	**39.2%**	36.4%	35.8%
Expected option life	**4.0 years**	4.0 years	4.0 years

The risk-free interest rate for periods within the expected life of options granted is based on the United States Treasury yield curve in effect at the time of grant. Expected stock price volatility is based on historical volatility of the Company's stock. The expected option life, representing the period of time that options granted are expected to be outstanding, is based on historical option exercise and employee termination data. The Company recognizes the cost of stock options using the accelerated method over their requisite service periods which the Company has determined to be the vesting periods.

Revenue Recognition

Revenue from products and services is recognized when a purchase order has been received, the product has been shipped or the service has been performed, the sales price is fixed and determinable, and collection of any resulting receivable is probable. To the extent customer payment is received before all recognition criteria has been met, these revenues are initially deferred and later recognized in the period that all recognition criteria has been met. Where right of return exists, allowances are made at the time of sale to reflect expected returns based on historical experience.

Shipping and Handling Costs

Shipping and handling costs that are charged to and reimbursed by the customer are recognized as revenues, while the related expenses incurred by the Company are recorded in sales and marketing expense; these expenses totaled $6,856,000, $5,940,000 and $5,211,000 in 2013, 2012 and 2011, respectively.

Income Taxes

The Company accounts for income taxes using the liability method. Under this method, deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates in effect for the years in which the differences are expected to reverse. Deferred income tax expense represents the change in net deferred income tax assets and liabilities during the year.

The Company's foreign subsidiaries are comprised of Neogen Europe (wholly-owned subsidiary), Neogen Latinoamérica (60% owned by Neogen) and Neogen do Brasil (92% owned by Neogen). Based on historical experience as well as the Company's future plans, earnings from these subsidiaries are expected to be re-invested indefinitely for future expansion and working capital needs. Furthermore, the Company's domestic operations have historically produced sufficient operating cash flow to mitigate the need to remit foreign earnings. On an annual basis, the Company evaluates the current business environment and whether any new events or other external changes might require a re-evaluation of the decision to indefinitely re-invest foreign earnings. At May 31, 2013, unremitted earnings of the foreign subsidiaries were $13,419,000.

Research and Development Costs

Research and Development costs are expensed as incurred.

Advertising Costs

Advertising costs are expensed as incurred and totaled $1,055,000, $1,001,000 and $677,000 in 2013, 2012 and 2011, respectively.

Net Income Attributable to Neogen Per Share

Basic net income per share is based on the weighted average number of common shares outstanding during each year. Diluted earnings per share is based on the weighted average number of common shares and dilutive potential common shares outstanding. The Company's dilutive potential common shares outstanding during the years result entirely from dilutive stock options and warrants. The following table presents the net income per share calculations:

Year ended May 31 *(In thousands, except per share),*	**2013**	2012	2011
Numerator for basic and diluted net income per share			
Net income attributable to Neogen	**$ 27,190**	$ 22,513	$ 22,839
Denominator – Denominator for basic net income per share			
weighted average shares	**23,845**	23,466	23,007
Effect of dilutive stock options and warrants	**482**	553	784
Denominator for diluted net income per share	**24,327**	24,019	23,791
Net income per share:			
Basic	**$ 1.14**	$ 0.96	$ 0.99
Diluted	**$ 1.12**	$ 0.94	$ 0.96

In 2012 and 2011, 52,300 and 12,000 options were excluded from the computations of net income per share as the option exercise prices exceeded the average market price of the common shares. In 2013, no options were excluded as the average market price exceeded the exercise price for all options outstanding.

New Accounting Pronouncements

In June 2011, the FASB issued an accounting standards update titled *Presentation of Comprehensive Income*. This update eliminates the current option to report other comprehensive income and its components in the statement of changes in equity. An entity can elect to present items of net income and other comprehensive income in one continuous statement or in two separate consecutive statements. Each component of net income and each component of other comprehensive income, together with totals for comprehensive income and its two parts, net income and other comprehensive income, must be displayed under either alternative. The Company adopted the update in the first quarter of its fiscal 2013; the adoption affected the presentation of its financial statements, but did not have an impact on the results of the Company's operations.

In September 2011, the FASB issued an accounting standards update titled *Intangibles—Goodwill and Other: Testing Goodwill for Impairment*. This update gives the option of performing a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount and, in some cases, skip the two-step impairment test. The adoption of this update did not have a material effect on the Company's consolidated financial statements.

In July 2012, the FASB issued an accounting standard update titled *Intangibles—Goodwill and Other: Testing Indefinite Lived Intangible Assets for Impairment*. This update gives the option of performing a qualitative assessment to determine whether it is more likely than not that the fair value of the intangible amount is less than its carrying amount and, in some cases, skip the quantitative impairment test. This standard is effective for fiscal years beginning after September 15, 2012, and early adoption is permitted. The early adoption of this update did not have a material effect on the Company's consolidated financial statements.

2. Goodwill and Other Intangible Assets

The Company follows the provisions of ASC 350 – Intangibles Goodwill and Other (ASC 350). ASC 350 prohibits the amortization of goodwill and intangible assets with indefinite lives and the Company reviews these intangibles for impairment annually and whenever events or changes in circumstances indicate its carrying value may not be recoverable. Management has completed the annual impairment analysis of goodwill and intangible assets with indefinite lives as prescribed by ASC 350 as of the first day of the fourth quarter of 2013 and determined that recorded amounts were not impaired and that no write-down was necessary.

The following table summarizes goodwill by reportable segment:

(In thousands)	Food Safety	Animal Safety	Total
Balance, May 31, 2011	16,696	34,888	51,584
Goodwill acquired	–	1,468	1,468
Balance, May 31, 2012	16,696	36,356	53,052
Goodwill acquired	–	6,439	6,439
Balance, May 31, 2013	**$ 16,696**	**$ 42,795**	**$ 59,491**

At May 31, 2013, non-amortizable intangible assets included licenses of $569,000, trademarks of $4,867,000 and a customer relationship intangible of $1,224,000. At May 31, 2012, non-amortizable intangible assets included licenses of $555,000, trademarks of $3,491,000 and a customer relationship intangible of $1,224,000.

Amortizable intangible assets consisted of the following and are included in customer-based intangibles and other noncurrent assets within the consolidated balance sheets:

(In thousands)	Gross Carrying Amount	Less Accumulated Amortization	Net Carrying Amount
Licenses	$ 4,165	$ 1,409	$ 2,756
Covenants not to compete	334	186	148
Patents	5,184	2,363	2,821
Customer relationship intangibles	21,791	9,446	12,345
Other product and service related intangibles	3,783	264	3,519
Balance, May 31, 2013	**$ 35,257**	**$ 13,668**	**$ 21,589**
Licenses	$ 3,814	$ 1,066	$ 2,748
Covenants not to compete	282	127	155
Patents	4,497	1,951	2,546
Customer relationship intangibles	17,212	7,109	10,103
Other product and service related intangibles	725	2	723
Balance, May 31, 2012	$ 26,530	$ 10,255	$ 16,275

Amortization expense for intangibles totaled $2,994,000, $2,527,000 and $2,144,000 in 2013, 2012, and 2011, respectively. The estimated amortization expense for each of the five succeeding years is as follows: $3,070,000 in 2014, $2,808,000 in 2015, $2,568,000 in 2016, $2,231,000 in 2017 and $2,048,000 in 2018. The amortizable intangible assets useful lives are five to 20 years for licenses, five years for covenants not to compete, five to 20 years for patents, and 12 to 20 years for customer-based intangibles. All definite lived intangibles are amortized on a straight line basis with the exception of definite lived customer-based intangibles and product and service-related intangibles which are amortized on an accelerated basis.

3. Business Combinations

The Consolidated Statements of Income reflect the results of operations for business acquisitions since the respective dates of purchase. All are accounted for using the purchase method.

On April 1, 2010, Neogen Corporation acquired GeneSeek, Inc. of Lincoln, Nebraska, a leading commercial agricultural genetic laboratory. GeneSeek's technology employs high-resolution DNA genotyping for identity and trait analysis in a variety of important animal and agricultural plant species. Consideration for the purchase was $14,050,000 in cash and secondary payment obligations of up to $7,000,000. The allocation of the purchase price included accounts receivable of $1,923,000, inventory of $1,512,000, fixed assets of $847,000, current liabilities of $905,000, deferred tax liabilities of $2,530,000, secondary payment liabilities of $3,583,000, intangible assets of $6,802,000 (with estimated lives of five-20 years) and the remainder to goodwill (not deductible for tax purposes). The allocation was generally based on the fair value of these assets determined using the income approach. These fair value measurements were based on significant inputs not observable in the market and thus represent Level 3 fair value measurements. The secondary payment was based upon future operating results of the GeneSeek business through 2013, and payable annually over a three-year period, measured at fair value, and is considered a Level 3 fair value measurement. The Company recorded a charge within other income (expense) of approximately $787,000 for the year ended May 31, 2011, representing the increase from its original estimate in fair value of the secondary payment liability. As of May 31, 2011, the balance of the secondary payment liability recorded was approximately $4,370,000. A payment of $1,856,000 was made in June 2011 to the former owners of GeneSeek, comprised of $1,537,000 for the first year contingent payment and an additional $319,000 for inventory purchased post acquisition and settlement of other liabilities. In 2012, the Company reversed $154,000 of the secondary payment liability, based on a lower calculated second year payout than had been estimated at May 31, 2011 due to lower 2012 earnings. In May 2012, the second year payment of $1,263,000 was made to the former owners. The third and final payment of $1,500,000 was made in May 2013. The acquisition has been integrated into the Animal Safety segment.

On June 21, 2011, Neogen Corporation acquired the assets of VeroMara seafood testing laboratory for approximately $813,000 in cash and a potential secondary payment of approximately $200,000 from its parent company, GlycoMar Ltd. Formerly based in Oban, Scotland, VeroMara offered commercial testing for the shellfish and salmon aquaculture industries, including tests for shellfish toxins, general foodborne pathogens, including *E. coli*, noroviruses, and salmon husbandry. VeroMara recorded revenues of approximately $800,000 (U.S.) in its most recently completed fiscal year prior to acquisition. The acquisition has been integrated into the Company's Food Safety segment at its Ayr, Scotland location.

On May 1, 2012, the Company purchased the assets of the Igenity animal genomics business from Merial Limited. Consideration for the purchase, which was determined through arm's length negotiations, was $3,200,000 in cash and included allocations of net current assets of $110,000, fixed assets of $340,000, $600,000 accrued for secondary consideration, intangible assets of $2,036,000 and the remainder to goodwill. During the year, the Company paid $500,000 for data sets included in the secondary consideration. The allocation was generally based on the fair value of these assets determined using the income approach. These fair value measurements were based on significant inputs not observable in the market and thus represent Level 3 fair value measurements. In the past, GeneSeek conducted the genetic testing of samples for Igenity, and Igenity used the information with its extensive bioinformatics system to identify the animal's positive or negative traits. The Igenity business was moved to GeneSeek's operations in Lincoln, Nebraska, and operates as part of Neogen's GeneSeek subsidiary, within the Animal Safety segment. In May 2013, the Company reversed the remaining $100,000 of the secondary consideration accrual to Other Income, as the business did not attain the revenue level stipulated for the year.

On October 1, 2012, Neogen Corporation acquired the stock of Macleod Pharmaceuticals, Inc., of Fort Collins, Colorado. Macleod is the manufacturer of Uniprim, a leading veterinary antibiotic. The product is widely distributed throughout the U.S., and is also available in Canada through an exclusive distribution agreement. Consideration for the purchase was $9,918,000 in net cash and $100,000 accrued for secondary consideration. The purchase price allocation, based upon the fair value of these assets determined using the income approach, included accounts receivable of $353,000, inventory of $1,238,000, fixed assets of $300,000, current liabilities of $82,000, deferred tax liabilities of $2,054,000, secondary payment liabilities of $100,000, intangible assets of $5,542,000 and the remainder to goodwill (non-deductible for tax purposes). These values are Level 3 fair value measurements. Macleod operates as a subsidiary of Neogen Corporation, reporting within the Animal Safety segment.

On January 2, 2013, Neogen Corporation acquired the assets of Scidera Genomics, LLC, an animal genomics business based in Davis, California. The company, formerly operated as MetaMorphix, Inc., or MMI Genomics, performs parentage testing and trait analysis primarily for the cattle and canine industries. Consideration for the purchase was $3,400,000 in cash. The preliminary purchase price allocation included current assets of $35,000, fixed assets of $246,000, intangible assets of $1,570,000 and the remainder to goodwill. These values are Level 3 fair value measurements. This business reports within the Animal Safety segment.

On July 1, 2013, Neogen Corporation acquired the assets of SyrVet, Inc., a veterinary business based in Waukee, Iowa. SyrVet offered a product line similar to Neogen's Ideal Instruments line of veterinary instruments with 30% of their sales coming from international markets, primarily in Mexico and Latin America. Consideration for the purchase was $10,012,000 in cash and secondary payment liability of up to $1,500,000.

Goodwill recognized in the acquisitions discussed above relates primarily to enhancing the Company's strategic platform for the expansion of available product offerings.

4. Long-Term Debt

The Company has a financing agreement with a bank providing for an unsecured revolving line of credit of $12,000,000 which matures on September 1, 2014. There were no advances against this line of credit during 2013, 2012 and 2011 and no balance outstanding at May 31, 2013 and 2012. Interest is at LIBOR plus 100 basis points (rate under the terms of the agreement was 1.19% at May 31, 2013). Financial covenants include maintaining specified levels of tangible net worth, debt service coverage, and funded debt to EBITDA, each of which the Company was in compliance with at May 31, 2013 and May 31, 2012.

5. Equity Compensation Plans

Qualified and non-qualified options to purchase shares of common stock may be granted to directors, officers and employees of the Company under the terms of the Company's stock option plans. These options are granted at an exercise price of not less than the fair market value of the stock on the date of grant. Remaining shares available for grant under stock option plans were 818,000, 1,108,000 and 397,000 at May 31, 2013, 2012 and 2011, respectively. Options vest ratably over three and five year periods and the contractual terms are generally five or 10 years.

(In thousands, except for share price)	Shares	Weighted-Average Exercise Price	Weighted-Average Fair Value
Outstanding at May 31, 2010 (729 exercisable)	1,998	14.14	4.72
Granted	293	28.50	8.66
Exercised	(627)	9.83	3.98
Forfeited	(90)	18.22	5.84

(In thousands, except for share price)	Shares	Weighted-Average Exercise Price	Weighted-Average Fair Value
Outstanding at May 31, 2011 (509 exercisable)	1,574	17.77	5.71
Granted	316	34.59	10.41
Exercised	(320)	12.44	4.39
Forfeited	(27)	16.62	5.39
Outstanding at May 31, 2012 (575 exercisable)	1,543	22.34	6.95
Granted	306	43.00	13.81
Exercised	(438)	15.91	5.14
Forfeited	(16)	29.50	9.11
Outstanding at May 31, 2013 (499 exercisable)	1,395	$ 28.82	$ 9.00

The following is a summary of stock options outstanding at May 31, 2013:

Options Outstanding				Options Exercisable	
Range of Exercise Price	Number	Average Remaining Contractual Life	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
$ 6.75–19.17	225,912	1.97	$ 15.03	164,192	$ 13.85
19.18–19.94	287,066	1.62	19.55	155,071	19.55
19.95–34.37	295,017	3.44	28.10	124,981	27.25
34.38–42.39	283,250	3.75	34.76	55,048	35.01
42.40–43.00	303,500	4.99	43.00	0	0
	1,394,745	3.23	$ 28.82	499,292	$ 21.31

The weighted-average exercise price of shares that were exercisable at May 31, 2013 and 2012 was $21.31 and $16.59, respectively. The weighted-average grant-date fair value of options granted in 2013, 2012, and 2011 was $13.81, $10.41 and $8.66, respectively.

The aggregate intrinsic value of options outstanding and options exercisable was $35,778,000 and $16,557,000, respectively, at May 31, 2013, $25,617,000 and $12,855,000 respectively, at May 31, 2012 and $42,607,000 and $16,040,000 respectively, at May 31, 2011. The aggregate intrinsic value of options exercised during the year was $12,519,000 in 2013, $8,226,000 in 2012 and $15,262,000 in 2011. Remaining compensation cost to be expensed in future periods for non-vested options was $4,096,000 at May 31, 2013, with a weighted average expense recognition period of 3.2 years.

The following table summarizes warrant activity with non-employees that were expensed at fair value upon grant. All warrants were exercisable for common stock of the Company and expired in 2012.

(In thousands except for share price)	Shares	Weighted-Average Exercise Price
Outstanding warrants at May 31, 2010	29	8.48
Warrants exercised during the year	(20)	8.30
Warrants forfeited during the year	(2)	8.18
Outstanding warrants at May 31, 2011	7	9.02
Warrants exercised during the year	(2)	9.02
Warrants forfeited during the year	(5)	9.02
Outstanding warrants at May 31, 2012	–	$ –

Common stock totaling 43,539 of the 225,000 originally authorized shares are reserved for issuance under the terms of the 2002 Employee Stock Purchase Plan. An additional 250,000 shares are also reserved for issuance under the terms of the 2011 Employee Stock Purchase Plan. The plan gives eligible employees the option to purchase common stock at a 5% discount to the lower of the market value of the stock at the beginning or end of each participation period. Total individual purchases in any year are limited to 10% of compensation. Shares purchased by employees were 14,925, 14,144 and 18,252 in 2013, 2012 and 2011, respectively.

6. Income Taxes

The provision for income taxes consisted of the following:

Year ended May 31 *(In thousands)*,	**2013**	2012	2011
Current			
U.S. Taxes	**$ 12,959**	$ 9,520	$ 9,336
Foreign	**854**	587	811
Deferred	**287**	1,343	2,253
	$ 14,100	$ 11,450	$ 12,400

Deferred income taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred income tax liabilities and assets are as follows:

Year ended May 31 *(In thousands)*,	**2013**	2012
Deferred income tax liabilities		
Indefinite and long-lived assets	**$ (13,953)**	$ (11,238)
Prepaids	**(333)**	(365)
	(14,286)	(11,603)
Deferred income tax assets		
Inventories and accounts receivable	**1,228**	1,149
Acquired net operating loss carryforwards	**0**	19
Accrued liabilities and other	**2,071**	1,789
	3,299	2,957
Net deferred income tax liabilities	**$ (10,987)**	$ (8,646)

The reconciliation of income taxes computed at the U.S. federal statutory tax rate to income tax expense is as follows:

Year ended May 31 *(In thousands)*,	**2013**	2012	2011
Tax at U.S. statutory rates	**$ 14,400**	$ 11,900	$ 12,300
Tax credits and other	**(980)**	(755)	(145)
Provisions for state income taxes, net of federal benefit	**680**	305	245
	$ 14,100	$ 11,450	$ 12,400

At the end of 2011, the Company was under audit by the Internal Revenue Service for its 2009 fiscal year; in 2012 this audit was expanded to include the 2010 fiscal year as well. The audit concluded in late 2012 with a slight favorable adjustment; thus, amounts totaling $550,000 that had been reserved as uncertain tax positions were reversed in the fourth quarter of 2012, resulting in an effective tax rate of 33.7% for 2012. Absent this adjustment, the Company's 2012 tax rate would have been 35.5%, compared to 34.3% in 2013 and 35.2% in 2011.

The Company has no significant accrual for unrecognized tax benefits at May 31, 2013. Should the accrual of any interest or penalties relative to unrecognized tax benefits be necessary, such accruals will be reflected within income tax accounts. For the majority of tax jurisdictions, the Company is no longer subject to U.S. federal, state and local or non U.S. income tax examinations by tax authorities for fiscal years before 2010.

7. Commitments and Contingencies

The Company is involved in environmental remediation and monitoring activities at its Randolph, Wisconsin manufacturing facility and accrues for related costs when such costs are determined to be probable and estimable. The Company is currently expensing annual costs of remediation which have ranged from $50,000 to $105,000 per year over the past five years. The Company's estimated liability for these costs of $916,000 at May 31, 2013 and 2012, measured on an undiscounted basis over an estimated period of 15 years, is recorded within other long-term liabilities in the consolidated balance sheet.

In August 2011, the Company purchased a facility in Lexington, Kentucky for $4,950,000. This purchase provides the Company an additional 128,000 square feet of office, production and warehouse space to accommodate near-term expansion needs. Currently, a portion of the building is leased to outside parties. Lease rental income is expected to be $104,000 for 2014, $38,000 for 2015 and $3,000 for 2016.

In December 2012, the Company purchased a 36,000 square foot facility adjacent to the Company's facility on the campus of the Scottish Agricultural College in Ayr, Scotland for approximately $1.5 million.

The Company has agreements with unrelated third parties that provide for the payment of license fees and royalties on the sale of certain products. License fees and royalty expense under the terms of these agreements was $1,837,000, $1,371,000 and $1,561,000 for 2013, 2012 and 2011, respectively.

The Company has agreements with unrelated third parties that provide for guaranteed minimum royalty payments to be paid by the Company for certain technologies, as follows: 2014 - $907,000, 2015 - $1,007,000, 2016 - $1,157,000, and 2017 and later - $1,157,000.

The Company leases office and manufacturing facilities under noncancelable operating leases. Rent expense for 2013, 2012 and 2011 was $657,000, $495,000 and $477,000, respectively. Future minimum rental payments for these leases over their remaining terms are as follows: 2014 - $467,000, 2015 - $247,000, 2016 - $247,000, and 2017 and later - $843,000.

The Company is subject to certain legal and other proceedings in the normal course of business that, in the opinion of management, should not have a material effect on its future results of operations or financial position.

8. Defined Contribution Benefit Plan

The Company maintains a defined contribution 401(k) benefit plan covering substantially all employees. Employees are permitted to defer up to IRS limits, with the Company matching 100% of the first 3% deferred and 50% of the next 2% deferred. The Company's expense under this plan was $863,000, $760,000 and $733,000 in 2013, 2012 and 2011, respectively.

9. Segment Information

The Company has two reportable segments: Food Safety and Animal Safety. The Food Safety segment is primarily engaged in the development, production and marketing of diagnostic test kits and related products used by food producers and processors to detect harmful natural toxins, foodborne bacteria, allergens and levels of general sanitation. The Animal Safety segment is primarily engaged in the development, production and marketing of products dedicated to animal safety, including a complete line of consumable products marketed to veterinarians and animal health product distributors; this segment also provides genetic identification and related interpretive bioinformatic services. Additionally, the Animal Safety segment produces and markets rodenticides and disinfectants to assist in control of rodents and disease in and around agricultural, food production and other facilities.

These segments are managed separately because they represent strategic business units that offer different products and require different marketing strategies. The Company evaluates performance based on total sales and operating income of the respective segments. The accounting policies of the segments are the same as those described in Note 1.

Segment information is as follows:

(In thousands)	Food Safety	Animal Safety	Corporate and Eliminations[(1)]	Total
2013				
Product revenues to external customers	**$ 102,971**	**$ 81,163**	**$ 0**	**$ 184,134**
Service revenues to external customers	**3,187**	**20,207**	**0**	**23,394**
Total revenues to external customers	**106,158**	**101,370**	**0**	**207,528**
Operating income (loss)	**27,366**	**15,858**	**(2,518)**	**40,706**
Depreciation and amortization	**3,874**	**3,537**	**0**	**7,411**
Interest income	**0**	**0**	**144**	**144**
Income taxes	**9,182**	**4,770**	**148**	**14,100**
Total assets	**93,079**	**121,908**	**75,571**	**290,558**
Expenditures for long-lived assets	**6,046**	**2,851**	**0**	**8,897**
2012				
Product revenues to external customers	$ 90,460	$ 74,450	$ 0	$ 164,910
Service revenues to external customers	644	18,492	0	19,136
Total revenues to external customers	91,104	92,942	0	184,046
Operating income (loss)	23,932	12,039	(2,232)	33,739
Depreciation and amortization	3,500	2,673	0	6,173
Interest income	0	0	107	107
Income taxes	7,795	3,589	66	11,450
Total assets	62,227	106,987	82,386	251,600
Expenditures for long-lived assets	4,633	7,780	0	12,413
2011				
Product revenues to external customers	$ 85,514	$ 69,150	$ 0	$ 154,664
Service revenues to external customers	0	18,019	0	18,019
Total revenues to external customers	85,514	87,169	0	172,683
Operating income (loss)	24,305	13,342	(1,812)	35,835
Depreciation and amortization	3,251	2,078	0	5,329
Interest income	0	0	95	95
Income taxes	8,410	4,617	(627)	12,400
Total assets	78,373	90,832	50,457	219,662
Expenditures for long-lived assets	4,908	2,888	0	7,796

(1) Includes corporate assets, including cash and cash equivalents, marketable securities, current and deferred tax accounts, and overhead expenses not allocated to specific business segments. Also includes the elimination of intersegment transactions and noncontrolling interests.

Revenues to customers located outside the United States amounted to $83,171,000 or 40.1% of consolidated revenues in 2013, $76,672,000 or 41.7% in 2012 and $72,724,000 or 42.1% in 2011 and were derived primarily in various countries throughout Europe, Canada, and the geographic areas of South and Central America and Asia. No customer represented revenues in excess of 10% of consolidated net sales in any of the three years. The United States based operations represent 95% of the Company's long-lived assets as of May 31, 2013 and 96% as May 31, 2012.

10. Stock Repurchase

In December 2008, the Company's Board of Directors authorized a program to purchase, subject to market conditions, up to 750,000 shares of the Company's common stock. As of May 31, 2011, 74,684 cumulative shares have been purchased in negotiated and open market transactions for a total price, including commissions, of approximately $923,000. There were no purchases in 2013 or 2012. Shares purchased under the program were retired.

11. Summary of Quarterly Data (Unaudited)

	Quarter Ended			
(In thousands, except per share)	August 2012	November 2012	February 2013	May 2013
Net sales	$ 49,729	$ 50,737	$ 51,055	$ 56,007
Gross margin	26,494	27,306	27,313	28,381
Net income	6,714	6,793	6,652	7,031
Basic net income per share	0.28	0.29	0.28	0.29
Diluted net income per share	0.28	0.28	0.27	0.29

	Quarter Ended			
(In thousands, except per share)	August 2011	November 2011	February 2012	May 2012
Net sales	$ 45,697	$ 44,891	$ 44,912	$ 48,546
Gross margin	22,977	22,657	22,892	23,899
Net income	6,004	5,237	5,244	6,028
Basic net income per share	0.26	0.22	0.22	0.26
Diluted net income per share	0.25	0.22	0.22	0.25

Quarterly net income per share is based on weighted-average shares outstanding and potentially dilutive stock options and warrants for the specific period, and as a result, will not necessarily aggregate to total net income per share as computed for the year as disclosed in the consolidated statements of income.

Reports

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13-a-15(f) and 15d-15(f). Under the supervision and with the participation of the company's management, including the Chief Executive Officer and Chief Financial Officer, an evaluation was conducted as to the effectiveness of internal control over financial reporting as of May 31, 2013, based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, management concluded that internal control over financial reporting was effective as of May 31, 2013. The effectiveness of internal control over financial reporting as of May 31, 2013, has been audited by Ernst & Young, LLP, an independent registered public accounting firm, as stated in its attestation report, which is included in Item 8 and is incorporated into this Item 9A by reference.

Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting were identified as having occurred during the quarter ended May 31, 2013 that have materially affected, or are reasonably likely to materially affect, internal control financial reporting.

James L. Herbert
Chairman and CEO

Steven J. Quinlan
Vice President and CFO

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Neogen Corporation

We have audited Neogen Corporation and Subsidiaries' internal control over financial reporting as of May 31, 2013, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Neogen Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying "Management's Report on Internal Control Over Financial Reporting". Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

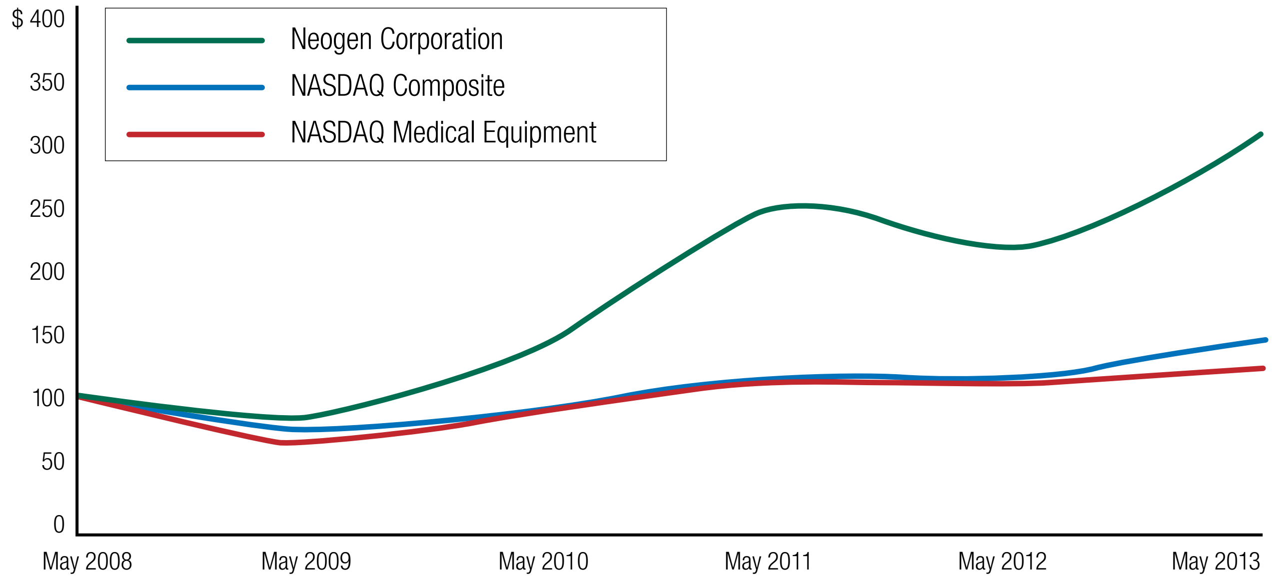
In our opinion, Neogen Corporation and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of May 31, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Neogen Corporation and Subsidiaries as of May 31, 2013 and May 31, 2012, and the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the three years in the period ended May 31, 2013, and our report dated July 30, 2013 expressed an unqualified opinion thereon.

Ernst & Young LLP

Grand Rapids Michigan
July 30, 2013

Neogen Corporation and Subsidiaries: Comparison of Five Year Cumulative Total Return and Stock Profile Activity*



Among Neogen Corporation, The NASDAQ Composite Index, and The NASDAQ Medical Equipment Index. $100 invested on May 31, 2008 in stock or index, including reinvestment of dividends. Fiscal year ending May 31.

May 31 of:	2008	2009	2010	2011	2012	**2013**
Neogen Corporation	$ 100.00	$ 83.68	$ 146.41	$ 255.35	$ 221.75	**$ 310.19**
NASDAQ Composite	100.00	70.23	89.88	115.07	115.70	**143.89**
NASDAQ Medical Equipment	100.00	60.94	87.58	109.22	109.32	**119.77**

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Stock Profile Activity

Neogen Common Stock is traded on the NASDAQ Global Select Market under the symbol NEOG. The following table sets forth, for the fiscal periods indicated, the high and low sales prices for the Common Stock as reported on the NASDAQ Stock Market.

Year Ended		High	Low
May 31, 2013	Fourth Quarter	**$ 56.73**	**$ 45.99**
	Third Quarter	48.78	44.57
	Second Quarter	45.95	38.64
	First Quarter	47.80	37.93
May 31, 2012	Fourth Quarter	$ 39.88	$ 33.78
	Third Quarter	36.16	30.14
	Second Quarter	39.90	32.08
	First Quarter	47.80	32.68

Holders: As of July 30, 2013, there were approximately 356 stockholders of record of Common Stock that management believes represents a total of approximately 7,391 beneficial holders.

Dividends: Neogen has never paid any cash dividends on its Common Stock and does not anticipate paying any cash dividends in the foreseeable future.

2014 Neogen Corporation Officers and Directors

OFFICERS

James L. Herbert
Chairman of the Board
Chief Executive Officer

Stephen K. Snyder
President
Chief Operating Officer

Steven J. Quinlan
Vice President
Chief Financial Officer and Secretary

Edward L. Bradley
Vice President, Food Safety

Kenneth V. Kodilla
Vice President, Manufacturing

Jason W. Lilly, Ph.D.
Vice President, Corporate Development

Terri A. Morrical
Vice President, Animal Safety

Mark A. Mozola, Ph.D.
Vice President, Research and Development

Jennifer A. Rice, DVM, Ph.D.
Vice President
Senior Research Director

DIRECTORS

James L. Herbert
Neogen Corporation
Chairman of the Board
Chief Executive Officer

William T. Boehm, Ph.D.
Kroger Company
Former Senior Vice President

President's Council of Economic Advisors
Former Senior Economist

Richard Crowder, Ph.D.
Virginia Tech University
Thornhill Professor of Agricultural Trade

Office of the U.S. Trade Representative
Former Chief Agricultural Trade Negotiator

A. Charles Fischer
Dow AgroSciences
Former President and CEO

G. Bruce Papesh
Dart, Papesh & Co.
President

Jack C. Parnell
Siller Brothers, Inc.
Chairman of the Board

Siller Helicopters, Inc.
Chairman of the Board

U.S. Department of Agriculture
Former Deputy Secretary
Former Acting Secretary

Thomas H. Reed
Tom Reed & Associates
President

JBS Packerland
Former Senior Vice President

Michigan Livestock Exchange
Former President and CEO

MSU Board of Trustees
Former Chairman

Clayton K. Yeutter, Ph.D.
Hogan Lovells, LLP
Senior Advisor, International Trade

U.S. Department of Agriculture
Former Secretary

Former U.S. Trade Representative

DIRECTOR EMERITUS

Gordon E. Guyer, Ph.D.
Michigan State University
Former President

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Lansing, MI 48933

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young, LLP
171 Monroe Avenue NW
Suite 1000
Grand Rapids, MI 49503

FORM 10-K AND THE COMPANY'S CODE OF ETHICS

Copies of Form 10-K and the Company's Code of Ethics will be provided upon request without charge to persons directing their request to:

Neogen Corporation
Attention: Investor Relations
620 Lesher Place
Lansing, MI 48912

STOCK TRANSFER AGENT AND REGISTRAR

American Stock Transfer and Trust Co.
6201 15th Avenue
Brooklyn, NY 11219

ANNUAL MEETING

October 3, 2013
10:00 a.m.
University Club
Michigan State University
3435 Forest Road
Lansing, MI 48909

NC014-0813

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