Translation for information purposes only.

bioMérieux SA
French joint stock company (*société anonyme*)
with share capital of €12,029,370
Registered office: Marcy l'Etoile (Rhône department), France
Registered in Lyon, France under number 673 620 399

INTERIM FINANCIAL REPORT

SIX MONTHS ENDED JUNE 30, 2015

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SIX MONTHS ENDED JUNE 30, 2015

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS SIX MONTHS ENDED JUNE 30, 2015

CONSOLIDATED INCOME STATEMENT

In millions of euros	Notes	Six months ended June 30, 2015	Year ended Dec. 31, 2014[(b)]	Six months ended June 30, 2014[(b)]
Sales		**933.2**	**1,698.4**	**780.7**
Cost of sales		(459.6)	(853.9)	(395.8)
Gross profit		**473.6**	**844.5**	**384.9**
Other operating income[(a)]	**10**	**18.7**	**41.1**	**21.5**
Selling and marketing expenses		(176.4)	(311.3)	(150.9)
General and administrative expenses		(77.9)	(141.7)	(64.9)
Research and development expenses		(115.9)	(205.8)	(99.8)
Total operating expenses		**(370.2)**	**(658.8)**	**(315.6)**
Contributive operating income before non-recurring items		**122.1**	**226.8**	**90.9**
Fees and amortization of the Biofire purchase price[(a)]	11	(18.2)	(23.9)	(14.6)
Operating income before non-recurring items		**103.9**	**202.9**	**76.3**
Other non-recurring income and expenses from operations, net[(a)]	12	(0.8)	0.6	1.2
Operating income		**103.1**	**203.6**	**77.5**
Cost of net debt	13.2	(12.1)	(7.2)	(1.7)
Other financial income and expenses, net	13.3	(1.0)	(8.9)	(2.4)
Income tax expense	14	(30.7)	(51.7)	(22.5)
Share in earnings (losses) of equity-accounted companies		(0.2)	(0.3)	(0.2)
Net income for the period		**59.1**	**135.5**	**50.6**
Attributable to non-controlling interests		(0.4)	0.6	0.2
Attributable to owners of the parent		**59.6**	**134.9**	**50.4**
Basic earnings per share		€1.51	€3.42	€1.28
Diluted earnings per share		€1.51	€3.42	€1.28

(a) Given the scale of the BioFire acquisition, the related fees have been broken out from operating income before non-recurring items and shown on a separate line, so as to give a better view of operating income.

(b) Financial statements since January 1, 2014 have been adjusted for the impact of applying IFRIC 21.

The notes on pages 12 to 35 are an integral part of the condensed interim consolidated financial statements.

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Notes	Six months ended June 30, 2015	Year ended Dec. 31, 2014[a]	Six months ended June 30, 2014[a]
Net income for the period		**59.1**	**135.5**	**50.6**
Items to be reclassified to income		**32.4**	**39.2**	**(1.4)**
Fair value gains (losses) on financial instruments and assets		(6.0)	(0.9)	(5.1)
Tax effect		1.7	0.4	1.9
Changes in cumulative translation adjustments	7.2	36.6	39.6	1.9
Items not to be reclassified to income		**0.6**	**(15.2)**	**(5.6)**
Remeasurement of employee benefits	8.3	1.0	(24.6)	(9.8)
Tax effect		(0.4)	9.4	4.2
Total other comprehensive income (expense)		**33.0**	**24.0**	**(7.0)**
Total comprehensive income		**92.2**	**159.4**	**43.6**
Attributable to non-controlling interests		0.2	1.2	0.2
Attributable to owners of the parent		**92.0**	**158.2**	**43.4**

(a) Financial statements since January 1, 2014 have been adjusted for the impact of applying IFRIC 21.

The notes on pages 12 to 35 are an integral part of the condensed interim consolidated financial statements.

CONSOLIDATED BALANCE SHEET

ASSETS *In millions of euros*	Notes	June 30, 2015	Dec. 31, 2014[(a)]	June 30, 2014[(a)]
Intangible assets	4.2	476.6	460.1	395.8
Goodwill	4.3	455.0	437.8	442.1
Property, plant and equipment	5.1	505.4	486.9	429.0
Non-current financial assets	5.3	39.7	35.1	33.7
Investments in equity-accounted companies		0.3	0.5	0.2
Other non-current assets		21.7	21.9	21.9
Deferred tax assets		93.7	85.5	57.5
Non-current assets		**1,592.3**	**1,527.8**	**1,380.2**
Inventories and work-in-progress		360.1	299.2	302.6
Trade receivables	6	430.6	449.3	398.7
Other operating receivables		96.3	82.5	92.2
Current tax receivables		12.2	21.0	3.8
Non-operating receivables		11.1	19.6	10.1
Cash and cash equivalents		108.9	119.7	95.1
Current assets		**1,019.3**	**991.4**	**902.5**
Assets held for sale	5.2	**62.5**	**60.8**	**44.3**
TOTAL ASSETS		**2,674.2**	**2,580.0**	**2,327.1**

EQUITY AND LIABILITIES *In millions of euros*	Notes	June 30, 2015	Dec. 31, 2014[(a)]	June 30, 2014[(a)]
Share capital	7.1	12.0	12.0	12.0
Additional paid-in capital and reserves	7.2	1,362.1	1,234.8	1,203.2
Attributable net income for the period		59.6	134.9	50.4
Equity attributable to owners of the parent		**1,433.7**	**1,381.7**	**1,265.5**
Non-controlling interests		**7.9**	**7.8**	**6.6**
Total equity		**1,441.6**	**1,389.4**	**1,272.2**
Long-term borrowings and debt	9	305.3	305.7	305.6
Deferred tax liabilities	14	156.6	145.1	124.5
Provisions	8	106.9	105.4	83.7
Non-current liabilities		**568.8**	**556.2**	**513.9**
Short-term borrowings and debt	9	80.2	63.5	97.7
Provisions	8	17.5	11.1	11.8
Trade payables		157.8	188.9	145.2
Other operating payables		269.2	250.0	236.9
Current tax payables		26.4	15.4	13.0
Non-operating payables		86.3	81.4	20.1
Current liabilities		**637.4**	**610.2**	**524.6**
Liabilities related to assets held for sale	**5.2**	**26.4**	**24.2**	**16.5**
TOTAL EQUITY AND LIABILITIES		***2,674.2***	***2,580.0***	***2,327.1***

(a) Financial statements since January 1, 2014 have been adjusted for the impact of applying IFRIC 21 (see Note 2).

The notes on pages 12 to 35 are an integral part of the condensed interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of euros	Notes	Six months ended June 30, 2015	Year ended Dec. 31, 2014	Six months ended June 30, 2014
Net income for the period		59.1	135.5	52.5
- Share in earnings (losses) of equity-accounted companies		0.2	0.3	0.2
- Cost of net debt		12.1	7.2	1.7
- Other financial income and expenses, net		1.0	8.9	2.4
- Current tax expense		30.7	51.7	23.7
- Net additions to depreciation and amortization of operating items – non-current provisions		56.7	105.4	46.9
- Non-recurring income and expenses, net		19.0	23.2	13.4
EBITDA (before non-recurring items)	**9.1**	**178.8**	**332.2**	**140.9**
Other non-recurring income and expenses from operations (excluding net additions to non-recurring provisions and capital gains or losses on disposals of non-current assets)		0.0	(8.2)	(9.9)
Other financial income and expenses, net (excluding provisions and disposals of non-current financial assets)		(1.0)	(8.9)	(2.4)
Net additions to operating provisions for contingencies and losses		2.9	1.4	1.6
Fair value gains (losses) on financial instruments		(1.5)	(1.3)	(4.4)
Share-based payment		0.4	1.1	0.4
Elimination of other non-cash/non-operating income and expenses		**0.8**	**(15.9)**	**(14.7)**
Change in inventories		(45.4)	(19.3)	(27.0)
Change in trade receivables		32.7	(2.0)	35.2
Change in trade payables		(37.0)	46.5	8.5
Change in other operating working capital		(12.1)	(1.4)	(16.2)
Change in operating working capital		**(61.8)**	**23.8**	**0.5**
Other non-operating working capital		(4.6)	9.8	(3.8)
Change in other non-current non-financial assets and liabilities		1.9	5.1	2.7
Change in working capital requirement		**(64.5)**	**38.7**	**(0.6)**
Income tax paid		**(5.5)**	**(56.7)**	**(18.5)**
Net cash from operating activities		**109.6**	**298.3**	**107.1**
Purchases of property, plant and equipment and intangible assets		(86.1)	(158.1)	(56.1)
Proceeds from disposals of property, plant and equipment and intangible assets		13.1	16.4	13.3
Purchases of/proceeds from disposals of non-current financial assets, net		(6.1)	(2.2)	(0.9)
Impact of changes in Group structure	9.1	(0.5)	(358.9)	(353.1)
Net cash used in investing activities		**(79.6)**	**(502.7)**	**(396.8)**
Cash capital increase		0.0	0.0	0.0
Purchases and sales of treasury shares		(0.8)	0.2	(0.3)
Dividends paid to owners		(39.5)	(39.5)	(39.5)
Cost of net debt		(12.1)	(7.2)	(1.7)
Change in committed debt		15.2	(36.9)	(0.5)
Net cash used in financing activities		**(37.2)**	**(83.4)**	**(42.0)**
Net change in cash and cash equivalents		**(7.1)**	**(287.8)**	**(331.7)**
Net cash and cash equivalents at beginning of period		**103.9**	**414.9**	**414.9**
Impact of changes in exchange rates on net cash and cash equivalents		(2.0)	(23.3)	(1.2)
Net cash and cash equivalents at end of period		**94.8**	**103.9**	**82.0**

Comments on changes in consolidated net cash and cash equivalents are provided in Note 9.

The notes on pages 12 to 35 are an integral part of the condensed interim consolidated financial statements.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

In millions of euros	Attributable to owners of the parent										Non-controlling interests
	Share capital	Additional paid-in capital and consolidated reserves[a]	Cumulative translation adjustments	Fair value gains and losses on financial instruments[b]	Actuarial gains and losses[c]	Treasury shares	Share-based payment	**Total additional paid-in capital and reserves**	**Net income for the period**	**Total**	**Total**
Equity at December 31, 2013	**12.0**	1,134.0	(26.8)	2.5	(27.0)	(0.8)	2.5	**1,084.5**	**164.3**	**1,260.8**	**6.5**
IFRIC 21[j]									**0.8**	**0.8**	
Equity at January 1, 2014 – restated	**12.0**	1,134.0	(26.8)	2.5	(27.0)	(0.8)	2.5	**1,084.5**	**165.1**	**1,261.6**	**6.5**
Total comprehensive income for the period			1.9	(3.2)	(5.6)			**(6.9)**	**50.4**	**43.4**	**0.2**
Appropriation of prior-period net income		165.1						**165.1**	**(165.1)**	**0.0**	
Dividends paid[d]		(39.5)						**(39.5)**		**(39.5)**	**0.0**
Treasury shares		(0.5)				0.0		**(0.5)**		**(0.5)**	
Share-based payment[e]							0.4	**0.4**		**0.4**	
Equity at June 30, 2014 – restated	**12.0**	1,259.2	(24.9)	(0.8)	(32.6)	(0.8)	3.0	**1,203.2**	**50.4**	**1,265.5**	**6.6**

The notes on pages 12 to 35 are an integral part of the condensed interim consolidated financial statements.

In millions of euros	Attributable to owners of the parent										Non-controlling interests
	Share capital	Additional paid-in capital and consolidated reserves[a]	Cumulative translation adjustments	Fair value gains and losses on financial instruments[b]	Actuarial gains and losses[c]	Treasury shares	Share-based payment	**Total additional paid-in capital and reserves**	**Net income for the period**	**Total**	**Total**
Equity at December 31, 2013	**12.0**	1,134.0	(26.8)	2.5	(27.0)	(0.8)	2.5	**1,084.5**	**164.3**	**1,260.8**	**6.5**
IFRIC 21[j]									**0.8**	**0.8**	
Equity at January 1, 2014 – restated	**12.0**	1,134.0	(26.8)	2.5	(27.0)	(0.8)	2.5	**1,084.5**	**165.1**	**1,261.6**	**6.5**
Total comprehensive income for the period			39.0	(0.4)	(15.2)			**23.3**	**134.9**	**158.2**	**1.2**
Appropriation of prior-period net income		165.1						**165.1**	**(165.1)**	**0.0**	
Dividends paid[d]		(39.5)						**(39.5)**		**(39.5)**	**0.0**
Treasury shares		(0.2)				0.3		**0.2**		**0.2**	
Share-based payment[e]							1.2	**1.2**		**1.2**	
Capital increase		(0.1)						**(0.1)**		**(0.1)**	**0.1**
Equity at December 31, 2014	**12.0**	1,259.4	12.1	2.0	(42.2)	(0.4)	3.8	**1,234.8**	**134.9**	**1,381.7**	**7.8**
Total comprehensive income for the period			36.0	(4.3)	0.6			**32.3**	**59.6**	**91.9**	**0.2**
Appropriation of prior-period net income		134.9						**134.9**	**(134.9)**	**0.0**	
Dividends paid[d]		(39.5)						**(39.5)**		**(39.5)**	**0.0**
Treasury shares		(0.2)				(0.5)		**(0.7)**		**(0.7)**	
Share-based payment[e]							0.5	**0.5**		**0.5**	
Changes in ownership interests		(0.2) (f)						**(0.2)**		**(0.2)**	
Equity at June 30, 2015	**12.0**	**1,354.5**	**48.2 (h)**	**(2.2)**	**(41.6)**	**(0.9)**	**4.2**	**1,362.1**	**59.6**	**1,433.7**	**7.9 (i)**

(a) Including €63.7 million in additional paid-in capital.
(b) Including changes in the fair value of Biocartis and Labtech shares and hedging instruments.
(c) Actuarial gains and losses on employee benefit obligations.
(d) Dividend per share: €1 in 2014 and in 2015.
(e) The fair value of benefits related to share grants is being recognized over the vesting period.
(f) Increase in the ownership interest in RAS Lifesciences.
(g) Including €818 million in distributable reserves at bioMérieux SA.
(h) See Note 7.2.
(i) Including Shanghai bioMérieux Bioengineering, bioMérieux Japan and RAS Lifesciences.
(j) Impact of the first-time application of IFRIC 21.

The notes on pages 12 to 35 are an integral part of the condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS SIX MONTHS ENDED JUNE 30, 2015

bioMérieux is a leading international diagnostics group that specializes in the field of *in vitro* diagnostics for clinical and industrial applications. The Group designs, develops, manufactures and markets diagnostic systems, i.e., reagents, instruments and software. bioMérieux is present in more than 150 countries through 42 subsidiaries and a large network of distributors.

The parent company, bioMérieux, is a French joint stock company (*société anonyme*), whose registered office is located in Marcy l'Etoile (69280) and whose shares are admitted for trading on Euronext Paris.

The condensed interim consolidated financial statements were approved by the Board of Directors on August 28, 2015 and are presented in millions of euros. They have been subject to a review by the Statutory Auditors.

1 SIGNIFICANT EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION IN FIRST-HALF 2015

1.1 SIGNIFICANT EVENTS OF FIRST-HALF 2015

1.1.1 Retention bonus following the acquisition of BioFire Diagnostics Inc.

A retention plan was set up for certain BioFire employees at the time of BioFire's acquisition. The plan was announced to eligible employees in March 2014. Based on forecasts at June 30, 2015, bioMérieux expects to meet the end-2016 sales target on which the plan is contingent. An employee liability amounting to USD 10 million was therefore recognized in the 2015 interim financial statements, pro rata to the services rendered by employees between March 2014 and June 2015.

This acquisition-related expense was recognized within contributive operating income on the line showing fees incurred in relation to the BioFire acquisition.

1.2 SUMMARY OF SIGNIFICANT EVENTS IN 2014

1.2.1 Microplates business

As part of the streamlining of its product portfolio, bioMérieux decided to discontinue the production and commercialization of certain lines of microplate accounting for less than 1% of 2014 consolidated sales. The production of these reagents – which are made mainly in China by Shanghai Bioengineering Biotech as well as in Brazil – will be terminated as of year-end 2015 as talks with potential buyers proved inconclusive.

The Company has undertaken to seek a buyer for this activity. At end-December 2014, the Group had received a letter of intent from a potential buyer for the assets relating to this business (inventories, machines and installed base). Accordingly, and based on the offer, the assets concerned (representing €8 million) had been classified within assets held for sale at December 31, 2014 and no impairment had been booked.

During the second quarter of 2015, the talks with a view to a sale proved inconclusive and the Group stopped its search for a potential buyer. Consequently, the assets shown under "Assets held for sale" at December 31, 2014 were reclassified under their initial headings as of June 30, 2015.

Provisions totaling some €2.9 million were recognized at June 30, 2015 to cover the costs related to discontinuing this business.

1.2.2 Strategic partnership with Copan

On December 19, 2014, bioMérieux and Copan signed a strategic partnership in clinical microbiology laboratory automation. Under the terms of the agreement, Copan has granted distribution rights for its automated platforms (including the WASP® Walk-Away Specimen Processor and the WASPLab® solutions) to bioMérieux. This agreement allows bioMérieux to speed up deployment of its Lab Efficiency program.

In connection with the signing of the agreement, at December 31, 2014 the Group set aside provisions chiefly to cover impairment losses on equipment that will no longer be utilized as well as losses on the completion of commercial agreements.

At June 30, 2015, the provisions for losses on completion were remeasured and an additional provision was recorded for around €3 million.

1.3 CHANGES IN THE SCOPE OF CONSOLIDATION

On December 19, 2014, bioMérieux acquired all outstanding shares of Nantes-based Ceeram (France), a company specialized in virological detection using molecular biology technologies. The purchase price amounted to €2.75 million.

In view of its non-material nature and the fact that the acquisition was completed late in the year, Ceeram was not consolidated at December 31, 2014.

The company's consolidation as of January 1, 2015 led the Group to recognize technologies for €1.9 million net of deferred taxes and provisional goodwill for €0.5 million at June 30, 2015.

Ceeram's contribution to sales and to contributive operating income before non-recurring items was not material in first-half 2015.

It should be recalled that on January 16, 2014, bioMérieux acquired 100% of the privately held U.S.-based company specialized in molecular biology, BioFire. This company was consolidated in the Group's financial statements as from the acquisition date (see Note 1.1.1 to the consolidated financial statements for the year ended December 31, 2014).

2 FIRST-TIME APPLICATION OF IFRIC 21 "LEVIES"

In June 2014, the European Union adopted IFRIC 21 which includes an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". One of the issues covered by IFRIC 21 is the "obligating event" and therefore the date on which a tax liability (other than relating to income tax) should be recognized.

In light of the recognition principles set out in IFRIC 21, bioMérieux applied the interpretation with effect from January 1, 2015. Accordingly, taxes due at January 1 of the current reporting period have been accounted for in full at June 30, 2015.

IFRIC 21 chiefly impacts the additional social security levy (*Contribution Sociale de Solidarité des Sociétés*), property taxes in France, and business tax in the U.S. These were recognized in full in the 2015 interim financial statements for approximately €7.2 million.

In accordance with IAS 8, comparative information has been restated as though IFRIC 21 had been applied since January 1, 2014. As a result, the financial statements presented for comparative purposes have been restated.

The income statement for the six months ended June 30, 2014 was adjusted to reflect an additional expense of €1.9 million in accordance with the application of IFRIC 21. Published data in the balance sheet have also been restated.

The table below shows the impacts of the application of IFRIC 21 on the main financial indicators.

Main indicators impacted *In millions of euros*	**June 30, 2014**			**Dec. 31, 2014**		
	Published	**IFRIC 21**	**Restated**	**Published**	**IFRIC 21**	**Restated**
Opening equity	**1,267.3**	**0.8**	**1,268.1**	**1,267.3**	**0.8**	**1,268.1**
Income and expenses recognized directly in equity	(7.0)		(7.0)	24.0		24.0
Net income for the period	52.5	(1.9)	50.6	135.5		135.5
Total comprehensive income	45.5	(1.9)	43.6	159.4		159.4
Other movements	(39.6)		(39.6)	(38.1)		(38.1)
Closing equity	**1,273.2**	**(1.1)**	**1,272.2**	**1,388.6**	**0.8**	**1,389.4**
Balance sheet total at period-end	2,327.5	(0.5)	2,327.0	2,580.5	(0.5)	2,580.0
Other operating payables	235.0	1.9	236.9	251.3	(1.3)	250.0
Deferred tax assets	58.0	(0.5)	57.5	86.0	(0.5)	85.5
Current tax payable	14.2	(1.2)	13.0	15.4		15.4
Earnings per share	1.32	(0.04)	1.28	3.42		3.42

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS

The 2015 interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), including all standards, amendments and interpretations adopted by the European Union at June 30, 2015. The standards, amendments and interpretations adopted by the European Union can be consulted on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The interim consolidated financial statements were prepared and are presented in accordance with IAS 34 "Interim Financial Reporting". Accordingly, the notes to the financial statements are presented in condensed format.

Information provided in the notes only relates to material items, transactions and events whose disclosure provides for a better understanding of changes in the bioMérieux Group's financial position and performance.

The accounting policies and calculation methods used to prepare the interim consolidated financial statements for the six months ended June 30, 2015 and June 30, 2014 are identical to those used to prepare the consolidated financial statements for the year ended December 31, 2014 and described in detail in the Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on April 27, 2015, with the exception of the standards, amendments and interpretations that came into force in 2015. In some cases, these rules have been adapted to the specific nature of interim financial statements, in accordance with IAS 34.

The main standards, amendments and interpretations applicable to reporting periods beginning on or after January 1, 2015 are as follows:

- IFRIC 21 "Levies", which the Group applied in its 2015 condensed consolidated financial statements for the six months ended June 30, 2015 (see Note 2).

- Annual Improvements to IFRSs 2011-2013 Cycle: these did not have any impact on the Group's financial statements.
- Clarifications provided by IFRIC on the classification of joint arrangements based on other facts and circumstances: these did not result in the Group identifying any joint operations.

These new texts published by the IASB did not have a material impact on the consolidated financial statements, with the exception of IFRIC 21, the impact of which is described in Note 2.

The Group chose not to early adopt the standards, interpretations and amendments adopted by the IASB and the European Union before the reporting date, or not yet adopted by the European Union although available for early application, but that come into force after the end of the reporting period. These mainly concern the Annual Improvements to IFRSs 2010-2012 Cycle. Based on its current analysis, the Group does not expect these improvements to have a material impact on its financial statements.

The Group also does not expect the standards, amendments and interpretations published by the IASB and effective in 2015 but not yet adopted by the European Union (and not available for early adoption in Europe) to have a material impact on its financial statements in the next few reporting periods.

The financial statements of consolidated Group companies that are prepared in accordance with local accounting policies, are restated to comply with the policies used for the consolidated financial statements.

3.2 Judgments and estimates

The rules used for judgments and estimates are not materially different from those used at June 30, 2014 and December 31, 2014 (see Note 2.1 to the consolidated financial statements for the year ended December 31, 2014).

Profit-sharing, incentives and performance-related bonuses in particular are estimated based on the extent to which objectives had been met at June 30, 2015 and in light of the estimated amounts for the full year.

3.3 Presentation of the income statement

The Group's key financial performance indicator is contributive operating income before non-recurring items, corresponding to recurring income less recurring expenses. It does not include non-recurring income and expenses or acquisition-related fees and amortization of the assets acquired and valued in connection with the BioFire purchase price allocation (see Note 3.3 to the consolidated financial statements for the year ended December 31, 2014).

3.4 Seasonality of operations

The Group's operations are not subject to material seasonal fluctuations, with the exception of the seasonal flu epidemic in North America which impacts Filmarray sales. Sales and operating income before non-recurring items are generally slightly higher during the second half of the year.

4 CHANGES IN INTANGIBLE ASSETS AND AMORTIZATION

4.1 Accounting policies

4.1.1 Impairment tests on non-current assets

For each year-end closing, the Group systematically carries out impairment tests on goodwill and on intangible assets with an indefinite useful life, as indicated in Note 5.2 to the consolidated financial statements for the year ended December 31, 2014. Similarly, property, plant and equipment and

intangible assets with a finite useful life are tested for impairment whenever there is an indication that they may be impaired, in accordance with the methods described in the aforementioned note.
For the interim financial statements, impairment tests are only carried out for material assets or groups of assets where there is an indication that they may be impaired at the current or previous reporting date.

4.2 CHANGES IN INTANGIBLE ASSETS AND AMORTIZATION

Intangible assets mainly comprise patents and technologies.

Gross value *In millions of euros*	Patents Technologies	Software	Other	Total
December 31, 2013	**143.8**	**106.7**	**27.3**	**277.8**
Translation adjustments	39.4	3.8	0.8	44.0
Acquisitions/Increases	13.7	7.8	10.5	32.0
Changes in Group structure	278.7	1.5	1.8	282.0
Disposals/Decreases	(1.5)	(0.7)	(0.1)	(2.3)
Reclassifications	0.9	9.7	(9.7)	0.9
December 31, 2014	**474.9**	**128.8**	**30.8**	**634.5**
Translation adjustments	29.8	3.6	0.6	34.0
Acquisitions/Increases	2.8	0.7	4.1	7.6
Changes in Group structure	2.9	0.0	0.7	3.6 (a)
Disposals/Decreases	(0.1)	(0.3)	(0.1)	(0.5)
Reclassifications	(1.0)	11.7	(12.5)	(1.8)
June 30, 2015	**509.4**	**144.5**	**23.6**	**677.5**

Amortization and impairment *In millions of euros*	Patents Technologies	Software	Other	Total
December 31, 2013	**65.9**	**60.9**	**1.3**	**128.1**
Translation adjustments	5.4	2.3	0.3	8.0
Additions	22.3	12.2	2.3	36.8
Changes in Group structure	1.0	0.7	1.2	2.9
Reversals/Disposals	(1.5)	(0.6)	0.0	(2.1)
Reclassifications	0.5	0.5	(0.3)	0.7
December 31, 2014	**93.6**	**76.0**	**4.8**	**174.4**
Translation adjustments	4.2	2.0	0.2	6.4
Additions	15.3	7.9	1.2	24.4 (b)
Changes in Group structure	0.0	0.0	0.7	0.7 (a)
Reversals/Disposals	(0.1)	(0.3)	(0.1)	(0.5)
Reclassifications	(0.9)	0.1	(3.8)	(4.6)
June 30, 2015	**112.1**	**85.8**	**3.0**	**200.9**

Carrying amount *In millions of euros*	Patents Technologies	Software	Other	Total
December 31, 2013	**77.9**	**45.8**	**26.0**	**149.7**
December 31, 2014	**381.3**	**52.8**	**25.9**	**460.1**
June 30, 2015	**397.3**	**58.7**	**20.5**	**476.6**

(a) Including the Ceeram acquisition.
(b) Including €1.5 million in impairment losses.

Intangible assets increased by €16.5 million due mainly to foreign currency translation impacts, technologies acquired further to the controlling interest obtained in Ceeram, and the capitalization of the costs incurred to develop and roll out the global ERP system.

Changes in Group structure in 2014 were mainly related to the acquisition of BioFire.

4.3 CHANGES IN GOODWILL

In millions of euros	Carrying amount
December 31, 2013	**305.0**
Translation adjustments	15.9
Changes in Group structure	117.8
Impairment	(0.9)
December 31, 2014	**437.8**
Translation adjustments	16.7
Changes in Group structure[a]	0.5
June 30, 2015	**455.0**

(a) Changes in Group structure added €0.5 million to goodwill, and relate to the residual goodwill arising as a result of the Ceeram acquisition.

At June 30, 2015 and in accordance with the revised IFRS 3, the goodwill calculated for Advencis and Ceeram was still only provisional.

At December 31, 2014, changes in Group structure related mainly to the residual goodwill arising as a result of the BioFire acquisition. An additional impairment loss of €0.9 million was recognized on Biotrol goodwill, bringing its residual value to zero.

5 CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

5.1 Changes in property, plant and equipment

GROSS VALUE *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other	Assets under construction	Total
December 31, 2013	**33.7**	**318.4**	**273.4**	**310.9**	**97.4**	53.8	1,087.6
Translation adjustments	1.1	12.7	11.8	8.3	6.0	6.4	46.4
Changes in Group structure		12.4	8.0	1.8	2.7	1.6	26.5
Acquisitions/Increases	0.5	6.7	15.9	31.3	5.8	73.8	134.0
Disposals/Decreases	0.0	(2.7)	(9.6)	(32.6)	(2.5)	(0.7)	(48.0)
Reclassifications	1.8	4.9	10.7	(9.9)	16.4	(40.0)	(16.2)
December 31, 2014	**37.1**	**352.4**	**310.3**	**309.8**	**125.8**	**94.8**	1,230.2
Translation adjustments	0.8	8.9	8.6	7.5	4.6	4.9	35.4
Changes in Group structure			0.1		0.4		0.5
Acquisitions/Increases		9.4	3.4	19.5	2.1	24.7	59.1
Disposals/Decreases	(2.3)	(10.9)	(1.4)	(12.6)	(1.0)		(28.1)
Reclassifications	0.1	31.2	17.7	7.0	1.0	(46.0)	11.1
June 30, 2015	**35.7**	**391.0**	**338.8**	**331.3**	**133.0**	**78.5**	**1,308.2**

DEPRECIATION AND IMPAIRMENT *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other	Assets under construction	Total
December 31, 2013	**1.2**	**165.4**	**187.8**	**254.0**	**74.3**		682.7
Translation adjustments	0.1	5.9	7.3	6.3	4.3		23.8
Changes in Group structure		2.1	3.8	0.8	1.6		8.4
Additions	0.2	18.8	24.8	28.1	8.6		80.5
Disposals/Decreases	0.0	(3.3)	(9.4)	(27.6)	(2.2)		(42.6)
Reclassifications	(0.1)	(0.3)	(3.9)	(12.5)	7.3		(9.5)
December 31, 2014	**1.4**	**188.6**	**210.3**	**249.2**	**93.8**		743.3
Translation adjustments	0.1	4.2	5.4	5.5	3.2		18.3
Changes in Group structure			0.1		0.2		0.3
Additions	0.1	9.3	14.0	13.5	4.7		41.5
Disposals/Decreases		(0.0)	(1.3)	(10.7)	(0.9)		(12.9)
Reclassifications		1.1	3.7	7.4	(0.1)		12.2
June 30, 2015	**1.5**	**203.2**	**232.2**	**264.9**	**101.0**		**802.8**

CARRYING AMOUNT *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other	Assets under construction	Total
December 31, 2013	**32.5**	**152.9**	**85.6**	**56.9**	**23.1**	**53.8**	404.8
December 31, 2014	**35.8**	**163.7**	**100.0**	**60.7**	**32.0**	**94.8**	486.9
June 30, 2015	**34.2**	**187.8**	**106.5**	**66.4**	**32.0**	**78.5**	**505.4**

Changes in 2015 mainly correspond to the acquisition of Ceeram.

5.2 Changes in assets held for sale

At June 30, 2015, assets held for sale solely concern bioTheranostics assets for €62.5 million (€52.7 million at December 31, 2014). The increase in assets held for sale chiefly reflects translation adjustments.

Liabilities relating to assets held for sale solely concern bioTheranostics for €26.4 million (€24.2 million at December 31, 2014).

As the search for partners continues, no additional impairment was recognized against bioTheranostics assets in first-half 2015.

At December 31, 2014, assets relating to the Microplates activity had been reclassified within assets held for sale in an amount of €8.1 million. Following a change in circumstance (see Note 1.2.1), these assets are now shown in their original categories (inventories, non-current assets, etc).

5.3 CHANGES IN NON-CURRENT FINANCIAL ASSETS

In millions of euros	Gross value	Provisions	Carrying amount
December 31, 2013	**49.9**	**(18.0)**	**31.9**
Translation adjustments	0.9	(0.5)	0.4
Acquisitions/Increases	3.4		3.4
Disposals/Decreases	(3.2)	2.2	(1.0)
Reclassifications	0.4		0.4
December 31, 2014	**51.4**	**(16.3)**	**35.1**
Translation adjustments	0.7	(0.4)	0.3
Acquisitions/Increases	6.4	0.0	6.4
Disposals/Decreases	(0.3)	0.1	(0.2)
Reclassifications	(1.9)		(1.9)
June 30, 2015	**56.2**	**(16.5)**	**39.7**

Acquisitions of equity interests in first-half 2015 mainly concern bioMérieux SA's purchase of Quanterix shares.

Items reclassified during first-half 2015 relate to the first-time consolidation of Ceeram (not consolidated at December 31, 2014) for €2.8 million, offset by the remeasurement to fair value of assets available for sale in an amount of €0.8 million.

6 TRADE RECEIVABLES

In millions of euros	**June 30, 2015**	**Dec. 31, 2014**	**June 30, 2014**
Gross trade receivables	451.1	468.5	419.1
Impairment losses	(20.5)	(19.2)	(20.4)
Carrying amount	**430.6**	**449.3**	**398.7**

Trade receivables include the current portion of finance lease receivables.

7 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

7.1 SHARE CAPITAL

The Company's share capital amounted to €12,029,370 at June 30, 2015 and was divided into 39,453,740 shares, of which 26,272,261 carried double voting rights. Following a decision taken by shareholders at the Shareholders' Meeting of March 19, 2001, the Company's bylaws no longer refer to a par value for its shares. No rights or securities with a dilutive impact on capital were outstanding at June 30, 2015.

There were no changes in the number of outstanding shares in first-half 2015.

At June 30, 2015, the parent company held 9,711 treasury shares in connection with a liquidity agreement. In the first six months of the year, the Company purchased 331,182 of its own shares and sold 325,809 shares in connection with the liquidity agreement.

7.2 CUMULATIVE TRANSLATION ADJUSTMENTS

The cumulative translation adjustments shown below include the portion attributable to non-controlling interests.

In millions of euros	June 30, 2015	Dec. 31, 2014	June 30, 2014
Dollar[(a)]	46.3	17.9	(18.1)
Latin America	(1.6)	(2.4)	(1.7)
Europe – Middle East – Africa	(9.2)	(11.8)	(9.3)
Other countries	13.2	8.4	3.7
Total	**48.8**	**12.1**	**(25.4)**

(a) U.S. and Hong Kong dollars.

7.3 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding during the period (excluding any treasury shares held for market-making purposes).

As bioMérieux SA has not issued any dilutive instruments, diluted earnings per share is identical to basic earnings per share.

8 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

8.1 ACCOUNTING POLICIES

8.1.1 Provisions

The recognition and measurement criteria for provisions are identical to those used at December 31, 2014 (see Note 14.1 to the consolidated financial statements for the year ended December 31, 2014).

Additions to and reversals of provisions are recognized in full based on the situation at June 30, 2015.

8.1.2 Post-employment benefits

In accordance with the amended IAS 19, the general principles applied are as follows:

Post-employment benefit obligations are presented in the balance sheet for their total amount less the fair value of plan assets. The calculation of the benefit obligation and the fair value of plan assets are identical to the calculation method used at December 31, 2014 (see Note 14.3 to the consolidated financial statements for the year ended December 31, 2014).

Impacts of changes in actuarial gains and losses related to benefit obligations and plan assets (actuarial assumptions and experience adjustments) are immediately recognized at their net-of-tax amount under other comprehensive income not to be reclassified to the income statement.

Impacts related to changes in benefit plans are immediately recognized in income.

The expected return on plan assets recognized in income is calculated using the discount rate used to estimate the total benefit obligation.

In accordance with the provisions of IAS 34, post-employment benefits were not calculated in full at June 30, 2015 or June 30, 2014.

Changes in net obligations were estimated as follows:

- Interest cost and service cost were estimated by extrapolating the total benefit obligation as calculated at December 31, 2014;
- The impact of the change in the discount rate was calculated at June 30, 2015;
- Other actuarial assumptions related to the total benefit obligation (including the salary increase and employee turnover rates) showed no changes at June 30, 2015 that were likely to have a material impact; Accordingly, other actuarial gains and losses arising on changes in actuarial assumptions were not recalculated;
- Other actuarial gains and losses related to experience adjustments were not recalculated due to their non-material impact during previous years and to the fact that no material changes were expected this year;
- Benefits provided were determined based on actual departures in the period;
- Contributions to plan assets and benefits paid for retired employees during the first half were taken into account in full;
- The expected return on plan assets was determined based on the discount rate used to measure post-employment benefit obligations.

Changes in the total net benefit obligation are set out in Note 8.3.

8.2 MOVEMENTS IN PROVISIONS

In millions of euros	Pension and other employee benefit obligations	Product warranties	Restructuring	Disputes	Other contingencies and losses	Total
December 31, 2013	**71.3**	**3.0**	**0.2**	**7.5**	**1.5**	**83.5**
Additions	7.6	3.5	1.0	1.1	4.6	17.8
Reversals (utilizations)	(9.6)	(2.6)	(0.1)	(1.6)	(0.8)	(14.7)
Reversals (surplus)	(0.5)	(0.6)	(0.1)	(0.5)	(0.2)	(1.9)
Net additions (reversals)	(2.5)	0.3	0.8	(1.0)	3.6	1.2
Actuarial (gains) losses	24.3	0.0	0.0	0.0	0.0	24.3
Changes in Group structure	0.0	0.2	0.0	0.0	0.0	0.2
Other changes	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Translation adjustments	6.7	0.1	0.0	0.5	0.1	7.4
December 31, 2014	**99.8**	**3.6**	**1.0**	**6.9**	**5.2**	**116.5**
Additions	5.2	2.6	0.5	1.0	3.6	12.9
Reversals (utilizations)	(4.7)	(2.3)	0.0	(1.1)	(1.3)	(9.4)
Reversals (surplus)	(0.1)	(0.3)	0.0	0.0	(0.2)	(0.6)
Net additions (reversals)	0.4	0.0	0.5	(0.1)	2.1	2.9
Actuarial (gains) losses	(1.0)	0.0	0.0	0.0	0.0	(1.0)
Changes in Group structure	0.0	0.0	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	0.0	0.0	0.0	0.0
Translation adjustments	5.5	0.1	0.0	0.3	0.0	5.9
June 30, 2015	**104.8**	**3.7**	**1.5**	**7.1** (a)	**7.3**	**124.4**

(a) See Note 8.4.

Short-term provisions represented €17.5 million at June 30, 2015, €11.1 million at December 31, 2014 and €11.8 million at June 30, 2014. Other provisions for contingencies and losses include the provision for the Lab Efficiency project for approximately €6 million (see Note 1.2.2).

Net additions in first-half 2015 primarily affect operating income before non-recurring items for €2.9 million. Reversals of utilized provisions mainly concern pension provisions due to contributions paid into the U.S. subsidiary's plan assets.

8.3 CHANGES IN PENSION AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

The net obligation at June 30, 2015 amounts to €104.8 million and chiefly relates to the provision for post-employment benefits (€93.5 million), as well as the provision for long-service awards (€11.2 million).

Changes in the post-employment obligation can be summarized as follows:

In millions of euros	Present value of obligation	Fair value of plan assets[a]	**Provisions for pensions**	Post-employment health insurance	**Total provisions for post-employment benefits**
December 31, 2014	**201.1**	**(114.2)**	**86.9**	**1.7**	**88.6**
Current service cost	3.3		**3.3**	0.0	**3.3**
Interest cost	3.9	(2.3)	**1.6**	0.0	**1.7**
Retirements	(3.0)	1.7	**(1.2)**		**(1.2)**
Plan modifications	0.0		**0.0**		**0.0**
Contributions	0.0	(4.0)	**(4.0)**		**(4.0)**
Impact on operating income	**4.2**	**(4.5)**	**(0.3)**	**0.1**	**(0.3)**
Actuarial gains and losses (Other comprehensive income/[expense])	**(1.3)**	**0.4**	**(0.9)**	0.0	**(0.9)**
Other movements (incl. impact of exchange rates)	14.8	(8.7)	**6.0**	0.1	**6.2**
June 30, 2015	**218.7**	**(127.0)**	**91.7**	**1.9**	**93.5**

(a) Plan assets or scheduled payments.

The discount rate applied to bioMérieux SA's obligations was 2.25% at June 30, 2015 and 2% at December 31, 2014.

The discount rate applied to bioMérieux Inc.'s obligations was 4.1% at both June 30, 2015 and December 31, 2014.

8.4 PROVISIONS FOR CLAIMS AND LITIGATION AND TAX DISPUTES

The Group is involved in a certain number of claims and litigation arising in the ordinary course of business. Based on available information, the Group considers that these claims will not have a materially adverse impact on its financial statements. When a risk is identified, a provision is recognized as soon as the risk can be reliably measured. The provision for claims and litigation covers all disputes in which the Company is involved and amounted to €7.1 million at June 30, 2015 and €6.9 million at December 31, 2014.

During the first half of 2015 there were no material changes in the claims and litigation discussed in Note 14.4 to the consolidated financial statements for the year ended December 31, 2014.

8.5 CONTINGENT ASSETS AND LIABILITIES

Tax audits in Italy

Further to two tax audits in Italy in respect of reporting periods 2004 to 2007 and 2009 to 2010, bioMérieux Italy has received tax deficiency notices relating to transfer prices and the portion of shared costs allocated to this subsidiary.

The total amount claimed by the tax authorities is €43 million, breaking down as €23 million in income tax, €15 million in penalties and €5 million in accrued interest.

In agreement with its legal counsel, and based on the available information, the Company considers that the Italian tax authorities' claims are unfounded and is vigorously contesting their conclusions, as discussed in Note 14.5 to the consolidated financial statements for the year ended December 31, 2014.

There were no major changes in these claims during the first half of 2015.

9 NET DEBT – NET CASH AND CASH EQUIVALENTS

9.1 CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows is broadly presented in accordance with recommendation 2009-R-03 issued by the French National Accounting Board (*Conseil National de la Comptabilité* – CNC) on July 2, 2009.

It lists separately:

- cash flows from operating activities;
- cash flows from investing activities;
- cash flows from financing activities.

Cash flows from investing activities include the amount of net cash of companies acquired or sold on the date of their first-time consolidation or their derecognition, as well as amounts due to suppliers of non-current assets and amounts receivable on disposals of non-current assets.

Net cash and cash equivalents correspond to the net amount of the Group's debit and credit cash positions.

The consolidated statement of cash flows shows the Group's EBITDA. EBITDA is not defined under IFRS and may be calculated differently by different companies. EBITDA as presented by bioMérieux is equal to the sum of operating income before non-recurring items and net additions to depreciation and amortization.

In millions of euros	**Six months ended June 30, 2015**	**Year ended Dec. 31, 2014**	**Six months ended June 30, 2014**
Additive method			
- Net income for the period	59.1	135.5	52.5
- Non-recurring income and expenses	19.0	23.2	13.4
- Cost of net debt	12.1	7.2	1.7
- Other financial income and expenses, net	1.0	8.9	2.4
- Current income tax expense	30.7	51.7	23.7
- Investments in equity-accounted companies	0.2	0.3	0.2
- Net additions to depreciation and amortization of operating items – non-current provisions	56.7	105.4	46.9
EBITDA	**178.8**	**332.2**	**140.9**
Simplified additive method			
- Contributive operating income before non-recurring items	122.1	226.8	94.0
- Depreciation and amortization expense	56.7	105.4	46.9
EBITDA	**178.8**	**332.2**	**140.9**

Changes in Group structure as shown in the consolidated statement of cash flows can be analyzed as follows:

In millions of euros	**Six months ended June 30, 2015**	**Year ended Dec. 31, 2014**	**Six months ended June 30, 2014**
Acquisition of BioFire (net of cash and cash equivalents acquired)		(354.3)	(353.1)
Acquisition of Advencis		(4.5)	
Other changes in Group structure	(0.5)		
Impact of changes in Group structure	**(0.5)**	**(358.9)**	**(353.1)**

At June 30, 2015, before restating bioTheranostics' net cash and cash equivalents in an amount of €2.4 million, the Group's net cash and cash equivalents reclassified within assets held for sale totaled

€94.8 million versus €103.9 million at December 31, 2014 (including €0.3 million relating to bioTheranostics), representing a €9.1 million decrease in net cash and cash equivalents.

9.2 MOVEMENTS IN NET DEBT

At June 30, 2015, after the €39.5 million dividend payout to bioMérieux SA shareholders and after restating bioTheranostics' net cash and cash equivalents in an amount of €2.4 million, the Group's net debt stood at €276.6 million and mainly comprised the bond issue described below.

In October 2013, bioMérieux issued €300 million worth of seven-year bonds to institutional investors, redeemable at par on maturity. The bonds pay interest at an annual rate of 2.875%.

The bond issue is shown on the balance sheet at amortized cost calculated using the effective interest rate method for an amount of €297.5 million, reflecting the issue price net of issue fees and premiums. Interest costs were calculated by applying the effective interest rate including issue fees and premiums.

bioMérieux SA also has a syndicated revolving five-year loan of €350 million. An addendum was made to the loan agreement in May 2014, extending its maturity to May 20, 2019 and increasing the cap on the ratio of net debt to operating income before non-recurring items (EBITDA) before depreciation/amortization and acquisition fees from 3 to 3.5. At June 30, 2015, the Group had not drawn down this syndicated facility.

9.3 MATURITIES OF BORROWINGS

The maturity schedule below refers to balance sheet amounts.

In millions of euros	Dec. 31, 2014	Change	Changes in Group structure	Change in statement of cash flows	Translation adjustments and other movements[a]	June 30, 2015
Cash and cash equivalents	119.7	(14.2)	0.2	(14.0)	3.3	108.9
Bank overdrafts and other uncommitted debt	(16.1)	6.9	0.0	6.9	(7.3)	(16.5)
Net cash and cash equivalents (A)	**103.6** (b)	**(7.3)**	**0.2**	**(7.1)**	**(4.0)**	**92.4** (b)
Committed debt (B)	**353.1**	**15.2**	**0.1**	**15.3**	**0.6**	**369.0**
o/w due beyond 5 years	*297.3*					*297.5*
o/w due in 1 to 5 years	*8.4*					*7.8*
o/w due within 1 year	*47.4*					*63.6*
Net debt (Net cash and cash equivalents) (B) - (A)	**249.5**	**22.5**	**(0.1)**	**22.4**	**4.6**	**276.6**

(a) Including the reclassification of cash at bank relating to bioTheranostics within assets held for sale.
(b) Excluding cash relating to bioTheranostics classified within assets held for sale (€0.3 million at end-2014 and €2.4 million at end-June 2015).

At June 30, 2015 and December 31, 2014, borrowings maturing after five years mainly relate to the bond described above in an amount of €297.5 million. Borrowings maturing between one and five years chiefly include finance lease liabilities of €1.5 million. Borrowings maturing within one year mainly include commercial paper for €40 million.

At June 30, 2015, the Group had not breached any of its repayment schedules.

At June 30, 2015 and December 31, 2014, the Group had no liabilities in respect of borrowed securities or short sales.

9.4 DEBT COVENANTS

In the event of a change of control of the Company as defined in the issue notice, bondholders may ask for their bonds to be redeemed.

The syndicated loan is subject to compliance with a single financial ratio: net debt to operating income before non-recurring items (EBITDA) before depreciation/amortization and acquisition fees. This covenant was modified by the May 2014 addendum and may not now exceed 3.5. The Group complied with this ratio at June 30, 2015.

The Group’s other term borrowings at June 30, 2015 primarily correspond to commercial paper, finance lease liabilities related to assets in Italy and the employee profit-sharing account. None of these forms of borrowings are subject to covenants.

9.5 INTEREST RATES

Before hedging, 80.9% of the Group's borrowings are at fixed rates (€298.6 million) and the balance is at floating rates (€70.4 million).

Fixed-rate borrowings comprise the €297.5 million bond issue maturing in 2020 and paying a coupon of 2.875%, and the restricted current employee profit-sharing account for €1.1 million.

Floating-rate borrowings are essentially based on the currency's interest rate plus a margin.

Further to the bond issue, the Group set up interest rate swaps in 2014 converting the fixed rate to a floating rate (see Note 27.4.1 to the consolidated financial statements for the year ended December 31, 2014).

9.6 LOAN GUARANTEES

None of the Group's assets have been pledged as collateral to a bank.

For subsidiaries using external funding, bioMérieux SA may be required to issue a first call guarantee to banks granting these facilities.

Hedging agreements are discussed in Note 16.

10 OTHER OPERATING INCOME

In millions of euros	**June 30, 2015**	**December 31, 2014**	**June 30, 2014**
Net royalties received	7.0	12.3	7.1
Research tax credits	11.1	27.4	13.8
Research grants	0.1	0.6	0.3
Other	0.3	0.8	0.3
Total	**18.7**	**41.1**	**21.5**

11 FEES AND AMORTIZATION OF THE BIOFIRE ACQUISITION PURCHASE PRICE

In order to improve the understanding of operating income and due to the amount involved in the transaction, fees relating to the acquisition of BioFire Diagnostics and BioFire Defense – consolidated for the first time at June 30, 2014 – are shown on a separate line of operating income before non-recurring items.

At June 30, 2015, these expenses include:

- depreciation and amortization charged against identifiable assets whose fair value was estimated within the scope of the purchase price accounting (technology, inventories, etc.), representing €9.2 million;
- provisions for acquisition-related bonuses amounting to €9 million (see Note 1).

At June 30, 2014, these expenses amounted to €14.6 million, including €7.7 million relating to the amortization of assets acquired, €4.5 million to acquisition fees and €2.4 million to other operating expenses inherent to the acquisition.

12 OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS

12.1.1 Accounting policies

Other non-recurring income and expenses from operations for the period (net gains/losses on disposals of assets, restructuring costs, etc.) are recognized in full in first-half 2015.

12.1.2 Changes in other non-recurring income and expenses from operations

In millions of euros	**Six months ended June 30, 2015**	**Year ended Dec. 31, 2014**	**Six months ended June 30, 2014**
Impairment of receivables owed by the Greek State	(0.8)	0.6	0.6
Disposal and impairment of Boxtel site		0.2	0.9
Restructuring		0.0	(0.2)
Disposal of non-current assets	0.0	0.0	0.0
Other	(0.1)	(0.2)	(0.1)
Total	**(0.8)**	**0.6**	**1.2**

13 NET FINANCIAL EXPENSE

13.1 ACCOUNTING POLICIES

Financial income and expenses are shown on two separate lines:

- "Cost of net debt", which includes interest expense, fees and foreign exchange gains and losses arising on borrowings, as well as income generated by cash and cash equivalents.
- "Other financial income and expenses, net", which includes interest income on instruments sold under finance lease arrangements, the impact of disposals and writedowns of investments in non-consolidated companies, late-payment interest charged to customers, discounting gains and losses, and the ineffective portion of currency hedges on commercial transactions.

13.2 Cost of net debt

In millions of euros	Six months ended June 30, 2015	Year ended Dec. 31, 2014	Six months ended June 30, 2014
Finance costs	(8.5)	(14.6)	(7.4)
Interest rate hedging derivatives[(a)]	(1.8)	5.3	5.6
Foreign exchange gains (losses)	(1.8)	2.2	
Total	**(12.1)**	**(7.2)**	**(1.7)**

(a) Corresponds to fair value gains and losses on interest rate hedging instruments taken out in connection with the BioFire acquisition (see Note 9.3).

Cost of debt stood at €12 million, up €10 million from €2 million in first-half 2014, primarily due to the additional debt contracted to acquire BioFire.

In first-half 2015, the interest expense on this financing amounted to €8 million and the fair value of the hedging instruments recognized in the income statement declined by €2 million. On the other hand, in first-half 2014, when euro interest rates were declining, the finance cost was zero on a net basis, as the €6 million in interest expense was offset by the unrealized fair value gains on the hedging instruments.

At June 30, 2015, the cost of net debt includes interest in respect of the bond issue.

13.3 Other financial income and expenses

In millions of euros	Six months ended June 30, 2015	Year ended Dec. 31, 2014	Six months ended June 30, 2014
Interest income on leased assets	1.1	2.2	1.1
Currency hedging derivatives	(2.5)	(12.2)	(4.1)
Other	0.3	1.1	0.5
Total	**(1.0)**	**(8.9)**	**(2.4)**

14 INCOME TAXES

14.1 Accounting policies

The income tax expense for first-half 2015 is calculated individually for each entity by applying the estimated average tax rate for the year to pre-tax income for the period. The tax charge for the Group's largest entities, bioMérieux SA and bioMérieux Inc., was calculated in greater detail, resulting in an income tax expense close to the estimated average annual tax rate.

Research tax credits are presented in other operating income in the income statement and in other operating receivables in the balance sheet.

Pending guidance from standard-setters, as in previous years the CVAE (*Cotisation sur la Valeur Ajoutée des Entreprises*) contribution is presented in operating income before non-recurring items, rather than in income tax expense.

In accordance with IAS 19, tax credits for competition and employment (*Crédit d'Impôt pour la Compétitivité et l'Emploi* – CICE) are presented as a deduction from personnel costs.

Research and CICE tax credits are estimated based on the underlying expenses incurred rather than the average annual effective tax rate.

The additional 3% tax on dividends decided before June 30, 2015, was recognized in full in first-half 2015.

No new deferred tax assets were recognized on tax loss carryforwards in the first half of 2015.

14.2 CHANGES IN INCOME TAX

At June 30, 2015, the effective tax rate stood at 34.1% of pretax income, compared to 30.7% at June 30, 2014 after restating for the impacts of IFRIC 21. The effective tax rate was below the statutory tax rate applicable in France (38% at end-June 2015 and 2014). In June 2014, the Group's effective tax rate had benefited from the positive impact of research tax credit claims made in respect of prior periods.

In millions of euros	2015 Six months		2014 Six months Restated	
	Amount	Rate	Amount	Rate
Theoretical tax at standard French tax rate	**34.2**	**38.0%**	**27.8**	**38.0%**
- Impact of income tax at reduced tax rates, foreign tax rates, and permanent differences	(2.2)	-2.4%	(3.4)	-4.6%
- Taxes on dividends	1.8	2.0%	0.8	1.1%
- Deferred tax assets not recognized on tax losses carried forward	0.4	0.5%	1.7	2.3%
- Impact of tax on the payment of dividends	1.3	1.5%	1.3	1.8%
- Impact of presenting research and CICE tax credits in operating income	(4.2)	-4.7%	(5.2)	-7.1%
- Tax credits (other than research tax credits)	(0.6)	-0.7%	(0.6)	-0.7%
Actual income tax expense	**30.7**	**34.1%**	**22.5**	**30.7%**

15 INFORMATION BY GEOGRAPHIC AREA, TECHNOLOGY AND APPLICATION

15.1 ACCOUNTING POLICIES

Pursuant to IFRS 8 "Operating Segments", the Group has identified only one operating segment (the *in vitro* diagnostics segment) and no geographic segments.

In accordance with IFRS 8, in Note 15.2 the Group discloses information on sales and assets broken down by geographic area which has been prepared using the same accounting policies as those applied to prepare the consolidated financial statements. For information purposes, a number of operating performance indicators (gross profit and contributive operating income before non-recurring items) corresponding to regional and corporate activities were added for the year ended December 31, 2014. However, in the absence of available information on contributive operating income before non-recurring items, the Group does not present comparative data for first-half 2014 in Note 15.2.

15.2 INFORMATION BY GEOGRAPHIC AREA

The information by geographic area shown in the tables below has been prepared in accordance with the accounting policies used to prepare the consolidated financial statements.

JUNE 30, 2015 *In millions of euros*	Americas	EMEA	ASPAC	bioTheranostics	Corporate	Group
Consolidated sales	**358.4**	**414.9**	**148.8**	**8.9**	**2.2**	**933.2**
Cost of sales	(162.7)	(202.4)	(67.7)	(3.2)	(23.7)	(459.6)
Gross profit	**195.8**	**212.5**	**81.1**	**5.7**	**(21.5)**	**473.6**
Gross profit margin	*54.6%*	***51.2%***	***54.5%***	***64%***		***50.7%***
Other operating income and expenses	(73.3)	(79.5)	(26.1)	(13.2)	(159.3)	(351.5)
Contributive operating income before non-recurring items	**122.4**	**133.0**	**55.0**	**(7.5)**	**(180.8)**	**122.1**
Operating margin	*34.2%*	*32.1%*	*37.0%*			***13.1%***

JUNE 30, 2015 *In millions of euros*	Americas	EMEA	ASPAC	bioTheranostics	Corporate	Group
Non-current assets						
Intangible assets	16.4	36.1	6.2		417.9	476.6
Goodwill					455.0	455.0
Property, plant and equipment	212.6	198.4	31.6		62.8	505.4
Current assets						
Inventories and work-in-progress	159.8	160.4	39.8			360.1
Trade receivables	132.5	245.8	52.3			430.6
Assets held for sale		0.0	0.0	62.5		62.5

Regional data include commercial activities, corresponding mainly to sales in each of the corresponding geographic areas, the related cost of goods sold and the operating expenses necessary for these commercial activities, as well as the unallocated costs of the relevant production sites.

Corporate data mainly include the research costs incurred by the Clinic and Industry units, as well as the costs incurred by the Group's corporate functions.

Revenue related to the co-development of companion tests is presented in Corporate data as revenue from the Clinic and Industry units.

DECEMBER 31, 2014 *In millions of euros*	Americas	EMEA	ASPAC	bioTheranostics	Corporate	Group
Consolidated sales	**561.9**	**818.0**	**300.1**	**11.1**	**7.2**	**1,698.4**
Cost of sales	(288.5)	(391.8)	(151.6)	(4.7)	(17.3)	(853.9)
Gross profit	**273.4**	**426.2**	**148.5**	**6.4**	**(10.1)**	**844.5**
Other operating income and expenses	(113.0)	(125.2)	(50.9)	(16.5)	(312.1)	(617.7)
Contributive operating income before non-recurring items	**160.4**	**301.0**	**97.6**	**(10.1)**	**(322.2)**	**226.8**

DECEMBER 31, 2014 *In millions of euros*	Americas	EMEA	ASPAC	bioTheranostics	Corporate	Group
Non-current assets						
Intangible assets	14.4	32.8	5.5		407.4	460.1
Goodwill					437.8	437.8
Property, plant and equipment	188.2	210.3	25.6		62.8	486.9
Current assets						
Inventories and work-in-progress	118.2	145.6	35.5			299.2
Trade receivables	138.1	241.4	69.8			449.3
Assets held for sale		4.3	3.8	52.7		60.8

15.3 INFORMATION BY TECHNOLOGY AND APPLICATION

The table below provides a breakdown of sales by technology:

In millions of euros	Six months ended June 30, 2015	Year ended Dec. 31, 2014	Six months ended June 30, 2014
Clinical applications	**740.5**	**1,341.0**	**615.5**
Microbiology	416.3	801.8	364.9
Immunoassays	210.2	386.0	185.0
Molecular biology	107.9	137.3	57.7
Other product lines	6.1	15.9	7.9
Industrial applications	**172.8**	**326.8**	**152.6**
Total per application	**913.3**	**1,667.8**	**768.1**
Revenues from joint development programs	2.2	7.2	3.4
BioFire Defense	8.7	12.3	4.5
bioTheranostics	8.9	11.1	4.7
Total	**933.2**	**1,698.4**	**780.7**

16 EXCHANGE RATE AND MARKET RISK MANAGEMENT

Exchange rate, credit and market risks are respectively described in Notes 27.1, 27.2 and 27.4 to the consolidated financial statements for the year ended December 31, 2014.

bioMérieux SA issued a bond on the European market in connection with its USD acquisition of U.S.-based BioFire completed in January 2014. To protect against exchange rate and interest rate risks, the Group set up a EUR/USD cross currency swap for €344 million on January 15, 2014, thereby converting the debt into U.S. dollars.

16.1 HEDGING INSTRUMENTS

The table below shows currency hedging instruments in effect at June 30, 2015 that were set up as part of the currency hedging policy described in Note 27.1.1 to the consolidated financial statements for the year ended December 31, 2014:

Currency hedges at June 30, 2015 *In millions of euros*	Expiration date		Market value[a]
	<1 year	1-5 years	
Hedges of existing commercial transactions			
- currency forward contracts	92.9	0.0	(1.4)
- options	26.1	0.0	(0.2)
Total	**119.0**	**0.0**	**(1.6)**
Hedges of future commercial transactions			
- currency forward contracts	88.5	0.0	(4.2)
- options	50.5	0.0	(0.9)
Total	**139.0**	**0.0**	**(5.1)**

(a) Difference between the hedging rate and the market rate at June 30, 2015, including premiums paid/received.

All of the currency forward contracts and options outstanding at June 30, 2015 had maturities of less than 18 months.

16.2 LIQUIDITY RISK

Financial liabilities due in less than one year and in more than one year are classified in the balance sheet as current and non-current liabilities, respectively.

The Group is not exposed to liquidity risk on its current financial assets and liabilities since its total current financial assets far exceed its total current financial liabilities.

Accordingly, the only maturity schedule disclosed pertains to net debt (see Note 9.3).

The table below shows projected cash flows from the bond issue and the hedges related to contractual redemption of the principal at par and to contractual interest payments at June 30, 2015:

In millions of euros	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Market value
Bonds[a]	(8.6)	(34.5)	(308.6)	
Cross currency swap	(16.9)	(60.8)	2.6	(63.5)
Options[b]	(0.3)	(0.4)	0.0	(0.9)
Interest rate swap[b]	2.2	7.2	0.4	8.1

(a) Contractual flows of principal and interest.
(b) Based on the IRS yield curve at June 30, 2015.

16.3 FINANCIAL INSTRUMENTS: FINANCIAL ASSETS AND LIABILITIES

The table below shows a breakdown by category of financial assets and liabilities (excluding accrued and receivable payroll and other taxes), as prescribed by IAS 39 "Financial Instruments: Recognition and Measurement" (see Note 26.1 to the consolidated financial statements for the year ended December 31, 2014), and provides a comparison between their carrying amount and fair value:

June 30, 2015 *In millions of euros*	Financial assets at fair value through income (excl. derivatives)	Available-for-sale financial assets	Receivables and borrowings at amortized cost	Derivative instruments	Carrying amount	Fair value	Level
Financial assets							
Other shares in non-consolidated companies	0.1	32.8			32.9	32.9	1-3
Other non-current financial assets			6.8		6.8	6.8	-
Other non-current assets			21.7		21.7	21.7	
Derivative instruments (positive fair value)				10.6	10.6	10.6	2
Trade receivables			430.6		430.6	430.6	-
Other receivables			5.4		5.4	5.4	-
Cash and cash equivalents	108.9				108.9	108.9	1
Total financial assets	**109.0**	**32.8**	**464.5**	**10.6**	**616.9**	**616.9**	
Financial liabilities							
Bonds[a]			297.5		297.5	321.2	1
Other financing facilities			7.8		7.8	7.8	2
Derivative instruments (negative fair value)				72.3	72.3	72.3	2
Borrowings – current portion			80.2		80.2	80.2	2
Trade payables			157.8		157.8	157.8	-
Other current liabilities			30.8		30.8	30.8	-
Total financial liabilities	**-**	**-**	**574.1**	**72.3**	**646.4**	**670.1**	

December 31, 2014 *In millions of euros*	Financial assets at fair value through income (excl. derivatives)	Available-for-sale financial assets	Receivables and borrowings at amortized cost	Derivative instruments	Carrying amount	Fair value	Level
Financial assets							
Other shares in non-consolidated companies	0.1	28.3			28.4	28.4	1-3
Other non-current financial assets			6.7		6.7	6.7	-
Other non-current assets			21.9		21.9	21.9	
Derivative instruments (positive fair value)				17.7	17.7	17.7	2
Trade receivables			449.3		449.3	449.3	-
Other receivables			4.1		4.1	4.1	-
Cash and cash equivalents	119.7				119.7	119.7	1
Total financial assets	**119.8**	**28.3**	**482.0**	**17.7**	**647.8**	**647.8**	
Financial liabilities							
Bonds[(a)]			297.3		297.3	322.5	1
Other financing facilities			8.4		8.4	8.4	2
Derivative instruments (negative fair value)				48.5	48.5	48.5	2
Borrowings – current portion			63.5		63.5	63.5	2
Trade payables			188.9		188.9	188.9	-
Other current liabilities			55.8		55.8	55.8	-
Total financial liabilities	**-**	**-**	**614.0**	**48.5**	**662.5**	**687.6**	

(a) The carrying amount of the bond issue is shown net of issue fees and premiums.

Levels 1 to 3 correspond to the fair value hierarchy as defined by IFRS 13 (see Note 26.1 to the consolidated financial statements for the year ended December 31, 2014).

In practice, financial assets and liabilities at fair value essentially concern certain securities, cash investments and derivative instruments. In other cases, fair value is shown in the table above for information purposes only.

Assets available for sale are carried at fair value, except where fair value cannot be reliably determined (see Note 26.1.4 to the consolidated financial statements for the year ended December 31, 2014).

No level in the fair value hierarchy is shown when the carrying amount approximates fair value.

No inter-category reclassifications were carried out during the first half of 2015.

In first-half 2015, movements in available-for-sale financial assets were as follows:

In millions of euros	**Available-for-sale financial assets**
December 31, 2013	24.9
Gains and losses recognized in income	2.2
Gains and losses recognized in equity	0.2
Acquisitions	0.6
Disposals	(3.2)
Changes in Group structure, translation adjustments and other	0.8
December 31, 2014	**25.5**
Gains and losses recognized in equity	0.9
Acquisitions	6.2
Changes in Group structure, translation adjustments and other	0.2
June 30, 2015	**32.8**

17 OFF-BALANCE SHEET COMMITMENTS

There were no significant changes in off-balance sheet commitments during the first half of 2015 (see Note 28 to the consolidated financial statements for the year ended December 31, 2014).

In March 2015, bioMérieux SA entered into a finance lease agreement relating to the extension of its Marcy l'Etoile site, which is expected to be completed in mid-2016. The project involves a total amount of around €45 million.

18 TRANSACTIONS WITH RELATED PARTIES

There were no major changes regarding transactions with related companies, which continued on the same bases as in 2014 (see Note 29 to the consolidated financial statements for the year ended December 31, 2014) with one exception: consulting and other services provided by Institut Mérieux to bioMérieux decreased due to bioMérieux paying compensation directly to certain members of management.

19 SUBSEQUENT EVENTS

To the Group's knowledge, no events have occurred since the reporting date that are likely to have a material impact on the consolidated financial statements.

B – INTERIM MANAGEMENT REPORT

SIX MONTHS ENDED JUNE 30, 2015

INTERIM MANAGEMENT REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2015

1 – FINANCIAL SUMMARY

Audited consolidated data *In € millions*	**Six months ended June 30, 2015**	**Six months ended June 30, 2014(1)**	% change as reported
Sales	**933**	**781**	+19.5%
Contributive operating income before non-recurring items	**122**	**94**	+29.8%
Operating income before non-recurring items	**104**	**79**	+31.6%
Net income of consolidated companies	**59**	**53**	+11.3%
Free cash flow	**24**	**62**	-66.7%

(1) First-half 2014 not restated for the impact of IFRIC 21 "Levies".

2 – MANAGEMENT REPORT

1.1 SALES

Consolidated sales amounted to €933 million in the first half of 2015, up from €781 million in the year-earlier period. This represented growth of 8.1% like-for-like and of 9.1% after changes in the scope of consolidation related to the BioFire and CEERAM acquisitions. Reported growth stood at 19.5%, lifted by the €81 million (10.4%) positive effect of the increase in the US dollar and other currencies against the euro over the period.

bioMérieux's first-half sales performance was very satisfactory, as robust momentum in the Americas and a rebound in the Asia-Pacific region offset the slight decline observed in the second quarter in the Europe – Middle East – Africa region. FilmArray® confirmed its role as a driver of faster growth for the Group, adding approximately 300 basis points to the gains generated by the other bioMérieux lines. This solid dynamic attests to the successful take-up of the syndromic approach to infectious disease testing, notably in North America.

First-half 2015 sales by region may be summarized as follows (at constant exchange rates and scope of consolidation).

Sales by region *In millions of euros*	**Six months ended June 30, 2015**	Six months ended June 30, 2014	% change as reported	**% change** at constant exchange rates and scope of consolidation
Europe[1]	**415**	402	+2.9%	**+3.9%**
North America	**292**	191	+53.0%	**+21.8%**
Latin America	**67**	59	+12.8%	**+9.3%**
Americas	**358**	250	+43.5%	**+18.9%**
Asia-Pacific	**149**	120	+23.6%	**+6.6%**
Total sales from the regions	**922**	773	+19.4%	**+8.0%**
bioTheranostics	**9**	5	+90%	**+54.8%**
R&D-related revenue	**2**	3		
TOTAL	**933**	781	+19.5%	**+8.1%**

(1) Including the Middle East and Africa.

- Sales in the **Europe – Middle East – Africa** region (45% of the consolidated total) come to €415 million for the period, up 3.9% year-on-year.
  - In **Western Europe** (39% of the consolidated total), sales rose by a slight 1.2% year-on-year overall, with conditions varying by geography. Sales in Northern Europe were lifted by rising demand in the United Kingdom, Germany, Switzerland and the Nordic countries. French sales contracted by 2.8% year-on-year, pushed down by unfavorable market conditions in terms of both test volumes and pricing. In Southern Europe, sales inched up 0.4% year-on-year, despite the economic situation in Greece and a slight slowdown in business in Spain and Italy.
  - Sales in **Eastern Europe, the Middle East and Africa** rose by more than 5% year-on-year, supported by a solid performance in Turkey and South Africa. Geopolitical tensions continued to hamper growth, particularly in Russia and the Middle East.

- The pace of growth remained very strong in the **Americas**, with sales climbing 18.9% year-on-year to €358 million.
  - In **North America** (32% of the consolidated total), sales rose by more than 22% year-on-year, led by FilmArray®'s dramatic 106% growth and the sustained 9% increase in the other bioMérieux lines, driven in particular by the installation of VITEK® MS mass spectrometry systems in certain reference labs and by the continued strong sales of the VIDAS® B.R.A.H.M.S PCT™ test for the diagnosis of sepsis in emergency situations.

    In industrial applications, firm demand from the pharmaceuticals and cosmetics industries lifted year-on-year growth to 7.5%.
  - Sales in **Latin America** (7% of the consolidated total) ended the period up 9.3%, as robust growth in Argentina, Chile and Colombia, particularly in clinical microbiology, offset a 1% year-on-year decline in Brazil and slightly slower growth in Mexico.

- Sales rebounded in the **Asia-Pacific** region (16% of the consolidated total), rising 6.6% year-on-year to €149 million.
  - Operations in **China** reported a 10% gain, up sharply from the prior-year period thanks to the solid performance of VIDAS® and VITEK® reagents in clinical applications and the increase in sales to private laboratories in industrial applications.
  - In the rest of the region, growth was led by year-on-year improvements in India (up 9.1%) and South Korea (up 6.2%).

First-half 2015 sales by application may be summarized as follows.

Sales by technology *In millions of euros*	**Six months ended June 30, 2015**	**Six months ended June 30, 2014**	% change as reported	**% change** at constant exchange rates and comparable scope of consolidation
Clinical Applications	**741**	**616**	+20.3%	**+8.6%**
Microbiology	**416**	**365**	+14.1%	**+5.0%**
Immunoassays[(1)]	**210**	**185**	+13.6%	**+4.7%**
Molecular Biology[(2)]	**108**	**58**	+86.9%	**+48.8%**
Others	**6**	**8**	-23.0%	**-25.7%**
Industrial Applications	**173**	**153**	+13.2%	**+4.4%**
bioTheranostics	**9**	**5**	+90.0%	**+54.8%**
BioFire Defense	**9**	**5**	+95.1%	**+52.3%**
R&D-related revenue	**2**	**3**		
TOTAL	**933**	**781**	+19.5%	**+8.1%**

(1) Of which VIDAS® sales of 7.4% in the first half of 2015 and 6.4% in the second quarter, at constant exchange rates and scope of consolidation.
(2) Including BioFire Diagnostics sales of €67 million in the first half of 2015 and €30 million in the second quarter.

- Sales of **clinical applications** advanced by a solid 8.6%.
  - **Molecular biology** sales surged by nearly 50% year-on-year thanks primarily to FilmArray®'s excellent first-half performance, which was driven by expansion of the installed base and of the demand for the related panels. The easyMAG® and ARGENE® lines reported sustained sales, up 8% and 16% respectively on the prior-year period.
  - In **immunoassays**, VIDAS® sales ended the first-half up 7.4% year-on-year. Reagent sales continued to expand, rising almost 10% on the nearly 20% increase delivered by the high medical value reagents (especially VIDAS® B.R.A.H.M.S PCT™). On the other hand, instrument sales were penalized by the situation in the Middle East, Africa and the Asia-Pacific.
  - **Microbiology** sales rose by 5.0% year-on-year to €416 million. The ID/AST lines (VITEK® 2 and VITEK® MS) gained more than 8%, led by equipment sales in the Americas and Asia-Pacific regions and by reagent sales worldwide. In addition, the blood culture line (BacT/ALERT® and VIRTUO™) saw an increase of 3.4%, as the improved production conditions at the Durham, NC site made it possible to effectively meet customer demand, particularly in the Europe – Middle East – Africa, Latin America and Asia-Pacific regions.

- **Industrial applications**, which account for 19% of consolidated sales, rose by 4.4% year-on-year. Sales increased in the United States, China and Europe, supported by demand for bacteria identification instruments and culture media. Sales in France eased by a slight 1.3% against a backdrop of measures to rationalize the third-party product portfolio.

- Sales of **reagents** and **services**, which represented 90.4% of the consolidated total, rose by nearly 8% on an organic basis, with **equipment** sales gaining 8.5%.

2.2 FINANCIAL HIGHLIGHTS

- **Consolidated income statement**

Gross profit

Lifted by a €35-million gain from favorable currency movements, reported gross profit stood at €474 million in first-half 2015, compared with €385 million in the prior-year period and representing a gross margin of 50.8% of sales. At constant exchange rates and scope of consolidation, gross margin came to an estimated 51.4%, up 210 basis points from first-half 2014. The improvement was led by the robust 8.1% organic growth in sales, which raised coverage of fixed costs, and by a more favorable product mix, both of which were partly offset by the impact of provisions on licensing agreements. Expenses committed by the Durham, NC site in response to observations made by the US Food and Drug Administration (FDA) declined gradually during the period, to €12 million from €15 million a year earlier.

Contributive operating income before non-recurring items

Contributive operating income before non-recurring items ended the first six months at €122 million or 13.1% of sales, versus €91 million and 11.6% a year earlier. The growth reflected the improvement in gross profit, a €6-million positive currency effect and operating cost discipline at a time when the Company is investing to maintain the success of FilmArray®.

- Selling, general and administrative expenses totaled €254 million, or 27.3% of sales, compared with €215 million and 27.6% in first-half 2014. The around €19-million increase at constant exchange rates primarily reflected the investment in the commercial development of the FilmArray® line.
- Research and development outlays amounted to €116 million and represented 12.4% of sales, versus €100 million and 12.8% in the prior-year period. The like-for-like increase primarily reflects the stepped-up R&D commitment to FilmArray® and tight control over spending on the other lines.
- Research tax credits amounted to €11 million, versus €14 million in first-half 2014, when they were lifted by favorable adjustments in relation to prior years.
- "Other operating income", which mainly comprises royalty income, was unchanged for the period, at €7.4 million.

Operating income before non-recurring items

BioFire acquisition expenses primarily include the depreciation and amortization charged against identifiable assets acquired, whose fair value was estimated as part of the purchase price allocation process, as well as the impact of the retention plan adopted in connection with the acquisition, representing a total of €18 million for the period, versus €15 million in first-half 2014. As a result, operating income before non-recurring items stood at €104 million, compared with €76 million a year earlier.

Operating income

Operating income ended the first half at €103 million or 11.1% of sales, versus €77 million and 9.8% in the prior-year period.

Financial income and taxes

Cost of debt stood at €12 million, up €10 million from €2 million in first-half 2014, primarily due to the additional debt contracted to acquire BioFire.

In first-half 2015, the interest expense on this financing amounted to €8 million and the fair value of the hedging instruments recognized in the income statement declined by €2 million. On the other hand, in first-half 2014, when euro interest rates were declining, the finance cost was zero on a net basis, as the €6 million in interest expense was offset by the unrealized fair value gains on the hedging instruments.

The effective tax rate came to 34.1% at June 30, 2015, higher than the first-half 2014 figure of 30.7%, as adjusted for the impact of IFRIC 21, which was reduced by the favorable settlement of claims filed in relation to prior years.

- **Net income**

Given these conditions, net income rose to €59 million or 6.3% of sales, from €51 million in first-half 2014.

- **<u>Cash management and finance</u>**

- **Free cash flow**

EBITDA[1] amounted to €179 million in the first half of 2015, compared with €141 million in the prior-year period, reflecting the solid growth of contributive operating income before non-recurring items.

While stable in first-half 2014, operating working capital requirement rose in first-half 2015, by €62 million, under the combined impact of:

- Movements of around €33 million in trade receivables, down €2 million from the movements recorded in first-half 2014, when €13 million in past-due Spanish receivables were paid.
- A rise in the value of inventories that was almost €20 million higher than the increase recorded in first-half 2014, in particular at the Durham, NC site, due to the return to satisfactory production conditions in the blood culture bottle unit, and the Salt Lake City, UT facility, where FilmArray® inventory is being rebuilt after the winter flu epidemic.
- Trade payables were down to €37 million at June 30, 2015, compared with a €9-million increase a year earlier, due to slight differences in payment schedules from one month to the next, which had no impact on days sales outstanding.

As expected, capital expenditure outlays rose steeply over the period, to €86 million including €67 million in industrial capital expenditure versus €56 million and €42 million respectively in first-half 2014. The outlays were primarily committed to installing a new BacT/ALERT® blood-culture bottle line at the Durham, NC site, building the new BioFire facility in Salt Lake City, UT and extending the Marcy l'Etoile, France site with a new VIDAS® strip packaging line.

In light of the above, **free cash flow[2]** amounted to €24 million for the period versus €62 million in first-half 2014.

- **Net debt**

Against a backdrop of significant operational and industrial investment, net debt amounted to €274 million at June 30, 2015, versus €249 million at December 31, 2014. Dividends totaling €39.5 million were paid in June 2015, an amount virtually unchanged from 2014.

The Company has €300 million in seven-year bonds, placed with institutional investors in October 2013. It also has an undrawn €350-million syndicated line of credit expiring on May 20, 2019. Lastly, on March 31, 2015, it signed a 12-year, €45-million lease financing agreement to fund the extension of the Marcy l'Etoile, France site.

[1] EBITDA corresponds to the aggregate of contributive operating income before non-recurring items, depreciation and amortization.
[2] Free cash flow corresponds to cash generated from operations, net of cash used in investing activities.

3 – SIGNIFICANT EVENTS OF FIRST-HALF 2015

- **Commercial offer**

During the first quarter, the new generation FilmArray® system, **FilmArray® 2.0**, was cleared by the FDA and CE-marked. The main feature of this compact instrument is its higher throughput, which allows laboratories to process up to 175 samples in a day. The solution accommodates up to eight FilmArray® 2.0 units operated by a single computer and is capable of connecting to Laboratory Information Systems (LIS).

In addition, bioMérieux broadened its offering in molecular biology, with the introduction of a new version of the **NucliSENtral®** middleware, and in immunoassays, with the launch of the **bioNexia® Legionella** rapid diagnostic test that detects the presence of *Legionella pneumophila* serogroup 1, the most commonly identified pathogen in Legionnaires' disease, directly from urine samples.

- ***De novo* application submitted for the FilmArray® Meningitis/Encephalitis Panel**

In April 2015, BioFire submitted a *de novo* classification request to the US Food and Drug Administration (FDA) for the **FilmArray® Meningitis/Encephalitis (ME) panel**. The pioneering FilmArray® ME panel addresses a critical, unmet need for quickly identifying central nervous system infections by utilizing a comprehensive panel to test cerebrospinal fluid (CSF) for the most common bacteria, viruses and fungi responsible for community-acquired meningitis or encephalitis. A one-hour or so turnaround time has the potential to reduce mortality and morbidity from these devastating diseases and to positively impact patient management. FilmArray® ME will only be available for sale once the FDA has completed its process. Subject to FDA clearance, the panel will be the fourth clinical diagnostic test to run on the FilmArray® system, making its syndromic menu the largest commercially available for a multiplexing platform.

- **Production and quality system**

In February 2015, France's ANSM drug regulatory agency issued an injunction letter requesting that bioMérieux complete, within 12 months, the work required to bring into compliance certain production units at the site in Craponne, France. Based on discussions with the ANSM, an action plan was defined in April to address these issues and is now being deployed.

In June 2015, the FDA re-inspected the site in St. Louis, Missouri and reviewed all of the corrective actions implemented in response to the October 2014 Warning Letter. It determined that there were no repeat observations as regards the Letter. Following the inspection, the FDA issued two new observations, which bioMérieux is already addressing with a corrective action plan.

Also in the United States, the Durham, NC plant continued to deploy the action plans defined with the FDA to address their observations and prepare for the coming re-inspections.

- **Assets held for sale**

To refocus its commercial offering, bioMérieux has initiated a plan to dispose of its **microplate** immunoassay product line, which it deems to be non-strategic for the Company. After talks with potential buyers proved inconclusive, the production and sale of certain product lines will be terminated as of year-end 2015. As a result, €8 million in assets previously recorded under "Assets held for sale" have been reclassified under their initial headings as of June 30, 2015.

The search for a partner to step up **bioTheranostics**'s growth was still underway at period-end.

- **Deployment of the Global ERP system**

The Global ERP system continued to be successfully deployed during the period. Following launch in India, it is now up and running in 30 subsidiaries.

- **Employees**

The Company had a total of 9,258 full-time-equivalent **employees** and temporary staff as of June 30, 2015, compared with 8,935 at December 31, 2014.

4 – PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties to which the Company could be exposed in the second half of 2015 are set out in Chapters 4 and 20 of the 2014 Registration Document and in Notes 8.5 (Provisions – Contingent assets and liabilities) and 16 (Exchange rate and market risk management) to the interim consolidated financial statements in Appendix B of the Interim Financial Report. However, other risks and uncertainties of which bioMérieux is not aware at this time or which it considers not material could also adversely affect its business.

5 – PRINCIPAL TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties continued on the same basis as 2014 without any significant developments (see Note 18 to the interim consolidated financial statements in Appendix B of the Interim Financial Report and Note 29 to the consolidated financial statements for the year ended December 31, 2014 in Chapter 20 of the 2014 Registration Document), except for consulting and other services provided by Institut Mérieux to bioMérieux SA due to bioMérieux paying compensation directly to certain members of management. No new transactions between related parties had a material impact on the Company's financial position or earnings.

6 – OUTLOOK

- **VIDAS® 3 cleared by the FDA**

  On July 9, bioMérieux received 510(k) clearance from the FDA to market VIDAS® 3, the new generation of VIDAS® that further enhances the range of automated VIDAS® and miniVIDAS® immunoassay instruments in the United States. VIDAS® 3 reinforces the ease of use that has made the VIDAS® range so popular. Thanks to its design, tests can be performed on demand, individually or in series, 24 hours a day and seven days a week. As a result, it is perfectly suited to centralized as well as satellite laboratories, bringing both versatility and reliability to healthcare professionals who are able to optimize their workflows and guarantee the quality of biological testing.

- **Non-exclusive license agreement signed with LBT Innovations Ltd**

  On August 27, 2015, a non-exclusive license agreement was signed with LBT Innovations for the MicroStreak® technology used in the PREVI® Isola automated culture-plate streaking system. The agreement terminates the exclusive license initially granted in 2007 and leaves each company free to independently pursue its own developments in the field of microbiology lab automation. bioMérieux will retain the right to maintain and support the installed base of PREVI® Isola systems, including the supply of patented inoculation applicators, but will no longer market new PREVI® Isola systems after August 2016.

- **FilmArray® BioThreat-E for the detection of the Ebola virus receives WHO Emergency Use Assessment and Listing**

  In view of the unprecedented outbreak of Ebola virus raging in West and Central Africa since summer 2014, the World Health Organization (WHO) introduced an emergency mechanism to assess *in vitro* diagnostics that will be used to diagnose Ebola virus disease. As a result, the FilmArray® BioThreat-E™ test for the detection of the Ebola virus was accepted for WHO procurement in August 2015. The FilmArray® BioThreat-E™ test enables a simple, rapid and reliable diagnosis of the Zaire Ebola virus involved in the current epidemic.

Based on the current business outlook, the Company maintains its objective of reporting between **4.5% and 6.5% organic growth in sales** in 2015, at constant exchange rates and scope of consolidation. It is also maintaining its **contributive operating income before non-recurring items** target of between **€240 million and €265 million** for the year. In an unstable economic environment, bioMérieux remains confident about the strength of the performance expected for 2015 in relation to the objectives set.

C – STATEMENT BY THE PERSONS RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

STATEMENT BY THE PERSONS RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

We hereby certify that, to the best of our knowledge, the condensed interim consolidated financial statements for the six months ended June 30, 2015 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and the consolidated Group as a whole, and that the interim management report on page 37 above provides a fair view of the significant events that took place during the first six months of the year, their impact on the interim consolidated financial statements and the principal transactions with related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the year.

Marcy l'Etoile, August 28, 2015

Chairman and Chief Executive Officer
Jean-Luc Bélingard

Deputy Chief Executive Officer
Alexandre Mérieux

D – STATUTORY AUDITORS' REVIEW REPORT

Statutory Auditors' review report on the 2015 interim financial information

DIAGNOSTIC REVISION CONSEIL

ERNST & YOUNG et Autres

bioMérieux

For the six months ended June 30, 2015

Statutory Auditors' review report

on the 2015 interim financial information

DIAGNOSTIC REVISION CONSEIL
20, rue Garibaldi
69451 Lyon Cedex 06
A simplified joint stock corporation with share capital of €940,000

Statutory Auditors
Registered with the
Lyon Institute of Statutory Auditors

ERNST & YOUNG et Autres
Tour Oxygène
10-12, boulevard Marius Vivier Merle
69393 Lyon Cedex 03
A simplified joint stock corporation with variable share capital

Statutory Auditors
Registered with the
Versailles Institute of Statutory Auditors

bioMérieux

Six months ended June 30, 2015

Statutory Auditors' review report on the 2015 interim financial information

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of bioMérieux for the six months ended June 30, 2015;

- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our work in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Without qualifying our conclusion, we draw your attention to Note 2 to the condensed interim consolidated financial statements, which discusses the impacts of applying IFRIC 21 "Levies" with effect from January 1, 2015.

2. Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

Lyon, August 28, 2015

The Statutory Auditors

DIAGNOSTIC REVISION CONSEIL	ERNST & YOUNG et Autres
Hubert de Rocquigny du Fayel	Nicolas Perlier