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

INTERIM FINANCIAL REPORT
SIX MONTHS ENDED JUNE 30, 2014

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SIX MONTHS ENDED JUNE 30, 2014

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS SIX MONTHS ENDED JUNE 30, 2014

– Consolidated income statement

In millions of euros	Notes	Six months ended June 30, 2014	Year ended Dec. 31, 2013	Six months ended June 30, 2013
Sales		**780.7**	**1,587.9**	**754.2**
Cost of sales		(393.5)	(763.3)	(357.7)
Gross profit		**387.2**	**824.6**	**396.5**
Other operating income[(a)]	10	21.5	28.2	16.5
Selling and marketing expenses		(150.9)	(283.2)	(140.5)
General and administrative expenses		(64.3)	(121.4)	(58.0)
Research and development expenses[(a)]		(99.6)	(185.8)	(89.5)
Total operating expenses		**(314.8)**	**(590.4)**	**(288.0)**
Contributive operating income before non-recurring items		**94.0**	**262.4**	**125.1**
Biofire acquisition fees and purchase price amortization[(b)]	11	(14.6)	(1.9)	0.0
Operating income before non-recurring items		**79.4**	**260.5**	**125.1**
Other non-recurring income and expenses from operations	12	1.2	(3.0)	(1.3)
Operating income		**80.6**	**257.5**	**123.8**
Cost of net debt	13.1	(1.7)	(3.9)	(1.1)
Other financial income and expenses, net	13.2	(2.4)	(10.1)	(3.6)
Income tax expense	14	(23.7)	(78.4)	(38.9)
Share in earnings (losses) of associates		(0.2)	(0.4)	(0.2)
Net income for the period		**52.5**	**164.7**	**80.0**
Attributable to non-controlling interests		0.2	0.4	0.3
Attributable to owners of the parent		**52.3**	**164.3**	**79.7**
Basic earnings per share		€1.32	€4.16	€2.02
Diluted earnings per share		€1.32	€4.16	€2.02

(a) In order to maintain consistent accounting presentation between periods, research grants received by bioMérieux are now recorded with research tax credits under "Other operating income". Research grants were previously presented as a deduction from research and development expenditure. The amount reclassified was €0.3 million at June 30, 2014 and €2.4 million at December 31, 2013. In order to facilitate year-on-year comparisons, the data published at June 30, 2013 have been adjusted by €1.2 million.

(b) In order to improve the understanding of operating income and due to BioFire's size, the fees linked to its acquisition were recorded on a separate line of operating income before non-recurring items. In order to facilitate year-on-year comparisons, the data published at December 31, 2013 have been adjusted.

– Statement of comprehensive income

In millions of euros	Notes	Six months ended June 30, 2014	Year ended Dec. 31, 2013	Six months ended June 30, 2013
Net income for the period		**52.5**	**164.7**	**80.0**
Items to be recycled to income		**(1.4)**	**(32.1)**	**(9.7)**
Fair value gains (losses) on assets and financial instruments		(5.1)	(2.9)	(3.6)
Tax effect		1.9	1.6	1.1
Movements in cumulative translation adjustments		1.9	(30.8)	(7.2)
Items not to be recycled to income		**(5.6)**	**13.0**	**13.1**
Remeasurement of employee benefits	8.2	(9.8)	20.1	20.0
Tax effect		4.2	(7.2)	(7.0)
Total other comprehensive income (expense)		**(7.0)**	**(19.1)**	**3.4**
Total comprehensive income		**45.5**	**145.5**	**83.4**
Attributable to non-controlling interests		0.2	0.1	0.3
Attributable to owners of the parent		**45.3**	**145.4**	**83.1**

– Consolidated balance sheet

In millions of euros

ASSETS	Notes	June 30, 2014	Dec. 31, 2013	June 30, 2013
Intangible assets	**3.1**	395.8	149.7	155.5
Goodwill	**3.2**	442.1	305.0	309.5
Property, plant and equipment	**4.1**	429.0	404.8	385.8
Non-current financial assets	**4.3**	33.7	31.9	32.0
Investments in associates		0.2	0.4	0.2
Other non-current assets		21.9	24.5	26.6
Deferred tax assets		58.0	33.9	34.2
Non-current assets		**1,380.7**	**950.1**	**943.7**
Inventories and work-in-progress		302.6	261.7	278.5
Trade receivables	**5**	398.7	420.5	410.9
Other operating receivables		92.2	67.5	85.9
Current tax receivables		3.8	7.7	4.7
Non-operating receivables		10.1	10.9	8.7
Cash and cash equivalents	**9.1**	95.1	428.0	58.5
Current assets		**902.5**	**1,196.2**	**847.2**
Assets held for sale	4.2	**44.3**	**50.3**	**49.4**
TOTAL ASSETS		**2,327.5**	**2,196.6**	**1,840.4**

In millions of euros

EQUITY AND LIABILITIES	Notes	June 30, 2014	Dec. 31, 2013	June 30, 2013
Share capital	**6**	12.0	12.0	12.0
Additional paid-in capital and reserves	**7**	1,202.4	1,084.5	1,106.1
Net income for the year attributable to owners of the parent		52.3	164.3	79.7
Equity attributable to owners of the parent		**1,266.6**	**1,260.8**	**1,197.9**
Non-controlling interests		**6.6**	**6.5**	**7.1**
Total equity		**1,273.3**	**1,267.3**	**1,205.0**
Long-term borrowings and debt	**9**	305.6	304.6	7.6
Deferred tax liabilities		124.5	35.6	39.5
Provisions	**8**	83.7	73.3	86.8
Non-current liabilities		**513.9**	**413.4**	**133.9**
Short-term borrowings and debt	**9**	97.7	98.5	93.7
Provisions	**8**	11.8	10.2	12.7
Trade payables		145.2	132.3	125.8
Other operating payables		235.0	222.8	217.6
Current tax payables		14.2	19.7	29.0
Non-operating payables		20.1	19.6	9.2
Current liabilities		**523.9**	**503.2**	**487.9**
Liabilities related to assets held for sale	4.2	**16.5**	**12.7**	**13.6**
TOTAL EQUITY AND LIABILITIES		**2,327.5**	**2,196.6**	**1,840.4**

– Consolidated statement of cash flows

In millions of euros	Six months ended June 30, 2014	Year ended Dec. 31, 2013	Six months ended June 30, 2013
Net income for the period	52.5	164.7	80.0
Adjustments for:			
- Share in earnings of associates	0.2	0.4	0.2
- Cost of net debt	1.7	3.9	1.1
- Other financial income and expenses, net	2.4	10.0	3.6
- Current income tax expense	23.7	78.4	38.9
- Net additions to depreciation and amortization of operating items - provisions and other	46.9	90.9	43.9
- Non-recurring income and expenses	13.4	4.9	1.3
EBITDA (before non-recurring items)	**140.9**	**353.3**	**169.0**
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)	(9.9)	1.7	(0.9)
Other financial income and expenses (excluding provisions and disposals of non-current financial assets)	(2.4)	(7.6)	(1.2)
Net additions to operating provisions for contingencies and losses	1.6	(6.2)	5.3
Fair value gains (losses) on financial instruments	(4.4)	4.1	(0.6)
Share-based payment	0.4	0.8	0.4
Elimination of other non-cash/non-operating income and expenses	**(14.7)**	**(7.2)**	**3.0**
Change in inventories	(27.0)	(26.3)	(35.6)
Change in trade receivables	35.2	(9.5)	14.0
Change in trade payables	8.5	(9.6)	(18.9)
Change in other operating working capital	(16.2)	5.3	(14.5)
Change in other operating working capital	**0.5**	**(40.1)**	**(55.0)**
Other non-operating working capital	(3.8)	(0.3)	(0.3)
Change in non-current non-financial assets and liabilities	2.7	3.7	3.1
Total increase in working capital requirement	**(0.6)**	**(36.7)**	**(52.2)**
Income tax paid	**(18.5)**	**(68.9)**	**(18.1)**
Net cash from operating activities	**107.1**	**240.5**	**101.7**
Purchases of property, plant and equipment and intangible assets	(56.1)	(131.1)	(59.6)
Proceeds from disposals of property, plant and equipment and intangible assets	13.3	4.6	1.7
Purchase of and proceeds from disposals of non-current financial assets, net	(0.8)	(0.4)	(0.2)
Impact of changes in Group structure	(353.2)	(1.7)	0.0
Net cash used in investing activities	**(396.8)**	**(128.6)**	**(58.1)**
Cash capital increase	0.0	0.2	0.0
Purchases and sales of treasury shares	(0.3)	(0.3)	(0.4)
Dividends paid to owners	(39.5)	(38.7)	(38.7)
Cost of net debt	(1.7)	(3.9)	(1.1)
Change in committed debt	(0.5)	293.3	(8.1)
Net cash from (used in) financing activities	**(42.0)**	**250.6**	**(48.3)**
Net change in cash and cash equivalents	**(331.7)**	**362.5**	**(4.7)**
Net cash and cash equivalents at beginning of period	**414.9**	**52.5**	**52.5**
Impact of changes in exchange rates on net cash and cash equivalents	(1.2)	(0.1)	1.0
Net cash and cash equivalents at end of period	**82.0**	**414.9**	**48.8**

Comments on changes in consolidated net cash and cash equivalents are provided in Note 2.5.

– STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Attributable to owners of the parent										Attributable to non-controlling interests
In millions of euros	**Share capital**	Additional paid-in capital and consolidated reserves[a]	Cumulative translation adjustments	Fair value gains and losses[b]	Amended IAS 19	Treasury shares	Share-based payment	**Total additional paid-in capital and reserves**	**Net income for the period**	**Total**	**Total**
Equity at December 31, 2012	**12.0**	1,038.5	3.7	3.8	(40.0)	(0.9)	1.9	**1,007.0**	**134.4**	**1,153.4**	**6.8**
Total comprehensive income for the period			(7.2)	(2.5)	13.1			**3.4**	**79.7**	**83.1**	**0.3**
Appropriation of prior-period profit		134.4						**134.4**	**(134.4)**	**0.0**	
Dividends paid[c]		(38.7)						**(38.7)**		**(38.7)**	**0.0**
Treasury shares		(0.5)				0.1		**(0.3)**		**(0.3)** (d)	
Share-based payment[e]		0.1 (f)					0.3	**0.4**		**0.4**	
Equity at June 30, 2013	**12.0**	1,133.8	(3.5)	1.3	(26.9)	(0.7)	2.2	**1,106.2**	**79.7**	**1,197.9** (g)	**7.1**

(a) Including €63.7 million in additional paid-in capital.
(b) Corresponding to gains and losses arising from changes in the fair value of financial instruments used as cash flow hedges.
(c) Dividend per share: €0.98.
(d) Pre-tax amount: €0.3 million.
(e) The fair value of benefits under share grants is being recognized over the vesting period.
(f) Free shares vested and delivered to beneficiaries.
(g) Of which bioMérieux SA reserves available for distribution (including statutory income for the period): €724 million.

In millions of euros	Attributable to owners of the parent										Attributable to non-controlling interests
	Share capital	Additional paid-in capital and consolidated reserves [a]	Cumulative translation adjustments	Fair value gains and losses [b]	Amended IAS 19	Treasury shares	Share-based payment	**Total additional paid-in capital and reserves**	**Profit for the period**	**Total**	**Total**
Equity at December 31, 2012	**12.0**	1,038.5	3.7	3.8	(40.0)	(0.9)	1.9	**1,007.0**	**134.4**	**1,153.4**	**6.8**
Total comprehensive income for the period			(30.5)	(1.3)	13.0			**(18.8)**	**164.3**	**145.5**	**0.1**
Appropriation of prior-period profit		134.4						**134.4**	**(134.4)**	**0.0**	
Dividends paid [c]		(38.7)						**(38.7)**		**(38.7)**	**0.0**
Treasury shares		(0.3)				0.1		**(0.2)**		**(0.2)** (d)	
Share-based payment [e]		0.1 (f)					0.7	**0.8**		**0.8**	
Changes in ownership interest								**0.0**		**0.0**	**(0.4)** (g)
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**
Total comprehensive income for the period			1.9	(3.2)	(5.6)			**(6.9)**	**52.3**	**45.3**	**0.2**
Appropriation of prior-period profit		164.3						**164.3**	**(164.3)**	**0.0**	
Dividends paid [c]		(39.5)						**(39.5)**		**(39.5)**	
Treasury shares		(0.5)				(0.0)		**(0.5)**		**(0.5)** (d)	
Share-based payment [e]		0.0 (f)					0.4	**0.4**		**0.4**	
Equity at June 30, 2014	**12.0**	1,258.4	(24.9)	(0.8)	(32.6)	(0.8)	3.0	**1,202.3**	**52.3**	**1,266.6** (h)	**6.6**

(a) Including €63.7 million in additional paid-in capital.
(b) Including changes in the fair value of Labtech shares and hedging instruments.
(c) Dividend per share: €1 in 2014 and €0.98 in 2013.
(d) Pre-tax amount: a negative €0.3 million in 2014 and a positive €0.4 million in 2013.
(e) The fair value of benefits under share grants is being recognized over the vesting period.
(f) Free shares vested and delivered to beneficiaries.
(g) Purchase of non-controlling interests in Adiagène.
(g) Of which bioMérieux SA reserves available for distribution (including statutory income for the period): €780.3 million.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS SIX MONTHS ENDED JUNE 30, 2014

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 41 subsidiaries and a large network of distributors.

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

The condensed interim consolidated financial statements were approved by the Board of Directors on September 2, 2014 and are presented in millions of euros. They have been subject to a limited review by the Statutory Auditors.

1. Significant events and changes in the scope of consolidation in first-half 2014

1.1 Significant events of first-half 2014

1.1.1 Acquisition of BioFire Diagnostics Inc.

In early September 2013, bioMérieux announced that it had completed an agreement to acquire the entire share capital of BioFire Diagnostics Inc., a privately held U.S.-based company specialized in molecular biology. BioFire has developed FilmArray®, a simple and rapid integrated multiplex PCR molecular biology system that is CE-marked and FDA-approved. By introducing a syndromic approach to the molecular diagnosis of infectious diseases, FilmArray® has set a new market standard, identifying the disease-causing organisms responsible for the syndrome.

The acquisition was finalized on January 16, 2014. The transaction includes a USD 450 million acquisition price and the company's net financial debt (around USD 40 million), funded essentially through a €300 million bond issue.

Fair value was assigned to the assets acquired and liabilities assumed for the purpose of purchase price accounting, including technologies: estimated at USD 343.8 million (€249.3 million) and to be amortized over 20 years; inventories: estimated at USD 4.4 million (€3.2 million); a deferred tax asset resulting from tax losses carried forward for USD 26.6 million (€19.3 million); and a deferred tax liability arising on the fair value adjustment of amortizable items for USD 123.6 million (€89.6 million).

The residual goodwill amounts to USD 189.9 million (€137.7 million).

The income statement and balance sheet of the two companies acquired (BioFire Diagnostics LLC and BioFire Defense LLC) were consolidated for the first time in the interim consolidated financial statements for the six months ended June 30, 2014, with effect from the acquisition date (January 16, 2014). However, in accordance with the revised IFRS 3, the purchase price allocation is still deemed provisional at June 30, 2014 since not all analyses have been completed.

At June 30, 2014, BioFire contributed €27.9 million to consolidated sales, and its contribution to operating income before non-recurring items was an expense of €1.7 million.

Depreciation/amortization charged against identifiable assets acquired (technologies, inventories, etc.) was recognized on a separate line of the income statement for €7.7 million at June 30, 2014 (see Note 11). Acquisition-related fees were also recorded on this line for an amount of €6.9 million in first-half 2014 and €1.9 million in 2013 (see Note 11).

1.1.2 Sale of Boxtel site

The Boxtel site was sold in the first half of 2014 for an amount of €10.1 million excluding disposal costs.

Since 2010, the Boxtel site had been classified within assets held for sale for its carrying amount as estimated on the basis of its realizable value. In 2013, an independent expert had valued the site at €9.5 million. The carrying amount of the site at December 31, 2013 was €9.2 million after taking into account the fees incurred on the sale.

1.1.3 Impact of fluctuations in exchange rates against the euro

In first-half 2014, operating income before non-recurring items was hit by a negative currency effect estimated at €17 million. This results from the Group's exposure to the fall in value of the US dollar and other currencies not pegged to the dollar such as the Argentine peso, Japanese yen, Turkish lira and Indian rupee.

1.2 Summary of significant events of 2013

1.2.1 Durham site

Following an FDA inspection in 2012 at the Durham site, bioMérieux put in place action plans to strengthen quality management for its BacT/ALERT® blood culture bottle production lines. The associated costs amounted to approximately USD 12 million in first-half 2014 compared to around USD 30 million in 2013.

1.2.2 Public-sector receivables in Southern Europe

Net public-sector receivables in respect of Southern Europe totaled €57 million at June 30, 2014, versus €69 million at December 31, 2013, reflecting the payment of €13 million of past-due receivables in Spain in February 2014.

1.3 Changes in the scope of consolidation

bioMérieux SA acquired all of the shares it did not already own in Adiagène, raising the Group's total ownership interest in the company from 99% to 100%.

For the first time in 2014, bioMérieux fully consolidated BioFire Defense LLC and Biofire Diagnostics LLC, since the Group's ownership interest in these companies is 100%.

2. Summary of significant accounting policies

2.1 General principles

Standards, amendments and interpretations

The 2014 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, 2014. The standards, amendments and interpretations adopted by the European Union can be consulted on the European Commission's website at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The interim consolidated financial statements were prepared and 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, 2014 and June 30, 2013 are identical to those used to prepare the consolidated financial statements for the year ended December 31, 2013 and described in detail in the Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on April 29, 2014, with the exception of the standards, amendments and interpretations that came into force in 2014. In some cases, these rules have been adapted to the specific nature of the interim financial statements, in accordance with IAS 34.

The main standards, amendments and interpretations applicable to reporting periods beginning on or after January 1, 2014 are as follows:

- IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", and the amendments to these standards relating to first-time application;

- IAS 27 (revised) "Separate Financial Statements" and the amendment to IAS 27 relating to first-time application;

- IAS 28 (revised) "Investments in Associates and Joint Ventures";

- Amendment to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets";

- Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities".

These new standards and amendments published by the IASB did not have a material impact on the Company's financial statements, since no entity was previously proportionately consolidated by the Company.

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 which come into force after the end of the reporting period. This mainly concerns IFRIC 21 "Levies". The Group is currently analyzing the impacts of applying these standards, amendments and interpretations for the first time.

The Group does not expect that the standards, amendments and interpretations published by the IASB and effective in 2014 but not yet adopted by the European Union (and not available for early adoption in Europe) will have a material impact on its financial statements in the next few reporting periods.

In order to maintain consistent accounting presentation between periods, research grants received by bioMérieux are now recorded with research tax credits under "Other operating income". At June 30, 2013, research grants were presented as a deduction from research and development expenditure.

To improve the understanding of operating income, the fees linked to the acquisition of BioFire were recorded on a separate line of operating income before non-recurring items. In order to facilitate year-on-year comparisons, the data published at December 31, 2013 have been adjusted.

The rules used for estimates and judgments are not materially different from those used at June 30, 2013 and December 31, 2013 (see Note 2.1 of the 2013 Registration Document).

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.

2.2 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.

2.3 Basis of preparation for certain balance sheet and income statement items in the interim financial statements

2.3.1 Seasonality of operations

The Group's operations are not subject to material seasonal fluctuations, although sales and operating income before non-recurring items are generally slightly higher during the second half of the year.

2.3.2 Research and development expenses

Research expenses are not capitalized and development expenses (excluding software development costs, see Note 2.5 of the 2013 Registration Document) are recognized as intangible assets whenever specific conditions are met related to technical feasibility and marketing and profitability prospects.

Given the high level of uncertainty attached to development projects carried out by the Group, these recognition criteria are not met until the regulatory procedures required for the sale of the products concerned have been finalized. As most costs are incurred before that stage, development expenses are recognized in the income statement in the period during which they are incurred.

2.3.3 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 2.8 of the 2013 Registration Document. 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.

2.3.4 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 is identical to the calculation method used before the application of the amended standard (see Note 2.13.2 of the 2013 Registration Document).

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 recycled 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, 2014 or June 30, 2013.

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, 2013;

The impact of the change in the discount rate was calculated at June 30, 2014;

Other actuarial assumptions related to the total benefit obligation (including the salary increase and employee turnover rates) showed no changes at June 30, 2014 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;

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 8.2.

2.3.5 Provisions

The recognition and measurement criteria for provisions are identical to those used at December 31, 2013 (see Note 2.14 of the 2013 Registration Document).

Additions to and reversals of provisions are recognized in full based on the situation at June 30, 2014.

2.3.6 Income tax expense

The income tax expense for first-half 2014 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.

In line with the recommendations issued by the AMF, 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, 2014, was recognized in full during first-half 2014.

In the first six months of 2014, no new deferred tax asset was recognized on tax loss carryforwards.

2.3.7 Incentives, profit-sharing and performance-related bonuses

Profit-sharing, incentives and performance-related bonuses are estimated based on the extent to which objectives had been met at June 30, 2014 and in light of the estimated amounts for the full year.

2.3.8 Other non-recurring income and expenses from operations

Other non-recurring income and expenses from operations for the period (net gains on disposals of assets, restructuring costs, etc.) are recognized in full in first-half 2014.

2.4 Presentation of the income statement

Since the acquisition of U.S.-based BioFire, the Group has used a new operating performance indicator known as "Contributive operating income before non-recurring items". This indicator corresponds to operating income before non-recurring items as defined in Note 2.18.1 of the 2013 Registration Document before the accounting entries recorded in relation to the BioFire purchase price allocation (see Notes 1.1.1 and 11).

2.5 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 from the sale 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, 2014**	**Year ended Dec. 31, 2013**	**Six months ended June 30, 2013**
Additive method			
- Net income for the period	52.5	164.7	80.0
- Non-recurring income and expenses	13.4	4.9	1.3
- Cost of net debt	1.7	3.9	1.1
- Other financial income and expenses	2.4	10.0	3.6
- Current income tax expense	23.7	78.4	38.9
- Investments in associates	0.2	0.4	0.2
- Net additions to amortization and depreciation	46.9	90.9	43.9
EBITDA	**140.9**	**353.3**	**169.0**
Simplified additive method			
- Contributive operating income before non-recurring items	94.0	262.4	125.1
- Depreciation and amortization expense	46.9	90.9	43.9
EBITDA	**140.9**	**353.3**	**169.0**

At June 30, 2014, the Group's net cash position was €82 million versus €414.9 million at December 31, 2013, representing a net cash outflow of €332.9 million in first-half 2014. The change in the cash position mainly reflects:

€107.1 million in cash generated from operations, reflecting a minimal €0.6 million change in working capital requirements thanks to the good level of trade receivables collection since the beginning of the year, particularly in Shanghai, Hong Kong and Spain;

€396.8 million in cash used in investing activities, due primarily to the acquisition of BioFire Diagnostics Inc. (see Note 1.1.1);

€42 million in cash used in financing activities, chiefly relating to the dividend payout to shareholders in first-half 2014.

3. Changes in non-current assets and amortization

3.1 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	3.4	0.2	0.3	3.9
Acquisitions/Increases	0.0	0.9	6.4	7.3
Changes in Group structure	229.4	0.9	23.3	253.6
Disposals/Decreases	0.1	(0.1)	0.0	0.0
Reclassifications	0.0	(0.6)	0.6	0.0
June 30, 2014	**376.7**	**108.0**	**57.9**	**542.6**

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	0.6	0.2	0.1	0.9
Additions	7.3	4.9	2.5	14.7
Changes in Group structure	1.0	0.7	1.2	2.9
Reversals/Disposals	0.1	0.0	0.0	0.1
Reclassifications	0.0	(0.2)	(0.2)	(0.4)
June 30, 2014	**74.9**	**66.5**	**4.8**	**146.2**

Carrying amount *In millions of euros*	Patents Technologies	Software	Other	Total
December 31, 2013	**77.9**	**45.8**	**26.0**	**149.7**
June 30, 2014	**301.9**	**41.5**	**53.1**	**396.4**

Changes in the scope of consolidation represented a gross value of €253.6 million and amortization of €2.9 million and relate to technologies and other intangible assets acquired from BioFire. At the end of the reporting period, BioFire technologies had a carrying amount of €247.8 million.

Further to the planned termination of the Lyfocult range, an impairment loss of €0.1 million was recognized at end-June 2014 on the related technology.

3.2 Changes in goodwill

In millions of euros	**Carrying amount**
December 31, 2012	**313.1**
Translation adjustments	(6.6)
Impairment	(1.5)
December 31, 2013	**305.0**
Translation adjustments	(0.1)
Changes in Group structure	137.7
Impairment	(0.5)
June 30, 2014	**442.1**

Changes in the scope of consolidation added €137.7 million to goodwill, relating to the residual goodwill arising as a result of the BioFire acquisition. Residual goodwill represented €139.1 million based on the exchange rate at the end of the period.

At June 30, 2014, an additional impairment loss of €0.5 million was recognized on Biotrol goodwill. Residual Biotrol goodwill represents €0.5 million. At June 30, 2013, impairment losses taken against Biotrol and bioMérieux Brazil goodwill represented €1.1 million and €0.4 million, respectively.

4. Changes in property, plant and equipment and depreciation

4.1 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, 2012	**25.2**	**302.0**	**257.9**	**333.0**	**95.1**	**48.6**	**1061.8**
Translation adjustments	(0.4)	(5.0)	(4.0)	15.9	(3.8)	(1.6)	(30.7)
Acquisitions/Increases	7.3	13.2	12.9	30.3	5.2	37.7	106.6
Disposals/Decreases		(0.5)	(7.9)	37.2	(3.5)	0.2	(49.3)
Reclassifications	1.6	8.7	14.5	0.7	4.4	30.7	(0.8)
December 31, 2013	**33.7**	**318.4**	**273.4**	**310.9**	**97.4**	**53.8**	**1,087.6**
Translation adjustments	0.1	1.2	0.9	3.4	0.7	0.3	**6.6**
Changes in Group structure		12.3	7.9	1.8	2.7	1.6	**26.3**
Acquisitions/Increases		1.2	3.5	13.5	1.9	23.2	**43.3**
Disposals/Decreases	(0.1)		(3.3)	(16.2)	(1.0)		**(20.6)**
Reclassifications	0.1	3.8	7.1	(3.1)	6.0	(14.4)	**(0.5)**
June 30, 2014	**33.8**	**336.9**	**289.5**	**310.3**	**107.7**	**64.5**	**1,142.7**

Depreciation and impairment *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other	Assets under construction	Total
December 31, 2012	**1.1**	**152.8**	**177.1**	**271.0**	**72.8**		**674.8**
Translation adjustments		(2.3)	(2.5)	(12.4)	(2.8)		**(20.0)**
Additions	0.1	15.2	21.1	27.2	7.6		**71.2**
Disposals/Decreases		(0.5)	(7.6)	(32.3)	(3.2)		**(43.6)**
Reclassifications		0.2	(0.3)	0.5	(0.1)		**0.3**
December 31, 2013	**1.2**	**165.4**	**187.8**	**254.0**	**74.3**		**682.7**
Translation adjustments		0.8	0.6	2.8	0.6		**4.8**
Changes in Group structure		2.1	3.8	0.8	1.5		**8.2**
Additions	0.1	8.2	10.9	12.6	3.8		**35.6**
Disposals/Decreases			(3.2)	(14.1)	(0.9)		**(18.2)**
Reclassifications		1.2		(3.5)	2.9		**0.6**
June 30, 2014	**1.3**	**177.7**	**199.9**	**252.6**	**82.2**		**713.7**

Carrying amount *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other	Assets under construction	Total
December 31, 2012	**24.1**	**149.2**	**80.8**	**62.0**	**22.3**	**48.6**	**386.7**
December 31, 2013	**32.5**	**152.9**	**85.6**	**56.9**	**23.1**	**53.8**	**404.8**
June 30, 2014	**32.5**	**159.2**	**89.6**	**57.7**	**25.5**	**64.5**	**429.0**

4.2 Changes in assets held for sale

As indicated in Note 1.1.2, the Boxtel site – which had been classified within assets held for sale since 2010 – was sold for an estimated carrying amount of €9.2 million at end-2013, taking into account fees incurred in relation to the sale. The Boxtel site was sold on June 30, 2014 for an amount of €10.1 million excluding disposal costs. The net impact of the sale (€0.9 million) was presented in "Other non-recurring income and expenses from operations".

At June 30, 2014, assets held for sale solely concern bioTheranostics assets representing €44.3 million at end-June 2014 versus €41.1 million at December 31, 2013.
Liabilities relating to assets held for sale solely concern bioTheranostics and represent €16.5 million at end-June 2014 versus €12.7 million at December 31, 2013.

As the search for partners continues, no additional impairment was recognized against bioTheranostics assets in first-half 2014.

4.3 Change in non-current financial assets

In millions of euros	Gross value	Impairment and changes in fair value	Carrying amount
December 31, 2012	**50.3**	**15.6**	**34.7**
Translation adjustments	(0.6)	(0.1)	(0.5)
Acquisitions/Increases	1.6	2.7	(1.1)
Disposals/Decreases	(0.2)	(0.2)	0.0
Reclassifications	(1.2)		(1.2)
December 31, 2013	**49.9**	**18.0**	**31.9**
Translation adjustments	0.2	0.0	0.2
Acquisitions/Increases	1.5	0.0	1.5
Disposals/Decreases	(2.1)	(2.0)	(0.1)
Reclassifications	0.2		0.2
June 30, 2014	**49.7**	**16.0**	**33.7**

During the first six months of 2014, Europroteome was wound up and its shares – which had been written down in full – were written off for a gross amount of €2 million.

In 2013, an impairment loss of €2.3 million had been recognized against Knome shares.

5. Trade receivables

In millions of euros	**June 30, 2014**	**Dec. 31, 2013**	**June 30, 2013**
Gross trade receivables	419.1	439.6	433.9
Impairment losses	(20.4)	(19.0)	(22.9)
Carrying amount	**398.7**	**420.5**	**410.9**

Trade receivables include the current portion of finance lease receivables.

6. Share capital

The Company's share capital amounted to €12,029,370 at June 30, 2014 and was divided into 39,453,740 shares, of which 25,499,265 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, 2014.

There were no changes in the number of outstanding shares in first-half 2014.

At June 30, 2014, the parent company held 9,133 of its own shares in connection with a liquidity agreement. In the first six months of the year, the Company purchased 132,416 of its own shares and sold 133,183 shares in connection with the liquidity agreement.

At June 30, 2014, it also held 981 shares in treasury for allocation under the share grant plans authorized at various Annual General Meetings. In the first half of 2014, the Company definitively allocated 4,732 free shares to employees.

The Company is not subject to any specific regulatory or contractual obligations in terms of its share capital.

The Group does not have any specific policy concerning capital financing. Decisions on whether to use debt or equity financing are made on a case-by-case basis for each proposed transaction. The equity used by the Group for its own operations corresponds to its consolidated equity.

7. Cumulative translation adjustments

Including the portion attributable to non-controlling interests.

In millions of euros	**June 30, 2014**	**Dec. 31, 2013**	**June 30, 2013**
Dollar[(a)]	(18.1)	(20.8)	(7.4)
Latin America	(1.7)	(1.5)	0.4
Europe – Middle East – Africa	(9.3)	(7.5)	(4.3)
Other countries	3.7	2.0	7.0
Total	**(25.4)**	**(27.8)**	**(4.3)**

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

8. Provisions, contingent liabilities and contingent assets

8.1 Movements in provisions

Long- and short-term provisions

In millions of euros	Pension and other employee benefit obligations	Product waranties	Restructuring	Other contingencies and losses	Total
December 31, 2012 – restated[(a)]	**100.7**	**3.4**	**1.0**	**8.9**	**114.0**
Additions	2.8	3.4	0.0	3.6	9.8
Reversals (utilizations)	(9.4)	(2.9)	(0.3)	(0.9)	(13.5)
Reversals (surplus)	(0.4)	(0.7)	(0.5)	(1.8)	(3.4)
Amortization of actuarial gains and losses	(20.2)				(20.2)
Translation adjustments	(2.3)	(0.2)	0.0	(0.5)	(3.0)
Other changes				(0.3)	(0.3)
December 31, 2013	**71.3**	**3.0**	**0.2**	**9.0**	**83.5**
Additions	5.9	2.0	0.0	3.1	11.0
Reversals (utilizations)	(5.9)	(1.6)	(0.1)	(1.6)	(9.2)
Reversals (surplus)	0.0	(0.2)	0.0	(0.2)	(0.4)
Amortization of actuarial gains and losses	9.7				9.7
Changes in Group structure	0.0	0.2	0.0	0.0	0.2
Translation adjustments	0.6	0.0	0.0	0.1	0.7
June 30, 2014	**81.6**	**3.4**	**0.1**	**10.4**	**95.5**

(a) Provisions for pensions and other employee benefit obligations were restated at December 31, 2012 in order to reflect the impact of applying the amended IAS 19 for the first time (see Note 2.13.2 to the 2013 annual financial statements).

Provisions for product warranties are recognized based on an estimate of the costs relating to the contractual warranty for instruments sold over the remaining period under warranty.

Short-term provisions represent €11.8 million at June 30, 2014 versus €10.2 million at December 31, 2013.

Net additions in first-half 2014 primarily affect operating income before non-recurring items (positive impact of €1.6 million) and other non-recurring income and expenses from operations (negative impact of €0.2 million).

Reversals of utilized provisions mainly concern contributions to the plan assets of U.S. companies.

Net additions to provisions recognized in other comprehensive income relate solely to pension and other employee benefit obligations.

8.2 Pension and other employee benefit obligations

The net obligation at June 30, 2014 amounts to €81.6 million and chiefly relates to the provision for post-employment benefits (€70.9 million) and the provision for long-service awards (€10.7 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**	Other pension obligations	Post-employment health insurance	**Total provisions for post-employment benefits**
December 31, 2013	**159.5**	**(104.2)**	**55.3**	**4.1**	**1.6**	**61.0**
Current service cost	2.5		**2.5**			**2.5**
Interest cost	3.4	(2.2)	**1.2**			**1.2**
Retirements	(1.5)	1.1	**(0.3)**			**(0.3)**
Plan modifications	(0.2)		**(0.2)**			**(0.2)**
Contributions		(3.7)	**(3.7)**			**(3.7)**
Impact on operating income	**4.3**	**(4.7)**	**(0.4)**	**0.0**	**0.0**	**(0.4)**
Actuarial gains and losses (Other comprehensive income/expense)	**13.1**	**(3.4)**	**9.7**	0.0	0.0	**9.7**
Exchange rate effects and other	1.5	(0.9)	**0.6**	0.0	0.0	**0.6**
June 30, 2014	**178.3**	**(113.2)**	**65.1**	**4.1**	**1.6**	**70.9**

(a) Plan assets or scheduled payments.

The discount rate applied to bioMérieux SA's obligations was 2.5% at June 30, 2014 and 3% at December 31, 2013.

The discount rate applied to bioMérieux Inc.'s obligations was 4.30% at June 30, 2014 and 4.75% at December 31, 2013.

8.3 Provisions for claims and litigation

The Company is involved in a certain number of claims arising in the ordinary course of business, the most significant of which are described below. Based on available information, the Company considers that these claims will not have a materially adverse impact on its ability to continue as a going concern. 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, 2014 and €7.5 million at December 31, 2013.

In particular, the Company is involved in a dispute with a distributor over the termination of its distribution contract. An agreement was signed in first-half 2014 approving the settlement arrangements for this dispute. The dispute should be settled once all of the arrangements specified in the agreement have been met. A provision has been set aside for the probable amounts that the Company will have to pay based on the plaintiff's claims. It amounted to €3.8 million at June 30, 2014, unchanged versus December 31, 2013.

8.4 Contingent assets and liabilities

Contingent assets

No material contingent assets were identified at June 30, 2014.

Contingent liabilities

Following a tax audit carried out on the Group’s operations in Italy, the transfer prices applied to the Italian subsidiary and the portion of shared costs allocated to it were challenged by the tax authorities. Based on available information, the Company and its legal advisors are of the opinion that there are no valid grounds for this challenge and intend to strongly contest the findings of the tax authorities. The Company will use all possible means of recourse to defend its position. The duration and outcome of this dispute cannot be anticipated at this stage of the proceedings. Two out-of-court settlement procedures for the tax dispute were initiated before the competent authorities in (i) France and Italy and (ii) the U.S. and Italy. The tax reassessment issued by the tax authorities in respect of fiscal years 2009 and 2010 was served on April 11, 2014. As part of the settlement of this dispute, bioMérieux may be required to pay fines and late-payment interest estimated at €20 million.

Following a tax audit carried out on the Group's operations in Spain, the tax authorities challenged the transfer pricing arrangements. A case is in progress before the Spanish Administrative Court and arbitration proceedings were launched on February 3, 2014. As part of the settlement of this dispute, bioMérieux may be required to pay fines and late-payment interest estimated at €1 million.

No other material contingent liabilities were identified at June 30, 2014.

9. Debt

9.1 Movements in net debt and maturity schedule

Consolidated net debt was €308.2 million at June 30, 2014, after the €39.5 million dividend payout to shareholders of bioMérieux SA. Net debt primarily comprises the bond issued in October 2013 to fund the acquisition of BioFire Diagnostics Inc.

The maturity schedule below refers to balance sheet amounts.

In millions of euros	**Dec. 31, 2013**	Change in statement of cash flows	Translation adjustments	Assets held for sale(b)	**June 30, 2014**
Cash and cash equivalents	428.0	(332.8)	0.0	(0.1)	95.1
Bank overdrafts and other uncommitted debt	(14.0)	1.1	(1.2)		(14.1)
Net cash and cash equivalents (A)	**414.0** (b)	(331.7)	(1.2)	(0.1)	**81.0** (b)
Committed debt (B)	**389.1**	(0.5)	0.6		**389.2**
o/w due beyond 5 years	298.8				299.0
o/w due in 1 to 5 years	5.8				6.6
o/w due within 1 year	85.2				83.6
Net debt (Net cash) (B) - (A)	**(24.9)**	331.2	1.8	0.1	**308.2**

(a) 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 (€1 million at June 30, 2014 and €0.9 million at end-2013).

At both June 30, 2014 and December 31, 2013, borrowings maturing in over five years mainly concern the bond issued to fund the acquisition of BioFire in the U.S. for €297.1 million (net of issue fees and premiums calculated using the amortized cost method). Borrowings maturing between one and five years include the employee profit-sharing account for €1.1 million, and finance lease liabilities of €2.3 million. The current portion of borrowings and debt chiefly includes commercial paper for €65 million and accrued bond interest totaling €6.1 million.

At June 30, 2014, the Group had not breached any of its repayment schedules.

No loan agreements were signed prior to June 30, 2014 concerning loans to be set up in the second half of 2014.

9.2 Due date of borrowings

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.

An addendum was made to the syndicated loan agreement defined in Note 10.3 of the 2013 Registration Document, extending its maturity to May 20, 2019. This May 2014 addendum led to an adjustment of the ratio of net debt/operating income before non-recurring items and before depreciation/amortization and acquisition fees, which may not now exceed 3.5.

The Group's other term borrowings at June 30, 2014 primarily corresponded 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.

9.3 Interest rates

Before hedging, 76.6% of the Group's borrowings are at fixed rates (€298.2 million) and the rest is at floating rates (€91 million).

Fixed-rate borrowings comprise the €297.1 million bond issue maturing in 2020 and paying a coupon of 2.875%, and the restricted employee profit-sharing current account for €1.1 million. After hedging, fixed-rate bond debt represents €150 million, while floating-rate bond debt totals €150 million (capped at 3.3%).

The floating-rate portion of debt relates to (i) borrowings taken out in local currencies by certain Company subsidiaries, based on the exchange rate of the corresponding currency plus a margin, and (ii) commercial paper.

9.4 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	Six months ended June 30, 2014	Year ended Dec. 31, 2013	Six months ended June 30, 2013
Net royalties received	7.1	6.8	3.9
Research tax credits	13.8	18.9	11.4
Research grants	0.3	2.4	1.2
Other	0.3	0.1	
Total	**21.5**	**28.2**	**16.5**

11. Fees and amortization of the BioFire purchase price

In order to improve the understanding of operating income and due to the transaction's scale, the 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. In order to enable year-on-year comparisons, the data published at end-December 2013 have been adjusted.

This line includes:

- depreciation and amortization charged against identifiable assets acquired whose fair value was estimated within the scope of the purchase price accounting (technologies, inventories, etc.), representing €7.7 million at June 30, 2014;

- acquisition-related fees representing €4.5 million at June 30, 2014 and €1.9 million in 2013;

- other operating expenses inherent to the acquisition, totaling €2.4 million at June 30, 2014.

To facilitate year-on-year comparisons, contributive operating income before non-recurring items and before the depreciation/amortization of the fair value of assets acquired can be analyzed as follows:

In millions of euros	Six months ended June 30, 2014	Year ended Dec. 31, 2013	Six months ended June 30, 2013
Operating income before non-recurring items - published	**79.4**	**260.5**	**125.1**
Amortization of fair value of BioFire assets	7.7	-	-
Acquisition fees and other related expenses	6.9	1.9	-
Contributive operating income before non-recurring items	**94.0**	**262.4**	**125.1**
Amortization of fair value of assets resulting from prior-period acquisitions	2.7	5.5	2.8
Contributive operating income before non-recurring items and before amortization of fair value of assets acquired	**96.7**	**267.9**	**127.9**

12. Other non-recurring income and expenses from operations

In millions of euros	Six months ended June 30, 2014	Year ended Dec. 31, 2013	Six months ended June 30, 2013
Disposal gains (losses)	0.9	(1.2)	0.2
Impairment of public-sector receivables	0.6	5.5	
Impairment Biocartis technology		(6.0)	
AbBiodisk earnout		(1.1)	(1.0)
Restructuring	(0.2)	(0.3)	0.1
Other	(0.1)	0.1	(0.6)
Total	**1.2**	**(3.0)**	**(1.3)**

13. Net financial expense

13.1 Cost of net debt

In millions of euros	Six months ended June 30, 2014	Year ended Dec. 31, 2013	Six months ended June 30, 2013
Finance costs	(7.4)	(4.3)	(1.5)
Interest rate hedging derivatives[(a)]	5.6	0.4	
Foreign exchange gains			0.3
Total	**(1.7)**	**(3.9)**	**(1.1)**

(a) The gain arises on the increase in the fair value of interest rate hedging instruments taken out in connection with the BioFire acquisition.

In first-half 2014, financial expenses chiefly include bond interest.

13.2 Other financial income and expenses, net

In millions of euros	Six months ended June 30, 2014	Year ended Dec. 31, 2013	Six months ended June 30, 2013
Interest income on leased assets	1.1	2.7	1.5
Impairment and disposals of shares in non-consolidated companies		(2.5)	(2.4)
Currency hedging derivatives	(4.1)	(11.8)	(3.5)
Other	0.5	1.5	0.8
Total	**(2.4)**	**(10.1)**	**(3.6)**

14. Income tax

At June 30, 2014, the effective tax rate stood at 31.1% of pre-tax income, compared to 32.2% at December 31, 2013 and 32.6% at June 30, 2013. The effective tax rate was below the statutory tax rate applicable in France (38% at end-June 2014, versus 36.1% at end-June 2013).

In millions of euros	Six months ended June 30, 2014		Six months ended June 30, 2013	
	Tax	Rate	Tax	Rate
Theoretical tax at standard French tax rate	**29.0**	**38.0%**	**43.1**	**36.2%**
- Impact of income tax at reduced and foreign tax rates, and permanent differences	(2.8)	-3.6%	(1.9)	-1.6%
- Taxes on dividends	0.2	0.2%	0.4	0.3%
- Deferred tax assets not recognized on tax losses carried forward	1.7	2.3%	1.2	1.0%
- Impact of tax on the payment of dividends	1.3	1.7%	1.2	1.0%
- Impact of research and CICE tax credits shown in operating income	(5.2)	-6.9%	(4.6)	-3.8%
- Other tax credits	(0.6)	-0.7%	(0.5)	-0.4%
Actual income tax expense	**23.7**	**31.1%**	**38.9**	**32.6%**

15. Information by geographic area

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

Six months ended June 30, 2014 *In millions of euros*	Europe	Americas	Asia-Pacific	Intra-group transactions	**Total**
Sales					
By location of end customer	**403.4**	**256.7**	**120.5**		**780.7**
Net export sales from the region	413.9	254.3	112.5		780.7
Inter-region sales	103.2	116.8	7.4	(227.5)	0.0
Net generated by the region	**517.1**	**371.1**	**120.0**	**(227.5)**	**780.7**
Non-current assets (allocated)	613.3	622.2	53.5		1,289.0
Non-current assets (unallocated)					91.7
Non-current assets	**613.3**	**622.2**	**53.5**		**1,380.7**

At June 30, 2014, the Group has no operating performance indicator for geographic areas other than that shown above. Information on operating margin by geographic area will be available in 2015.

Year ended Dec. 31, 2013 *In millions of euros*	Europe	Americas	Asia-Pacific	Intra-group transactions	**Total**
Sales					
By location of end customer	**805.8**	**487.3**	**294.9**		**1,587.9**
Net export sales from the region	835.0	476.8	276.1		1,587.9
Inter-region sales	228.3	274.2	13.3	(515.8)	0.0
Net generated by the region	**1,063.2**	**751.1**	**289.5**	**(515.8)**	**1,587.9**
Non-current assets (allocated)	613.4	216.7	52.8		882.9
Non-current assets (unallocated)					65.9
Non-current assets	**613.4**	**216.7**	**52.8**		**948.8**

Six months ended June 30, 2013 *In millions of euros*	Europe	Americas	Asia-Pacific	Intra-group transactions	**Total**
Sales					
By location of end customer	**391.1**	**231.7**	**131.3**		**754.2**
Net export sales from the region	400.7	229.0	124.5		754.2
Inter-region sales	110.6	137.9	6.4	(254.9)	0.0
Net generated by the region	**511.3**	**366.8**	**130.9**	**(254.9)**	**754.2**
Non-current assets (allocated)	600.5	221.0	55.9		877.4
Non-current assets (unallocated)					66.2
Non-current assets	**600.5**	**221.0**	**55.9**		**943.6**

The table below provides a breakdown of sales by technology:

In millions of euros	**Six months ended June 30, 2014**	**Year ended Dec. 31, 2013**	**Six months ended June 30, 2013**
Clinical applications	**620**	**1,251**	**597**
Microbiology	365	793	377
Immunoassays	185	364	175
Molecular biology	62	78	37
Other lines	8	16	8
Industrial applications	**157**	**330**	**157**
Total per application	**777**	**1,581**	**754**
Revenues from joint development programs	**4**	**7**	
Total	**781**	**1,588**	**754**

16. Exchange rate and market risk management

Exchange rate and market risks are described in Notes 29.1 and 29.4, respectively, of the 2013 Registration Document.

The Group 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 Company set up a EUR/USD cross currency swap for €344 million on January 15, 2014.

16.1 Hedging instruments

The table below shows currency hedging instruments in effect at June 30, 2014 that were set up as part of the currency hedging policy described in Note 29.1.1 of the 2013 Registration Document:

In millions of euros	Hedged amounts			Market value[(a)]
	Due within 1 year	Due in 1 to 5 years	Total	
Hedges of existing commercial transactions	**94.4**	**0.0**	**94.4**	**(0.8)**
Currency forward contracts	91.1		91.1	(0.8)
Options	3.3		3.3	0.0
Hedges of future commercial transactions	**167.0**	**0.8**	**167.8**	**(3.2)**
Currency forward contracts	120.9	0.8	121.7	(2.1)
Options	46.1		46.1	(1.1)
Hedges of financial transactions (Currency forward contracts)	**131.3**		**131.3**	**0.2**

(a) Difference between the hedging rate and the market rate at June 30, 2014, including premiums paid/received.

All of the currency forward contracts and options outstanding at June 30, 2014 had maturities of less than 18 months.

The table below shows interest rate hedging instruments in effect at June 30, 2014 that were set up as part of the interest rate hedging policy described in Note 29.4 of the 2013 Registration Document:

In millions of euros	Hedged amounts			Market value[(a)]
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Interest rate risk	**0.0**	**150.0**	**469.5**	**8.4**
Swaps			150.0	7.5
Options		150.0		0.1
Cross currency swap			319.5	0.8

(a) Difference between the hedging rate and the market rate at June 30, 2014, including premiums paid/received.

16.2 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 2.19 of the 2013 Registration Document), and a comparison between their carrying amount and fair value:

June 30, 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	25.4			25.5	25.5	1-3
Other non-current financial assets			8.2		8.2	8.2	-
Other non-current assets			21.9		21.9	21.9	
Derivative instruments (positive fair value)				10.1	10.1	10.1	2
Trade receivables			398.7		398.7	398.7	-
Other receivables			3		3.0	3.0	-
Cash and cash equivalents	94.3			0.8	95.1	95.1	1
Total financial assets	94.4	25.4	431.8	10.9	562.5	562.5	
Financial liabilities							
Bonds[(a)]			297.1		297.1	314.7	1
Other financing facilities			8.5		8.5	8.5	2
Derivative instruments (negative fair value)				5.6	5.6	5.6	2
Borrowings – current portion			96.9	0.7	97.7	97.7	2
Trade payables			145.2		145.2	145.2	-
Other current liabilities			34.4		34.4	34.4	-
Total financial liabilities	-	-	582.1	6.4	588.5	606.0	

December 31, 2013 *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	24.9			25.0	25.0	1-3
Other non-current financial assets			6.8		6.8	6.8	-
Other non-current assets			24.5		24.5	24.5	
Derivative instruments (positive fair value)				9.9	9.9	9.9	2
Trade receivables			420.5		420.5	420.5	-
Other receivables			2.8		2.8	2.8	-
Cash and cash equivalents	428				428	428	1
Total financial assets	428.1	24.9	454.6	9.9	917.5	917.5	
Financial liabilities							
Bonds[(a)]			296.9		296.9	303.9	1
Other financing facilities			7.7		7.7	7.7	1-2
Derivative instruments (negative fair value)				1.3	1.3	1.3	2
Borrowings – current portion			98.5		98.5	98.5	2
Trade payables			132.3		132.3	132.3	-
Other current liabilities			37.0		37.0	37.0	-
Total financial liabilities	-	-	572.4	1.3	573.7	580.7	

(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 2.19 of the 2013 Registration Document).

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.

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 2014.

In first-half 2014, movements in available-for-sale financial assets were as follows:

In millions of euros	**Available-for-sale financial assets**
December 31, 2012	**27.7**
Gains and losses recognized in income	(2.3)
Gains and losses recognized in equity	(0.8)
Acquisitions	0.8
Changes in Group structure, translation adjustments and other	(0.5)
December 31, 2013	**24.9**
Gains and losses recognized in equity	0.5
Acquisitions	0.1
June 30, 2014	**25.5**

17. Off-balance sheet commitments

There have been no significant changes in off-balance sheet commitments during the first half of 2014 (see Note 30 of the 2013 Registration Document).

18. Transactions with related parties

Transactions with related parties continued on the same basis as in 2013 without any significant developments (see Note 31 of the 2013 Registration Document).

19. Subsequent events

A tax audit of bioMérieux SA for fiscal years 2011, 2012 and 2013 began on July 24, 2014.

No other 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, 2014

bioMérieux S.A.

French joint stock company (*société anonyme*) with share capital of €12,029,370
Registered office: Chemin de l'Orme - 69280 Marcy l'Etoile, France
Registered in Lyon, France under number 673 620 399

INTERIM MANAGEMENT REPORT

A – FINANCIAL SUMMARY

Consolidated data In millions of euros	**Six months ended June 30, 2014**	Six months ended June 30, 2013	% change as reported
Sales	**781**	754	+3.5%
Contributive operating income before non-recurring items	**94**	125	-24.8%
Operating income before non-recurring items	**81**	124	-34.9%
Net income of consolidated companies	**53**	80	-34.4%
Free cash flow	**69**	42	+64.3%

B – MANAGEMENT REPORT

1) Sales

First-half 2014 consolidated sales climbed 7.9% at constant exchange rates. They included the €28 million in sales generated by BioFire as from January 16. Organic growth (at constant exchange rates and scope of consolidation) came to 4.2%. Exchange rate fluctuations, primarily reflecting the rise in the euro against other currencies, resulted in a negative currency effect of €33 million, or 440 bps. In this environment, sales ended the first half at €781 million, versus €754 million a year earlier, for a reported increase of 3.5%.

In first-half 2014, bioMérieux's sales performance was in line with the annual target set at the beginning of the year. Vibrant demand in North America and solid sales in Western Europe, in the Eastern Europe – Middle East – Africa region, and in Latin America, helped to offset a slow start to business in China, particularly in instrument and industrial application sales, which limited organic growth in emerging markets to around 5%. Broad geographic diversification of the business provided the Company with a solid base for expansion.

At constant exchange rates and scope of consolidation, first-half 2014 sales by region can be summarized as follows:

Sales by region In millions of euros	**Six months ended** **June 30, 2014**	Six months ended June 30, 2013	% change As reported	**% change** At constant exchange rates & scope of consolidation
Europe[(1)]	**402**	391	+2.9%	**+3.9%**
North America[(2)]	**196**	168	+16.4%	**+5.6%**
Latin America	**59**	64	-7.7%	**+9.2%**
Americas	**255**	232	+9.8%	**+6.6%**
Asia-Pacific	**120**	131	-8.3%	**-1.7%**
Total per region	**777**	754	+3.1%	**+3.7%**
R&D-related revenue	**4**			
Total	**781**	754	+3.5%	**+4.2%**

(1) Including the Middle East and Africa.
(2) Including €27 million in BioFire sales.

- In the **Europe – Middle East – Africa** region (52% of the consolidated total), sales improved by a significant 3.9% on the prior-year period.
  - In Western Europe (44% of the consolidated total), where the first signs of economic recovery continued, sales rose by 2.8% following four years of decline or stagnation. Vigorous gains in Germany (up 6%) and the United Kingdom (up 7%) were underpinned notably by clinical microbiology sales. In the persistently challenging French market, bioMérieux's sales increased over the period thanks to satisfactory sales of reagents and instruments in the automated ID/AST line. Lastly, in Southern Europe, the upturn in business that began in the first quarter of 2014 was strengthened by a solid performance in clinical microbiology reagents and industrial applications, leading to total year-on-year growth of more than 3% for the countries concerned, even as the Company maintained its strict approach to trade receivables management.

    Robust instrument sales supported business in the clinical sector. Boosted by the broad product portfolio, sales of industrial applications were higher in virtually every country.
  - Delivering growth of 10% year-on-year, the Eastern Europe – Middle East – Africa region confirmed its vitality in both clinical and industrial applications. Its ability to sustain this momentum could nevertheless be affected if geopolitical tensions in the region endure.
- The Group's newly created **Americas** region, accounting for a third of consolidated sales, delivered growth of 6.6% for the period.
  - In North America (25% of the consolidated total), sales climbed by a solid 5.6%.

    In clinical applications, the VITEK® automated ID/AST line pursued its development, helped by the installation of a large number of VITEK® MS systems. In addition, VIDAS® continued to benefit from the success of the VIDAS® B.R.A.H.M.S PCT assay in the intensive care market.

In industrial applications, growth was lifted by reagent sales but dampened by weaker instrument sales, reflecting longer periods required to negotiate certain sales contracts compared with what was previously observed.

- In Latin America (8% of the consolidated total), sales improved in all of the direct distribution countries in the region. Business continued to be driven by reagents, the local currency prices of which were in some cases significantly increased at the beginning of the year in order to adjust the sales strategy to the volatile exchange rate environment.

- In the **Asia-Pacific** region (15% of the consolidated total), business contracted by 1.7% year-on-year. While sales in India climbed by a rapid 21% in the second quarter, particularly in clinical applications, business in China recovered more slowly than anticipated. In China, reagent sales grew at a solid pace, especially in clinical applications. Nevertheless, the Company saw a sharp slowdown in business from its distributors in the public health laboratory equipment sector and its performance in industrial applications was negatively impacted by the observed postponement of tenders by customers. In this environment, sales were down by 5% year-on-year in China for the first time since March 2009. However, the Company believes that the current trend in clinical reagent sales should help to turn business around to a certain extent in the second half of the year, and that market fundamentals – such as healthcare reform, the emerging middle class, the fight against infectious diseases and antibiotic resistance, as well as growing food safety needs – remain unchanged. The Company therefore reaffirms its development strategy for China and remains convinced that it has the necessary competitive advantages to achieve its ambitions there.

  In the Asia-Pacific region as a whole, growth in the VIDAS® reagent line drove bioMérieux's sales performance in the clinical sector, whereas sharply lower sales in China held back business in industrial applications.

First-half 2014 sales, at constant exchange rates and scope of consolidation, may be analyzed by **application** as follows:

Sales by application In millions of euros	**Six months ended June 30, 2014**	Six months ended June 30, 2013	% change As reported	**% change** At constant exchange rates & comparable scope of consolidation
Clinical applications	**620**	597	3.9%	**+4.4%**
Microbiology	**365**	377	-3.3%	**+1.0%**
Immunoassays	**185**	175	+5.5%	**+10.4%**
Molecular biology	**62**	37	+69.6%	**+9.9%**
Other lines	**8**	8	+3.2%	**+8.7%**
Industrial applications	**157**	157	+0.0%	**+1.2%**
Total per application	**777**	754	+3.1%	**+3.7%**
R&D-related revenue	**4**			
Total	**781**	754	+3.5%	**+4.2%**

- In **clinical applications**, sales advanced by a solid 4.4%.
  - **Microbiology** sales rose by 1%, led in particular by the strong performance of the automated ID/AST line, culture media and full microbiology lab automation solutions. However, there was a year-on-year erosion in sales of the BacT/ALERT® blood culture line, for which production volumes continued to fall short of customer needs (see paragraph about the Durham site in "Second-Quarter Operating Highlights"). In 2014, the Company will broaden its commercial offering further with the launch of two new, particularly innovative systems. The new generation Virtuo™ blood culture system is in its final phase and teams are actively preparing for its upcoming market launch in target countries that recognize the CE marking. At the same time, the first incubator incorporating imaging technologies is being installed in the laboratory of the partner with whom bioMérieux is developing this system. In this way, it can be gradually introduced for use in routine microbiology diagnostics before the year-end.
  - In **immunoassays**, VIDAS® line sales accelerated rapidly in the second quarter, bringing growth to nearly 12% for the first six months of the year. Sales were led by reagents and instruments, helped by the successful positioning of the VIDAS® line in high medical value assays and in emerging markets. In addition, the VIDAS® 25 OH Vitamin D Total test, which was CE-marked in late 2013, enjoyed a promising start-up during the period.
  - **Molecular biology** reported a nearly 10% year-on-year increase in sales, thanks to the fast growth in the ARGENE® line. Including the contribution of BioFire, which has been consolidated from January 16, molecular biology sales grew by 70% in the first half of the year.
- **Industrial applications** represent 20% of consolidated sales. Up 1.2% year-on-year, they were penalized by delays in public tenders in China and weak instrument sales in North America. However, business remained robust in the Eastern Europe – Middle East – Africa region and continued to trend upwards in Western Europe. Over the rest of the year, the Company expects the favorable trend observed in Europe to continue and a return to buoyancy in North America, and thereby aims to gradually reinvigorate sales in industrial applications. The Company has a variety of unique competitive advantages – the market's broadest product line-up, marketed innovative solutions, a rich development pipeline, and a global presence – and therefore believes that it is capable of meeting the growing needs of its client base.
- Sales of **reagents** and **services,** which represented 90.7% of consolidated sales, rose by 5% on an organic basis.

2) Financial highlights

- **Consolidated income statement**

- **Gross profit** amounted to €387 million for the period, representing 49.6% of total sales. For the first time, the amount includes the gross profit of BioFire, whose gross margin is currently less than that of the Group. The total was significantly impacted by the decline of numerous currencies against the euro, representing a negative currency effect estimated at €26 million. At constant exchange rates and scope of consolidation, gross margin for first-half 2014 would have represented close to 51% of sales, versus 52.6% for the prior-year period. While benefiting from a slight increase in the average price of reagents and the higher proportion of consolidated sales derived from reagents and services, gross margin was penalized by expenditure incurred at the Durham plant (see “Significant events of first-half 2014” below).

Contributive operating income before non-recurring items[1] totaled €94 million versus €125 million in first-half 2013. As expected, this performance reflects an estimated negative currency effect of around €17 million as well as costs incurred by the Company in respect of its Durham site: additional costs (fees and costs associated with the Quality process) represented an estimated USD 15 million, up USD 11 million year-on-year.

- **Selling, general** and **administrative** expenses amounted to €215 million. Virtually stable since 2012, they rose by €16 million in the first half of 2014. In particular, the Company invested significantly in supporting the launch of its new, innovative products and its development in emerging markets. **Selling, general** and **administrative expenses** therefore represented 27.5% of sales, compared with 26.3% in first-half 2013.
- Representing nearly 13% of sales, **research and development expenses** stood at €100 million for the period. They were stable at constant exchange rates and scope of consolidation, attesting to the Company’s determination to maintain a high level of investment in the product development and launch pipeline.
- **Research tax credits** came to €14 million, up €2 million year-on-year.
- Including nearly €5 million in royalties received by BioFire, "**other operating income**" amounted to €7.4 million, versus €4 million for the same period in 2013.

- After amortization of technology and other intangible assets relating to the acquisition of BioFire (€6 million), BioFire acquisition costs (€5 million), the utilization of acquired inventories remeasured at fair value (€3 million) and fees due on the cancellation of agreements with BioFire distributors (€1 million), **operating income before non-recurring items*** amounted to €79 million, compared with €125 million for the six months ended June 30, 2013.

- **Operating income** includes non-recurring items for €1.2 million and totals almost €81 million compared to €124 million in first-half 2013.

- Virtually stable year-on-year, **net financial expense** stood at €4.1 million at the period end, as the increase in the cost of net debt was offset by the absence of write-downs on equity interests, unlike in first-half 2013.

- **Income tax expense** stood at €24 million. The effective tax rate represented 31.1% of pretax income, versus 32.6% for the prior-year period. Last year’s rate was higher because the write-downs on certain equity interests were not tax deductible.

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[1] Contributive operating income before non-recurring items relating to the acquisition and integration of BioFire, and before accounting entries relating to BioFire purchase price allocation. Operating income before non-recurring items corresponds to operating income before material, extraordinary and non-recurring items, which are included in “other non-recurring income and expenses from operations.”

- In these conditions, **net income** for the first half of 2014 amounted to €53 million and represented 6.7% of consolidated sales. In comparison, the first-half 2013 figure came to €80 million.

- **Consolidated cash flow statement**

- Given the decrease in contributive operating income before non-recurring items, **EBITDA**[2] amounted to €141 million in the first half of 2014, versus €169 million in the six months ended June 30, 2013.

- **Operating working capital** remained stable, despite the solid growth in the Group's sales, after increasing by €55 million in the first half of 2013, and represented 26.5% of sales, compared to 28.6% one year earlier.

  - The net value of inventories increased by €27 million, after increasing by €36 million in first-half 2013, during which safety stocks were built up in preparation for the market launch of the VIDAS® 3 platform.

  - Trade receivables fell by €35 million, after decreasing by €14 million in the year-earlier period. This trend reflects the Company's ongoing strict management of trade receivables, as well as the receipt of €13 million in payments for past-due Spanish public-sector receivables in February 2014. As a result, the Group's average day's sales outstanding, all customers combined, improved significantly to 94 days at June 30, 2014 from 103 days a year earlier.

- **Capital expenditure** outlays totaled €56 million, compared with €60 million in first-half 2013, including €42 million in industrial capital expenditure versus €46 million in first-half 2013. Industrial capex primarily concerned projects to increase production capacity, particularly at the Durham and Craponne plants, extend the Marcy l'Etoile site, and deploy the Global ERP system.

- In addition, the **Boxtel** site in the Netherlands was sold. The disposal proceeds, which were received in full by June 30, 2014, added €10 million to cash flow for the period. Because the site was sold for slightly more than its net book value, the disposal had no material impact on the first-half 2014 consolidated income statement.

- In light of the above, **free cash flow**[3] amounted to €69 million for the period versus €42 million in first-half 2013.

- In January 2014, bioMérieux completed the **acquisition of all outstanding shares of BioFire**. The transaction includes a USD 450 million acquisition price and the company's net financial debt (around USD 40 million), representing a total consideration of €353 million. In addition, the BioFire acquisition costs were paid during the period in an amount of €7 million.

- **Dividends** totaling €39.5 million (€38.7 million in 2013) were paid in June 2014.

- As a result, **net debt** amounted to €307 million at June 30, 2014, compared with €43 million a year earlier.

  The Company has issued €300 million in seven-year bonds, which were placed with institutional investors in October 2013. In addition, it has a €350 million syndicated line of credit whose expiration date was extended during the first half to May 20, 2019.

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[2] EBITDA corresponds to the aggregate of contributive operating income before non-recurring items, depreciation and amortization.

[3] Free cash flow corresponds to cash generated from operation, net of cash used in investing activities.

C - SIGNIFICANT EVENTS OF FIRST-HALF 2014

Solid progress in integrating BioFire

Acquired mid-January 2014, **BioFire** is specialized in the molecular and syndromic diagnosis of infectious diseases with FilmArray®, a multiplex PCR molecular biology system that is CE-marked and FDA-cleared. FilmArray®'s menu currently comprises three panels – respiratory, blood culture ID and gastrointestinal – all of which are CE-marked and FDA-cleared.

As soon as the transaction closed, the bioMérieux and BioFire teams began the **integration** process, which is already starting to deliver real benefits:

- Discussions have been initiated with BioFire distributors and, beginning in July, FilmArray® can be directly marketed by the Company's local sales subsidiaries in eight European countries (including France, the United Kingdom, Germany and Scandinavia).
- FilmArray® has also been granted commercial authorizations in new markets. In particular, in June 2014, approval by Australia's Therapeutic Goods Administration (TGA) for the FilmArray® instrument, respiratory panel, and blood culture identification panel was obtained in only five days. Moreover, the commercial availability of FilmArray® was expanded to new European territories including Hungary, Norway, Slovakia, the Czech Republic and Poland.
- As a result, by the end of June, FilmArray® was available for sale in the United States, in 25 European countries that recognize the CE marking, in Hong Kong, in Australia, in Thailand and in other countries that do not require regulatory licenses (such as Chile and South Africa). The Company is actively working to obtain regulatory approvals for commercialization in other countries, such as China, India and Brazil.
- On the other hand, the legal protest action initiated by a competing company regarding the award of the USD 240 million Next Generation Diagnostic System (NGDS) Technology Development contract to BioFireDefense by the U.S. Department of Defense (DoD) was still underway at the end of June and the related work was still on hold.

Over the five and a half months from January 16 to June 30, 2014, BioFire contributed sales of €28 million, reported in "change in the scope of consolidation" for the period in the table below. This represented a year-on-year gain of around 42%. With the global marketing organization still in the deployment phase, North America accounted for €27 million of the total.

Commercial offer

In the first half of the year, bioMérieux enhanced its commercial offer and launched three new products. In particular, the **FilmArray® gastrointestinal (GI) panel** received FDA 510(k) clearance and was CE-marked during the second quarter. Now commercially available in the United States and Europe, the 22-target GI panel allows a syndromic approach to the diagnosis of infectious diarrhea as it includes bacteria, viruses and parasites in one test. It is the most comprehensive gastrointestinal test to be cleared by the FDA and contains several pathogens receiving FDA clearance for the first time.

In addition, since its European launch a year ago, **VIDAS® 3** has been favorably received and has gradually set the new standard for the VIDAS® line in all of the 42 countries where it is commercially available. Today, following the launch in Europe, bioMérieux is continuing to commercially deploy the instrument in Latin America and the Asia-Pacific region, where it has been cleared for sale in China by the SFDA. During the second quarter, bioMérieux filed for FDA approval for commercialization in the U.S. By the end of June, the VIDAS® 3 installed base represented about 350 instruments. Its expansion reflected both the intrinsic qualities of the instrument, and the breadth and relevance of its menu. In particular, the VIDAS® 25 OH Vitamin D Total assay has proven to be an effective demand catalyst.

Lastly, as part of the streamlining of its product portfolio, the Company has decided to stop the commercialization of certain lines whose associated business accounted for around an aggregate 1% of 2013 consolidated sales. These included LyfoCults® Quality Control reagents, which will be gradually phased out in 2015; the vast majority of biochemical reagents, to be terminated in first-half 2015; and BacT/ALERT® bottles for mycobacteria detection in the blood stream, to be terminated in first-quarter 2015.

- **Deployment of the new operating organization**

On April 15, 2014, the Company announced the deployment of a **new organization** led by Alexandre Mérieux.

Three regional organizations with expanded responsibilities have been created: a Europe – Middle East – Africa region, an Americas region and an Asia-Pacific region. In parallel, two business units for bioMérieux's customer segments, a Clinical Unit and an Industry Unit, have been introduced.

The new organization, which is now up and running, should enable the Company to intensify the deployment of its strategic plan and to pursue its international expansion while always better serving customers.

- **Industrial development plan**

  - **The Durham, NC site** (United States)

The Company is pursuing a broad action plan intended to reinforce the Durham site’s quality system and to return to a satisfactory blood culture bottle production situation by the end of 2014. In accordance with this schedule, bioMérieux is in the process as of June 30, 2014 of validating the newest production line, on which capacities have been increased this summer to 24 hours/7 days production (versus 24/5 previously). Moreover, in early July, the Company initiated the construction of an additional blood culture bottle production line. The new line is expected to be effective in the first half of 2017 to provide sufficient production capacity to meet the world's further increasing demand for blood culture bottles in the years to come.

  - **Deployment of the Global ERP system**

The Global ERP system continued to be successfully deployed during the period. Following its launch in South Africa and Portugal, it is now up and running in 26 subsidiaries.

EMPLOYEES

- As of June 30, 2014, the Company had 8,535 full-time-equivalent **employees**, including 613 at BioFire. Excluding BioFire, there were 7,723 employees at December 31, 2013.

D – PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties to which the Company could be exposed in the second half of 2014 are set out in Chapters 4 and 20 in Note 29 of the 2013 Registration Document and in Notes 8 (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.

E – PRINCIPAL TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties continued on the same basis as 2013 without any significant developments (see Note 18 to the interim consolidated financial statements in Appendix B of the Interim Financial Report and Note 31 to the consolidated financial statements for the year ended December 31, 2013 in Chapter 20 of the 2013 Registration Document). No new transactions between related parties had a material impact on the Company's financial position or earnings.

F – OUTLOOK

- **CE marking for VIRTUO™**

  In July 2014, bioMérieux announced the CE marking of the new generation BacT/ALERT® system, **VIRTUO**™. This unique and innovative automated blood culture system for detecting disease-causing microorganisms has extended the BacT/ALERT® range of solutions. Thanks to its increased efficiency, the system will enable laboratories to deliver fast results to clinicians, thereby helping to improve patient care and optimize laboratory productivity. It is now commercially available in target countries that recognize the CE marking. The VIRTUO™ launch will concern existing customers in an initial phase, until blood culture bottle supply levels reach satisfactory levels.

- In 2014, bioMérieux expects to report **sales** growth of between 3% and 5% for the year, at constant exchange rates and scope of consolidation. The Company demonstrates the resilience of its business model, based on the technological and geographic diversification of its business base.

- In addition, backed by its good sales momentum and the implementation of an operating cost control plan, bioMérieux maintains its target to achieve **contributive operating income before non-recurring items** of between €220 million and €245 million.

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, 2014 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 33 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'Étoile, September 2, 2014

Chairman and Chief Executive Officer	Deputy Chief Executive Officer
Jean-Luc Bélingard	Alexandre Mérieux

D – STATUTORY AUDITORS' REVIEW REPORT

Statutory Auditors' review report on the 2014 interim financial information

bioMérieux

For the six months ended June 30, 2014

Statutory Auditors' review report

on the 2014 interim financial information

DIAGNOSTIC REVISION CONSEIL
20, rue Garibaldi
69006 Lyon
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

For the six months ended June 30, 2014

Statutory Auditors' review report on the 2014 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, 2014;
- 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 2.4 to the condensed interim consolidated financial statements, which discusses the new operating performance indicator known as "contributive operating income before non-recurring items".

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, September 2, 2014

The Statutory Auditors

DIAGNOSTIC REVISION CONSEIL	ERNST & YOUNG et Autres
Hubert de Rocquigny du Fayel	Marc-André Audisio