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

INTERIM FINANCIAL REPORT

SIX MONTHS ENDED JUNE 30, 2016

CONTENTS

A – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2016

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2016

CONSOLIDATED INCOME STATEMENT

In millions of euros	Notes	Six months ended June 30, 2016	Year ended Dec. 31, 2015	Six months ended June 30, 2015
Sales		**1,000.8**	**1,964.6**	**933.2**
Cost of sales		(482.0)	(975.4)	(459.6)
Gross profit		**518.8**	**989.2**	**473.6**
Other operating income	**9**	**20.9**	**38.9**	**18.7**
Selling and marketing expenses		(185.2)	(365.4)	(176.4)
General and administrative expenses		(79.6)	(163.8)	(77.9)
Research and development expenses		(125.5)	(238.9)	(115.9)
Total operating expenses		**(390.3)**	**(768.1)**	**(370.2)**
Contributive operating income before non-recurring items		**149.4**	**260.0**	**122.1**
BioFire acquisition fees and amortization expense	10	(13.6)	(31.7)	(18.2)
Operating income before non-recurring items		**135.8**	**228.3**	**103.9**
Other non-recurring income and expenses from operations, net	11	9.7	(33.4)	(0.8)
Operating income		**145.5**	**194.9**	**103.1**
Cost of net debt	12.2	(9.1)	(24.6)	(12.1)
Other financial income and expenses, net	12.3	(4.7)	6.3	(1.0)
Income tax	13	(46.0)	(65.9)	(30.7)
Share in earnings (losses) of equity-accounted companies		(0.1)	(0.2)	(0.2)
Net income for the period		**85.6**	**110.3**	**59.1**
Attributable to non-controlling interests		(0.1)	(0.2)	(0.4)
Attributable to owners of the parent		**85.7**	**110.5**	**59.6**
Basic earnings per share		€2.17	€2.80	€1.51
Diluted earnings per share		€2.17	€2.80	€1.51

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Notes	Six months ended June 30, 2016	Year ended Dec. 31, 2015	Six months ended June 30, 2015
Net income for the period		**85.6**	**110.3**	**59.1**
Items to be reclassified to income		**(23.4)**	**43.1**	**32.4**
Change in fair value of financial assets and financial instruments		(1.9)	6.2	(6.0)
Tax effect		3.2	(2.9)	1.7
Movements in cumulative translation adjustments	6.2	(24.6)	39.8	36.6
Items not to be reclassified to income		**(16.3)**	**0.1**	**0.6**
Remeasurement of employee benefits	7.2	(25.2)	0.5	0.9
Tax effect		8.9	(0.4)	(0.4)
Total other comprehensive income (expense)		**(39.7)**	**43.2**	**32.9**
Total comprehensive income		**46.0**	**153.5**	**92.0**
Attributable to non-controlling interests		(0.1)	0.3	0.2
Attributable to owners of the parent		**46.1**	**153.2**	**91.9**

CONSOLIDATED BALANCE SHEET

ASSETS *In millions of euros*	**Notes**	**June 30, 2016**	**Dec. 31, 2015**	**June 30, 2015**
Intangible assets	3	471.7	476.5	476.6
Goodwill	3.3	455.8	459.3	455.0
Property, plant and equipment	4.1	614.1	573.6	505.4
Non-current financial assets	4.3	58.1	60.0	39.7
Investments in equity-accounted companies		0.6	0.3	0.3
Other non-current assets		18.8	21.8	21.7
Deferred tax assets		83.3	80.1	93.7
Non-current assets		**1,702.4**	**1,671.6**	**1,592.3**
Inventories and work-in-progress		382.9	355.8	360.1
Trade receivables	5	420.5	445.1	430.6
Other operating receivables		97.1	86.4	96.3
Current tax receivables		14.1	44.9	12.2
Non-operating receivables		14.8	16.9	11.1
Cash and cash equivalents		126.3	147.1	108.9
Current assets		**1,055.7**	**1,096.1**	**1,019.3**
Assets held for sale	4.2	**0.0**	**5.9**	**62.5**
TOTAL ASSETS		**2,758.1**	**2,773.6**	**2,674.2**

EQUITY AND LIABILITIES *In millions of euros*	**Notes**	**June 30, 2016**	**Dec. 31, 2015**	**June 30, 2015**
Share capital	6.1	12.0	12.0	12.0
Additional paid-in capital and reserves	6.2	1,404.2	1,372.0	1,362.1
Attributable net income for the period		85.7	110.5	59.6
Equity attributable to owners of the parent		**1,502.0**	**1,494.5**	**1,433.7**
Non-controlling interests		**8.0**	**8.1**	**7.9**
Total equity		**1,510.0**	**1,502.6**	**1,441.6**
Long-term borrowings and debt	8	312.4	308.9	305.3
Deferred tax liabilities		157.4	162.8	156.6
Provisions	7	134.5	110.3	106.9
Non-current liabilities		**604.2**	**582.0**	**568.8**
Short-term borrowings and debt	8	79.4	61.8	80.2
Provisions	7	20.6	18.2	17.5
Trade payables		162.7	176.9	157.8
Other operating payables		287.2	284.0	269.2
Current tax payables		14.8	46.7	26.4
Non-operating payables		79.2	95.9	86.3
Current liabilities		**643.9**	**683.5**	**637.4**
Liabilities related to assets held for sale	4.2	**0.0**	**5.5**	**26.4**
TOTAL EQUITY AND LIABILITIES		***2,758.1***	***2,773.6***	***2,674.2***

CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of euros	Notes	Six months ended June 30, 2016	Year ended Dec. 31, 2015	Six months ended June 30, 2015
Net income for the period		85.6	110.3	59.1
- Share in earnings (losses) of equity-accounted companies		0.1	0.2	0.2
- Cost of net debt		9.1	24.6	12.1
- Other financial income and expenses, net		4.7	(6.3)	1.0
- Current tax expense		46.0	65.9	30.7
- Net additions to depreciation and amortization of operating items – non-current provisions		63.7	120.4	56.7
- Non-recurring income and expenses and BioFire acquisition fees and amortization expense		3.9	65.1	19.0
EBITDA (before non-recurring items)	**8**	**213.1**	**380.4**	**178.8**
Other non-recurring income and expenses from operations (excluding net additions to non-recurring provisions and capital gains or losses on disposals of non-current assets)		0.0	0.0	0.0
Other financial income and expenses, net (excluding provisions and disposals of non-current financial assets)		(3.8)	0.6	(1.0)
Net additions to operating provisions for contingencies and losses		0.1	5.1	2.9
Changes in fair value of financial instruments		1.4	(3.3)	(1.5)
Share-based payment		1.0	1.2	0.4
Elimination of other non-cash/non-operating income and expenses		**(1.3)**	**3.6**	**0.8**
Change in inventories		(29.5)	(40.4)	(45.4)
Change in trade receivables		27.3	16.0	32.7
Change in trade payables		(12.4)	(17.3)	(37.0)
Change in other operating working capital		(22.1)	4.8	(12.1)
Change in operating working capital		**(36.7)**	**(36.9)**	**(61.8)**
Other non-operating working capital		5.2	(9.4)	(4.6)
Change in non-current non-financial assets and liabilities		2.7	2.2	1.9
Change in working capital requirement		**(28.8)**	**(44.1)**	**(64.5)**
Income tax paid		**(41.3)**	**(29.9)**	**(5.5)**
Net cash from operating activities		**141.7**	**310.0**	**109.6**
Purchases of property, plant and equipment and intangible assets		(114.0)	(208.2)	(86.1)
Proceeds from disposals of property, plant and equipment and intangible assets		2.3	18.6	13.1
Purchases of/proceeds from disposals of non-current financial assets, net		0.9	(17.9)	(6.1)
Impact of changes in Group structure	8	(17.9)	(0.5)	(0.5)
Net cash used in investing activities		**(128.7)**	**(208.0)**	**(79.6)**
Cash capital increase		0.0	0.0	0.0
Purchases and sales of treasury shares		(0.1)	(0.7)	(0.8)
Dividends paid to owners		(39.5)	(39.5)	(39.5)
Cost of net debt		(9.1)	(24.6)	(12.1)
Change in committed debt		13.8	2.6	15.2
Net cash used in financing activities		**(34.9)**	**(62.1)**	**(37.2)**
Net change in cash and cash equivalents		**(21.8)**	**39.8**	**(7.1)**
Net cash and cash equivalents at beginning of period		**136.7**	**103.9**	**103.9**
Impact of changes in exchange rates on net cash and cash equivalents		(8.2)	(6.9)	(2.0)
Net cash and cash equivalents at end of the period		**106.7**	**136.7**	**94.8**

Comments on changes in consolidated net cash and cash equivalents are provided in Note 8.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

In millions of euros	Attributable to owners of the parent										Non-controlling interests
	Share capital	Additional paid-in capital and consolidated reserves [a]	Cumulative translation adjustments	Changes in fair value of financial instruments [b]	Actuarial gains and losses [c]	Treasury shares	Share-based payment	Total additional paid-in capital and reserves	Net income for the period	Total	Total
Equity at December 31, 2014	**12.0**	1,258.6	12.1	2.0	(42.2)	(0.4)	3.8	**1,234.0**	**134.9**	**1,380.9**	**7.8**
IFRIC 21 restatement		0.8						**0.8**		**0.8**	
Total comprehensive income for the period			36.0	(4.3)	0.6			**32.3**	**59.6**	**91.9**	**0.2**
Appropriation of prior-period net income		134.9						**134.9**	**(134.9)**	**0.0**	
Dividends paid [d]		(39.5)						**(39.5)**		**(39.5)**	**0.0**
Treasury shares		(0.2)				(0.5)		**(0.7)**		**(0.7)**	
Share-based payment [e]							0.5	**0.5**		**0.5**	
Changes in ownership interests		(0.2)						**(0.2)**		**(0.2)**	
Equity at June 30, 2015	**12.0**	**1,354.5**	**48.2**	**(2.2)**	**(41.6)**	**(0.9)**	**4.2**	**1,362.1**	**59.6**	**1,433.7**	**7.9 (h)**

	Attributable to owners of the parent										Non-controlling interests
In millions of euros	**Share capital**	Additional paid-in capital and consolidated reserves[a]	Cumulative translation adjustments	Changes in fair value of financial instruments[b]	Actuarial gains and losses[c]	Treasury shares	Share-based payment	**Total additional paid-in capital and reserves**	**Net income for the period**	**Total**	**Total**
Equity at December 31, 2014	**12.0**	1,258.6	12.1	2.0	(42.2)	(0.4)	3.8	**1,234.0**	**134.9**	**1,380.9**	**7.8**
Total comprehensive income for the period			39.2	3.4	0.1			**42.7**	**110.5**	**153.2**	**0.3**
Appropriation of prior-period net income		134.9						**134.9**	**(134.9)**	**0.0**	
Dividends paid[d]		(39.5)						**(39.5)**		**(39.5)**	
Treasury shares		(1.3)				0.1		**(1.2)**		**(1.2)**	
Share-based payment[e]							1.2	**1.2**		**1.2**	
Changes in ownership interests		(0.2)						**(0.2)**		**(0.2)**	
Equity at December 31, 2015	**12.0**	1,352.6	51.4	5.4	(42.1)	(0.3)	5.0	**1,372.0**	**110.5**	**1,494.5**	**8.1**
Total comprehensive income for the period			(24.6)	1.3	(16.3)			**(39.7)**	**85.7**	**46.1**	**(0.1)**
Appropriation of prior-period net income		110.5						**110.5**	**(110.5)**	**0.0**	
Dividends paid[d]		(39.5)						**(39.5)**		**(39.5)**	
Treasury shares		(0.5)				0.3		**(0.1)**		**(0.1)**	
Share-based payment[e]							1.0	**1.0**		**1.0**	
Changes in ownership interests								**0.0**		**0.0**	
Equity at June 30, 2016	**12.0**	**1,423.2 (f)**	**26.7 (g)**	**6.7**	**(58.4)**	**0.0**	**6.0**	**1,404.2**	**85.7**	**1,502.0**	**8.0 (h)**

(a) Including €63.5 million in additional paid-in capital.
(b) Including changes in the fair value of Labtech, Biocartis and Geneuro shares and hedging instruments.
(c) Actuarial gains and losses on employee benefit obligations arising since the introduction of IAS 19R.
(d) Dividend per share: €1 in 2015 and in 2016.
(e) The fair value of benefits related to share grants is being recognized over the vesting period.
(f) Including €849 million in bioMérieux SA distributable reserves.
(g) See Note 6.2, Cumulative translation adjustments.
(h) Including Shanghai bioMérieux Bioengineering, bioMérieux Japan and RAS Lifesciences.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2016

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

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

The condensed interim consolidated financial statements were approved by the Board of Directors on August 30, 2016 and are presented in millions of euros. They have been subject to a review by the Statutory Auditors.

1 SIGNIFICANT EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION IN FIRST-HALF 2016

1.1 SIGNIFICANT EVENTS OF FIRST-HALF 2016

1.1.1 Acquisition of Hyglos

In May 2016, bioMérieux acquired a 71.5% interest in Germany's Hyglos. Founded in 2009, Hyglos specializes in the development and production of recombinant proteins used to detect endotoxins in pharmaceutical products. The total consideration to acquire 100% of Hyglos shares amounts to €24 million, payable over a three-year period.

In view of the date Hyglos was acquired, it was not consolidated at June 30, 2016; its shares are shown in non-current financial assets. The full consolidation of Hyglos would not have had a material impact on the 2016 interim consolidated financial statements.

1.2 SUMMARY OF SIGNIFICANT EVENTS IN 2015

1.2.1 Loss of control of bioTheranostics

In accordance with the agreements signed in December 2015, bioMérieux has held less than 17% of bioTheranostics' capital since January 20, 2016.

As from January 1, 2016, bioTheranostics has been accounted for as an equity investment since bioMérieux no longer exercises control or significant influence over the company. Transactions between January 1 and the date the external partners took a stake in bioTheranostics' capital would not have had a material impact on the interim consolidated financial statements.

As expected, the operation led the Group to recognize a gain on deconsolidation related to the €10.4 million dilution resulting chiefly from the recognition of unrealized translation gains and losses in income. This deconsolidation gain is shown in other non-recurring income and expenses from operations.

The shares in bioTheranostics are now carried in available-for-sale financial assets for an amount of zero, in view of the class of shares held by the Group. bioTheranostics shares had been shown in assets held for sale in 2015.

The Group did not consider it necessary to present pro forma information since the impact of the loss of control of bioTheranostics on the Group's consolidated financial statements was not material.

bioTheranostics had posted an operating loss of €7.5 million for the first six months of 2015 and €8.9 million in sales.

1.2.2 Retention bonus following the acquisition of BioFire

A performance-based retention plan was approved for certain BioFire employees at the time of BioFire's acquisition and set up in March 2014. Based on forecasts at June 30, 2016, the Group expects to meet the performance target on which the plan is contingent. An employee liability was therefore recognized in the 2016 interim consolidated financial statements for a total amount of USD 19.9 million, including USD 4.9 million expensed in the period in connection with services provided by the employees concerned.

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

1.3 Changes in the scope of consolidation

1.3.1 Acquisition of Quercus Scientific

At the end of December 2015, bioMérieux acquired all of the shares of Quercus Scientific NV, a holding company for Applied Maths NV and its subsidiary Applied Maths Inc. Quercus Scientific NV specializes in the development and marketing of predictive diagnostic IT solutions based on data analysis.

The agreement includes a commitment to purchase the remaining shares held by J2CO in 2017.

In light of the date the company was acquired and of its non-material nature, Quercus Scientific NV was not consolidated by bioMérieux at December 31, 2015.

The subsidiary's consolidation with effect from January 1, 2016 led the Group to recognize technologies and provisional goodwill in its interim financial statements at June 30, 2016. This goodwill reflects the human capital acquired and the commercial opportunities resulting from the broader product and service offer.

Quercus Scientific's contribution to sales and to contributive operating income before non-recurring items was not material in first-half 2016.

1.3.2 Sale of Adiagène

On March 31, 2016, bioMérieux sold all of its shares in Adiagène to its partner Finalab for a price of €1.4 million following repayment of debt.

The sale generated a €0.7 million gain for bioMérieux, included within other income and expenses from operations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Standards, amendments and interpretations

The 2016 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, 2016. The standards, amendments and interpretations adopted by the European Union can be consulted on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

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

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

The accounting policies and calculation methods used to prepare the interim consolidated financial statements for the six months ended June 30, 2016 and June 30, 2015 are identical to those used to prepare the consolidated financial statements for the year ended December 31, 2015 and described in detail in the Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 17, 2016, with the exception of the standards, amendments and interpretations that came into force in 2016. In some cases, these rules have been adapted to the specific nature of interim financial statements, in accordance with IAS 34.

The main standards, amendments and interpretations applicable to reporting periods beginning on or after January 1, 2016 are as follows:

- Annual Improvements to IFRSs, 2010-2012 and 2012-2014 cycles.
- Amendment to IAS 1 "Disclosure Initiative".

These new standards published by the IASB did not have a material impact on the Group's consolidated financial statements.

The Group chose not to early adopt the standards, interpretations and amendments adopted by the IASB and the European Union before the reporting date, or not yet adopted by the European Union although available for early application, but that come into force after the end of the reporting period. This mainly concerns the amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses" and to IAS 7 "Disclosure Initiative". Based on its current analysis, the Group does not expect these improvements to have a material impact on its financial statements.

At June 30, 2016, there were no standards, amendments or interpretations published by the IASB and effective in 2016 but not yet adopted by the European Union (and not available for early adoption in Europe).

The Group has not yet analyzed the impact of IFRS 15 "Revenue from Contracts with Customers", IFRS 9 "Financial Instruments" and IFRS 16 "Leases", which have been adopted by the IASB and will be effective for the first time in reporting periods beginning on or after January 1, 2018 (IFRS 15 and IFRS 9) and January 1, 2019 (IFRS 16). These standards have not yet been adopted by the European Union (adoption is planned in late 2016 or in 2017, depending on the standard).

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 JUDGMENTS AND ESTIMATES

The rules used for judgments and estimates are not materially different from those used at June 30, 2015 and December 31, 2015 (see Note 2.1 to the consolidated financial statements for the year ended December 31, 2015).

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

2.3 PRESENTATION OF THE INCOME STATEMENT

The Group's key financial performance indicator is contributive operating income before non-recurring items, corresponding to recurring income less recurring expenses. It does not include non-recurring income and expenses or acquisition fees and amortization of the assets acquired and valued in connection with the BioFire purchase price allocation (see Note 3.3 to the consolidated financial statements for the year ended December 31, 2015).

The Group reviewed its internal model for allocating IT costs as from January 1, 2016. These costs, borne mainly by bioMérieux SA and bioMérieux Inc, are now rebilled within the Group to user cost centers under the activity-based costing method. This method enables cost allocation to better reflect the effective use of the corresponding services.

The introduction of this new model changes the allocation of IT costs in the income statement by function. To provide a meaningful comparison between reporting periods, we present below the impact that this method would have had on the Group's 2015 interim consolidated financial statements.

Main indicators impacted *In millions of euros*	**Six months ended June 30, 2015**		
	Published	**Impact**	**Restated**
Sales	**933.2**		**933.2**
Cost of sales	(459.6)	(8.1)	(467.7)
Gross profit	**473.6**	**(8.1)**	**465.5**
Other operating income	18.7		18.7
Selling and marketing expenses	(176.4)	(0.7)	(177.1)
General and administrative expenses	(77.9)	11.6	(66.3)
Research and development expenses	(115.9)	(2.8)	(118.7)
Total operating expenses	**(370.2)**	**8.1**	**(362.1)**
Contributive operating income before non-recurring items	**122.1**		**122.1**

2.4 Seasonality of operations

Given the significance of its respiratory panel, Filmarray sales are heavily influenced by changes in the date of occurrence and in the intensity of seasonal flu epidemics in North America. The sensitivity of the Group's other businesses to seasonal fluctuations is not significant. Sales and operating income before non-recurring items tend to be slightly higher in the second half of the year.

3 CHANGES IN INTANGIBLE ASSETS AND AMORTIZATION

3.1 Accounting policies

3.1.1 Impairment tests on non-current assets

For each year-end closing, the Group systematically carries out impairment tests on goodwill and on intangible assets with an indefinite useful life, as indicated in Note 5.2 to the consolidated financial statements for the year ended December 31, 2015. 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.

3.2 CHANGES IN INTANGIBLE ASSETS AND AMORTIZATION

Intangible assets mainly comprise patents and technologies.

Gross value *In millions of euros*	Patents Technologies	Software	Other	Total
December 31, 2014	**474.9**	**128.8**	**30.8**	**634.5**
Translation adjustments	40.0	3.4	0.6	44.1
Acquisitions/Increases	9.5	2.8	12.4	24.7
Changes in Group structure	2.9	0.0	0.0	2.9
Disposals/Decreases	(0.1)	(1.1)	(4.4)	(5.6)
Reclassifications	(0.9)	13.1	(13.9)	(1.7)
December 31, 2015	**526.5**	**146.9**	**25.5**	**698.8**
Translation adjustments	(7.6)	(1.3)	0.0	(9.0)
Acquisitions/Increases	1.3	0.7	7.4	9.3
Changes in Group structure	9.5	0.0	(1.3)	8.2
Disposals/Decreases	0.0	(0.7)	0.0	(0.7)
Reclassements	9.0	10.6	(3.9)	15.7
June 30, 2016	**538.6**	**156.3**	**27.6**	**722.4**

Amortization and impairment *In millions of euros*	Patents Technologies	Software	Other	Total
December 31, 2014	**93.6**	**76.0**	**4.8**	**174.4**
Translation adjustments	6.1	2.2	0.2	8.4
Additions	33.8	15.1	1.9	50.8
Changes in Group structure	0.0	0.0	0.0	0.0
Reversals/Disposals	(0.1)	(1.0)	(4.5)	(5.5)
Reclassifications	(0.9)	(0.9)	(3.8)	(5.7)
December 31, 2015	**132.5**	**91.3**	**(1.4)**	**222.5**
Translation adjustments	(1.5)	(0.7)	0.0	(2.2)
Additions	18.3	8.8	0.7	27.7
Changes in Group structure	0.0	0.0	(0.6)	(0.6)
Reversals/Disposals	0.0	(0.2)	(0.1)	(0.3)
Reclassifications	0.0	0.0	3.7	3.7
June 30, 2016	**149.3**	**99.2**	**2.3**	**250.8**

Carrying amount *In millions of euros*	Patents Technologies	Software	Other	Total
December 31, 2014	**381.3**	**52.8**	**25.9**	**460.0**
December 31, 2015	**394.0**	**55.6**	**26.9**	**476.5**
June 30, 2016	**389.3**	**57.1**	**25.3**	**471.7**

Excluding the currency effect, the main changes in intangible assets are:

- Technologies recognized in connection with the Applied Maths acquisition (€9.5 million).
- Customer relationships reclassified from goodwill to intangible assets with finite useful lives (€9 million).
- Impairment recognized earlier than scheduled against technologies (€3.7 million).

3.3 CHANGES IN GOODWILL

In millions of euros	Carrying amount
December 31, 2014	**437.8**
Translation adjustments	21.0
Changes in Group structure	0.6
Impairment	0.0
Reclassifications	
December 31, 2015	**459.3**
Translation adjustments	(6.0)
Changes in Group structure[a]	11.4
Impairment	0
Reclassifications[b]	(9)
June 30, 2016	**455.8**

(a) Applied Maths provisional goodwill at June 30, 2016.
(b) Reclassification of the AES customer relationship in intangible assets with finite useful lives.

As indicated in Note 1.1.1, Hyglos was not consolidated at June 30, 2016 since it was acquired towards the end of the interim reporting period.

At June 30, 2016, goodwill recognized in relation to Applied Maths was still provisional, as allowed by the revised IFRS 3. No provisional goodwill had been recognized at December 31, 2015.

No changes in goodwill impairment were recognized as a result of the impairment tests carried out (see Note 3.1.1).

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, 2014	**37.1**	**352.4**	**310.3**	**309.8**	**125.8**	94.8	**1,230.2**
Translation adjustments	1.0	10.1	11.3	2.1	5.2	7.1	**36.9**
Changes in Group structure			0.1		0.4		**0.5**
Acquisitions/Increases		15.4	17.4	43.9	5.5	97.8	**180.0**
Disposals/Decreases	(2.3)	(15.5)	(21.0)	(35.8)	(3.2)		**(77.8)**
Reclassifications	0.3	29.8	28.7	8.4	4.3	(67.8)	**3.6**
December 31, 2015	**36.1**	**392.2**	**346.8**	**328.4**	**138.0**	**132.0**	**1,373.5**
Translation adjustments	(0.2)	(2.0)	(2.4)	(2.0)	(1.1)	(1.9)	**(9.7)**
Changes in Group structure		1.5	(0.1)		0.2	0.0	**1.6**
Acquisitions/Increases	0.1	2.9	8.4	24.1	3.2	56.8	**95.4**
Disposals/Decreases	0.0	(2.0)	(2.0)	(11.9)	(3.5)		**(19.3)**
Reclassifications	0.0	10.4	10.4	0.8	1.1	(25.7)	**(3.1)**
June 30, 2016	**36.0**	**403.1**	**361.0**	**339.4**	**137.8**	**161.1**	**1,438.4**

DEPRECIATION AND IMPAIRMENT *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other	Assets under construction	Total
December 31, 2014	**1.4**	**188.6**	**210.3**	**249.2**	**93.8**		**743.3**
Translation adjustments	0.1	4.9	6.9	1.4	3.6		**16.8**
Changes in Group structure			0.1		0.2		**0.3**
Additions	0.2	19.0	30.2	27.7	11.1		**88.2**
Disposals/Decreases	(0.0)	(1.0)	(19.8)	(30.8)	(3.9)		**(55.5)**
Reclassifications		1.1	(0.8)	7.2	(0.8)		**6.7**
Chances in impairment losses recognized in accordance with IAS 36							**-**
December 31, 2015	**1.6**	**212.7**	**226.9**	**254.6**	**104.1**		**799.8**
Translation adjustments	(0.0)	(0.9)	(1.4)	(1.2)	(0.8)		**(4.4)**
Changes in Group structure		0.4	(0.1)		0.2		**0.6**
Additions	0.1	10.3	14.6	15.2	5.0		**45.2**
Disposals/Decreases	0.0	(1.9)	(1.6)	(10.2)	(3.3)		**(17.0)**
Reclassifications		0.0	0.1	0.1	(0.2)		**(0.0)**
June 30, 2016	**1.6**	**220.6**	**238.5**	**258.5**	**105.1**		**824.3**

CARRYING AMOUNT *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other	Assets under construction	Total
December 31, 2014	**35.8**	**163.7**	**100.0**	**60.7**	**32.0**	**94.8**	**486.9**
December 31, 2015	**34.5**	**179.5**	**119.9**	**73.8**	**33.9**	**132.0**	**573.6**
June 30, 2016	**34.3**	**182.5**	**122.5**	**80.9**	**32.8**	**161.1**	**614.1**

The main investments in the first half of 2016 concerned the Salt Lake City site and were recorded in assets under construction.

4.2 CHANGES IN ASSETS HELD FOR SALE

Following the deconsolidation of bioTheranostics (see Note 1.2.1), there are no longer any assets or liabilities reclassified as held for sale at June 30, 2016.

At December 31, 2015, assets and liabilities held for sale related solely to bioTheranostics and represented €5.9 million and €5.5 million, respectively.

4.3 CHANGES IN NON-CURRENT FINANCIAL ASSETS

In millions of euros	Gross value	Provisions	Carrying amount
December 31, 2014	**51.4**	**(16.3)**	**35.1**
Translation adjustments	0.6	(0.4)	0.2
Acquisitions/Increases	26.4	0.0	26.4
Disposals/Decreases	(6.6)	4.7	(1.8)
Reclassifications and changes in fair value	0.2		0.2
December 31, 2015	**72.0**	**(12.0)**	**60.0**
Translation adjustments	0.0	0.0	0.0
Acquisitions/Increases	17.0	(1.2)	15.8
Disposals/Decreases	(24.2)	3.5	(20.7)
Reclassifications and changes in fair value	2.9		2.9
June 30, 2016	**67.7**	**(9.6)**	**58.1**

Acquisitions in first-half 2016 chiefly concerned shares in Hyglos (see Note 1.1.1). Hyglos will be consolidated as from the second half of 2016.

Decreases in this caption chiefly concern shares in Applied Maths, which was consolidated for the first time with effect from January 1, 2016 (see Note 1.3.1).

5 TRADE RECEIVABLES

In millions of euros	**June 30, 2016**	**Dec. 31, 2015**	**June 30, 2015**
Gross trade receivables	442.1	464.6	451.1
Impairment losses	(21.6)	(19.6)	(20.5)
Carrying amount	**420.5**	**445.1**	**430.6**

Trade receivables include the current portion of finance lease receivables.

6 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

6.1 SHARE CAPITAL

The Company's share capital amounted to €12,029,370 at June 30, 2016 and was divided into 39,453,740 shares, of which 26,412,149 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, 2016.

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

At June 30, 2016, the parent company held 574 of its own shares in connection with a liquidity agreement entered into with a third party for market-making purposes. In the first six months of the year, the Company purchased 229,137 of its own shares and sold 231,682 shares in connection with the liquidity agreement.

6.2 CUMULATIVE TRANSLATION ADJUSTMENTS

The cumulative translation adjustments shown below include the portion attributable to non-controlling interests (€0.5 million).

In millions of euros	**June 30, 2016**	**Dec. 31, 2015**	**June 30, 2015**
Dollar[(a)]	38.9	58.9	46.3
Latin America	(5.6)	(4.9)	(1.6)
Europe-Middle East-Africa	(15.8)	(12.8)	(9.2)
Other countries	9.7	10.7	13.2
Total	**27.3**	**51.9**	**48.8**

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

6.3 EARNINGS PER SHARE

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

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

7 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

7.1 ACCOUNTING POLICIES

7.1.1 Provisions

The recognition and measurement criteria for provisions are identical to those used at December 31, 2015 (see Note 14.1 to the consolidated financial statements for the year ended December 31, 2015).

Additions to and reversals of provisions are recognized in full based on the situation at June 30, 2016.

7.1.2 Post-employment benefits

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

Post-employment benefit obligations are presented in the balance sheet for their total amount less the fair value of plan assets. The calculation of the benefit obligation and the fair value of plan assets are identical to the calculation method used at December 31, 2015 (see Note 14.3 to the consolidated financial statements for the year ended December 31, 2015).

In accordance with the provisions of IAS 34, post-employment benefits were not calculated in full at June 30, 2016 or June 30, 2015.

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, 2015.
- In view of the significant changes in interest rates over the first half, discount rates were revised at June 30, 2016. The impact of changes in the discount rate was calculated at June 30, 2016.

- Other actuarial assumptions related to the total benefit obligation (including the salary increase and employee turnover rates) showed no changes at June 30, 2016 that were likely to have a material impact. Accordingly, other actuarial gains and losses arising on changes in actuarial assumptions were not recalculated.
- Other actuarial gains and losses related to experience adjustments were not recalculated due to their non-material impact during previous years and to the fact that no material changes were expected this year.
- Benefits provided were determined based on actual departures in the period.
- Contributions to plan assets and benefits paid for retired employees during the first half were taken into account in full.
- The expected return on plan assets was determined based on the discount rate used to measure post-employment benefit obligations.

Changes in the total net benefit obligation are set out in Note 7.3.

7.2 MOVEMENTS IN PROVISIONS

In millions of euros	Pension and other employee benefit obligations	Product warranties	Restructuring	Disputes	Other contingencies and losses	Total
December 31, 2014	**99.8**	**3.6**	**1.0**	**6.9**	**5.2**	**116.5**
Additions	12.0	5.0	0.5	1.3	4.8	23.6
Reversals (utilizations)	(10.5)	(3.6)	(0.0)	(1.1)	(1.4)	(16.6)
Reversals (surplus)	(0.7)	(1.0)	0.0	0.0	(0.3)	(2.0)
Net additions (reversals)	0.8	0.4	0.5	0.2	3.1	5.0
Actuarial (gains) losses	(0.3)	0.0	0.0	0.0	0.0	(0.3)
Changes in Group structure	0.0	0.0	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	0.0	0.1	0.0	0.1
Translation adjustments	7.0	0.0	0.0	0.1	0.0	7.0
December 31, 2015	**107.3**	**4.0**	**1.5**	**7.3**	**8.3**	**128.4**
Additions	6.8	3.6	0.0	0.9	5.0	16.3
Reversals (utilizations)	(6.3)	(2.2)	(0.5)	(0.7)	(1.4)	(11.1)
Reversals (surplus)	(0.1)	(1.3)	(0.5)	(0.2)	0.0	(2.1)
Net additions (reversals)	0.4	0.1	(1.0)	0.0	3.6	3.1
Actuarial (gains) losses	24.9	0.0	0.0	0.0	0.0	24.9
Changes in Group structure	(0.0)	0.0	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	(0.2)	0.1	0.3	0.2
Translation adjustments	(1.5)	0.0	0.0	(0.1)	0.1	(1.5)
June 30, 2016	**131.1**	**4.1**	**0.3**	**7.3**	**12.3**	**155.1**

Short-term provisions represented €20.6 million at June 30, 2016, €18.2 million at December 31, 2015 and €17.5 million at June 30, 2015.

Net additions in first-half 2016 totaled €3.1 million and mainly relate to the consequences of a tax dispute.

7.3 CHANGES IN PENSION AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

The net obligation at June 30, 2016 amounts to €131.1 million and chiefly relates to the provision for post-employment benefits (€117.2 million), as well as the provision for long-service awards (€13.9 million).

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

In millions of euros	Present value of obligation	Fair value of plan assets[(a)]	**Provisions for pensions**	Post-employment health insurance	**Total provisions for post-employment benefits**
December 31, 2015	**225.3**	**(133.6)**	**91.6**	**2.9**	**94.6**
Current service cost	3.5		**3.5**	0.0	**3.5**
Interest cost	4.2	(2.5)	**1.8**	0.0	**1.8**
Retirements	(3.2)	2.5	**(0.7)**		**(0.7)**
Plan modifications	(1.3)		**(1.3)**		**(1.3)**
Contributions	0.0	(4.0)	**(4.0)**		**(4.0)**
Impact on operating income	**3.2**	**(4.0)**	**(0.8)**	**0.0**	**(0.7)**
Actuarial gains and losses (Other comprehensive income/[expense])	**28.1**	**(3.1)**	**24.9**	0.0	**24.9**
Other movements (incl. impact of exchange rates)	(3.7)	2.2	**(1.4)**	(0.1)	**(1.5)**
June 30, 2016	**252.8**	**(138.6)**	**114.3**	**2.9**	**117.2**

(a) Plan assets or scheduled payments.

The discount rate applied to obligations in eurozone countries was 1.5% at June 30, 2016 and 2.25% at December 31, 2015.

The discount rate applied to bioMérieux Inc.'s obligations was 3.75% at June 30, 2016 and 4.5% at December 31, 2015.

7.4 PROVISIONS FOR CLAIMS AND LITIGATION AND TAX DISPUTES

Tax disputes

The Group recognized a €6.5 million tax expense in the period in connection with a tax dispute relating to prior reporting periods.

7.5 CONTINGENT ASSETS AND LIABILITIES

Tax audits in Italy

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

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

In agreement with its legal counsel, and based on the available information, the Company considers that the Italian tax authorities' claims are unfounded and is vigorously contesting their conclusions. The Group will pursue all available remedies to defend its position. The duration and outcome of this dispute cannot be anticipated at this stage of the proceedings. For each adjustment, the Company and bioMérieux Italy have initiated proceedings with the competent authorities of the French and Italian states based on the European Arbitration Convention of July 23, 1990, as amended by the protocol of May 25, 1999.

The deficiency notice for 2009 and 2010 was received in 2014, and the second proceedings based on the European Arbitration Convention opened during the year. These proceedings guarantee the elimination of the double taxation of companies from different Member States owing to an upward adjustment of profits of one of the companies in a Member State (as regards transfer pricing). In any event, the amounts of the tax adjustment included in the European mutual agreement procedures will be neutralized.

In late 2015, bioMérieux SA and bioMérieux Italia S.p.A applied for an advanced bilateral pricing agreement (APA) from the competent French and Italian authorities. This application is currently being examined by said authorities.

No other significant changes occurred in these disputes during first-half 2016.

Manovra Sanita Bill in Italy

The *Manovra Sanita* Bill which was passed in Italy in August 2015 requires healthcare providers to cover 40% of the difference between the health budget of each province and the actual expenditure incurred. No implementing decree has yet been adopted. The impacts of this new bill cannot be estimated at the present time.

8 NET DEBT – NET CASH AND CASH EQUIVALENTS

8.1 CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows is broadly presented in accordance with ANC recommendation 2013-03 issued on November 7, 2013.

It lists separately:

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

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

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

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

In millions of euros	Six months ended June 30, 2016	Year ended Dec. 31, 2015	Six months ended June 30, 2015
Additive method			
- Net income for the period	85.6	110.3	59.1
- Non-recurring income and expenses and BioFire acquisition fees and amortization expense	3.9	65.1	19.0
- Cost of net debt	9.1	24.6	12.1
- Other financial income and expenses, net	4.7	(6.3)	1.0
- Current income tax expense	46.0	65.9	30.7
- Investments in equity-accounted companies	0.1	0.2	0.2
- Net additions to depreciation and amortization of operating items – non-current provisions	63.7	120.4	56.7
EBITDA	**213.1**	**380.4**	**178.8**
Simplified additive method			
- Contributive operating income before non-recurring items	149.4	260.0	122.1
- Depreciation and amortization expense	63.7	120.4	56.7
EBITDA	**213.1**	**380.4**	**178.8**

Compared with a €62 million increase in first-half 2015, **operating working capital requirement** rose by just €37 million in first-half 2016. Changes in this caption during the period reflect the following:

- The smaller increase in inventories, almost €15 million less than in first-half 2015. This was particularly the case at the Durham site, which had built up inventory last year following the return to normal production conditions in the blood culture bottle unit.
- The €27 million decrease in trade receivables, following on from the €33 million decline in first-half 2015, fueled by the improvement in days sales outstanding in Spain and to a lesser extent in Asia.
- The €12 million decrease in trade payables, compared with a €37 million decline in first-half 2015.
- The roughly €10 million year-on-year rise in other operating working capital components, reflecting in particular the temporary increase in tax credit receivables in France.

The statement of cash flows also shows an €18 million negative impact of changes in Group structure, primarily resulting from the acquisition of Hyglos and the deconsolidation of BioTheranostics.

At June 30, 2016, the Group's net cash position was €106.7 million versus €136.7 million at December 31, 2015 (net cash position of €4.5 million for bioTheranostics), representing a net cash outflow of €30.0 million in first-half 2016.

8.2 MOVEMENTS IN NET DEBT

At June 30, 2016, after the €39.5 million dividend payout to bioMérieux SA shareholders, the Group's net debt stood at €265.5 million and mainly comprised the bond issue described below.

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

The bond issue is shown on the balance sheet at amortized cost calculated using the effective interest rate method for an amount of €298.0 million, reflecting the issue price net of issue fees and premiums. Interest costs were calculated by applying the effective interest rate including issue fees and premiums.

bioMérieux SA also has a €350 million syndicated loan in the form of a revolving credit line falling due on May 20, 2019. Under the loan agreement, net debt must not exceed 3.5 times operating income before non-recurring items (EBITDA) before depreciation/amortization and acquisition fees. At June 30, 2016, the Group had not drawn down this syndicated facility.

8.3 MATURITIES OF BORROWINGS

The maturity schedule below refers to balance sheet amounts.

In millions of euros	Dec. 31, 2015	Change	Changes in Group structure	Change in statement of cash flows	Translation adjustments	June 30, 2016
Cash and cash equivalents	147.1	(21.6)	(2.4)	(24.0)	(1.3)	126.3
Bank overdrafts and other uncommitted debt	(14.9)	2.2	0.0	2.2	(6.9)	(19.6)
Net cash and cash equivalents (A)	**132.2** (a)	**(19.4)**	**(2.4)**	**(21.8)**	**(8.2)**	**106.7**
Committed debt (B)	**355.9**	**13.8**	**0.4**	**14.2**	**2.1**	**372.2**
o/w due beyond 5 years	*0.0*					*0.0*
o/w due in 1 to 5 years	*308.9*					*312.4*
o/w due within 1 year	*46.9*					*59.8*
Net debt (Net cash and cash equivalents) (B) - (A)	**223.7**	**33.2**	**2.8**	**36.0**	**10.3**	**265.5**

(a) Excluding cash relating to bioTheranostics classified within assets held for sale (€4.5 million at December 31, 2015).

At June 30, 2016, borrowings due in one to five years include the €298.0 million in bonds issued to fund the acquisition of BioFire (net of issue fees and premiums calculated using the amortized cost method) and non-current finance lease liabilities totaling €0.6 million. Borrowings due within one year mainly include €40 million in commercial paper and current finance lease liabilities totaling €0.6 million.

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

In March 2015, bioMérieux SA signed a real estate lease agreement in connection with the extension of its Marcy l'Etoile site. In accordance with IAS 17, the €45 million liability under the agreement will be recognized when the extension is completed (scheduled for third-quarter 2016).

8.4 DEBT COVENANTS

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

The syndicated loan is subject to compliance with a single financial ratio: net debt to operating income before non-recurring items (EBITDA) before depreciation/amortization and acquisition fees. This covenant was modified by the May 2014 addendum and may not now exceed 3.5. The Group complied with this ratio at June 30, 2016.

The Group's other term borrowings at June 30, 2016 primarily correspond to commercial paper and finance lease liabilities related to assets in Italy. None of these borrowings are subject to covenants.

8.5 INTEREST RATES

Before hedging, 80.1% of the Group's borrowings are at fixed rates (€298.1 million) and the balance is at floating rates (€74.1 million).

Fixed-rate borrowings comprise the €298.0 million bond issue maturing in 2020 and paying a coupon of 2.875%, and the restricted current employee profit-sharing account for €0.1 million.

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

Further to the bond issue, the Group set up interest rate swaps in 2014 converting the fixed rate to a floating rate (see Note 27.4.1 to the consolidated financial statements for the year ended December 31, 2015).

8.6 Loan guarantees

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

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

Hedging agreements are discussed in Note 15.

9 OTHER OPERATING INCOME

In millions of euros	June 30, 2016	Dec. 31, 2015	June 30, 2015
Net royalties received	7.6	13.8	7.0
Research tax credits	10.4	23.1	11.1
Research grants	1.5	2.0	0.1
Other*	1.5		0.3
Total	**20.9**	**38.9**	**18.7**

* "Other" in first-half 2016 includes the liquidation surplus relating to a dormant subsidiary in Russia and a capital gain on the sale of a subsidiary in France.

10 BIOFIRE ACQUISITION FEES AND AMORTIZATION EXPENSE

At June 30, 2016, BioFire acquisition fees and amortization expense amounted to €13.6 million. It includes €9.3 million in amortization charged against assets revalued at the acquisition date and €4.3 million relating to the retention plan put in place at the time of the acquisition.

This item totaled €18.2 million at June 30, 2015, including €9.2 million in amortization charged against assets revalued at the acquisition date and €9 million relating to the retention plan put in place at the time of the acquisition.

11 OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS

11.1.1 Accounting policies

Other non-recurring income and expenses from operations for the period (net gains/losses on disposals of assets, restructuring costs, etc.) are recognized in full in first-half 2016.

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

In millions of euros	Six months ended June 30, 2016	Year ended Dec. 31, 2015	Six months ended June 30, 2015
bioTheranostics	10.4	(32.9)	
Impairment of receivables owed by the Greek State	(0.5)	(0.6)	(0.8)
Disposal of non-current assets	(0.1)	0.1	0.0
Other	(0.1)	0.0	(0.1)
Total	**9.7**	**(33.4)**	**(0.8)**

Other non-recurring income and expenses from operations include €11 million in translation adjustments relating to bioTheranostics and taken back to income following the company's deconsolidation (see Note 1.2.1).

12 NET FINANCIAL EXPENSE

12.1 ACCOUNTING POLICIES

Financial income and expenses are shown on two separate lines:

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

12.2 COST OF NET DEBT

In millions of euros	Six months ended June 30, 2016	Year ended Dec. 31, 2015	Six months ended June 30, 2015
Finance costs	(8.5)	(17.3)	(8.5)
Interest rate hedging derivatives[a]	(1.5)	(0.2)	(1.8)
Foreign exchange gains (losses)	0.9	(7.1)	(1.8)
Total	**(9.1)**	**(24.6)**	**(12.1)**

(a) Corresponds to fair value gains and losses on interest rate hedging instruments taken out in connection with the BioFire acquisition (see Note 8.5).

At June 30, 2016, the cost of net debt chiefly includes interest in respect of the bond issue.

12.3 OTHER FINANCIAL INCOME AND EXPENSES

In millions of euros	Six months ended June 30, 2016	Year ended Dec. 31, 2015	Six months ended June 30, 2015
Interest income on leased assets	0.9	2.1	1.1
Impairment and disposals of shares in non-consolidated companies	(1.1)	5.6	
Currency hedging derivatives	(5.1)	(3.0)	(2.5)
Other	0.5	1.6	0.3
Total	**(4.7)**	**6.3**	**(1.0)**

The increase in the cost of instruments hedging commercial cash flows is attributable to the decline in euro interest rates.

13 INCOME TAXES

13.1 ACCOUNTING POLICIES

The income tax expense for first-half 2016 is calculated individually for each entity by applying the estimated average tax rate for the year to pre-tax income for the period. The tax charge for the Group's largest entities, bioMérieux SA and bioMérieux Inc., was calculated in greater detail, resulting in an income tax expense close to the estimated average annual tax rate.

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

Pending guidance from standard-setters, 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 dividend payouts decided before June 30, 2016 was recognized in full in first-half 2016.

No new deferred tax assets were recognized on tax loss carryforwards in the first half of 2016.

13.2 CHANGES IN INCOME TAX

At June 30, 2016, the effective tax rate stood at 34.9% of pre-tax income, compared to 34.1% at June 30, 2015. The effective tax rate was higher than the statutory tax rate applicable in France (34.43% at end-June 2016, versus 38% at end-June 2015). This reflects the recognition of around €6.5 million in connection with a tax dispute, partly offset by a fall in the theoretical statutory tax rate in France and by the impact of a non-recurring, non-taxable gain on the deconsolidation of bioTheranostics (see Note 1.2.1).

In millions of euros	2016 Six months		2015 Six months	
	Amount	Rate	Amount	Rate
Theoretical tax at standard French tax rate	**45.3**	**34.4%**	**34.2**	**38.0%**
- Impact of income tax at reduced tax rates and foreign tax rates	(1.6)	-1.2%	(5.1)	-5.6%
- Impact of permanent differences	4.9	3.7%	2.9	3.2%
- Impact of dividend distribution and tax on dividend payouts	2.0	1.5%	3.1	3.5%
- Deferred tax assets not recognized on tax losses carried forward	0.4	0.3%	0.4	0.5%
- Impact of presenting research and CICE tax credits in operating income	(4.2)	-3.2%	(4.2)	-4.7%
- Tax credits (other than research tax credits)	(0.5)	-0.4%	(0.6)	-0.7%
- Utilization of prior-period deferred tax assets	(0.3)	-0.2%	(0.1)	-0.1%
Actual income tax expense	**46.0**	**34.9%**	**30.7**	**34.1%**

14 INFORMATION BY GEOGRAPHIC AREA, TECHNOLOGY AND APPLICATION

14.1 ACCOUNTING POLICIES

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

In accordance with IFRS 8, in Note 14.2 the Group discloses information on sales and assets broken down by geographic area which has been prepared using the same accounting policies as those applied to prepare the consolidated annual financial statements.

14.2 INFORMATION BY GEOGRAPHIC AREA

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

SIX MONTHS ENDED JUNE 30, 2016 *In millions of euros*	Americas	EMEA	ASPAC	Corporate	Group
Consolidated sales	**417.5**	**418.6**	**163.0**	**1.8**	**1,000.8**
Cost of sales	(175.4)	(198.3)	(73.9)	(34.4)	(482.0)
Gross profit	**242.1**	**220.2**	**89.1**	**(32.6)**	**518.8**
Gross profit margin	*58.0%*	*52.6%*	*54.6%*		
Other operating income and expenses	(110.4)	(75.9)	(31.6)	(151.5)	(369.5)
Contributive operating income before non-recurring items	**131.7**	**144.3**	**57.4**	**(184.1)**	**149.4**
Operating margin	*31.5%*	*34.5%*	*35.2%*		

JUNE 30, 2016 *In millions of euros*	Americas	EMEA	ASPAC	Corporate	Group
Non-current assets					
Intangible assets	14.6	45.9	6.0	405.2	471.7
Goodwill				455.8	455.8
Property, plant and equipment	309.0	206.6	35.5	63.1	614.1
Current assets					
Inventories and work-in-progress	178.3	167.4	37.2		382.9
Trade receivables	141.8	228.5	50.2		420.5
Assets held for sale					-

Changes in the operating margin reflect fluctuations in exchange rates, particularly in the Americas region which was hit by losses in the main Latin American currencies against the euro.

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

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

Regional data include commercial activities, corresponding mainly to sales in each of the above geographic areas, the related cost of sales and the operating expenses necessary for these commercial activities. Regional data also include costs not included in the calculation of the cost price (e.g., projects) of production sites located in those areas.
Corporate data mainly include the research and development costs incurred by the Clinic and Industry units, as well as the costs incurred by the Group's corporate functions.

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

14.3 INFORMATION BY TECHNOLOGY AND APPLICATION

The table below provides a breakdown of sales by technology:

In millions of euros	Six months ended June 30, 2016	Year ended Dec. 31, 2015	Six months ended June 30, 2015
Clinical applications	**798.2**	**1,551.9**	**740.6**
Microbiology	426.7	879.2	416.3
Immunoassays	219.1	435.6	210.2
Molecular biology	149.5	226.2	108.0
Other	2.8	11.0	6.1
Industrial applications	**181.5**	**362.7**	**172.8**
Total per application	**979.7**	**1,914.6**	**913.4**
Revenues from joint development programs	1.8	6.8	2.2
BioFire Defense	18.0	24.8	8.7
Applied Maths	1.3		
bioTheranostics		18.4	8.9
Total	**1,000.8**	**1,964.6**	**933.2**

15 EXCHANGE RATE AND MARKET RISK MANAGEMENT

Exchange rate, credit and market risks are respectively described in Notes 27.1, 27.2 and 27.4 to the consolidated financial statements for the year ended December 31, 2015.

bioMérieux SA issued bonds on the European market in connection with its USD acquisition of U.S.-based BioFire completed in January 2015. To protect against exchange rate and interest rate risks, the Group set up a EUR/USD cross currency swap for USD 470 million on January 15, 2014, thereby converting the debt into U.S. dollars.

15.1 HEDGING INSTRUMENTS

The table below shows currency hedging instruments in effect at June 30, 2016 that were set up as part of the currency hedging policy described in Note 27.1.1 to the consolidated financial statements for the year ended December 31, 2015:

Currency hedges at June 30, 2016 *In millions of euros*	Expiration date 2016		Market value 2016[a]
	<1 year	1-5 years	
Hedges of existing commercial transactions			
- currency forward contracts	91.6	-	(0.1)
- options	3.8	-	-
Total	**95.4**	**-**	**(0.1)**
Hedges of future commercial transactions			
- currency forward contracts	100.4	-	0.2
- options	17.7	-	-
Total	**118.1**	**-**	**0.2**

(a) Difference between the hedging rate and the market rate at June 30, 2016, including premiums paid/received.

All of the currency forward contracts and options outstanding at June 30, 2016 had maturities of less than 18 months.

15.2 LIQUIDITY RISK

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

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

Accordingly, the only maturity schedule disclosed pertains to net debt (see Note 8.3).

The table below shows projected cash flows from the bond issue and the hedges related to contractual redemption of the principal at par and to contractual interest payments at June 30, 2016:

In millions of euros	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bonds[a]	(8.6)	(334.5)	0
Cross currency swap	(35.2)	(71.8)	0
Options[b]	(0.3)	(1.8)	0
Interest rate swap[b]	2.6	9.1	0

(a) Contractual flows of principal and interest.
(b) Based on the IRS yield curve at June 30, 2016.

15.3 FINANCIAL INSTRUMENTS: FINANCIAL ASSETS AND LIABILITIES

The table below shows a breakdown by category of financial assets and liabilities (excluding accrued and receivable payroll and other taxes), as prescribed by IAS 39 "Financial Instruments: Recognition and Measurement" (see Note 26.1 to the consolidated financial statements for the year ended December 31, 2015), and provides a comparison between their carrying amount and fair value:

June 30, 2016 *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		51.6			51.6	51.6	1-3
Other non-current financial assets			6.5		6.5	6.5	-
Other non-current assets			18.8		18.8	18.8	
Derivative instruments (positive fair value)				14.2	14.2	14.2	2
Trade receivables			420.5		420.5	420.5	-
Other receivables			4.9		4.9	4.9	-
Cash and cash equivalents	126.3				126.3	126.3	1
Total financial assets	**126.3**	**51.6**	**450.7**	**14.2**	**642.8**	**642.8**	
Financial liabilities							
Bonds[(a)]			298.0		298.0	321.2	1
Other financing facilities			14.4		14.4	14.4	2
Derivative instruments (negative fair value)				64.4	64.4	64.4	2
Borrowings – current portion			79.4		79.4	79.4	2
Trade payables			162.7		162.7	162.7	-
Other current liabilities			37.4		37.4	37.4	-
Total financial liabilities	**-**	**-**	**591.9**	**64.4**	**656.3**	**679.5**	

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

Levels 1 to 3 correspond to the fair value hierarchy as defined by IFRS 13 (see Note 26.1 to the consolidated financial statements for the year ended December 31, 2015).

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

Assets available for sale are carried at fair value, except where fair value cannot be reliably determined (see Note 26.1.4 to the consolidated financial statements for the year ended December 31, 2015).

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

No inter-category reclassifications were made during the first half of 2016.

December 31, 2015 *In millions of euros*	Financial assets at fair value through income (excl. derivatives)	Available-for-sale financial assets	Receivables and borrowings at amortized cost	Derivative instruments	Carrying amount	Fair value	Level
Financial assets							
Other shares in non-consolidated companies		53.6			53.6	53.6	1-3
Other non-current financial assets			6.4		6.4	6.4	-
Other non-current assets			21.8		21.8	21.8	
Derivative instruments (positive fair value)				16.3	16.3	16.3	2
Trade receivables			445.1		445.1	445.1	-
Other receivables			5.9		5.9	5.9	-
Cash and cash equivalents	147.1				147.1	147.1	1
Total financial assets	**147.1**	**53.6**	**479.2**	**16.3**	**696.2**	**696.2**	
Financial liabilities							
Bonds[a]			297.7		297.7	319.2	1
Other financing facilities			11.2		11.2	11.2	2
Derivative instruments (negative fair value)				71.1	71.1	71.1	2
Borrowings – current portion			61.8		61.8	61.8	2
Trade payables			176.9		176.9	176.9	-
Other current liabilities			47.3		47.3	47.3	-
Total financial liabilities	**-**	**-**	**594.9**	**71.1**	**666.0**	**687.5**	

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

Movements in financial instruments whose fair value was determined using Level 3 inputs (see Note 26.1 to the consolidated financial statements at December 31, 2015) were as follows in first-half 2016:

In millions of euros	**Available-for-sale financial assets**
December 31, 2014	25.5
Gains and losses recognized in income	5.3
Gains and losses recognized in equity	3.0
Acquisitions	6.6
Disposals	(6.8)
Changes in Group structure, translation adjustments and other	0.3
December 31, 2015	**33.9**
Gains and losses recognized in income	(1.1)
Gains and losses recognized in equity	3.0
Acquisitions	0.1
Disposals	(0.9)
Changes in Group structure, translation adjustments and other	(0.1)
June 30, 2016	**34.9**

16 OFF-BALANCE SHEET COMMITMENTS

In 2015, bioMérieux SA, bioMérieux UK, and bioMérieux Germany signed an agreement with Copan for the exclusive distribution (bioMérieux SA) and joint-exclusive distribution (bioMérieux UK and bioMérieux Germany) of WASP® and WASPLab® products.
At June 30, 2016, the minimum purchase amount outstanding under the agreement represented €9.9 million.

Under the share purchase agreement signed in relation to Hyglos (see Note 1.1.1), bioMérieux may acquire all of the remaining Hyglos shares held by Microcoat, as follows:

- bioMérieux has a call option on all of the remaining shares which may only be exercised if certain sales targets are met.
- Microcoat has a put option on all of the remaining shares. This option may also only be exercised if certain performance targets are met as well as certain technological and procurement criteria.

There were no significant changes in other off-balance sheet commitments during the first half of 2016 (see Note 28 to the consolidated financial statements for the year ended December 31, 2015).

17 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties continued on the same basis as in 2015 without any significant developments (see Note 29 to the consolidated financial statements for the year ended December 31, 2015).

18 SUBSEQUENT EVENTS

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

B – INTERIM MANAGEMENT REPORT

SIX MONTHS ENDED JUNE 30, 2016

INTERIM MANAGEMENT REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2016

1 – FINANCIAL SUMMARY

Consolidated data In € millions	First-half 2016	First-half 2015	% change as reported
Sales	1,001	**933**	**+7.2%**
Contributive operating income before non-recurring items*	149	122	+22.4%
Operating income**	146	103	+41.1%
Net income of consolidated companies	86	**59**	**+44.8%**
Earnings per share *(in €)*	€2.17	€1.51	

* Contributive operating income before non-recurring items corresponds to operating income before non-recurring BioFire acquisition and integration costs and before accounting entries relating to the company's purchase price allocation.

** Operating income is the sum of contributive operating income before non-recurring items, BioFire acquisition fees and purchase price amortization expense and "material, extraordinary and non-recurring items" recognized in "Other non-recurring income and expenses from operations, net".

2 – MANAGEMENT REPORT

1.1 SALES

Consolidated sales rose to €1,001 million in the first six months of 2016 from €933 million in the year-earlier period. This 7.2% reported increase included a negative currency effect of nearly €26 million as well as the impact of deconsolidating bioTheranostics as from January 1. Year-on-year organic growth (i.e., at constant exchange rates and scope of consolidation) came to 10.9%, led by the balanced contribution of both FilmArray® and BioFire Defense on the one hand, and the other bioMérieux strategic lines on the other hand.

Analysis of sales In € millions			
Sales – Six months ended June 30, 2015	**933**		
Currency effect	(25.7)	-2.8%	
Organic growth (at constant exchange rates and scope of consolidation)	100.8	+10.9%	+10.1%
Changes in scope of consolidation*	(7.6)	-0.8%	
Sales – Six months ended June 30, 2016	**1,001**	+7.2%	

* Deconsolidation of bioTheranostics and consolidation of Applied Maths as of January 1, 2016.

The breadth and balance of bioMérieux's product portfolio helped to drive year-on-year organic growth of 10.3% in the second quarter of 2016, led by the fast development of the FilmArray® line, which saw sales rise by around 70% compared with the year-earlier period. In addition, while every region contributed to consolidated growth, the Americas remained the primary driver thanks to robust performances by bioMérieux Inc., BioFire Diagnostics and BioFire Defense. An adverse currency effect reduced reported sales by €19 million, of which €4 million due to the US dollar compared with a €4 million favorable impact in the first three months of the year.

Sales for the second quarter and first half of 2016 may be summarized by region as follows:

Sales by region In € millions	**Second-quarter 2016**	Second-quarter 2015	% change as reported	**% change** at constant exchange rates and scope of consolidation	**6 months ended June 30, 2016**	6 months ended June 30, 2015	% change as reported	**% change** at constant exchange rates and scope of consolidation
Europe[1]	**210.3**	210.9	-0.3%	**+1.7%**	**417.1**	414.9	+0.5%	**+2.1%**
Americas	**205.3**	181.9	+12.9%	**+18.8%**	**418.1**	358.4	+16.7%	**+20.6%**
North America	**172.5**	147.1	+17.3%	**+20.3%**	**355.4**	291.8	+21.8%	**+22.1%**
Latin America	**32.9**	34.8	-5.6%	**+12.5%**	**62.7**	66.6	-5.8%	**+14.0%**
Asia-Pacific	**95.0**	86.9	+9.3%	**+13.9%**	**162.4**	148.8	+9.1%	**+12.5%**
Total sales from the regions	**510.6**	479.6	+6.5%	**+10.4%**	**997.7**	922.1	+8.2%	**+11.0%**
bioTheranostics		4.8				8.9		
Applied Maths	**0.7**				**1.3**			
R&D-related revenue	**1.0**	0.8			**1.8**	2.2		
TOTAL	**512.3**	485.3	+5.6%	**+10.3%**	**1,000.8**	933.2	+7.2%	**+10.9%**

(1) Including the Middle East and Africa.

- Operations in the **Americas** (42% of the YTD consolidated total) continued to deliver very robust gains in the second quarter of 2016, with sales rising 18.8% year-on-year to €205 million for the period. Sales ended the first half at €418 million, up 20.6% year-on-year.
  - Sales in **North America** (36% of the YTD consolidated total) rose by more than 20% year-on-year in the second quarter, led by all of the Group's product lines. The primary driver was the FilmArray® range, along with the increasingly wider take-up of the VIDAS® B•R•A•H•M•S PCT™ test, fast growth in sales of the dedicated industrial application lines and firm demand for the microbiology lines.
  - In **Latin America**, sales climbed 12.5% year-on-year to €33 million in the second quarter. All countries in the region made firm gains, with Brazil, Argentina and Colombia enjoying double-digit growth. On the other hand, reported growth continued to be dampened by the negative currency effect.

- Sales in the **Europe-Middle East-Africa region** (42% of the YTD consolidated total) came to €210 million for the second quarter, up 1.7% year-on-year, and to €417 million for the first half, up 2.1% year-on-year.
  - In **Western Europe** (36% of the YTD consolidated total), sales were nearly unchanged year-on-year in France and Italy, where the market environment remained challenging, but declined in the Nordic countries off of high prior-year comparatives. Compared with the first quarter, sales maintained their steady, solid pace in Spain and Switzerland and gained new momentum in Germany.
  - As expected, sales growth slowed in the **Eastern Europe-Middle East-Africa region** in the second quarter, to 1.9% year-on-year, with sustained expansion in Russia, Turkey and South Africa more than offsetting a certain softening in Africa and the Middle East.

- In the **Asia-Pacific** region (16% of the YTD consolidated total), sales ended the second quarter at €95 million, up 13.9% year-on-year, and the first half at €162 million, up 12.5% year-on-year.
  - Operations in **China** represented the main growth engine, fueled by both clinical and industrial applications. Rapid growth in reagent sales helped to align the instrument/reagent sales mix more closely with the Group's over the first half.

- Sales in **India** continued to expand, climbing more than 20% compared to second-quarter 2015 when growth was more moderate.

Sales for the second quarter and first half of 2016 may be summarized by application as follows:

Sales by application In € millions	**Second-quarter 2016**	Second-quarter 2015	% change as reported	**% change** at constant exchange rates and scope of consolidation	**6 months ended June 30, 2016**	6 months ended June 30, 2015	% change as reported	**% change** at constant exchange rates and scope of consolidation
Clinical applications	**405.3**	383.8	+5.6%	**+9.6%**	**798.2**	740.6	+7.8%	**+10.6%**
Microbiology	**219.9**	218.2	+0.8%	**+4.9%**	**426.7**	416.3	+2.5%	**+5.7%**
Immunoassays(1)	**115.1**	112.6	+2.1%	**+6.1%**	**219.1**	210.2	+4.2%	**+7.2%**
Molecular Biology(2)	**69.3**	50.3	+37.6%	**+42.0%**	**149.5**	108.0	+38.5%	**+39.4%**
Others	**1.1**	2.6	-57.0%	**-57.7%**	**2.8**	6.1	-53.4%	**-54.2%**
Industrial applications	**95.5**	90.3	+5.8%	**+9.4%**	**181.5**	172.8	+5.0%	**+7.8%**
bioTheranostics		4.8				8.9		
BioFire Defense	**9.8**	5.6	+73.9%	**+76.6%**	**18.0**	8.7	x2.1	**x2.1**
Applied Maths	**0.7**				**1.3**			
R&D-related revenue	**1.0**	0.8			**1.8**	2.2		
TOTAL	**512.3**	485.3	+5.6%	**+10.3%**	**1,000.8**	933.2	7.2%	**10.9%**

(1) Including VIDAS®: up 8.7% at constant exchange rates and scope of consolidation in Q2 and up 9.1% in H1.
(2) Including FilmArray® sales in an amount of €52 million in Q2 and €113 million in H1.

- Sales of **clinical applications**, which account for approximately 80% of the consolidated total, stood at €405 million for the second quarter, up 9.6% year-on-year, and at €798 million for the first half, up 10.6% year-on-year.
  - In **microbiology**, sales of the blood culture lines continued to accelerate over the second quarter, gaining almost 15% over the period. At the same time, growth in VITEK® identification and AST systems slowed, due mainly to a dip in instrument sales that offset a more than 5% increase on the reagents side.
  - In the **immunoassays** segment, the VIDAS® line enjoyed another quarter of fast growth, led by such high medical-value tests as the VIDAS® B•R•A•H•M•S PCT™ test, which recently received FDA clearance to extend its use to managing sepsis patients, even as competitors are starting to enter the U.S. market.
  - **Molecular biology** sales surged a further 42% in the second quarter, led by the still remarkable success of the FilmArray® line. The new high-throughput FilmArray® Torch system attracted a great deal of IVD industry attention during its presentation at the European Congress of Clinical Microbiology and Infectious Diseases (ECCMID) in April 2016 and at the American Society of Microbiology (ASM) meeting in June 2016. The first instruments were delivered and installed during the second quarter. Fast-growing demand for the system's GI panel and early success of the Meningitis-Encephalitis panel prove that a growing percentage of customers are using FilmArray® solutions other than the Respiratory panel. Lastly, international sales are continuing to rise, with their contribution outside the United States representing 9% of the total in the first half compared with 6% a year earlier.

- Sales of **industrial applications**, which represent around 18% of the consolidated total, amounted to €96 million in the second quarter, up 9.4% on the prior-year period, and to €181 million in the first half, up 7.8% year-on-year. This satisfactory performance was supported by all of the technologies offered by bioMérieux in this field, particularly the VIDAS® immunoassay solutions for the rapid detection of food pathogens and, in the microbiology segment, the VITEK® bacterial identification systems and the culture media lines.

- In the first half, the product mix was improved by organic growth in sales of **reagents** and **services,** which rose by 11.7% year-on-year, compared to a 3% gain in instruments.

2.2 FINANCIAL HIGHLIGHTS

Consolidated income statement

- **Gross profit**

  Gross profit ended the first six months of the year at €519 million, including a negative impact from currency movements of around €12 million over the period. It widened to 51.8% of sales, from 50.8% in first-half 2015, led by i) an improvement in the product mix, with a higher proportion of reagent sales than in the prior-year period and a growing contribution from the FilmArray® line; ii) the moratorium on the Medical Device Excise Tax in the United States; and iii) the decline in compliance expenditure at the Durham, NC facility.

  These factors more than offset i) the impact of a new model for re-invoicing intra-Group IT costs, as described in Note 2.3 to the condensed interim consolidated financial statements; ii) an increase in depreciation following the start-up of certain capital improvements at a number of production facilities; and iii) the faster write-down of certain technologies.

- **Contributive operating income before non-recurring items**

  Contributive operating income before non-recurring items stood at €149 million for the period, a year-on-year gain of 22.4% despite the almost €4-million negative currency effect. Led by the faster growth in sales and the sustained commitment to tight management, it represented 14.9% of sales, up sharply from 13.1% in first-half 2015.

  - **Selling, general and administrative expenses** amounted to €265 million, or 26.5% of sales, compared with €254 million and 27.3% in the year-earlier period. The increase primarily reflected the initiatives undertaken to deploy the FilmArray® line, whose impact was partially attenuated by the deconsolidation of bioTheranostics and by the change in the model for IT costs allocation.

  - **R&D expenses** rose to €125 million from €116 million in first-half 2015. This nearly 8% increase at constant exchange rates and scope of consolidation was due to the projects undertaken to support the FilmArray® line and the NGDS contract awarded to BioFire Defense by the U.S. Department of Defense. Total outlays amounted to 12.5% of sales, versus 12.4% in first-half 2015.

  - **Research tax credits** and **grants** came to €12 million for the period, compared with €11 million a year earlier.

  - **Other operating income**, which mainly comprises royalty income, rose to €9 million from €7 million in first-half 2015.

- **Operating income**

  BioFire acquisition expenses eased back to €14 million from €18 million in first-half 2015, when a provision for the key employee retention plan covered the costs from the date of acquisition until June 30, 2015. As expected, and in accordance with applicable accounting standards, the deconsolidation of bioTheranostics, signed in 2015 and completed in early 2016, led to the recognition in the interim income statement of a non-recurring €11-million gain, corresponding to the reversal of translation adjustments.

  As a result, interim **operating income** rose by more than 40% year-on-year, to €146 million from €103 million in first-half 2015.

Net income of consolidated companies

Net financial expense amounted to €14 million for the period, compared with €13 million a year earlier.

- **Cost of debt** decreased to €9 million from €12 million in first-half 2015, as interest expense on financing remained unchanged but the fair value of interest rate hedges rose.
- On the other hand, **other financial expenses** rose to €5 million for the period, from €1 million in first-half 2015, primarily due to the increase in the cost of currency hedging instruments following the decline in euro interest rates.

The Group's **effective tax rate** at June 30, 2016 stood at 34.9%, reflecting the recognition of the impact of a tax dispute in a net amount of €6.5 million, partially offset by the non-taxable gain on the spin-off of bioTheranostics, as described above. Excluding these factors, the recurring effective tax rate would have been around 32%, compared with 34% in first-half 2015, with in particular the elimination of the income tax surcharge in respect to 2016 in France.

In light of the above, **net income of consolidated companies** ended the period at €86 million, up nearly 45% on the €59 million reported in first-half 2015.

Cash management and finance

Net cash from operating activities

EBITDA[1] rose by 19.2% in the first half, to €213 million from €179 million a year earlier, lifted by the growth in contributive operating income before non-recurring items and net additions to depreciation and amortization.

Compared with a €62-million increase in first-half 2015, **operating working capital requirement** rose by just €37 million in first-half 2016, under the combined impact of the following favorable factors:

- The slower increase in the value of inventories, by €30 million, which was nearly €15 million less than in first-half 2015. This was particularly the case at the Durham, NC site, which built up inventory last year following the return to normal production conditions in the blood culture bottle unit.
- The €12-million decrease in trade payables, compared with a €37-million decline in first-half 2015.

These factors were partially offset by:

- The €27-million decrease in trade receivables, following on from the €33-million decline in first-half 2015 fueled by the improvement in days sales outstanding in Spain and Asia.
- The roughly €10-million year-on-year rise in other operating working capital components, reflecting in particular the temporary increase in tax-credit receivables in France.

Income tax paid stood at €41 million, up from €6 million in the prior first-half, primarily due to the removal of bioTheranostics from the U.S. tax consolidation group and the utilization of BioFire's tax loss carryforwards.

Net cash used in investing activities

As expected, **capital expenditure** outlays rose considerably over the period, to €114 million, of which €90 million in industrial capital expenditure, versus €86 million and €67 million respectively in first-half 2015. The increase reflected the simultaneous implementation of major capital projects designed to increase capacity at several production sites.

In light of this sustained capital expenditure drive, **free cash flow**[2] ended the period at €21 million, versus €24 million in first-half 2015.

Purchases of non-current financial assets, net of disposals, amounted to €18 million, up from €7 million in first-half 2015, and chiefly reflected the acquisition of Hyglos.

Net cash flow from (used in) financing activities

A total of €39.5 million in dividends was paid in June 2016, unchanged from the prior year.

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

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

- **Net debt**

  Consolidated **net debt** amounted to €265 million at June 30, 2016, versus €219 million at December 31, 2015.

The Company has issued €300 million in bonds, maturing in October 2020, and holds an undrawn €350-million syndicated line of credit expiring on May 20, 2019. Lastly, on March 31, 2015, it signed a 12-year, €45-million lease financing agreement to fund the extension of the Marcy l'Etoile site.

3 – SIGNIFICANT EVENTS OF FIRST-HALF 2016

- **Commercial offer**

Since the beginning of the year, bioMérieux has enhanced its commercial offer in several areas:

- On April 8, 2016, BioFire Diagnostics, its molecular biology affiliate, received clearances from the U.S. Food and Drug Administration (FDA) to market the FilmArray® Torch system for use with all of the FDA-cleared panels. The system, which was also CE-marked at the same time, is currently available for sale in the United States and will be launched in Europe in the autumn.
- On June 28, 2016, the FDA issued 510(k) clearance to expand the use of the VIDAS® B•R•A•H•M•S PCT™ (Procalcitonin) assay using the change in PCT levels over time to aid in the management of sepsis patients after the initial diagnosis. Based on a recent study, monitoring PCT levels over four days (96 hours) can help doctors determine which septic patients are at the greatest risk of death, enabling them to quickly adjust the medical care for those patients.
- The VIDAS® AMH test was CE-marked in June 2016 and is now commercially available[3]. Anti-Müllerian hormone (AMH) testing assesses the ovarian follicle reserve in women and represents a significant advance in the treatment of female infertility, helping to optimize the protocols for medically assisted procreation by personalizing the different stages of ovarian stimulation. In addition, AMH can play a role in the diagnosis of ovarian dysfunction (caused for example by polycystic ovary syndrome). The new test enhances the existing range of VIDAS® women's health solutions for the diagnosis and follow-up of the most important types of mother-to-fetus infection and for the investigation of reproductive hormone dysfunction.

- **Hyglos acquisition marks bioMérieux's entry into the market for the detection of endotoxins in pharmaceutical products**

bioMérieux, the world leader in industrial microbiological control, announced on June 1, 2016 the acquisition of Hyglos, a Bernried, Germany-based company specializing in the detection of endotoxins. Founded in 2009, Hyglos has unique, recognized expertise in the development and production of recombinant proteins used to detect endotoxins in pharmaceutical products. The total consideration paid by bioMérieux to acquire all outstanding Hyglos shares will amount to €24 million, phased over the next three years.

4 – PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties to which the Company could be exposed in the second half of 2016 are set out in Chapters 4 and 20 of the 2015 Registration Document and in Notes 7.5 (Provisions – Contingent assets and liabilities) and 15 (Exchange rate and market risk management) to the interim consolidated financial statements in Appendix A 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.

[3] Additional information on product availability may be found at www.biomerieux-diagnostics.com/vidas-amh-countries-list

5 – PRINCIPAL TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties continued on the same basis as 2015 without any significant developments (see Note 17 to the interim consolidated financial statements in Appendix A of the Interim Financial Report and Note 29 to the consolidated financial statements for the year ended December 31, 2015 in Chapter 20 of the 2015 Registration Document). No new transactions between related parties had a material impact on the Company's financial position or earnings.

6 – OUTLOOK

- **Production and quality system**

  On July 8, France's ANSM drug regulatory agency notified bioMérieux that it had lifted the injunction letter issued in February 2015 following the completion of compliance work on certain production units at the facility in Craponne, France.

- **Next generation BacT/ALERT® Virtuo™ blood culture system gets CE-marked and is submitted to the FDA for 510(k) clearance**

  bioMérieux has announced the CE-marking of an updated release of its BacT/ALERT® VIRTUO™ blood culture automated system, featuring new capabilities.

  The next generation system features blood level detection that directly measures the blood volume added to each blood culture bottle at loading time, to track and ensure collection of the recommended blood volume. Moreover, it can combine up to three additional incubator subunits connected to a command module to create an integrated configuration capable of managing high volume testing of up to 100,000 bottles per year. The new system has also been submitted to the FDA for 510(k) clearance.

- **Pathogen identification capability on VITEK® MS broadened to mycobacteria, *Nocardia*, and molds**

  bioMérieux has announced the launch of the first CE-marked database and reagent kits for the identification of mycobacteria, *Nocardia*, and molds in a mass spectrometry system. These difficult-to-identify organisms require days or weeks of specific culture conditions for appropriate growth and subsequent advanced methods for reliable identification to species level.

  The VITEK® MS extended database now enables the identification within minutes of 1,046 species representing 15,172 distinct strains of bacteria, yeasts and molds. It is part of a fully integrated solution combining identification with VITEK® MS and antibiotic susceptibility testing with VITEK® 2, resulting in superior workflow management.

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, 2016 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 36 *et seq.* above provides a fair view of the significant events that took place during the first six months of the year, their impact on the interim consolidated financial statements and the principal transactions with related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the year.

Marcy l'Etoile, August 30, 2016

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 2016 interim financial information

DIAGNOSTIC REVISION CONSEIL

ERNST & YOUNG et Autres

bioMérieux

For the six months ended June 30, 2016

Statutory Auditors' review report

on the 2016 interim financial information

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

Statutory Auditors
Registered with the
Lyon Institute of Statutory Auditors

ERNST & YOUNG et Autres
Tour Oxygène
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A simplified joint stock corporation with variable share capital

Statutory Auditors
Registered with the
Versailles Institute of Statutory Auditors

bioMérieux
Six months ended June 30, 2016

Statutory Auditors' review report on the 2016 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, 2016;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Group's 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.

2. Specific verification

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

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

Lyon, August 30, 2016

The Statutory Auditors

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