bioMérieux SA
French joint stock company (*société anonyme*) with share capital of €12,029,370
headquarters: Marcy l'Etoile (Rhône)
REGISTERED IN LYON, France, under number 673 620 399

INTERIM FINANCIAL REPORT FOR

THE SIX MONTHS ENDED JUNE 30, 2019

CONTENTS

A – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2019

B – INTERIM MANAGEMENT REPORT AT JUNE 30, 2019

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

D – STATUTORY AUDITORS' REPORT

A - CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2019

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2019

1 SIGNIFICANT EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION FOR THE HALF-YEAR.. ERREUR ! SIGNET NON DEFINI.

1.1 Significant events of first-half.. **Erreur ! Signet non défini.**

1.2 Summary of significant events in 2018 13

1.3 Changes in the scope of consolidation 13

2 SIGNIFICANT ACCOUNTING PRINCIPLES 13

2.1 Standards, amendments and interpretations 13

2.2 First application of IFRS 16 to leases 15

2.3 Judgments and estimates 15

2.4 Presentation of the consolidated income statement 15

2.5 Seasonality of operations 15

3 CHANGES IN INTANGIBLE ASSETS AND AMORTISATION 16

3.1 Accounting principles 16

3.2 Changes in intangible assets and amortisation 17

3.3 Changes in goodwill 18

4 CHANGES IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND DEPRECIATION 19

4.1 Changes in property, plant and equipment 19

4.2 Right-of-use assets 20

5 CHANGES IN NON-CURRENT FINANCIAL ASSETS 23

6 ASSETS AND LIABILITIES HELD FOR SALE 24

7 TRADE RECEIVABLES AND OTHER ASSETS RELATED TO CONTRACTS WITH CUSTOMERS 24

8 LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS 25

9 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE 25

9.1 Share capital 25

9.2 Cumulative translation adjustments 26

9.3 Earnings per share 26

10 PROVISIONS – CONTINGENT ASSETS AND LIABILITIES 26

10.1 Accounting principles 26

10.2 Changes in provisions 27

10.3 Changes in post-employment benefits and other employee benefit obligations 28

10.4 Provisions for tax disputes and litigation 28

10.5 Other provisions for contingencies and losses 28

10.6 Contingent assets and liabilities 29

11 NET DEBT – NET CASH AND CASH EQUIVALENTS 29

11.1 Consolidated cash flow statement 29

11.2 Changes in net debt 31

11.3 Maturities of borrowings 31

11.4 Impact of liabilities related to leases on borrowings and debt 32

11.5 Debt covenants 32

11.6 Interest rates 32

11.7 Loan guarantees 33

12 SALES 33

13 OTHER OPERATING INCOME AND EXPENSES 33
14 AMORTISATION OF ASSETS LINKED TO THE ACQUISITION OF BIOFIRE 34
15 OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS 34
15.1 Accounting principles 34
15.2 Changes in other non-recurring income and expenses from operations 34
16 NET FINANCE COSTS 34
16.1 Accounting principles 34
16.2 Cost of net financial debt 34
16.3 Other financial income and expenses, net 36
17 INCOME TAX 36
17.1 Accounting principles 36
17.2 Changes in income tax 36
18 INFORMATION BY GEOGRAPHIC AREA, TECHNOLOGY AND APPLICATION 37
18.1 Accounting principles 37
18.2 Information by geographic area 38
18.3 Information by technology and application 39
19 EXCHANGE RATE AND MARKET RISK MANAGEMENT 39
19.1 Hedging instruments 39
19.2 Liquidity risk 40
19.3 Financial instruments: financial assets and liabilities 42
19.4 Country risk 44
19.5 Credit risk 44
20 OFF-BALANCE SHEET COMMITMENTS 45
21 TRANSACTIONS WITH RELATED PARTIES 45
22 SUBSEQUENT EVENTS 45
23 IMPACTS ON THE CONSOLIDATED FINANCIAL STATEMENTS 45

CONSOLIDATED INCOME STATEMENT

In millions of euros	Notes	Jun. 30, 2019	Dec. 31, 2018 restated (b)	Jun. 30, 2018 restated (b)
SALES		**1,275.1**	**2,421.3**	**1,169.2**
Cost of sales		(565.1)	(1,119.0)	(534.9)
GROSS PROFIT		**709.9**	**1,302.3**	**634.4**
OTHER OPERATING INCOME AND EXPENSES	13	**21.2**	**31.2**	
Selling and marketing expenses		(271.7)	(479.9)	(226.2)
General and administrative expenses		(82.5)	(163.2)	(78.3)
Research and development expenses		(178.9)	(326.9)	(156.2)
TOTAL OPERATING EXPENSES		**(533.1)**	**(970.0)**	**(460.7)**
CONTRIBUTIVE OPERATING INCOME BEFORE NON-R		**198.1**	**363.5**	**185.6**
Amortisation of assets linked to the acquisition of BioFire (a)	14	(8.9)	(17.5)	(8.5)
OPERATING INCOME BEFORE NON-RECURRING ITEMS		**189.2**	**345.9**	**177.1**
Other non-recurring income and expenses from operations	15	0.0	0.2	0.1
OPERATING INCOME		**189.2**	**346.0**	**177.2**
Cost of net financial debt	16.2	(10.6)	(21.3)	(9.6)
Other financial income and expenses, net	16.3	(3.5)	(4.5)	(2.0)
Income tax	17	(36.3)	(64.8)	(31.5)
Share in earnings (losses) of equity-accounted companies		0.0	0.2	0.0
NET INCOME OF CONSOLIDATED COMPANIES		**138.7**	**255.6**	**134.1**
Non-controlling interests		(1.8)	(1.1)	(0.1)
ATTRIBUTABLE TO OWNERS OF THE PARENT		**140.5**	**256.7**	**134.2**
Basic earnings per share		€1.19	€2.18	€1.14
Diluted earnings per share		€1.18	€2.17	€1.13

(a) In order to improve the understanding of operating income and in view of BioFire's size, the amortisation of the assets acquired and valued during the purchase price allocation, are presented on a separate line of operating income before non-recurring items.

(b) The comparative data pertaining to 2018 were restated to take into account the retrospective application of IFRS 16. The reconciliation between the published and the restated financial statements is provided in Note 23.

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Notes	Jun. 30, 2019	Dec. 31, 2018 restated (a)	Jun. 30, 2018 restated (a)
Net income for the period		**138.7**	**255.6**	**134.1**
Items to be reclassified to income		**6.5**	**24.0**	**7.8**
Fair value gains (losses) on financial hedging instruments		(0.1)	(3.1)	(2.4)
Tax effect		0.0	0.7	0.7
Movements in cumulative translation adjustments		6.6	26.5	9.5
Items not to be reclassified to income		**12.6**	**9.4**	**(2.6)**
Fair value gains (losses) on financial assets	(b)	21.8	2.4	(8.6)
Tax effect		(0.9)	(0.4)	0.0
Remeasurement of employee benefits		(11.5)	10.1	8.0
Tax effect		3.1	(2.7)	(2.0)
TOTAL OTHER COMPREHENSIVE INCOME		**19.1**	**33.5**	**5.3**
TOTAL COMPREHENSIVE INCOME		**157.8**	**289.1**	**139.5**
Non-controlling interests		(1.3)	(1.3)	(0.1)
ATTRIBUTABLE TO OWNERS OF THE PARENT		**159.1**	**290.4**	**139.6**

(a) The comparative data pertaining to 2018 were restated to take into account the retrospective application of IFRS 16. The reconciliation between the published and the restated financial statements is provided in Note 23.

(b) Changes in the fair value of financial instruments concern shares in non-consolidated companies for which the Group has opted for a change in the fair value in other comprehensive income not recyclable in profit and loss (see Note 5).

CONSOLIDATED BALANCE SHEET

ASSETS

In millions of euros	Notes	**Jun. 30, 2019**	**Dec. 31, 2018 restated (a)**	**Jun. 30, 2018 restated (a)**
Intangible assets	3	511.3	507.2	458.1
Goodwill	3.3	665.8	619.0	475.9
Property, plant and equipment	4.1	807.4	761.4	696.9
Right-of-use assets	4.2	134.3	137.7	141.4
Non-current financial assets	5	71.8	66.9	59.1
Net income for the period - Investments in associates		0.2	0.3	0.0
Other non-current assets		15.3	16.2	15.2
Deferred tax assets		89.3	78.5	69.3
NON-CURRENT ASSETS		**2,295.5**	**2,187.1**	**1,915.8**
Inventories and work-in progress		481.1	418.8	406.3
Trade receivables and assets related to contracts with customers	7	494.8	491.8	446.1
Other operating receivables		89.0	63.4	97.2
Current tax receivables		27.2	39.2	32.8
Non-operating receivables		12.1	12.9	10.0
Cash and cash equivalents		247.7	288.3	194.3
CURRENT ASSETS		**1,351.8**	**1,314.4**	**1,186.7**
ASSETS HELD FOR SALE	6	**0.0**	**0.1**	**0.5**
TOTAL ASSETS		**3,647.3**	**3,501.6**	**3,103.0**

SHAREHOLDERS' EQUITY AND LIABILITIES

In millions of euros	Notes	**Jun. 30, 2019**	**Dec. 31, 2018 restated (a)**	**Jun. 30, 2018 restated (a)**
Share capital	9.1	12.0	12.0	12.0
Additional paid-in capital and reserves	9.2	1,913.0	1,660.0	1,691.1
Attributable net income for the period		140.5	256.7	134.1
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**2,065.5**	**1,928.8**	**1,837.3**
NON-CONTROLLING INTERESTS		**51.9**	**74.1**	**0.0**
TOTAL EQUITY		**2,117.4**	**2,002.9**	**1,837.3**
Long-term borrowings and debt	11	520.2	524.9	478.2
Deferred tax shareholders' equity and liabilities		137.4	130.5	117.4
Impairment	10	48.9	47.1	53.7
NON-CURRENT LIABILITIES		**706.6**	**702.5**	**649.3**
Short-term borrowings and debt	11	149.3	129.1	75.9
Impairment	10	42.3	45.0	35.6
Trade payables		189.5	179.7	157.1
Other operating payables		376.8	352.2	287.3
Current tax payables		22.4	33.5	22.6
Non-operating payables		43.1	56.9	38.0
CURRENT LIABILITIES		**823.5**	**796.3**	**616.4**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	6	**0.0**	**0.0**	**0.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,647.3**	**3,501.6**	**3,103.0**

a) The comparative data pertaining to 2018 were restated to take into account the retrospective application of IFRS 16 and modifications regarding the determination of the acquired assets and liabilities of Hybiome and Astute. The reconciliation between the published and the restated financial statements is provided in Note 23.

Consolidated Cash Flow Statement

In millions of euros	Notes	Jun. 30, 2019	Dec. 31, 2018	Jun. 30, 2018
Six months ended June 30, 2019		**138.7**	**255.6**	**134.0**
- Net income for the period - Investments in associates		0.0	(0.2)	0.0
- Cost of net financial debt		10.6	21.4	9.6
- Other financial income and expenses, net		3.5	4.5	2.0
- Income tax expense		36.3	65.3	31.5
- Operating depreciation and provisions on assets		85.0	177.0	83.0
- Non-recurring income and expenditure and acquisition fees and depreciation costs for the acquisition of BioFire		8.9	17.4	8.5
EBITDA (before non-recurring items)	**11**	**283.0**	**541.0**	**268.6**
Other non-recurring income and expenses from operations *(excluding non-recurring provisions for impairment and capital gains and losses on disposals of fixed assets)*		0.1	0.1	0.1
Other financial income and expenses, net *(excluding provisions and disposals of non-current financial assets)*		(3.5)	(4.6)	(2.0)
Net additions to operating provisions for contingencies and losses		(11.9)	(47.8)	(44.0)
Fair value gains (losses) on financial instruments		(0.9)	0.3	(0.7)
Share-based payment		5.0	6.7	2.8
Elimination of other non-cash/non-operating income and expenses		**(11.2)**	**(45.3)**	**(43.8)**
Change in inventories		(59.3)	(26.9)	(22.5)
Change in trade receivables		1.4	(30.6)	12.8
Change in trade payables		8.5	13.1	(5.4)
Change in other operating working capital		12.2	36.0	(22.2)
Change in operating working capital requirement[(a)]		**(37.2)**	**(8.4)**	**(37.3)**
Other non-operating working capital		1.7	1.8	0.2
Change in non-current non-financial assets and liabilities		1.0	(1.5)	(0.8)
Change in working capital requirement		**(34.5)**	**(8.1)**	**(37.9)**
Income tax paid		**(51.4)**	**(66.5)**	**(33.0)**
Cost of net financial debt	**16**	**(10.6)**	**(21.4)**	**(9.6)**
NET CASH FROM OPERATING ACTIVITIES		**175.3**	**399.7**	**144.3**
Purchases of property, plant and equipment and intangible assets		(123.3)	(226.4)	(104.0)
Proceeds from disposals of property, plant and equipment and intangible assets		5.4	5.4	2.1
Proceeds from other non-current financial assets		(2.3)	0.0	0.0
FREE CASH FLOW (b)		***55.1***	***178.7***	***42.4***
Disbursement / collection related to taking non-controlling interests		20.0	(5.4)	0.1
Impact of changes in Group structure		(68.4)	(186.7)	(85.2)
NET CASH USED IN INVESTING ACTIVITIES		**(168.6)**	**(413.1)**	**(187.0)**
Cash capital increase		0.0	0.0	0.0
Purchases and sales of treasury shares		0.5	(22.3)	(0.3)
Dividends paid to owners		(41.3)	(40.2)	(40.2)
Dividends paid to non-controlling interests		0.0	0.0	(0.1)
Change in committed debt		(10.7)	105.5	20.7
Change in interests without gain or loss of controlling interest		(23.7)	0.0	0.0
NET CASH USED IN FINANCING ACTIVITIES		**(75.2)**	**43.0**	**(19.9)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(68.5)**	**29.6**	**(62.6)**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**278.2**	**260.4**	**260.4**
Impact of currency changes on net cash and cash equivalents		(3.0)	(11.8)	(11.2)
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		**206.9**	**278.2**	**186.6**

(a) The comparative data pertaining to 2018 were restated to take into account the retrospective application of IFRS 16 and modifications regarding the determination of the acquired assets and liabilities of Hybiome and Astute. The reconciliation between the published and the restated financial statements is provided in Note 23.
(b) Including additions to and reversals of short-term provisions.
(c) Corresponds to the sum of the cash flows related to operations and those related to capital expenditures, excluding the impact of changes in the scope of consolidation. It also includes cash flows involving treasury shares and those relating to the cost of debt.

The presentation of the consolidated cash flow statement has changed in order to better reflect the Group's cash generation. This change is presented in Note 11.

Comments on changes in consolidated net cash and cash equivalents are provided in Note 11.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Attributable to owners of the parent										Non-controlling interests
In millions of euros	Share capital	Additional paid in capital and consolidated reserves	Cumulative translation adjustments	Changes in fair value of financial instruments	Actuarial gains and losses	Treasury shares	Share-based payment	Total additional paid-in capital and reserves	Net income	**Total**	**Total**
REPORTED EQUITY AT DECEMBER 31, 2017	**12.0**	**1,558.4**	**(32.5)**	**16.1**	**(54.0)**	**(10.9)**	**10.5**	**1,487.5**	**238.1**	**1,737.6**	**(0.9)**
IFRS 16 restatement		(1.4)	0.1					(1.3)		**(1.3)**	
RESTATED EQUITY AT DECEMBER 31, 2017	**12.0**	**1,557.0**	**(32.4)**	**16.0**	**(54.0)**	**(10.9)**	**10.5**	**1,486.2**	**238.1**	**1,736.3**	**(0.9)**
Total comprehensive income for the period			9.5	(10.4)	6.0			5.2	134.4	**139.5**	**(0.1)**
Appropriation of prior-period net income		238.1						238.1	(238.1)	**0.0**	
Dividends paid		(40.2)						(40.2)		**(40.2)**	**0.0**
Treasury shares		0.2				(0.2)		0.0		**0.0**	
Share-based payment							2.8	2.8		**2.8**	
Changes in ownership interests		(0.9)						(0.9)		**(0.9)**	**1.0**
IFRS 16 restatement		(0.1)	0.2					0.1	(0.3)	**(0.2)**	
RESTATED EQUITY AT JUNE 30, 2018	**12.0**	**1,754.1**	**(22.7)**	**5.6**	**(48.0)**	**(11.1)**	**13.3**	**1,691.3**	**134.1**	**1,837.3**	**0.0**

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 [b]	Actuarial gains and losses [c]	Treasury shares	Share-based payment	Total additional paid-in capital and reserves	Net income	**Total**	**Total**
REPORTED EQUITY AT DECEMBER 31, 2017	**12.0**	**1,558.4**	**(32.5)**	**16.1**	**(54.0)**	**(10.9)**	**10.5**	**1,487.5**	**238.1**	**1,737.6**	**(0.9)**
IFRS 16 restatement (Note 2.2)		(1.4)	0.1					(1.3)		**(1.3)**	
RESTATED EQUITY AT DECEMBER 31, 2017	**12.0**	**1,557.0**	**(32.4)**	**16.1**	**(54.0)**	**(10.9)**	**10.5**	**1,486.2**	**238.1**	**1,736.3**	**(0.9)**
Total comprehensive income for the period			26.7	(0.4)	7.4			33.7	256.6	**290.4**	**(1.3)**
Appropriation of prior-period net income		238.1						238.1	(238.1)	**0.0**	
Dividends paid (d)		(40.2)						(40.2)		**(40.2)**	
Treasury shares		(2.7)				(21.9)		(24.6)		**(24.6)**	
Share-based payment (e)							6.7	6.7		**6.7**	
Changes in ownership interests (f)		(0.9)						(0.9)		**(0.9)**	**76.1**
Other changes (g)		(39.6)					(0.2)	(39.8)		**(39.8)**	
IFRS 16 restatement (Note 2.2)		0.0	0.4					0.4	0.1	**0.5**	
Hybiome acquisition adjustment		0.5	(0.1)					0.4		**0.4**	**0.2**
RESTATED EQUITY AT DECEMBER 31, 2018	**12.0**	**1,712.3**	**(5.5)**	**15.7**	**(46.6)**	**(32.8)**	**17.0**	**1,660.0**	**256.7**	**1,928.8**	**74.1**
Total comprehensive income for the period			6.0	20.9	(8.4)			18.5	140.5	**159.0**	**(1.2)**
Appropriation of prior-period net income		256.7						256.7	(256.7)	**0.0**	
Dividends paid (d)		(41.3)						(41.3)		**(41.3)**	
Treasury shares		(16.3)				17.5		1.2		**1.2**	
Share-based payment (e)							5.0	5.0		**5.0**	
Changes in ownership interests (f)		12.9						12.9		**12.9**	**(21.0)**
Other changes (g)		12.0					(12.0)	0.0		**0.0**	
EQUITY AT JUNE 30, 2019	**12.0**	**1,936.1 [h]**	**0.5 [i]**	**36.6**	**(55.0)**	**(15.3)**	**10.0**	**1,912.9**	**140.5**	**2,065.5 [h]**	**51.9 [j]**

(a) Of which additional paid-in capital: €63.7 million.
(b) Including changes in the fair value of Quanterix, Labtech and GNEH shares and hedging instruments.
(c) Actuarial gains and losses on employee benefit obligations arising since the effective date of the revised IAS 19R.
(d) Dividends per share: €0.35 in 2019 and €0.34 in 2018 (before stock split).
Shares not qualifying for dividends amounted to 260,380 at June 30, 2019 compared with 569,443 at December 31, 2018.
(e) The fair value of benefits related to share grants is being recognised over the vesting period.
(f) The changes in ownership percentages in 2019 correspond to the exercise of puts on Hybiome and Hyglos minority interests. In 2018, they resulted from the acquisition of Hybiome and the repurchase of the minority interests of RAS Lifesciences.
(g) In 2019, this change corresponds to the reclassification following the awarding of free shares.
(h) Of which bioMérieux SA distributable reserves, including the net income for the financial year: €1,002.7 million.
(i) See Note 9.2 Cumulative translation adjustments.
(j) In 2019, the change in non-controlling interests is the result of the additional repurchase of 13% of Hybiome from minority interests.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2019

bioMérieux is a leading international diagnostics group that specialises in the *field of in* vitro diagnostics for clinical and industrial applications. The Group designs, develops, manufactures and markets diagnostic systems (reagents, instruments and services). bioMérieux is present in more than 160 countries through 44 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.

These condensed interim consolidated financial statements were approved by the Board of Directors on September 3, 2019. They are presented in millions of euros. They have been subject to a review by the Statutory Auditors.

The risk factors applicable to bioMérieux Group are described in section 2 of the 2018 Registration Document filed with the French financial markets authority (Autorité des marchés financiers – AMF) on March 14, 2019.

1 SIGNIFICANT EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION FOR THE HALF-YEAR

1.1 SIGNIFICANT EVENTS OF FIRST-HALF

1.1.1 Acquisition of Invisible Sentinel Inc.

On February 6, 2019, bioMérieux acquired 100% of the shares in Invisible Sentinel Inc., based in Philadelphia (United States). This company develops, manufactures and markets solutions for molecular diagnostics to identify disease-causing organisms and other contaminants in foodstuffs and beverages.

Invisible Sentinel's offering will complement bioMérieux's molecular diagnostics solution, GENE-UP®, used for food quality control.

The acquisition was carried out for an amount of €66.4 million in cash. The subsidiary was consolidated using the full consolidation method from the takeover date, giving mainly rise to the recognition of technologies net of deferred tax liabilities for €5.5 million, a customer relationship net of deferred tax liabilities for €8.5 million, deferred tax assets of €5.1 million and provisional goodwill of €46.3 million. The amount of this provisional goodwill reflects bioMérieux's determination to develop its presence in the food and beverages market.

Since the acquisition date, Invisible Sentinel has generated sales of €3.1 million and an operating loss of €1.2 million, including the depreciation of the technologies and the customer relationship recognised during the purchase price allocation work.

1.1.2 Increase of the equity investment in Hybiome

In June 2019, an additional 12.52% equity stake was acquired for €23.7 million by exercising part of the put existing on the minority interests. Following this transaction, bioMérieux now holds 67% of the shares in Hybiome.

The minority interests acquired in June 2019 were included in the calculation of the debt relating to the put at December 31, 2018. Consequently, the debt relating to the put was reduced by €15.7 million recognised through shareholders' equity - attributable to owners of the parent.

The company was already accounted for using the full consolidation method at December 31, 2018.

1.1.3 Adjustments pertaining to the determination of the assets acquired in 2018

Astute Medical Inc. (acquisition in April 2018):
In the context of the work performed to finalise the determination of the fair value of the acquired assets and liabilities, the valuation assumptions for inventories resulted in a €2 million reduction of the value of the acquired inventories, net of deferred taxes, as an offset to goodwill The work to determine the opening balance sheet is now finalised. The financial statements at June 30 and December 31, 2018 have been adjusted.

Hybiome (acquisition in November 2018:
The assets and liabilities identified at the takeover date are presented in Note 23. Changes in relation to the information presented in the consolidated financial statements at December 31, 2018 involve the detailed determination of the company's balance sheet on the acquisition date. The work to measure the intangible assets is still ongoing. The Group has therefore used the value of the technology recognised at December 31, 2018 for €55.7 million. The taking into account of these items had no material impact on the Group's net income. Accordingly, the consolidated income statement at December 31, 2018 was not restated in relation to the integration of the opening balance sheet, only the balance sheet and the consolidated cash flow statement were adjusted. At June 30, 2019, provisional goodwill stood at €139.5 million compared to €139.3 million at December 31, 2018 (see Note 3.3 below)

The reconciliation of the published data with the restated data is presented in Note 23.

1.1.4 Freezing of bioMérieux Inc. retirement benefits

During the first half of 2019, the Group decided to freeze the retirement benefits for the defined benefit pension plan for bioMérieux Inc. (USA) employees. This decision resulted in the recognition of $12.6 million in income, i.e. €11.2 million entirely recognised as contributive operating income before non-recurring items.

1.2 SUMMARY OF SIGNIFICANT EVENTS IN 2018

The significant events of the 2018 financial year did not have a significant impact on the financial statements for the first half of 2019 aside from the adjustments associated with the determination of the assets acquired in 2018 (see Note 1.1.3 above).

1.3 CHANGES IN THE SCOPE OF CONSOLIDATION

There were no changes in the scope of consolidation during the first half of 2019 other than the consolidation of Invisible Sentinel Inc. (see Note 1.1.1)

2 SIGNIFICANT ACCOUNTING PRINCIPLES

2.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS

The 2019 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 Commission at June 30, 2019. These standards, amendments and interpretations are available on the European Commission website (https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_fr).

The condensed 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 principles and calculation methods used to prepare the interim consolidated financial statements for the six months ended June 30, 2019 and June 30, 2018 are identical to those used to prepare the annual financial statements for the year ended December 31, 2018 and described in detail in the registration document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 14, 2019, with the exception of the standards, amendments and interpretations that came into force in 2019. In some cases, these rules have been adapted to the specific nature of interim financial statements, in accordance with IAS 34.

The new standards, amendments and interpretations adopted by the European Commission and applicable from January 1, 2019 are presented below.

- IFRS 16 "Leases": see Note 2.2 for details on the impact of the first application,
- IFRIC 23 "Uncertainty over income tax treatments",
- 2015-2017 annual improvements (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23),
- Amendments to IAS 19 "Plan amendment, curtailment or settlement",
- Amendments to IFRS 9 "Prepayment features with negative compensation",
- Amendments to IAS 28 "Long-term interests in associates and joint ventures".

With the exception of IFRS 16, the other standards, amendments and interpretations that became applicable effective January 1, 2019 had no material impact or were not applicable. The analysis conducted under IFRIC 23 did not result in the recognition of additional liabilities pertaining to tax uncertainties.

The bioMérieux Group did not opt for the early application of the standards, amendments and interpretations adopted or awaiting adoption by the European Union, which will become effective after June 30, 2019 but which could have been applied early. These primarily involve the following standards and amendments, applicable for the financial years beginning on or after January 1, 2020, subject to their adoption by the European Union:

- Amendments to IFRS 3 "Definition of a business";
- Amendments to IAS 1 and IAS 8 "Change to the definition of the term materiality";
- Amendments to the references of the conceptual framework in the IFRS standards.

The Group does not expect the amendments to have a material impact on the Group's consolidated financial statements.

There are no standards, amendments and interpretations published by the IASB, with mandatory application for the financial years opened on January 1, 2019, but not yet approved at the European level (and for which early application is not possible on a European level), which would have had a significant impact on the financial statements for this half-year.

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

2.2 FIRST APPLICATION OF IFRS 16 TO LEASES

As indicated in the notes to the 2018 financial statements, at January 1, 2019, the bioMérieux Group applied IFRS 16 to leases using the full retrospective approach.

In accordance with the standard's provisions regarding the full retrospective approach, it was applied as of January 1, 2018. In accordance with IAS 8, the comparative financial statements were restated. The reconciliation between the 2018 annual and half-year financial statements (balance sheet, consolidated income statement and cash flow statement) and the financial statements restated under IFRS 16 is presented in Note 23.

In the same manner, the comparative data for 2018 provided in the notes to the financial statements were restated to take into account the impact of the application of IFRS 16.

The Group opted to present right-of-use assets as a separate line item on the balance sheet. The liabilities linked to lease liabilities are presented in "Long-term borrowings and debt" and "Short-term borrowings and debt" depending on their maturities.

The principles used for the accounting of leases as well as the options selected by the Group for discount rates and lease terms are presented in Note 4.2.

The Group is awaiting the decisions of the IFRS IC, following the June 2019 notifications pertaining to these two items, which may have an impact on the methods used for the restatement of the leases. Nevertheless, the Group does not expect significant changes to equity or operating income.

2.3 JUDGMENTS AND ESTIMATES

The rules for judgments and estimates have not changed significantly from June 30, 2018 and December 31, 2018 (see Note 2 to the consolidated financial statements for the year ended December 31, 2018) with the exception of those pertaining to the first application of IFRS 16 (lease terms and discount rates). These rules were applied in particular for the measurement and impairment of intangible and financial assets and deferred taxes, and for the measurement of post-employment benefit obligations.

2.4 PRESENTATION OF THE CONSOLIDATED INCOME STATEMENT

The Group's key financial performance indicator is contributive operating income before non-recurring items. It corresponds to recurring income less recurring expenses. It does not include non-recurring income and expenses or amortisation 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, 2018).

2.5 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 AMORTISATION

3.1 ACCOUNTING PRINCIPLES

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, 2018. 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. The financial statements for the first half of 2019 reflect the results of these analyses.

Impact of the first application of IFRS 16:

The analysis did not lead to the identification of assets associated with leases to be tested independently from a CGU.

While awaiting the expected clarifications regarding the practical methods for performing impairment tests incorporating IFRS 16 restatement, and in view of the numerous practical issues identified, the impairment tests were carried out both prior to IFRS 16 and in an approximate manner by incorporating the right-of-use asset and the debt linked to the lease liability into the carrying amount of the CGU, without any modification being made to the calculation of the provisional cash flows.

It should be noted that there were no CGUs with a recoverable value close to the net carrying amount at December 31, 2018, and including leases. In addition, the first application of IFRS 16 should not have any material impact in the event that the recoverable value is determined in relation to provisional cash flows

3.2 CHANGES IN INTANGIBLE ASSETS AND AMORTISATION

Intangible assets mainly comprise patents and technologies.

Gross value

In millions of euros	Patents Technology	Software	Other	Total
DECEMBER 31, 2017	**538.8**	**179.4**	**33.1**	**751.3**
Translation adjustments	18.5	1.7	1.0	21.2
Acquisitions/Increases	0.6	7.7	23.0	31.3
Changes in Group structure	90.3	0.0	0.0	90.3
Disposals/Decreases	(6.4)	(0.7)	(0.8)	(7.9)
Reclassifications	0.0	17.0	(15.1)	1.9
DECEMBER 31, 2018	**641.8**	**205.2**	**41.2**	**888.2**
DECEMBER 31, 2018 restated	**641.8**	**205.2**	**41.2**	**888.2**
Translation adjustments	2.9	0.6	0.1	3.6
Acquisitions/Increases	0.0	3.2	6.4	9.7
Changes in Group structure	7.3	0.0	11.3	18.6
Disposals/Decreases	0.0	(0.7)	0.0	(0.7)
Reclassifications	0.0	4.6	(4.5)	0.1
JUNE 30, 2019	**652.0**	**212.9**	**54.5**	**919.5**

Accumulated depreciation and impairments

In millions of euros	Patents Technology	Software	Other	Total
DECEMBER 31, 2017	**191.7**	**125.0**	**3.9**	**320.7**
Translation adjustments	5.4	1.4	0.1	6.9
Additions	40.8	19.7	0.8	61.3
Changes in scope of consolidation	0.0	0.0	0.0	0.0
Reversals/Disposals	(6.3)	(0.8)	(0.8)	(8.0)
Reclassifications	0.0	0.0	0.0	0.0
DECEMBER 31, 2018	**231.5**	**145.3**	**4.1**	**380.9**
DECEMBER 31, 2018 restated	**231.5**	**145.3**	**4.1**	**380.9**
Translation adjustments	0.7	0.4	0.0	1.1
Additions	16.6	9.7	0.7	26.9
Changes in scope of consolidation	0.0	0.0	0.0	0.0
Reversals/Disposals	(0.1)	(0.8)	0.0	(0.9)
Reclassifications	0.0	0.0	0.0	0.0
JUNE 30, 2019	**248.9**	**154.6**	**4.8**	**408.2**

Carrying amount

In millions of euros	Patents Technology	Software	Other	Total
DECEMBER 31, 2017	**347.2**	**54.4**	**29.2**	**430.7**
DECEMBER 31, 2018	**410.2**	**59.9**	**37.1**	**507.2**
DECEMBER 31, 2018 restated	**410.2**	**59.9**	**37.1**	**507.2**
JUNE 30, 2019	**403.2**	**58.3**	**49.8**	**511.3**

The “Other” column includes the gross value of the intangible assets under construction which represent €34.9 million at June 30, 2019 compared to €41.6 million at December 31, 2018, and which mainly concern IT or research and development projects.

The changes in the scope of consolidation at June 30, 2019 are associated with the acquisition of Invisible Sentinel (see Note 1.1.1).

The impairment tests did not lead to the recognition of additional impairment losses at June 30, 2019

3.3 CHANGES IN GOODWILL

In millions of euros	Carrying amount
DECEMBER 31, 2017	**442.7**
Translation adjustments	6.0
Changes in scope of consolidation	167.7
DECEMBER 31, 2018 published	**616.5**
Opening restatement (a)	2.4
DECEMBER 31, 2018 restated	**619.0**
Translation adjustments	0.6
Changes in Group structure (b)	46.3
JUNE 30, 2019	**665.8**

(a) Linked to the adjustment in the goodwill of Astute Medical Inc. and Hybiome (see Notes 1.1.3 and 23.3).
(b) Linked to the acquisition of Invisible Sentinel Inc. Goodwill considered to be provisional at June 30, 2019.

Goodwill that remained provisional at June 30, 2019 pertained to the acquisition of Hybiome in 2018 and of Invisible Sentinel (see above).

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

4 CHANGES IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND DEPRECIATION

4.1 CHANGES IN PROPERTY, PLANT AND EQUIPMENT

GROSS VALUE *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalised instruments	Other fixed assets	Assets under construction	Total
DECEMBER 31, 2017 published	**40.6**	**549.2**	**426.1**	**354.8**	**157.9**	**65.9**	**1,594.5**
Translation adjustments	0.4	8.8	9.5	(0.5)	2.7	2.6	**23.4**
Changes in scope of consolidation					2.5		**2.5**
Acquisitions/Increases		10.1	24.9	56.8	8.4	101.6	**201.8**
Disposals/Decreases	(0.1)	(5.9)	(7.1)	(31.5)	(9.9)		**(54.4)**
Reclassifications	0.4	19.7	13.7	0.1	5.3	(41.1)	**(1.8)**
DECEMBER 31, 2018 published	**41.3**	**582.0**	**467.1**	**379.6**	**166.9**	**129.0**	**1,765.9**
Hybiome restatement			*2.2*	*8.1*	*0.5*	*(9.6)*	***1.2***
Restatement lease financing agreements in right of use (IFRS 16)	*(2.9)*	*(61.1)*	*(0.6)*		*(5.7)*		***(70.3)***
DECEMBER 31, 2018 restated	**38.4**	**520.9**	**468.7**	**387.7**	**161.7**	**119.4**	**1,696.8**
Translation adjustments	0.1	1.7	1.4	1.1	0.6	0.3	**5.2**
Changes in scope of consolidation		0.3	1.0				**1.3**
Acquisitions/Increases		4.2	17.1	34.4	2.8	45.3	**103.7**
Disposals/Decreases		(2.9)	(3.0)	(26.3)	(2.1)		**(34.4)**
Reclassifications		26.6	19.6	0.5	4.5	(51.8)	**(0.7)**
JUNE 30, 2019	**38.5**	**550.9**	**504.8**	**397.3**	**167.4**	**113.2**	**1,772.1**

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalised instruments	Other fixed assets	Assets under construction	Total
DECEMBER 31, 2017 published	**1.8**	**247.9**	**264.3**	**258.6**	**110.4**		**883.1**
Translation adjustments		3.1	5.1	(0.7)	1.8		**9.3**
Changes in scope of consolidation					2.2		**2.2**
Additions [d]	0.2	29.9	38.2	24.1	17.6	2.5	**112.6**
Disposals/Decreases	0.0	(5.1)	(7.0)	(26.8)	(9.6)		**(48.4)**
Reclassifications			0.3	(0.1)	(0.4)		**(0.1)**
DECEMBER 31, 2018 published	**2.1**	**275.8**	**300.9**	**255.2**	**122.1**	**2.5**	**958.5**
Hybiome restatement			*0.9*	*2.9*	*0.4*	*(2.5)*	***1.7***
Restatement lease financing agreements in right of use (IFRS 16)		*(18.5)*	*(0.5)*	*0.0*	*(5.7)*	*0.0*	***(24.6)***
DECEMBER 31, 2018 restated	**2.1**	**257.3**	**301.4**	**258.1**	**116.7**	**0.0**	**935.5**
Translation adjustments	0.0	0.6	0.8	0.8	0.4	0.0	**2.5**
Changes in scope of consolidation		0.3	0.6			0.0	**0.9**
Additions	0.1	16.7	16.9	15.8	6.9		**56.5**
Disposals/Decreases		(2.9)	(3.0)	(20.9)	(2.0)		**(28.8)**
Reclassifications		(1.9)	(0.1)	0.1	(0.1)		**(2.0)**
JUNE 30, 2019	**2.2**	**270.1**	**316.6**	**253.8**	**121.9**		**964.7**

CARRYING AMOUNT *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalised instruments	Other fixed assets	Assets under construction	Total
DECEMBER 31, 2017 published	**38.7**	**301.2**	**161.8**	**96.2**	**47.5**	**65.9**	**711.4**
DECEMBER 31, 2018 published	**39.2**	**306.2**	**166.2**	**124.5**	**44.8**	**126.5**	**807.5**
Hybiome restatement			*1.3*	*5.2*	*0.1*	*(7.1)*	***(0.5)***
Restatement lease financing agreements in right of use (IFRS 16)	*(2.9)*	*(42.6)*	*(0.1)*				***(45.6)***
DECEMBER 31, 2018 restated	**36.3**	**263.7**	**167.3**	**129.6**	**44.9**	**119.4**	**761.4**
JUNE 30, 2019	**36.3**	**280.7**	**188.1**	**143.6**	**45.5**	**113.2**	**807.4**

(a) The comparative data pertaining to 2018 were restated to take into account the application of IFRS 16 and modifications regarding the determination of the acquired assets and liabilities of Hybiome and Astute. The reconciliation between the published and the restated financial statements is provided in Note 23.

Assets under construction mainly concern the construction of a new warehouse in Salt Lake City.

No changes in impairment were recognised for the first half of 2019 as a result of the impairment tests described in Note 3.1.1.

4.2 RIGHT-OF-USE ASSETS

As indicated in Note 2.2, the Group applied IFRS 16 "Leases" beginning on January 1, 2019 using the full retrospective approach. The 2018 comparative financial statements were restated pursuant to the application of this option.

4.2.1 Accounting principles

IFRS 16 no longer makes a distinction, from the lessee perspective, between finance leases and operating leases, as previously defined by IAS 17. Only agreements classified as finance leases were restated in prior years.

Leases are leasing agreements (or agreements that contain a lease component) that convey the right to receive the near totality of the economic benefits associated with the use of the asset resulting from the right to manage the use of the identified asset during the period of use.

Leases that meet this definition are recognised according to the methods defined below, except in the case of the exemptions stipulated by the standard (lease terms of less than 12 months and/or underlying assets with a low value).

In practice, the analysis predominantly resulted in the restatement of real estate and vehicle leases.

For agreements not restated as leases, the lease payments are recognised as expenses on a straight line basis over the term of the agreement.

The accounting rules for agreements that fall within the scope of IFRS 16 are presented below.

As of the commencement date of the agreement, the Group recognises a right-of-use asset and a financial liability for the lease liability. The asset is recorded as a separate line item on the balance sheet; the liability is presented under borrowings.

The lease liability is measured at the discounted value of the lease payments not yet paid over the term of the lease.
The discounted value is determined by using the implicit borrowing rate for finance leases and the marginal borrowing rate for other leases. The marginal borrowing rate is calculated for each country according to the term of the lease. Until a decision is received from the IFRS IC, the marginal borrowing rate is a duration rate (taking into account the lease payment profile) and not a maturity rate.

The term of a lease is the enforceable period, which corresponds to the non-cancelable period, plus:
- Any option to extend the lease if the Group is reasonably certain it will exercise the option;
- Any lease termination option if the Group is reasonably certain it will not exercise the option.

In practice, the terms used for the main leases are:
- In France: an enforceable period of 9 years (commercial leases 3/6/9): a non-cancelable period of 3 years and certainty of using the extension options after 3 and 6 years;

- In other countries, the term is that indicated in the lease unless the renewal decision is solely; at the discretion of the lessee. In this case, the term used is 20 years from the date of the first lease.

The various leases do not contain an early termination clause and there is no clause likely to result in the lessor paying compensation to the Group that would be more than insignificant in the event of the non-renewal of the lease at the end of the non-cancelable period.

Lease payments represent fixed payments, variable payments based on an index or a rate, and the exercise price of the purchasing options that the lessee has the reasonable certainty of exercising. In practice, most of the lease payments are variable. There exist purchasing options for lease financing agreements and there are no penalties that would be more than insignificant in the event of the termination of the lease at the lessor's initiative.

Right-of-use assets are measured as follows: the cost is reduced by the accumulated depreciation and impairment losses, and adjusted to take into account, where applicable, re-measurements of the lease liability. No impairment losses or re-measurements of the lease liability were recorded during the first half of 2019.

Right-of-use assets are depreciated over the expected duration of use of the property (including the portion linked to the use of land), in the case of a purchase option at a favourable price. In other cases, these assets are depreciated over the term of the lease as defined above.

While awaiting the reply of the IFRS IC, following the June 2019 notification, improvements associated with leases are depreciated over the term of the lease unless there is reasonable certainty that the underlying asset will be used for a longer period of time than the term of the lease.

While awaiting the IFRS IC's confirmation, the Group has opted to recognise a deferred tax on the restatements of leases.

4.2.2 Change

GROSS VALUE *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	**TOTAL**
DECEMBER 31, 2017 restated	**31.9**	**124.0**	**25.1**	**3.2**	**184.3**
Translation adjustments	1.2	0.2	0.0	0.0	**1.3**
Changes in scope of consolidation		0.0			**0.0**
Acquisitions/Increases	0.6	18.9	6.9	0.1	**26.3**
Disposals/Decreases		(5)	(4)	0	**(9.3)**
Reclassifications					
DECEMBER 31, 2018 restated	**33.7**	**137.9**	**28.0**	**3.1**	**202.7**
					0.1
Translation adjustments	0.1	0.6	0.1	0.0	**0.8**
Changes in scope of consolidation					
Acquisitions/Increases	1.8	5.1	3.7	0.0	**10.5**
Disposals/Decreases	(0.6)	(6.0)	(3.8)	(0.1)	**(10.5)**
Reclassifications					
JUNE 30, 2019	**35.1**	**137.5**	**28.0**	**3.0**	**203.6**

ACCUMULATED DEPRECIATION *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	**TOTAL**
DECEMBER 31, 2017 restated	**2.6**	**33.3**	**11.8**	**2.7**	**50.4**
Translation adjustments	0.0	0.0	0.0	0.0	**0.0**
Changes in scope of consolidation		0.0			**0.0**
Additions [d]	1.0	15.6	7.0	0.2	**23.9**
Disposals/Decreases		(5.2)	(3.9)	0.0	**(9.1)**
Reclassifications					
DECEMBER 31, 2018 restated	**3.6**	**43.7**	**14.8**	**2.9**	**65.0**
Translation adjustments	0.0	0.2	0.1	0.0	**0.3**
Changes in scope of consolidation					
Additions	0.7	8.4	3.6	0.1	**12.7**
Disposals/Decreases	(0.6)	(4.8)	(3.4)	(0.1)	**(8.8)**
Reclassifications					
JUNE 30, 2019	**3.6**	**47.6**	**15.1**	**2.9**	**69.3**

CARRYING AMOUNT *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	**TOTAL**
DECEMBER 31, 2017 restated	**29.3**	**90.7**	**13.3**	**0.5**	**133.9**
DECEMBER 31, 2018 restated	**30.1**	**94.1**	**13.2**	**0.2**	**137.7**
JUNE 30, 2019	**31.3**	**89.9**	**12.9**	**0.1**	**134.3**

The increases are primarily linked to new leases. The decreases are primarily linked to leases having reached the end of their terms.

The table below shows the assets linked to the finance leases reclassified as right-of-use assets based on property, plant and equipment (see Note 4.1):

CARRYING AMOUNT *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	**TOTAL**
DECEMBER 31, 2017 restated	**2.9**	**45.6**	**0.1**	**0.1**	**48.7**
DECEMBER 31, 2018 restated	**2.9**	**42.6**	**0.1**		**45.6**
JUNE 30, 2019	**2.7**	**40.7**	**0.2**		**43.6**

5 CHANGES IN NON-CURRENT FINANCIAL ASSETS

In millions of euros	Gross value	Change in fair value	Impairment losses	Carrying amount
DECEMBER 31, 2017	**53.9**	**4.3**	**(0.3)**	**57.9**
Translation adjustments	0.0		0.0	0.0
Acquisitions/Increases	12.7		0.0	12.7
Disposals/Decreases	(1.2)		0.0	(1.2)
Reclassifications and changes in fair value				0.0
Changes in fair value of financial instruments		2.4		2.4
DECEMBER 31, 2018	**65.4**	**6.7**	**(0.3)**	**71.8**
DECEMBER 31, 2018 restated (a)	**60.4**	**6.7**	**(0.3)**	**66.9**
Translation adjustments	(0.2)		0.0	(0.2)
Acquisitions/Increases	3.6		0.0	3.6
Disposals/Decreases	(8.3)		0.0	(8.3)
Reclassifications and changes in fair value				0.0
Changes in fair value of financial instruments		9.7		9.7
JUNE 30, 2019	**55.5**	**16.4**	**(0.3)**	**71.6**

(a) The comparative data pertaining to 2018 were restated to take into account the modifications regarding the determination of the acquired assets and liabilities of Hybiome. The reconciliation between the published and the restated financial statements is provided in Note 23.

The change in fair value recorded in other comprehensive income mainly concerns Quanterix, Geneuro and Labtech securities.

In the cases provided by IFRS 9 (securities not held for transaction purposes), the option for the recognition of changes in fair value not recyclable in profit and loss was irrevocably taken on January 1, 2017. Capital gains of €12.1 million were recorded in other comprehensive income following the disposal of securities during the first half of 2019.

The summary table below shows the change in fair value of the shares in non-consolidated companies at June 30, 2019 compared to December 31, 2018.

	Dec. 31, 2018			**Jun. 30, 2019**		
In millions of euros	**NBV**	***Of which change in JV through profit and loss***	***Of which change in JV through OCI***	**NBV**	***Of which change in JV through profit and loss***	***Of which change in JV through OCI***
Quanterix	32.9		5.3	34.2		9.2
Labtech/LBT Innovations	0.5		(0.7)	0.7		0.2
Geneuro/GNEH	3.2		(2.2)	3.6		0.3
Qvella	6.0			6.3		
Banyan Biomarkers	6.4			6.4		
Sino French Innovations	5.0			5.0		
OTHER SECURITIES	4.8			5.4		
Share consolidations in progress						
TOTAL	**58.9**	**0.0**	**2.4**	**61.6**	**0.0**	**9.7**

The securities that do not show a change in fair value are classified at Level 3 (see Note 27.1 to the financial statements for the year ended December 31, 2018).

6 ASSETS AND LIABILITIES HELD FOR SALE

There were no significant assets or liabilities held for sale at June 30, 2019, as was also the case at December 31, 2018.

7 TRADE RECEIVABLES AND OTHER ASSETS RELATED TO CONTRACTS WITH CUSTOMERS

In millions of euros	Jun. 30, /2019	Dec. 31, 2018 restated (a)	Dec. 31, 2018 published	Jun. 30, 2019
Gross trade receivables	516.4	507.8	505.9	459.4
Impairment losses	(21.6)	(16.0)	(16.0)	(13.3)
CARRYING AMOUNT	**494.8**	**491.8**	**490.0**	**446.1**

(a) The comparative data pertaining to 2018 were restated to take into account the modifications regarding the determination of the acquired assets and liabilities of Hybiome (acquired during the second half of 2018 see Note 1.1.3). The reconciliation between the published and the restated financial statements is provided in Note 23.

Trade receivables include the current portion of finance lease receivables.

RECEIVABLES AND ASSETS RELATED TO CONTRACTS WITH CUSTOMERS	Dec. 31, 2018 restated	Changes in scope of consolidation	Change in gross values	Change in provision	Currency impact	Jun. 30, 2019
Long-term finance lease receivables	16.2			(1.0)	0.1	15.3
NON-CURRENT ASSETS	**16.2**		**0.0**	**(1.0)**	**0.1**	**15.3**
Short-term finance lease receivables	8.6		(0.6)		0.1	8.1
Depreciation of finance lease receivables	(0.3)			0.2	0.0	(0.1)
Finance lease receivables	**8.3**		**(0.6)**	**0.2**	**0.1**	**8.0**
Gross trade receivables	502.1	0.7	7.2	(3.1)	1.4	508.3
Depreciation of trade receivables	(18.7)			(3.0)	0.2	(21.5)
Gross trade receivables	**483.4**	**0.7**	**7.2**	**(6.1)**	**1.6**	**486.8**
CURRENT ASSETS	**491.8**	**0.7**	**6.6**	**(5.9)**	**1.7**	**494.8**

8 LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

Liabilities related to contracts with customers correspond essentially to advances of payment received and maintenance services invoiced in advance on service contracts. These contracts have a duration of one year. The associated revenue is recognised in income over the period that the service is rendered. In practice, the revenue from these contracts is recognised over the 12 months following their invoicing. No significant adjustments were made to any liabilities related to contracts with customers during the first half of 2019.

LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS	Dec. 31, 2018 restated	Changes in scope of consolidation	Change in gross values	Change in provision	Currency impact	Jun. 30, 2019
Provisions for long-term guarantee	1.2			0.1		1.3
NON-CURRENT LIABILITIES	**1.2**	**0.0**	**0.0**	**0.1**	**0.0**	**1.3**
Provisions for short-term guarantee	6.8			(1.3)	0.1	5.6
Advances received on trade receivables	6.3		0.1		0.1	6.5
Credit note to be issued	2.6		0.7		0.0	3.3
Income invoiced in advance	54.7		10.6		0.4	65.7
Other liabilities related to contracts with customers	0.0					0.0
CURRENT LIABILITIES	**70.4**	**0.0**	**11.4**	**(1.3)**	**0.6**	**81.1**

9 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

9.1 SHARE CAPITAL

The Company's share capital amounted to €12,029,370 at June 30, 2019 and was divided into 118,361,220 shares, of which 79,058,721 carried double voting rights. Following a decision taken by the General 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, 2019.

There were no changes in the number of outstanding shares during the period.

At June 30, 2019, the parent company held 19,293 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 259,430 and sold 267,293 of its own shares.

During the first half of the year, the Company definitively allocated 301,200 free shares to employees. At June 30, 2018, the Company held 241,087 treasury shares intended for grants of free shares authorised by the General Meeting.

The liability recorded for the first half in respect of share-based payment schemes totalled €4.9 million. This corresponds to the accrued portion of the estimated liability recognised over the vesting period. It was also €2.8 million for the first half of 2018.

9.2 CUMULATIVE TRANSLATION ADJUSTMENTS

In millions of euros	Jun. 30, 2019	Dec. 31, 2018 restated (b)	Jun. 30, 2018 restated (b)
Dollars (a)	42.0	35.6	16.3
Latin America	(13.3)	(14.0)	(12.8)
Europe - Middle East - Africa	(32.9)	(30.7)	(30.3)
Other countries	5.0	3.2	3.7
TOTAL	**0.7**	**(5.9)**	**(23.0)**

(a) U.S. and Hong Kong dollars.
(b) The comparative data pertaining to 2018 were restated to take into account the application of IFRS 16 and modifications regarding the determination of the acquired assets and liabilities of Hybiome and Astute. The reconciliation between the published and the restated financial statements is provided in Note 23.

9.3 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 shares intended for allocation under free share grants and treasury shares held for market-making purposes).

Diluted (net) earnings per share are calculated from the number of shares defined in the basic earnings increased by the weighted average number of potential shares to be issued and which would have a dilutive effect on net income.

10 PROVISIONS – CONTINGENT ASSETS AND LIABILITIES

10.1 ACCOUNTING PRINCIPLES

10.1.1 Impairment

The recognition and measurement criteria for provisions are identical to those used at December 31, 2018 (see Note 15.1 to the consolidated financial statements for the year ended December 31, 2018).

Additions to and reversals of provisions are recognised in full based on the situation at June 30, 2019.

10.1.2 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 calculations of the benefit obligation and the fair value of plan assets are identical to the calculation method used at December 31, 2018 (see Note 15.3 to the consolidated financial statements for the year ended December 31, 2018).

In accordance with the provisions of IAS 34, post-employment benefits were not calculated in full at June 30, 2019 or June 30, 2018.

Changes in net obligations were estimated as follows:

- The interest cost and the service cost were estimated by extrapolating the total benefit obligation as calculated at December 31, 2018;
- In view of the changes in interest rates over the first half of the year, the discount rates were revised on June 30, 2019. The impact of changes in the discount rate was calculated at June 30, 2019;
- The other actuarial assumptions related to the total benefit obligation (including the salary increase and employee turnover rates) showed no changes at June 30, 2019 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 on the basis of departures announced during 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.

During the first half of 2019, the Group decided to freeze the retirement benefits for the defined benefit pension plan of bioMérieux Inc. This decision resulted in the recognition of $12.6 million in income, i.e. €11.2 million in operating income - see Note 1.1.4.

Changes in the total net benefit obligation are set out in Note 10.3.

10.2 CHANGES IN PROVISIONS

In millions of euros	Retirement benefits and other benefits	Guarantees given	Restruc-turing	Disputes	Other contingencies and losses	Total
DECEMBER 31, 2017	**101.5**	**6.4**	**0.2**	**8.0**	**24.7**	**140.8**
Additions	9.9	11.8	0.6	7.7	7.8	37.8
Reversals (utilisations)	(67.7)	(9.1)	(0.1)	(1.1)	(4.4)	(82.4)
Reversals (surplus)	(0.4)	(1.2)	0.0	(0.7)	(1.1)	(3.4)
Net additions (reversals)	(58.2)	1.5	0.5	5.9	2.3	(48.0)
Actuarial (gains) losses	(10.2)	0.0	0.0	0.0	0.0	(10.2)
Other changes	7.4	0.0	0.0	0.0	1.0	8.4
Translation adjustments	0.9	0.1	0.0	0.1	(0.1)	1.0
DECEMBER 31, 2018	**41.4**	**8.0**	**0.7**	**14.0**	**27.9**	**92.0**
Additions	5.1	5.3	0.2	2.3	4.9	17.8
Reversals (utilisations)	(1.3)	(2.2)	(0.3)	(2.4)	(4.3)	(10.5)
Reversals (surplus)	(11.2)	(4.2)	0.0	(3.8)	(0.2)	(19.4)
Net additions (reversals)	(7.4)	(1.1)	(0.1)	(3.9)	0.4	(12.1)
Actuarial (gains) losses	11.2	0.0	0.0	0.0	0.0	11.2
Translation adjustments	0.0	0.1	0.0	0.0	0.0	0.1
JUNE 30, 2019	**45.3**	**7.0**	**0.6**	**10.1**	**28.3**	**91.3**

The total amount of provisions of €91.3 million includes current provisions for €42.3 million at June 30, 2019. Current provisions represented €45 million at December 31, 2018.

Net reversals of provisions during the first half of 2019 amounted to €12.1 million in recurring income, and mainly reflect the freezing of the U.S. pension fund (see Note 1.1.4).

10.3 CHANGES IN POST-EMPLOYMENT BENEFITS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

The net obligation at June 30, 2019 amounted to €45.3 million, comprising mainly the provision for post-employment benefits (€31 million), as well as the provision for long-service awards (€14.3 million).

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

In millions of euros	Present value of obligation	Fair value of funds	Provisions for pensions	Post employment health insurance	Total provisions for post-employment benefits
DECEMBER 31, 2018	**227.3**	**(200.5)**	**26.7**	**1.6**	**28.3**
Current service cost	(8.2)		(8.2)	0.0	(8.2)
Interest cost	4.1	(3.9)	0.3	0.0	0.3
Retirements	(4.3)	3.5	(0.9)	0.0	(0.9)
Change in plan	0.0		0.0		0.0
Contributions	0.0	(0.2)	(0.2)		(0.2)
Impact on operating income	**(8.4)**	**(0.6)**	**(9.0)**	**0.0**	**(9.0)**
Actuarial gains and losses (Other comprehensive income)	**26.0**	**(14.7)**	**11.2**	0.0	**11.2**
Other movements (incl. impact of exchange rates)	1.1	(0.6)	**0.5**	0.0	**0.5**
JUNE 30, 2019	**245.8**	**(216.4)**	**29.4**	**1.6**	**31.0**

(a) Plan assets or scheduled payments.

The discount rate for commitments for Euro zone countries is between 1.1% and 1.4% at June 30, 2019 depending on the duration of the plans, compared to 2% at December 31, 2018.

The discount rate applied to bioMérieux Inc.'s commitments was 4.5% at June 30, 2019 and has not changed since December 31, 2018.

10.4 PROVISIONS FOR TAX DISPUTES AND LITIGATION

As disclosed in Notes 15.4.1 and 15.4.2 to the 2018 consolidated financial statements, the Group is involved in various tax disputes and litigation.

As at June 30, 2019, there had been no significant changes in the ongoing tax disputes.

With regard to these disputes, a favourable change permitted the reversal of a €1.8 million provision during the first half of 2019.

All provisions were updated on June 30, 2019.

As mentioned in Note 2.1, the 2019 application of the IFRS IC 23 interpretation did not result in the recognition of additional provisions.

10.5 OTHER PROVISIONS FOR CONTINGENCIES AND LOSSES

<u>Manovra Sanità</u>

This 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. However, a provision for risk was recognised in 2016 in line with local practice. This provision was updated on the basis of the same assumptions as in 2017, 2018 and at June 30, 2019.

<u>Other provisions for contingencies and losses</u>

These concern the risks associated with the discontinuation of certain products, or the risks associated with equipment maintenance. These provisions were updated on June 30, 2019.

10.6 CONTINGENT ASSETS AND LIABILITIES

Diagnostic tests for Lyme disease

As stated in Note 15.5 to the 2018 consolidated financial statements, bioMérieux, like other laboratories, was summoned before the Tribunal de Grande Instance de Paris by over 90 patients seeking to obtain compensation for anxiety allegedly "generated by the unreliability of the serodiagnostic tests" for Lyme disease.

At this stage of the proceedings, it is impossible to reliably estimate the risk facing the Group. No significant changes occurred in this dispute during the first half of 2019.

11 NET DEBT – NET CASH AND CASH EQUIVALENTS

11.1 CONSOLIDATED CASH FLOW STATEMENT

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 Group's net 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 amortisation.

In millions of euros	**Jun. 30, 2019**	**Dec. 31, 2018 restated (a)**	**Jun. 30, 2018 restated (a)**
Additive method			
• Net income	138.7	255.6	134.0
• Non-recurring income and expenditure and acquisition fees and depreciation costs for the acquisition of BioFire	8.9	17.4	8.5
• Cost of net financial debt	10.6	21.4	9.6
• Other financial income and expenses, net	3.5	4.5	2.0
• Income tax expense	36.3	65.3	31.5
• Net income for the period - Investments in associates	0.0	(0.2)	0.0
• Net additions to operational depreciation - non-current provisions	85.0	177.0	83.0
EBITDA	**283.0**	**541.0**	**268.6**
Simplified additive method			
• Contributive operating income before non-recurring items	198.0	364.0	185.6
• Depreciation and amortisation	85.0	177.0	83.0
EBITDA	**283.0**	**541.0**	**268.6**

(a) The comparative data pertaining to 2018 were restated to take into account the application of IFRS 16 and modifications regarding the determination of the acquired assets and liabilities of Hybiome and Astute. The reconciliation between the published and the restated financial statements is provided in Note 23.

New presentation of the consolidated cash flow statement at December 31, 2018:

In order to facilitate the reading of the consolidated cash flow statement, the cost of net debt was reclassified from flows related to financing transactions to flows related to the activity.

In addition, an in-depth analysis of the nature of the commitments to bonuses deliverable in cash indexed on the price of the bioMérieux share led to the reclassification of debts from the category "Borrowings" to the category "Other operating payables". Consequently, changes to the value of commitments are presented in the consolidated cash flow statement within the flows related to the activity as from December 31, 2018. At June 30, 2018, they were presented as changes to financing flows.

EBITDA reached €283 million at the end of the first half of 2019, representing 22.2% of sales, up 5.4% compared to €269 million for the same period in 2018. This increase reflects the increase in the contributive operating income before non-recurring items and depreciation, amortisation and provisions for operation.

Income tax payments amounted to €51 million, an increase from the €33 million paid the prior year which had benefited from the repayment of the claim on the dividend tax and the deductibility of the exceptional payment to the U.S. pension fund.

Working capital requirements rose by €37 million during the first half of 2019. Primarily as a result of the following factors:

- Inventories grew by €59 million in 2019, outpacing sales, following the reinstatement of the inventory level of certain product lines and raw materials;
- Trade receivables decreased slightly thanks to an improvement in collection times;
- Trade payables increased by €9 million, in line with the activity;
- The other working capital requirement items improved by €12 million due to the increase in accrued taxes and payroll liabilities, particularly the provision regarding variable compensation indexed to the share price *(phantom share plans).*

The cash outflows related to capital expenditure amounted to roughly 10% of sales, i.e. €123 million at the end of the first half of 2019, compared to €104 million year-over-year.

In this context, free cash flow reached €55 million in 2019 compared with €98 million during the first half of 2018, which excluded the exceptional payment to the U.S. pension fund. If this exceptional payment is included, free cash flow for the first half of 2018 amounted to €42 million.

The acquisitions of non-current financial assets, net of disposals, totalled €72 million in 2019, primarily in relation to the acquisition of Invisible Sentinel Inc. and the increased equity investment in Hybiome, partially offset by the disposal of a non-controlling interest.

In addition, the Company paid out €41 million in dividends, a slight increase year-over-year.

As a result, consolidated net debt came to €422 million at June 30, 2019, versus €366 million at December 31, 2018, restated for the effect of the application of IFRS 16.

First application of IFRS 16:

The only cash flows linked to leases reported in the consolidated cash flow statement as financing flows are the repayments of the debt associated with lease liabilities. The disbursements linked to the repayment of the debt on lease liabilities stood at €11.7 million at June 30, 2019.

The interest paid on borrowings for lease liabilities is presented as operating cash flows, in the same manner as other interest paid on borrowings.

11.2 CHANGES IN NET DEBT

At June 30, 2019, after the €41.3 million dividend payout to bioMérieux SA shareholders, the Group's net debt stood at €422 million and mainly comprised the bond issue described below and new debt on lease liabilities associated with IFRS 16 (€96.4 million).

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 amortised cost calculated using the effective interest rate method for an amount of €299.4 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 an unused syndicated revolving credit facility for €500 million, which matures on January 26, 2024.

11.3 MATURITIES OF BORROWINGS

The maturities schedule indicates the net liabilities or net cash and cash equivalents. This non-standardised schedule corresponds to the sum of cash and cash equivalents with a maturity of less than three months, less committed debt and bank overdrafts and other uncommitted borrowings.

The maturity schedule below refers to balance sheet amounts.

In millions of euros	**Dec. 31, 2018 restated (a)**	Change	Changes in Group structure	Change statement of cash flows	Changes in the debt relating to the put	Right-of-use assets IFRS 16	Translation adjustments	**Jun. 30, 2019**
Cash at bank and in hand	239.9	(32.2)	5.2	(27.0)			0.9	213.8
Short-term investments	48.4	(14.5)	0.0	(14.5)			0.0	33.9
Cash and cash equivalents	**288.3**	**(46.7)**	**5.2**	**(41.5)**	**0.0**	**0.0**	**0.9**	**247.7**
Bank overdrafts	**(10.1)**	**(26.8)**	**0.0**	**(26.8)**			**(4.0)**	**(40.8)**
Net cash and cash equivalents (a)	**278.2**	**(73.5)**	**5.2**	**(68.3)**	**0.0**	**0.0**	**(3.0)**	**206.9**
Committed debt (B)	**643.9**	**(10.7)**	**0.0**	**(10.7)**	**(15.3)**	**9.1**	**2.0**	**628.9**
o/w due beyond 5 years	*71.8*							*78.5*
due in 1 to 5 years	*453.1*							*441.9*
due within 1 year	*119.0*							*108.5*
Net debt (B) - (A)	**365.7**	**62.8**	**(5.2)**	**57.6**	**(15.3)**	**9.1**	**5.0**	**422.0**

(a) The difference between the financial statements published in 2018 (net debt of €266.9 million) and the above restated financial statements is primarily due to the retrospective application of IFRS 16 (see Note 2.2). Borrowings linked to lease liabilities calculated at December 31, 2018 totalled €96.9 million. The reconciliation between the published net debt and the restated net debt at December 31, 2018 is presented in Note 23.

At June 30, 2019, borrowings due beyond five years primarily comprise the debt relating to lease liabilities (see Note 11.4 below).

The portion due between one and five years notably includes the €299.4 million bond issue to fund the acquisition of BioFire (net of issue fees and premiums per the amortised cost method).

The portion due within one year also includes €23.5 million in commercial paper and €21.8 million in debt relating to lease liabilities.

At the end of the financial year, the Group had not breached any of its repayment schedules.

No loan agreement was signed prior to June 30, 2019 concerning loans to be set up in the second half of 2019.

11.4 IMPACT OF LIABILITIES RELATED TO LEASES ON BORROWINGS AND DEBT

	Dec. 31, 2017	Jun. 30, /2018	Dec. 31, 2018	Jun. 30, /2019
Debt related to leases	**130.7**	**138.3**	**134.6**	**132.4**
Due beyond 5 years	60.1	54.4	66.2	66.5
Of which lease financing agreements	*22.6*	*20.7*	*18.7*	*16.9*
Due in 1 to 5 years	48.4	61.2	46.0	43.8
Of which lease financing agreements	*15.2*	*15.1*	*15.5*	*15.2*
Due within 1 year	22.2	22.7	22.4	22.0
Of which lease financing agreements	*3.9*	*3.5*	*3.5*	*3.8*

11.5 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 credit facility is subject to a single ratio: “net debt to operating income before non-recurring items before depreciation/amortisation and acquisition expenses” calculated outside the application of IFRS 16, which was modified by the amendment of May 2014, and should not exceed 3.5. The Group complied with this ratio at June 30, 2019.

Moreover, in January 2017, bioMérieux SA renegotiated this syndicated credit facility, taking the amount to €500 million with a bullet repayment due in 2024.

The Group’s other term borrowings at June 30, 2019 primarily correspond to commercial paper and finance lease liabilities related to fixed assets. None of these borrowings are subject to covenants.

11.6 INTEREST RATES

Before hedging, 62.9% of the Group’s borrowings are at fixed rates (€395.8 million) and the remainder is at floating rates (€233.1 million).

Fixed-rate borrowings comprise borrowings on lease liabilities and the €299.4 million bond issue maturing in 2020 and paying a coupon of 2.875%. An interest rate swap was taken out converting the interest on half of the bond issue into a floating rate from the beginning, capped at 1.20% and with a floor of 0.30%. In April 2017, in view of a probable increase in interest rates, a new swap contract was taken out to set this variable rate at 0.094% as from July 18, 2018.

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

11.7 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 19.

12 SALES

Revenue is recognised in application of the IFRS 15 standard "Income from contracts with customers".

The recognition criteria for sales are identical to those used at December 31, 2018 (see Note 3.1 to the consolidated financial statements for the year ended December 31, 2018).
The table below presents the breakdown of sales according to the different revenue categories, in accordance with IFRS 15.

In millions of euros	Jun. 30, 2019	Jun. 30, 2018
Sales of equipment	99.9	97.2
Sales of reagents	1,061.9	969.9
Sales of services	82.6	74.3
Equipment rentals [a]	19.4	17.4
Other revenue	11.2	10.5
Sales	**1,275.1**	**1,169.2**

(a) Lease of equipment includes rent and the share of revenue due to the sale of the reagents reclassified as rent.

A breakdown by geographic area is provided in Note 18.2 on segment information. A breakdown by technology and application is provided in Note 18.3.
The analysis of IFRS 15 did not result in the identification of other criteria for the breakdown of sales.

13 OTHER OPERATING INCOME AND EXPENSES

In millions of euros	Jun. 30, 2019	Dec. 31, 2018	Jun. 30, 2018
Net royalties received	1.7	4.0	1.7
Research tax credits	14.9	24.0	11.2
Research grants	0.9	1.4	0.6
Other	3.7	1.8	(1.5)
TOTAL	**21.2**	**31.2**	**12.0**

In accordance with IAS 20, bioMérieux presents research tax credits as a subsidy within other operating income, as it did in previous financial years and reporting periods.

14 AMORTISATION OF ASSETS LINKED TO THE ACQUISITION OF BIOFIRE

At June 30, 2019, the amortisation of re-measured assets at the acquisition date of BioFire stood at €8.9 million. This amount was €8.5 million at June 30, 2018.

15 OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS

15.1 ACCOUNTING PRINCIPLES

The other non-recurring income and expenses from operations for the period (net gains/losses on disposals of assets, restructuring costs, etc.) were recognised in full at June 30, 2019.

15.2 CHANGES IN OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS

No significant transactions were recorded in other non-recurring income and expenses from operations at June 30, 2019 or at June 30, 2018.

16 NET FINANCE COSTS

16.1 ACCOUNTING PRINCIPLES

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.

16.2 COST OF NET FINANCIAL DEBT

In millions of euros	**Jun. 30, 2019**	**Dec. 31, 2018 restated (a)**	**Jun. 30, 2018 restated (a)**
Finance costs	(10.5)	(16.9)	(6.8)
Interest rate hedging derivatives (b)	1.6	(2.7)	(1.7)
Foreign exchange gains (losses)	(0.4)	1.1	0.3
Interest on leasing debt (IFRS 16)	(1.4)	(2.8)	(1.5)
TOTAL	**(10.6)**	**(21.3)**	**(9.6)**

(a) The comparative data pertaining to 2018 were restated to take into account the application of IFRS 16 and modifications regarding the determination of the acquired assets and liabilities of Hybiome and Astute. The reconciliation between the published and the restated financial statements is provided in Note 23.

(b) corresponds to fair value gains and losses on interest rate hedging instruments taken out in connection with the BioFire acquisition

At June 30, 2019, the cost of net debt chiefly includes interest in respect of the bond issue.

16.3 OTHER FINANCIAL INCOME AND EXPENSES, NET

In millions of euros	Jun. 30, 2019	Dec. 31, 2018 restated (a)	Jun. 30, 2018 restated (a)
Interest income on leased assets	0.6	1.2	0.5
Impairment and disposals of shares in non-consolidated	0.0	0.0	0.0
Currency hedging derivatives	(4.5)	(6.6)	(3.2)
Other	0.4	1.0	0.6
TOTAL	**(3.5)**	**(4.5)**	**(2.0)**

(a) The comparative data pertaining to 2018 were restated to take into account the application of IFRS 16 and modifications regarding the determination of the acquired assets and liabilities of Hybiome and Astute. The reconciliation between the published and the restated financial statements is provided in Note 23.

17 INCOME TAX

17.1 ACCOUNTING PRINCIPLES

The income tax expense for first-half 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.

The CVAE (*Cotisation sur la Valeur Ajoutée des Entreprises*) contribution is presented in operating income before non-recurring items.

In accordance with IAS 19, the tax credits for competition and employment (*Crédit d'Impôt pour la Compétitivité et l'Emploi* – CICE) were presented as a deduction from personnel costs. The CICE is no longer presented in the financial statements at June 30, 2019 since it was eliminated effective January 1, 2019 and was replaced by a system to reduce expenses.

The research tax credit is estimated based on the underlying expenses incurred rather than the average annual effective tax rate.

Deferred taxes are recognised taking into account statutory changes in tax rates, particularly in France.

While awaiting the IFRS IC's confirmation, the Group has opted to recognise a deferred tax on the restatements of leases.

With the exception of Invisible Sentinel Inc., no new deferred tax assets were recognised on tax loss carryforwards in the first half of 2019.

17.2 CHANGES IN INCOME TAX

At June 30, 2018, the effective tax rate stood at 20.8% of pre-tax income, versus 19.1% at June 30, 2018.

At June 30, 2019, the Group's effective tax rate benefited from the regulations published in March 2019 regarding U.S. tax reform. These provisions resulted in tax savings of €5.5 million in relation to the standard tax rate applicable in the United States, including €3.5 million for the 2018 financial year.

At June 30, 2018, the Group's effective tax rate benefited from the exceptional contribution made to the pension fund in the United States. The tax treatment of this payment generated a tax saving of €5.4 million recorded over the first half of 2018.

	2019		2018 restated (a)	
In millions of euros	Tax	Rate	Tax	Rate
Theoretical tax at standard French tax rate	**56.0**	**32.0%**	**56.9**	**34.4%**
Impact of income tax at reduced tax rates and foreign tax rates	(10.7)	-6.1%	(20.5)	-12.3%
Impact of permanent differences	(5.2)	-3.0%	0.2	0.1%
Impact of tax on the payment of dividends	0.4	0.2%	0.7	0.4%
Deferred tax assets not recognised on tax losses carried forward	1.2	0.7%	(0.4)	-0.2%
Impact of research and CICE tax credits presented in operating income	(4.3)	-2.5%	(4.6)	-2.7%
Tax credits (other than research tax credits)	(1.0)	-0.6%	(0.8)	-0.5%
ACTUAL INCOME TAX EXPENSE	**36.4**	**20.8%**	**31.5**	**19.1%**

(a) The 2018 data were restated to take into account the impact of IFRS 16 (€0.2 million). See Note 23.

18 INFORMATION BY GEOGRAPHIC AREA, TECHNOLOGY AND APPLICATION

18.1 ACCOUNTING PRINCIPLES

Pursuant to IFRS 8 "Operating segments", the Group has identified only one operating segment (the in vitro diagnostics *segment*).

In accordance with IFRS 8, in Note 18.2 the Group discloses information on sales and assets broken down by geographic area which has been prepared using the same accounting principles as those applied to prepare the consolidated annual financial statements.

18.2 INFORMATION BY GEOGRAPHIC AREA

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

JUNE 30, 2019

In millions of euros	Americas	EMEA (a)	Aspac	Corporate	Group
Consolidated sales	**581.3**	**453.0**	**238.5**	**2.3**	**1,275.1**
Cost of sales	(210.1)	(207.4)	(115.8)	(31.9)	(565.2)
Gross profit	**371.2**	**245.6**	**122.7**	**(29.6)**	**709.9**
% of sales	*64%*	*54%*	*51%*		
Other operating income and expenses	(148.0)	(85.7)	(48.2)	(229.9)	(511.8)
CONTRIBUTIVE OPERATING INCOME BEFORE NON-R	**223.2**	**159.9**	**74.5**	**(259.5)**	**198.1**
% of sales	*38%*	*35%*	*31%*		

(a) Of which France sales: €97.7 million.

JUNE 30, 2019

In millions of euros	Americas	EMEA (a)	Aspac	Corporate	Group
NON-CURRENT ASSETS					
Intangible assets	21.8	32.4	4.2	453.0	511.3
Goodwill				665.8	665.8
Property, plant and equipment	372.7	193.2	39.1	202.3	807.4
Right-of-use assets	57.4	68.5	8.4		134.3
Working capital requirement					
Inventories and work-in progress	222.6	191.4	67.1		481.1
Trade receivables and assets related to contracts with customers	178.4	261.1	55.3		494.8
Trade payables	(56.3)	(53.2)	(80.0)		(189.5)

(a) Of which non-current assets in France: €392.6 million.

JUNE 30, 2018 restated (b)

In millions of euros	Americas	EMEA (a)	Aspac	Corporate	Group
Consolidated sales	**517.3**	**444.9**	**202.3**	**4.7**	**1,169.2**
Cost of sales	(193.5)	(205.9)	(97.0)	(38.4)	(534.8)
Gross profit	**323.8**	**239.0**	**105.3**	**(33.7)**	**634.4**
% of sales	*63%*	*54%*	*52%*		
Other operating income and expenses	(113.4)	(77.1)	(39.2)	(219.0)	(448.8)
CONTRIBUTIVE OPERATING INCOME BEFORE NON-R	**210.4**	**161.9**	**66.1**	**(252.7)**	**185.6**
% of sales	*41%*	*36%*	*33%*		

(a) Of which France sales: €101.6 million.

JUNE 30, 2018 restated (b)

In millions of euros	Americas	EMEA (a)	Aspac	Corporate	Group
NON-CURRENT ASSETS					
Intangible assets	17.7	36.8	4.7	398.9	458.1
Goodwill				475.9	475.9
Property, plant and equipment	313.3	172.6	30.0	181.0	696.8
Right-of-use assets	54.2	75.9	11.3		141.4
Working capital requirement					
Inventories and work-in progress	175.7	176.9	53.6		406.3
Trade receivables and assets related to contracts with customers	148.4	249.6	48.0		446.1
Trade payables	(46.4)	(26.6)	(84.1)		(157.1)

(a) Of which non-current assets in France: €392.0 million.

(b) The comparative data pertaining to 2018 were restated to take into account the application of IFRS 16. The impact on operating income totalled €1.1 million overall, the impacts per geographic area were not material. For the balance sheet, see Note 4.2 Right-of-use assets

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.

18.3 INFORMATION BY TECHNOLOGY AND APPLICATION

The table below provides a breakdown of sales by technology:

In millions of euros	Jun. 30, /2019	Dec. 12, 2018	Jun. 30, 2018
Clinical applications	**1,052.6**	**1,987.8**	**960.6**
Microbiology	481.3	964.9	459.2
Immunoassays	228.4	441.8	221.8
Molecular biology	326.2	549.0	263.3
Other lines	16.7	32.1	16.3
Industrial applications	**222.4**	**433.5**	**208.6**
TOTAL	**1,275.1**	**2,421.3**	**1,169.2**

19 EXCHANGE RATE AND MARKET RISK MANAGEMENT

Exchange rate, credit and market risks are respectively described in Notes 28.1, 28.2 and 28.4 to the consolidated financial statements for the year ended December 31, 2018.

19.1 HEDGING INSTRUMENTS

The table below shows the currency hedging instruments in effect at June 30, 2019 that were set up as part of the currency hedging policy described in Note 28.1.1 to the consolidated financial statements for the year ended December 31, 2018:

Currency hedges at June 30,2019 *in millions* of euros	Expiration date 2019 <1 year	 1 to 5 years	2019 market value (a)

Hedges of existing commercial transactions			
- currency forward contracts	152.1	0.0	(3.0)
- options	8.8	0.0	(0.1)
TOTAL	**160.8**	**0.0**	**(3.0)**
Hedges of future commercial transactions			
- currency forward contracts	130.7	0.0	(1.4)
- options	0.5	0.0	0.0
TOTAL	**131.2**	**0.0**	**(1.4)**

(a) Difference between the hedging rate and the market rate at June 30, 2019, including premiums paid or received.

All the currency forward contracts and options outstanding at June 30, 2019 had maturities of less than 12 months.

The table below gives the summary of hedging instruments held by the Group, and their variation in fair value:

		Notional	assets	shareholders' equity and liabilities		of which portion recognised as net income		of which portion recognised in OCI	
FAIR VALUE HEDGE									
EUR interest rate risk									
Debt in EUR	Interest rate swap	300.0	2.4			-	1.1		
Debt in EUR	rate options	-	-		-				
Exchange rate risk							0.6		
trade receivables in currencies	forward sales	152.1		-	3.0				
trade debts in currencies	forward purchases	-			-				
trade receivables in currencies	options	8.8		-	0.1				
financial receivables in currencies	forward sales	37.5		-	0.1				
borrowings in currencies	forward purchases	98.7		-	0.4				
CASH FLOW HEDGING									
EUR interest rate risk									
Debt in EUR	Interest rate swap								
USD interest rate risk									
loan in $	cross currency swap	73.7		-	14.9	-	0.4	-	0.6
Exchange rate risk							1.4		0.5
future commercial sales in currencies	forward sales	127.8		-	1.4				
future commercial purchases in currencies	forward purchases	2.9		-	0.0				
future commercial sales in currencies	options	0.5		-	0.0				

The Group does not hold any instruments that fall under the category of net investment hedges.

19.2 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 11.3).

The table below shows the 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, 2019:

in millions of euros	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bonds (a)	(8.6)	(308.6)	0.0
Cross currency swap	(11.4)	(5.2)	0.0
Options (b)	0.0	0.0	0.0
Interest rate swap (b)	2.2	1.1	0.0

(a) Contractual flows of principal and interest.
(b) Based on the IRS yield curve at June 30, 2019.

19.3 FINANCIAL INSTRUMENTS: FINANCIAL ASSETS AND LIABILITIES

The table below shows a breakdown by category of the financial assets and liabilities (excluding accrued and receivable payroll and other taxes), as prescribed by IFRS 9 “Financial instruments: recognition and measurement” (see Note 27.1 to the consolidated financial statements for the year ended December 31, 2018), and provides a comparison between their carrying amount and fair value:

	June 30, 2019						
In millions of euros	**Financial assets at fair value through income (excl. derivatives)**	**Shares in non-consolidated companies with change in fair value by other components of comprehensive income**	**Receivables and borrowings at amortised cost**	**Derivative instruments**	**Carrying amount**	**Fair value**	**Level**
Financial assets							
Other shares in non-consolidated companies		61.6			61.6	61.6	1 - 3
Other non-current financial assets			10.2		10.2	10.2	-
Other non-current assets			15.3		15.3	15.3	
Derivative instruments (positive fair value)				7.6	7.6	7.6	2
Trade receivables			494.8		494.8	494.8	-
Other receivables			8.1		8.1	8.1	-
Cash and cash equivalents	247.7				247.7	247.7	1
TOTAL FINANCIAL ASSETS	**247.7**	**61.6**	**528.4**	**7.6**	**845.3**	**845.3**	
Financial liabilities							
Bonds (a)			299.4		299.4	317.2	1
Other financing facilities			125.6		125.6	125.6	2
Derivative instruments (negative fair value)				24.7	24.7	24.7	2
Borrowings - current portion			112.5		112.5	112.5	2
Trade payables			189.5		189.5	189.5	-
Other current liabilities			69.0		69.0	69.0	-
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**648.4**	**25.5**	**673.9**	**693.8**	

(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 27.1 to the consolidated financial statements for the year ended December 31, 2018).

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.
Shares in non-consolidated companies are carried at fair value, except where fair value cannot be reliably determined (see Note 27.1 to the consolidated financial statements for the year ended December 31, 2018).

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 2019.

At December 31, 2018, the breakdown of assets and liabilities was as follows:

In millions of euros	December 31, 2018 restated (b)						
	Financial assets at fair value through income (excl. derivatives)	Shares in non-consolidated companies with change in fair value by other components of comprehensive income	Receivables and borrowings at amortised cost	Derivative instruments	Carrying amount	Fair value	Level
Financial assets							
Other shares in non-consolidated companies		59.0			59.0	59.0	1 - 3
Other non-current financial assets			7.9		7.9	7.9	-
Other non-current assets			16.2		16.2	16.2	-
Derivative instruments (positive fair value)				9.3	9.3	9.3	2
Trade receivables			491.8		491.8	491.8	-
Other receivables			6.1		6.1	6.1	-
Cash and cash equivalents	288.3				288.3	288.3	1
TOTAL FINANCIAL ASSETS	**288.3**	**59.0**	**522.0**	**9.3**	**878.6**	**878.6**	
Financial liabilities							
Bonds (a)			299.1		299.1	318.8	1
Other financing facilities			136.8		136.8	136.8	2
Derivative instruments (negative fair value)				27.0	27.0	27.0	2
Borrowings - current portion			83.4		83.4	83.4	2
Trade payables			179.7		179.7	179.7	-
Other current liabilities			57.3		57.3	57.3	-
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**756.3**	**27.0**	**783.3**	**803.0**	

(a) The carrying amount of the bond issue is shown net of issue fees and premiums.
(b) The comparative data pertaining to 2018 were restated to take into account the modifications involving the determination of the acquired assets and liabilities of Hybiome and Astute. The reconciliation between the published and the restated financial statements is provided in Note 23.

At June 30, 2019, the changes in financial instruments whose fair value was determined using Level 3 inputs under IFRS 13 (see Note 27.1 to the consolidated financial statements for the year ended December 31, 2018) were as follows:

In millions of euro	Shares in non-consolidated companies
DECEMBER 31, 2017	44.3
Change of level 3 to 2	(27.7)
Gains and losses recognised in income	
Gains and losses recognised in equity	
Acquisitions	5.5
Disposals	0.0
Changes in Group structure, translation adjustments and	0.1
DECEMBER 31, 2018	**22.2**
Gains and losses recognised in income	
Gains and losses recognised in equity	
Acquisitions	0.7
Disposals	0.0
Changes in Group structure, translation adjustments and	0.1
JUNE 30, 2019	**23.0**

19.4 Country risk

The Group is not exposed to significant country risk.

19.5 Credit risk

Making revenue in more than 160 countries from public organisations of states and private customers, bioMérieux is exposed to a risk of non-payment of debts.

The management of credit risk includes the prior examination of the financial position of customers in order to determine a credit limit, the establishment of specific guarantees or insurance, and monitoring the payment deadline and late payments.

The Group's policy in terms of the depreciation of trade receivables is described in Note 9 to the 2018 annual financial statements.

20 OFF-BALANCE SHEET COMMITMENTS

Following the first application of IFRS 16 (see Note 2.2), the lease payment commitments associated with the leases are no longer noted. The lease payment commitments associated with agreement that fall under the scope of the exemptions stipulated by the standard are not noted because their impact is not deemed material.

There were no significant changes in other off-balance sheet commitments compared with December 31, 2018 (see Note 29 to the consolidated financial statements for the year ended December 31, 2018).

For commitments related to derivative instruments, see Note 19.3.

21 TRANSACTIONS WITH RELATED PARTIES

The transactions with related parties continued on the same basis as in 2018 without any significant developments (see Note 30 to the consolidated financial statements for the year ended December 31, 2018).

22 SUBSEQUENT EVENTS

The French national assembly and the Senate adopted the law regarding the revision of the phase-down of corporate income taxes on July 24, 2019. Consequently, for the financial years beginning between January 1 and December 31, 2019, the standard tax rate is set at 33 1/3% for companies with revenue equal to or higher than €250 million. The impact of this law on the corporate tax payable is not material.

23 IMPACTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Group restated the comparative financial statements for the retrospective application of IFRS 16 to leases in 2019 (see Notes 2.1 and 2.2) and for the adjustments linked to the preparation of the balance sheet at acquisition for companies acquired in 2018 (see Note 1.1.3).

In accordance with IAS 8, the comparative financial statements were restated as if IFRS 16 had been applied effective January 1, 2018.

- **Impact on the consolidated income statement:**

The implementation of IFRS 16 resulted in the cancellation of the lease payments linked to restated leases and the recording of amortisation and depreciation and financial expenses.

- **Impact on the balance sheet:**

The implementation of IFRS 16 resulted in the recording of right-of-use assets, financial liabilities for lease liabilities and deferred taxes. The negative restatements on the property, plant and equipment line correspond to the reclassification of lease financing agreements, previously restated according to IAS 17, to the right-of-use assets line.

The Group opted to not present the impact on the balance sheet at January 1, 2018 in the interim financial statements.

- **Impact on the consolidated cash flow statement:**

The implementation IFRS 16 primarily resulted in:
- the recording as financing cash flows of the repayments of borrowings associated with lease liabilities,
- an increase in restated amortisation and depreciation in the operating cash flows.
- the presentation of interest paid for the lease liability as operating cash flows.

- **Impact on earnings per share:**

No information is provided since the impact is not material.

23.1 IMPACTS ON THE MAIN AGGREGATES OF THE CONSOLIDATED INCOME STATEMENT AT DECEMBER 31, 2018

In millions of euros	Dec. 31, 2018 published	IFRS 16 restatement	Dec. 31, 2018 restated
SALES	**2,421.3**		**2,421.3**
Cost of sales	(1,119.1)	0.1	(1,119.0)
GROSS PROFIT	**1,302.2**	**0.1**	**1,302.3**
OTHER OPERATING INCOME AND EXPENSES	**31.2**		**31.2**
Selling and marketing expenses	(480.3)	0.4	(479.9)
General and administrative expenses	(165.2)	2.0	(163.2)
Research and development expenses	(326.9)		(326.9)
TOTAL OPERATING EXPENSES	**(972.4)**	**2.4**	**(970.0)**
CONTRIBUTIVE OPERATING INCOME BEFORE NON-R	**361.0**	**2.5**	**363.4**
Amortisation of assets linked to the acquisition of BioFire (a)	(17.5)		(17.5)
OPERATING INCOME BEFORE NON-RECURRING ITEMS	**343.5**	**2.5**	**345.9**
Other non-recurring income and expenses from operations	0.2		0.2
OPERATING INCOME	**343.6**	**2.5**	**346.0**
Cost of net financial debt	(18.5)	(2.8)	(21.3)
Other financial income and expenses, net	(4.5)		(4.5)
Income tax	(65.2)	0.4	(64.8)
Share in earnings (losses) of equity-accounted companies	0.2		0.2
NET INCOME OF CONSOLIDATED COMPANIES	**255.6**	**0.1**	**255.6**
Non-controlling interests	(1.1)		(1.1)
ATTRIBUTABLE TO OWNERS OF THE PARENT	**256.6**	**0.1**	**256.7**
Basic earnings per share	€2.18		€2.18
Diluted earnings per share	€2.17		€2.17

23.2 IMPACTS ON THE MAIN AGGREGATES OF THE CONSOLIDATED INCOME STATEMENT AT JUNE 30, 2018

In millions of euros	Jun. 30, 2018 published	Restatement IFRS 16	Jun. 30, 2018 restated
NET SALES	**1,169.2**		**1,169.2**
Cost of sales	(534.9)		(534.9)
GROSS PROFIT	**634.4**	**0.0**	**634.4**
OTHER OPERATING INCOME	**12.0**		**12.0**
Selling and marketing expenses	(226.15)	0.3	(226.2)
General and administrative expenses	(79.1)	0.8	(78.3)
Research and development expenses	(156.2)		(156.2)
TOTAL OPERATING EXPENSES	**(461.8)**	**1.1**	**(460.7)**
CONTRIBUTIVE OPERATING INCOME	**184.6**	**1.1**	**185.6**
BioFire acquisition's fees and depreciation costs	(8.5)		(8.5)
OPERATING INCOME BEFORE NON-RECURRING ITEMS	**176.1**	**1.1**	**177.1**
Other non-recurring income (expenses)	0.1		0.1
OPERATING INCOME	**176.2**	**1.1**	**177.2**
Cost of net financial debt	(8.1)	(1.5)	(9.6)
Other financial items	(2.0)		(2.0)
Income tax	(31.7)	0.2	(31.5)
Investments in associates	0.0		0.0
NET INCOME OF CONSOLIDATED COMPANIES	**134.3**	**(0.2)**	**134.1**
Attributable to the minority interests	(0.1)		(0.1)
ATTRIBUTABLE TO THE PARENT COMPANY	**134.4**	**(0.2)**	**134.2**
Basic net income per share	1.14 €		1.14 €
Diluted net income per share	1.13 €		1.13 €

23.3 IMPACTS ON THE MAIN AGGREGATES OF THE CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2018

ASSETS

In millions of euros	Dec. 31, 2018 published	IFRS 16 restatement	Hybiome adjustment	Astute adjustment	Dec. 31, 2018 restated
Intangible assets	507.3				507.3
Goodwill	616.5		0.4	2.1	619.0
Property, plant and equipment	807.5	(45.6)	(0.5)		761.4
Right-of-use assets		137.7			137.7
Non-current financial assets	71.8		(4.9)		66.9
Net income for the period - Investments in associates	0.3				0.3
Other non-current assets	16.2				16.2
Deferred tax assets	74.3	1.5	1.9	0.7	78.5
NON-CURRENT ASSETS	**2,093.9**	**93.5**	**(3.1)**	**2.8**	**2,187.1**
Inventories and work-in progress	414.9		6.3	(2.4)	418.8
Trade receivables and assets related to contracts with customers	490.0		1.8		491.8
Other operating receivables	61.7	(0.9)	2.6		63.4
Current tax receivables	39.2				39.2
Non-operating receivables	9.6		3.3		12.9
Cash and cash equivalents	280.1		8.2		288.3
CURRENT ASSETS	**1,295.6**	**(0.9)**	**22.2**	**(2.4)**	**1,314.4**
ASSETS HELD FOR SALE	**0.1**				**0.1**
TOTAL ASSETS	**3,389.6**	**92.6**	**19.1**	**0.4**	**3,501.6**

SHAREHOLDERS' EQUITY AND LIABILITIES

In millions of euros	Dec. 31, 2018 published	IFRS 16 restatement	Hybiome adjustment	Astute adjustment	Dec. 31, 2018 restated
Share capital	12.0				12.0
Additional paid-in capital and reserves	1,660.6	(1.2)	0.5		1,660.0
Attributable net income for the period	256.6	0.2			256.7
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**1,929.3**	**(1.0)**	**0.5**	**0.0**	**1,928.8**
NON-CONTROLLING INTERESTS	**74.0**		**0.1**		**74.1**
TOTAL EQUITY	**2,003.3**	**(1.0)**	**0.6**	**0.0**	**2,002.9**
Long-term borrowings and debt	446.8	68.0	10.1		524.9
Deferred tax shareholders' equity and liabilities	136.0		(5.5)		130.5
Impairment	47.1				47.1
NON-CURRENT LIABILITIES	**629.9**	**68.0**	**4.6**	**0.0**	**702.5**
Short-term borrowings and debt	100.2	28.9			129.1
Impairment	45.0				45.0
Trade payables	176.9		2.4	0.4	179.7
Other operating payables	345.1	(3.3)	10.3		352.1
Current tax payables	33.5				33.5
Non-operating payables	55.8		1.1		56.9
CURRENT LIABILITIES	**756.4**	**25.6**	**13.8**	**0.4**	**796.3**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	**0.0**	**0.0**	**0.0**		**0.0**
Total shareholders' equity and liabilities	**3,389.6**	**92.6**	**19.0**	**0.4**	**3,501.6**

23.4 Impacts on the main aggregates of the consolidated balance sheet at June 30, 2018

ASSETS

In millions of euros	Jun. 30, 2018 published	IFRS 16 restatement	Astute adjustment	Jun. 30, 2018 restated
Intangible assets	458.1			458.1
Goodwill	476.1		(0.2)	475.9
Property, plant and equipment	743.8	(46.9)		696.9
Right-of-use assets		141.4		141.4
Non-current financial assets	59.1			59.1
Net income for the period - Investments in associates	0.0			0.0
Other non-current assets	15.2			15.2
Deferred tax assets	65.0	1.3	3.0	69.3
NON-CURRENT ASSETS	**1,817.3**	**95.8**	**2.8**	**1,915.8**
Inventories and work-in progress	408.7		**(2.4)**	406.3
Trade receivables and assets related to contracts with customers	446.1			446.1
Other operating receivables	98.0	(0.7)		97.3
Current tax receivables	32.8			32.8
Non-operating receivables	10.0			10.0
Cash and cash equivalents	194.3			194.3
CURRENT ASSETS	**1,189.8**	(0.7)	**(2.4)**	**1,186.7**
ASSETS HELD FOR SALE	**0.5**			**0.5**
TOTAL ASSETS	**3,007.6**	**95.0**	**0.4**	**3,103.0**

SHAREHOLDERS' EQUITY AND LIABILITIES

In millions of euros	Jun. 30, 2018 published	IFRS 16 restatement	Astute adjustment	Jun. 30, 2018 restated
Share capital	12.0			12.0
Additional paid-in capital and reserves	1,692.2	(1.1)		1,691.1
Attributable net income for the period	134.4	(0.2)		134.2
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**1,838.6**	**(1.3)**	**0.0**	**1,837.3**
NON-CONTROLLING INTERESTS	**0.0**			**0.0**
TOTAL EQUITY	**1,838.6**	**(1.3)**	**0.0**	**1,837.3**
Long-term borrowings and debt	398.6	79.5		478.1
Deferred tax shareholders' equity and liabilities	117.4			117.4
Impairment	53.7			53.7
NON-CURRENT LIABILITIES	**569.7**	**79.5**	**0.0**	**649.2**
Short-term borrowings and debt	56.8	19.1		75.9
Impairment	35.6			35.6
Trade payables	156.7		0.4	157.1
Other operating payables	289.7	(2.3)		287.4
Current tax payables	22.6			22.6
Non-operating payables	38.0			38.0
CURRENT LIABILITIES	**599.3**	**16.8**	**0.4**	**616.6**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	**0.0**			**0.0**
Total shareholders' equity and liabilities	**3,007.6**	**94.9**	**0.4**	**3,103.0**

23.5 IMPACTS ON THE MAIN AGGREGATES OF THE CONSOLIDATED CASH FLOW STATEMENT AT DECEMBER 31, 2018

In millions of euros	Dec. 31, 2018 published	Hybiome adjustment	IFRS 16 restatement (Note 2.2)	Dec. 31, 2018 restated
Six months ended June 30, 2017	**255.5**		**0.1**	**255.6**
- Net income for the period - Investments in associates	(0.2_		0.0	(0.2)
- Cost of net financial debt	18.5		2.9	21.4
- Other financial income and expenses, net	4.5		0.0	4.5
- Income tax expense	65.2		0.1	65.3
- Operating depreciation and provisions on assets	157.9		19.1	177.0
- Non-recurring income and expenditure and acquisition fees and depreciation costs for the acquisition of BioFire	17.4		0.0	17.4
EBITDA (before non-recurring items)	**518.8**		**22.1**	**541.0**
Elimination of other non-cash/non-operating income and expenses	**(45.3)**		**0.0**	**(45.3)**
Change in operating working capital requirement	**(2.8)**	**(6.1)**	**0.5**	**(8.4)**
Change in working capital requirement	**(1.6)**	**(7.0)**	**0.5**	**(8.1)**
Income tax paid	**(66.5)**		**0.0**	**(66.5)**
Cost of net financial debt	**(18.5)**		**(2.9)**	**(21.4)**
NET CASH FROM OPERATING ACTIVITIES	**386.9**	**(7.0)**	**19.7**	**399.7**
FREE CASH FLOW	***165.5***	***(7.0)***	***20.1***	***178.7***
NET CASH USED IN INVESTING ACTIVITIES	**(418.2)**	**4.7**	**0.4**	**(413.1)**
NET CASH USED IN FINANCING ACTIVITIES	**52.7**	**10.4**	**(20.1)**	**43.0**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**21.4**	**8.1**	**0.0**	**29.6**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**260.4**			**260.4**
Impact of currency changes on net cash and cash equivalents	(11.8)			(11.8)
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**270.0**	**8.1**	**0.0**	**278.2**

23.6 IMPACTS ON THE MAIN AGGREGATES OF THE CONSOLIDATED CASH FLOW STATEMENT AT JUNE 30, 2018

In millions of euros	Jun. 30, 2018 published	Presentation restatement	IFRS 16 restatement	Jun. 30, 2018 restated
Six months ended June 30, 2017	**134.3**		**(0.3)**	**134.0**
- Net income for the period - Investments in associates	0.0			0.0
- Cost of net financial debt	8.1		1.5	9.6
- Other financial income and expenses, net	2.0			2.0
- Income tax expense	31.7		(0.2)	31.5
- Operating depreciation and provisions on assets	72.8		10.2	83.0
- Non-recurring income and expenditure and acquisition fees and depreciation costs for the acquisition of BioFire	8.4			8.5
EBITDA (before non-recurring items)	**257.4**		**11.2**	**268.6**
Other non-recurring income and expenses from operations*(excluding non-recurring provisions for impairment and capital gains and losses on disposals of fixed assets)*	0.1			0.1
Other financial income and expenses, net*(excluding provisions and disposals of non-current financial assets)*	(2.0)			(2.0)
Net additions to operating provisions for contingencies and losses	(44.0)			(44.0)
Fair value gains (losses) on financial instruments	(0.7)			(0.7)
Share-based payment	2.8			2.8
Elimination of other non-cash/non-operating income and expenses	**(43.8)**		**0.0**	**(43.8)**
Change in inventories	(22.5)			(22.5)
Change in trade receivables	12.8			12.8
Change in trade payables	(5.4)			(5.4)
Change in other operating working capital	(21.8)		(0.4)	(22.2)
Change in operating working capital requirement [(a)]	**(36.9)**		**(0.4)**	**(37.3)**
Other non-operating working capital	0.2			0.2
Change in non-current non-financial assets and liabilities	(0.8)			(0.8)
Change in working capital requirement	**(37.5)**		**(0.4)**	**(37.9)**
Income tax paid	**(33.0)**			**(33.0)**
Cost of net financial debt	**0.0**	**(8.2)**	**(1.4)**	**(9.6)**
NET CASH FROM OPERATING ACTIVITIES	**143.1**	**(8.2)**	**9.4**	**144.3**
Purchases of property, plant and equipment and intangible assets	(104.2)		0.2	(104.0)
Proceeds from disposals of property, plant and equipment and intangible assets	2.1			2.1
Proceeds from other non-current financial assets	0.0			0.0
FREE CASH FLOW (b)	**Not presented**	***41.0***	***1.4***	***42.4***
Disbursement / collection related to taking non-controlling interests	0.1			0.1
Impact of changes in Group structure	(85.2)			(85.2)
NET CASH USED IN INVESTING ACTIVITIES	**(187.2)**		**0.2**	**(187.0)**
Purchases and sales of treasury shares	(0.3)			(0.3)
Dividends paid to owners	(40.2)			(40.2)
Dividends paid to non-controlling interests	(0.1)			(0.1)
Change in committed debt	30.3		(9.6)	20.7
Change in interests without gain or loss of controlling interest	0.0			0.0
NET CASH USED IN FINANCING ACTIVITIES	**(18.5)**	**8.2**	**(9.6)**	**(19.9)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(62.6)**	**0.0**	**0.0**	**(62.6)**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**260.4**			**260.4**
Impact of currency changes on net cash and cash equivalents	(11.2)			(11.2)
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**186.6**	**0.0**	**0.0**	**186.6**

23.7 IMPACTS ON THE MAIN AGGREGATES OF THE CONSOLIDATED FINANCIAL POSITION AT DECEMBER 31, 2018

In millions of euros	Dec. 31, 2018 published	IFRS 16 restatement (Note 2.2)	Hybiome adjustment	Dec. 31, 2018 restated
Cash at bank and in hand	231.7		8.2	239.9
Short-term investments	48.4			48.4
Cash and cash equivalents	**280.1**	**0.0**	**8.2**	**288.3**
Bank overdrafts and other uncommitted debt	**(10.1)**			**(10.1)**
Net cash and cash equivalents (a)	**270.0**	**0.0**	**8.2**	**278.2**
Committed debt (B)	**536.9**	**96.9**	**10.0**	**643.9**
o/w due beyond 5 years	*24.3*	*47.5*		*71.8*
due in 1 to 5 years	*422.5*	*30.6*		*453.1*
due within 1 year	*90.1*	*18.9*	*10.0*	*119.0*
Net debt (B) - (A)	**266.9**	**96.9**	**1.8**	**365.7**

23.8 IMPACTS ON THE MAIN AGGREGATES OF CONSOLIDATED NET FINANCIAL INCOME AT DECEMBER 31, 2018 AND JUNE 30, 2018

In millions of euros	Dec. 31, 2018 published	IFRS 16 restatement (Note 2.2)	Dec. 31, 2018 restated	Jun. 30, 2018 published	IFRS 16 restatement (Note 2.2)	Jun. 30, 2018 restated
Finance costs	(16.9)		(16.9)	(6.8)		(6.8)
Interest rate hedging derivatives	(2.7)		(2.7)	(1.7)		(1.7)
Foreign exchange gains (losses)	1.1		1.1	0.3		(0.3)
Interest on leasing debt (IFRS 16)		(2.8)	(2.8)		(1.5)	(1.5)
TOTAL	**(18.5)**	**(2.8)**	**(21.3)**	**(8.1)**	**(1.5)**	**(9.6)**

B – INTERIM MANAGEMENT REPORT

AT JUNE 30, 2019

1. Financial summary

Consolidated data In millions of euros	**2019**	2018(1)	% change as reported
Sales	**1,275**	**1,169**	**+9.1%**
Contributive(2) operating income before non-recurring items	198	186	+6.7%
% sales	*15.5%*	*15.9%*	
Operating income(3)	189	177	+6.7%
Net attributable income	**141**	**134**	**+4.7%**
Earnings per share (in €)	€1.19	€1.14	

(1) As from January 1, 2019, the Group applies IFRS 16 when accounting for leases. In order to ensure that data for the prior year is comparable, the financial statements for first-half 2018 have been restated (see Appendix 3).

(2) Contributive operating income before non-recurring items corresponds to operating income before non-recurring items relating to the BioFire acquisition and integration and before accounting entries relating to the BioFire purchase price allocation.

(3) 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

2.1. Activity[1]

Consolidated sales came in at €1,275 million for first-half 2019, up 5.5% like-for-like from €1,169 million for the same period one year earlier. On a reported basis in euros, sales moved up 9.1% year-on-year, buoyed by a positive currency impact of around €29 million, notably resulting from the appreciation in the US dollar compared to the comparative first-half 2018 period.

Analysis of sales[2]
In millions of euros

SALES - SIX MONTHS ENDED JUNE 30, 2018	**1,169**	
Currency effect	+29	+2,5 %
Changes in scope of consolidation(a)	+13	+1,1 %
Organic growth (at constant exchange rates and scope of consolidation)	+65	+5,5 %
SALES – JUNE 30, 2019	**1,275**	**+9,1 %**

(a) Acquisitions of Astute Medical (Aprl 5, 2018), Hybiome (November 9, 2018), and Invisible Sentinel (February 7, 2019)

[1] Unless stated otherwise, the sales growth figures are expressed at constant exchange rates and scope of consolidation.

[2] Definitions:

Currency impact: currency effects are established by converting actual numbers at the average rates of years-1. In practice, those rates are either average rates communicated by the ECB, or hedged rates if hedging instruments have been set up.

Changes in scope: the effects of changes in the scope of consolidation are determined:
- for acquisitions during the period, by deducting from sales during the period the sum of sales completed in that period by entities acquired as from their inclusion in the scope of consolidation;
- for acquisitions in the preceding period, by deducting from sales during the period the sum of sales completed in the months during which the acquired entities were not consolidated in the preceding period;
- for disposals in the period, by adding to the sales in the period the sum of sales completed by the entities disposed of in the preceding period, during the months in which these entities are no longer consolidated in the current period;
- for disposals in the preceding period, by adding to the sales in the period the sales completed during the preceding period by the disposed entities.

ANALYSIS OF SALES BY APPLICATION

Sales by Application In millions of euros	**Q2 2019**	Q2 2018	% change as reported	**% change** at constant exchange rates and scope of consolidation	**H1 2019**	H1 2018	% change as reported	**% change** at constant exchange rates and scope of consolidation
Clinical Applications	**527.7**	474.4	+11.2%	**+8.1%**	**1,052.6**	960.6	+9.7%	**+5.9%**
Microbiology	**245.4**	236.6	+3.8%	**+3.2%**	**481.3**	459.2	+4.8%	**+3.7%**
Immunoassays	**119.5**	113.9	+4.9%	**-1.6%**	**228.4**	221.8	+3.0%	**-3.1%**
Molecular biology	**154.1**	115.1	+33.9%	**+29.1%**	**326.2**	263.3	+24.3%	**+18.0%**
Other lines(1)	**8.6**	8.8	-2.6%	**-5.8%**	**16.7**	16.3	+2.5%	**+4.8%**
Industrial Applications(2)	**115.8**	107.9	+7.4%	**+4.6%**	**222.4**	208.6	+6.6%	**+3.7%**
TOTAL SALES	**643.5**	582.2	+10.5%	**+7.4%**	**1,275.1**	1,169.2	+9.1%	**+5.5%**

(1) Including Applied Maths, BioFire Defense, and R&D-related revenue arising on clinical applications.
(2) Including R&D-related revenue arising on industrial applications.

- **Clinical application** sales, which accounted for approximately 83% of bioMérieux's consolidated total, rose by 8% year-on-year to €528 million for second-quarter 2019, and by 6% to €1,053 million for the first half of the year.
  - In **microbiology**, growth in the second quarter was led by a good performance from the VITEK® automated identification and antibiotic susceptibility product line as well as the BACT/ALERT® blood culture line. Growth was partially offset by a base effect for equipment sales resulting from strong sales of the microbiology lab automation line in the second quarter of 2018.
  - Buoyed by the consolidation of Hybiome sales in China, **immunoassays** sales grew by almost 5% as reported in the second quarter. Sales of the VIDAS® line continued to decline over second-quarter 2019 as a result of lower volumes in Europe and price decreases in the United States.
  - In **molecular biology**, the BIOFIRE® FILMARRAY® product line recorded a strong 31% increase in sales in the second quarter, led by all panels and by the expansion of its installed base. The international roll-out of the line accelerated over the quarter, with sales outside the United States representing around 19% of total BIOFIRE® FILMARRAY® sales.

- Sales of **industrial applications**, which represent around 17% of the consolidated total, amounted to €116 million in second-quarter 2019. The year-on-year increase of 4.6% was driven by strong demand for microbiology product lines aimed at customers in the pharmaceutical industry and by rapid growth in the GENE-UP® molecular biology line for food applications. Sales came to €222 million for the first half of 2019, up 3.7% from the previous year.

ANALYSIS OF SALES BY REGION

Sales by Region In millions of euros	**Q2 2019**	Q2 2018	% change as reported	**% change** at constant exchange rates and scope of consolidation	**H1 2019**	H1 2018	% change as reported	**% change** at constant exchange rates and scope of consolidation
Americas	**285.7**	246.9	+15.7%	**+10.9%**	**581.8**	517.6	+12.4%	**+6.7%**
North America	**246.5**	211.2	+16.8%	**+9.8%**	**507.9**	451.7	+12.5%	**+4.7%**
Latin America	**39.2**	35.7	+9.7%	**+17.6%**	**73.9**	65.8	+12.3%	**+20.4%**
Europe(1)	**231.5**	227.2	+1.8%	**+2.3%**	**454.7**	449.4	+1.2%	**+1.8%**
Asia Pacific	**126.3**	108.1	+16.9%	**+10.4%**	**238.5**	202.3	+17.9%	**+11.0%**
TOTAL SALES	**643.5**	582.2	+10.5%	**+7.4%**	**1,275.1**	1,169.2	+9.1%	**+5.5%**

(1) Including the Middle East and Africa.

- Sales in the **Americas** (44% of the consolidated total) reached €286 million in second quarter 2019, an increase of 11% on the same period in 2018. Sales for the six months to June 30, 2019 were up 6.7% year-on-year, coming in at €582 million.
  - In **North America** (38% of the consolidated total), growth in the second quarter was driven by the development of the BIOFIRE® FILMARRAY® molecular biology product line and by sales of reagents for clinical microbiology lines. In immunoassays, price pressure on procalcitonin assays continued to hamper sales growth.
  - **Latin America** recorded a sharp increase in second-quarter sales, led by robust business growth and by price increases in Argentina to offset the devaluation of the Argentine peso.

- Sales in the **Europe – Middle East – Africa** region (36% of the consolidated total) came to €232 million for the second quarter, up 2.3% year-on-year. Sales for the six months to June 30, 2019 were up 1.8% from the previous year, at €455 million.
  - In **Europe** (30% of the consolidated total), sales growth was driven by very strong performances in the molecular biology and industrial microbiology product lines, particularly in Germany, Scandinavia and the Benelux countries.
  - The situation remained contrasted in the **Russia – Middle East – Africa** region. Strong growth reported in South Africa, Turkey and Russia in the second quarter was partially offset by a decline in one-off sales in Egypt and the Lebanon.

- Sales in the **Asia Pacific** region (20% of the consolidated total) amounted to €126 million for the second quarter of 2019, up around 10% year-on-year on the back of solid performances in China, India and countries in Southeast Asia. This positive trend was notably driven by faster growth in microbiology product lines and by the development of the BIOFIRE® FILMARRAY® product line. For the six months to June 30, 2019, sales in the Asia Pacific region totaled €239 million, representing a year-on-year increase of more than 11%.

2.2. Financial highlights

CONSOLIDATED INCOME STATEMENT

- **Gross profit**

Gross profit for the first six months of the year came to €710 million or 55.7% of sales, up from 54.3% in the prior-year period. The increase in gross margin primarily reflects an improvement in the product mix linked to favorable volume growth and to measures taken to improve operating efficiency.

Contributive operating income before non-recurring items

Contributive operating income before non-recurring items came to €198 million for first-half 2019, a year-on-year gain of 6.7%. Contributive operating income before non-recurring items as a percentage of sales was 15.5% as reported. A provision of €26 million was recognized in the period in respect of bonus plans in the United States that are indexed to the bioMérieux share price (phantom share plans), compared to aprovision of €10 million in first-half 2018. bioMérieux recorded total non-recurring income of around €17 million resulting from the favorable settlement of a dispute with the French authorities and a freeze on the defined benefit pension plan in the United States. The positive currency effect on contributive operating income before non-recurring items represented around €1 million.

- Selling, general and administrative expenses amounted to €354 million, or 27.8% of sales. The increase primarily reflects a step-up in marketing and sales initiatives for the BIOFIRE® FILMARRAY® product line.
- R&D expenses amounted to €179 million, or 14% of sales, compared with €156 million and 13.4% in first-half 2018. As expected, this 8% like-for-like increase reflects ongoing research in microbiology and the additional R&D efforts made to support the BIOFIRE® FILMARRAY® product line.
- Other operating income amounted to around €21 million for the period, up from €12 million in first-half 2018, owing to additional R&D efforts and the resulting increase in the related tax credit, along with a rise in rental income collected from third parties.

Operating income

Depreciation/amortization charged against assets valued at the date of acquisition of BioFire amounted to €9 million in first-half 2019, stable year-on-year. The Group therefore posted operating income of €189 million for the half-year period, up 7% on the €177 million reported for first-half 2018.

Net income of consolidated companies

Net financial expense amounted to €14 million in first-half 2019, up slightly from the €12 million expense recorded in the same prior-year period. The cost of net debt came to €10.6 million versus €9.6 million in first-half 2018, and other financial expenses totaled €3.5 million, compared to €2.0 million in the six months to June 30, 2018. This slight increase reflects the increase in subsidiaries' local borrowing costs.

The Group's effective tax rate for the first half of 2019 stood at 20.8%, versus 19.1% in first-half 2018 which had benefited from the tax deduction associated with the one-off payment to the US pension fund. New tax provisions in the US relating to foreign-derived intangible income (FDII) also benefited the Group.

Net attributable income amounted to €141 million for the first half of 2019, up 4.7% from the first-half 2018 figure of €134 million.

CASH MANAGEMENT AND FINANCE

Free Cash-Flow

EBITDA[3] came to €283 million in first-half 2019, or 22.2% of sales, up 5.4% from the €269 million recorded in the same period one year earlier. The increase reflected growth in contributive operating income before non-recurring items and net additions to depreciation and amortization of operating items and operating provisions.

Income tax paid amounted to €51 million, up on the €33 million paid in first-half 2018 which had benefited from the reimbursement of the dividend tax claim and the deduction of the one-off payment to the US pension fund.

Working capital requirement rose by €37 million in the first six months of 2019. The change was primarily a result of the following factors:

- Inventories rose €59 million in the period, outpacing the growth in sales, following the replenishment of inventories of certain product lines and raw materials.
- Trade receivables decreased slightly due to a shorter receivables collection period.

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

  - Trade payables increased by €9 million in line with business growth.
- Other working capital requirement items increased by €12 million as a result of an increase in accrued taxes and payroll liabilities, particularly the provision in relation to bonus plans in the United States that are indexed to the bioMérieux share price (phantom share plans).

As expected, **capital expenditure** outlays represented around 10% of sales or €123 million in first-half 2019, versus €104 million in first-half 2018.

In this environment, **free cash flow** came in at €55 million in the six months to June 30, 2019, compared to €98 million in first-half 2018, which excluded the one-off payment to the US pension fund. Including this one-off payment, free cash flow would have been €42 million for first-half 2018.

- **Change in net debt**

Purchases of non-current financial assets, net of disposals, amounted to €72 million in first-half 2019 and primarily reflected the acquisition of Invisible Sentinel Inc. and the increase in the Hybiome shareholding, partly offset by the sale of a non-controlling interest.

A total of €41 million was paid out in **dividends**, up slightly year-on-year.

Consolidated **net debt** therefore came to €422 million at June 30, 2019, versus €366 million at December 31, 2018 adjusted for the impact of the first-time application of IFRS 16 (see Appendix 3).

3. Significant events of first-half 2019

Acquisition of Invisible Sentinel

On February 7, 2019, bioMérieux announced that it had acquired Invisible Sentinel Inc. Based in Philadelphia (PA), the company develops, manufactures and markets innovative and user-friendly molecular diagnostic tools for the rapid, accurate and reliable detection of pathogens and spoilage organisms in food and beverages.

bioMérieux increases its holding in Hybiome from 54% to 67%

On June 6, 2019, bioMérieux announced that it had increased its holding in Suzhou Hybiome Biomedical Engineering Co. Ltd. This announcement followed the earlier announcement of the acquisition of a majority stake in this company in November 2018. An additional 13% was acquired, increasing bioMérieux's shareholding in Hybiome to 67%.

NEPHROCHECK® biomarkers TIMP-2 and IGFBP7 included in guidelines for perioperative care in cardiac surgery

On May 13, 2019, bioMérieux announced that NEPHROCHECK® biomarkers (TIMP-2 and IGFBP7), which indicate kidney stress in advance of acute kidney injury (AKI), had been included in the "Guidelines for Perioperative Care in Cardiac Surgery". These guidelines were published by the ERAS® (Enhanced Recovery After Surgery) Cardiac Society, an international group of leading heart surgeons, anesthesiologists and critical care specialists.

4. Subsequent events

Kirk Ririe steps down from his operational duties

Kirk Ririe, Chief Innovation Officer and member of bioMérieux's Executive Committee, retired on August 2, 2019. Kirk will continue to act as scientific advisor to the Chairman and Chief Executive Officer.

Accreditation of the resin-based blood culture bottles and the BACT/ALERT® VIRTUO™ system by the National Medical Products Administration (NMPA)

bioMérieux announces that BACT / ALERT® VIRTUO™, its automated blood culture system, and the FAN® Plus blood culture bottles have been accredited by the Chinese NMPA, making this system commercially available in China. The VIRTUO™ BACT/ALERT® solution is composed of a highly automated blood culture system and of FAN® Plus blood culture bottles using adsorbent polymeric bead technology. This solution enables clinical microbiology laboratories to detect pathogens faster and thus contribute to improved patient management.

5. Principal risks and uncertainties

The principal risks and uncertainties to which the Company could be exposed in the second half of 2019 are set out in Chapters 2 and 6 of the 2018 Registration Document (Note 28 to the consolidated financial statements for the year ended December 31, 2018) and in Notes 10.6 (Provisions – Contingent assets and liabilities) and 19 (Exchange rate and market risk management) to the interim consolidated financial statements in Appendix A of this 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.

6. Principal transactions with related parties

Transactions with related parties continued on the same basis as in 2018 without any significant developments (see Note 30 to the consolidated financial statements for the year ended December 31, 2018, Chapter 6 of the 2018 registration document and Note 21 to the interim consolidated financial statements in Appendix A of this interim financial report). No new transactions between related parties had a material impact on the Company's financial position or earnings.

7. Outlook

In view of the results of the first half of 2019, bioMérieux is maintaining its growth objectives for business and profitability. This information is applicable to current market conditions (end-August 2019), particularly for foreign currencies which should have a favourable impact on sales growth reported in euros and a neutral impact on the Group’s profitability. It does not take into account any major fluctuations in the share price during the second half of the year, which would impact the expense associated with the U.S. variable compensation plan (phantom share plans).

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, 2019 have been prepared in accordance with the 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 52 et seq. above provides a fair view of the significant events that took place during the first six months of the financial 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 financial year.

Marcy l'Etoile, September 3, 2019

Chairman and Chief Executive Officer
Alexandre Mérieux

D - STATUTORY AUDITORS' REPORT

"Statutory Auditors' review report on the interim financial information"

GRANT THORNTON
French member of Grant Thornton International

ERNST & YOUNG et Autres

bioMérieux

Six months ended June 30, 2019

Statutory Auditors' review report on the interim financial information

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Simplified joint stock corporation with variable share capital
438 476 913 R.C.S. (Trade and Companies Register) Nanterre

Statutory Auditors
Member of the regional
association of Versailles

bioMérieux

Six months ended June 30, 2019

Statutory Auditors' review report on the interim financial information

To the bioMérieux shareholders,

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of Article L. 452-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the limited review of the condensed interim consolidated financial statements of bioMérieux for the period from January 1 to June 30, 2019, as appended to this report;

- 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 extensive than an audit conducted in accordance with professional standards applicable in France. Consequently, unlike a full audit, a review only provides moderate assurance that the financial statements, taken as a whole, are free from material misstatement.

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

Without calling into question the conclusion expressed above, we would like to draw your attention to Note 2.2 "First application of IFRS 16 to leases" of the condensed interim consolidated financial statements regarding the application of IFRS 16 "Leases" effective January 1, 2019, the impacts of which are presented in Note 23.

2. Specific verification

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

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

Lyon, September 3, 2019

The Statutory Auditors

GRANT THORNTON *French member of Grant Thornton International*	ERNST & YOUNG et Autres
Françoise Mechin	Nicolas Perlier