



bioMérieux SA

French joint stock company (*société anonyme*) with share capital of €12,029,370

Registered office: Marcy l'Etoile (Rhône department), France

Registered in Lyon, France under number 673 620 399

**INTERIM FINANCIAL REPORT FOR THE
SIX MONTHS ENDED JUNE 30, 2017**

CONTENTS

- A – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2017**
- B – INTERIM MANAGEMENT REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2017**
- C – STATEMENT BY THE PERSONS RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT**
- D – STATUTORY AUDITORS' REVIEW REPORT**

A – CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS FOR THE
SIX MONTHS ENDED JUNE 30, 2017

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2017

1	<u>SIGNIFICANT EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION IN FIRST-HALF 2017</u>	1
1.1	<u>Significant events of first-half 2017</u>	1
1.2	<u>Summary of significant events in 2016</u>	1
1.3	<u>Changes in the scope of consolidation</u>	1
2	<u>SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES</u>	2
2.1	<u>Standards, amendments and interpretations</u>	2
2.2	<u>Judgements and estimates</u>	3
2.3	<u>Presentation of the consolidated income statement</u>	3
2.4	<u>Seasonality of operations</u>	3
3	<u>CHANGES IN INTANGIBLE ASSETS AND AMORTISATION</u>	3
3.1	<u>Accounting principles</u>	3
3.2	<u>Changes in intangible assets and amortisation</u>	3
3.3	<u>Changes in goodwill</u>	5
4	<u>CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION</u>	5
4.1	<u>Changes in property, plant and equipment</u>	5
4.2	<u>Changes in non-current financial assets</u>	6
5	<u>TRADE RECEIVABLES</u>	6
6	<u>SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE</u>	6
6.1	<u>Share capital</u>	6
6.2	<u>Cumulative translation adjustments</u>	7
6.3	<u>Earnings per share</u>	7
7	<u>PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS</u>	7
7.1	<u>Accounting principles</u>	7
7.2	<u>Movements in provisions</u>	8
7.3	<u>Changes in post-employment benefits and other employee benefit obligations</u>	9
7.4	<u>Provisions for tax disputes and litigation</u>	9
7.5	<u>Other provisions for contingencies and losses</u>	9
7.6	<u>Contingent assets and liabilities</u>	9
8	<u>NET DEBT – NET CASH AND CASH EQUIVALENTS</u>	10
8.1	<u>Consolidated statement of cash flows</u>	10
8.2	<u>Movements in net debt</u>	11
8.3	<u>Maturities of borrowings</u>	11
8.4	<u>Debt covenants</u>	12
8.5	<u>Interest rates</u>	12
8.6	<u>Loan guarantees</u>	13
9	<u>OTHER OPERATING INCOME</u>	13
10	<u>BIOFIRE ACQUISITION FEES AND AMORTISATION EXPENSE</u>	14
11	<u>OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS</u>	14
11.1	<u>Accounting principles</u>	14
11.2	<u>Changes in other non-recurring income and expenses from operations</u>	14
12	<u>NET FINANCIAL EXPENSE</u>	14
12.1	<u>Accounting principles</u>	14

12.2	<u>Cost of net debt</u>	15
12.3	<u>Other financial income and expenses</u>	15
13	<u>INCOME TAXES</u>	15
13.1	<u>Accounting principles</u>	15
13.2	<u>Changes in income tax</u>	16
14	<u>INFORMATION BY GEOGRAPHIC AREA, TECHNOLOGY AND APPLICATION</u> ..	16
14.1	<u>Accounting principles</u>	16
14.2	<u>Information by geographic area</u>	17
14.3	<u>Information by technology and application</u>	19
15	<u>EXCHANGE RATE AND MARKET RISK MANAGEMENT</u>	19
15.1	<u>Hedging instruments</u>	19
15.2	<u>Liquidity risk</u>	20
15.3	<u>Financial instruments: financial assets and liabilities</u>	20
15.4	<u>Country risk</u>	21
16	<u>OFF-BALANCE SHEET COMMITMENTS</u>	22
17	<u>TRANSACTIONS WITH RELATED PARTIES</u>	22
18	<u>SUBSEQUENT EVENTS</u>	22

CONSOLIDATED INCOME STATEMENT

<i>En millions d'euros</i>	Notes	30/06/2017	31/12/2016	30/06/2016
Chiffre d'affaires		1 134,3	2 103,2	1 000,8
Coût des ventes		-529,3	-1 002,5	-482,0
Marge brute		605,0	1 100,7	518,8
Autres produits de l'activité	9	15,1	38,5	20,9
Charges commerciales		-220,9	-402,1	-185,2
Frais généraux		-78,3	-167,4	-79,6
Recherche et développement		-148,5	-271,9	-125,5
Total frais opérationnels		-447,7	-841,4	-390,3
Résultat opérationnel courant contributif		172,4	297,8	149,4
Frais et amortissements du prix d'acquisition de Biofire (a)	10	-9,5	-25,2	-13,6
Résultat opérationnel courant		162,9	272,6	135,8
Autres produits et charges opérationnels non courants	11	0,0	9,9	9,7
Résultat opérationnel		162,8	282,5	145,5
Coût de l'endettement financier net	12.2	-11,3	-17,6	-9,1
Autres produits et charges financiers	12.3	-2,2	-5,6	-4,7
Impôts sur les résultats	13	-48,1	-79,8	-46,0
Entreprises associées		-0,1	-0,2	-0,1
Résultat de l'ensemble consolidé		101,2	179,2	85,6
Part des minoritaires		0,1	0,1	-0,1
Part du Groupe		101,1	179,1	85,7
Résultat net de base par action		2,57 €	4,55 €	2,17 €
Résultat net dilué par action		2,57 €	4,55 €	2,17 €

(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.

STATEMENT OF COMPREHENSIVE INCOME

<i>En millions d'euros</i>	30/06/2017	31/12/2016	30/06/2016
Résultat de l'ensemble consolidé	101,2	179,2	85,6
Éléments recyclables en résultat	-44,3	-0,4	-23,4
Variation de la juste valeur des actifs et instruments financiers	4,8	-0,5	-1,9
Effet d'impôt	-1,1	2,4	3,2
Variation de la réserve de conversion	-48,0	-2,4	-24,6
Éléments non recyclables en résultat	-1,4	-4,2	-16,3
Réévaluation des avantages au personnel	-2,3	-5,8	-25,2
Effet d'impôt	0,9	1,6	8,9
Total des Autres éléments du résultat global	-45,8	-4,6	-39,7
Résultat global	55,4	174,5	46,0
Part des minoritaires	0,0	0,0	-0,1
Part du Groupe	55,4	174,5	46,1

CONSOLIDATED BALANCE SHEET

ACTIF <i>En millions d'euros</i>	Notes	30/06/2017	31/12/2016	30/06/2016
Immobilisations incorporelles	3	454,8	492,6	471,7
Ecart d'acquisition	3.3	454,8	470,6	455,8
Immobilisations corporelles	4.1	712,3	734,5	614,1
Immobilisations financières	4.2	46,6	36,9	58,1
Participations dans les entreprises associées		0,3	0,5	0,6
Autres actifs non courants		16,7	18,0	18,8
Impôt différé actif		79,5	92,8	83,3
Actifs non courants		1 765,2	1 845,8	1 702,4
Stocks et en-cours		404,4	404,4	382,9
Clients et comptes rattachés	5	435,4	465,8	420,5
Autres créances d'exploitation		100,5	79,8	97,1
Créance d'impôt exigible		12,1	25,7	14,1
Créances hors exploitation		23,3	28,8	14,8
Disponibilités et équivalents de trésorerie		182,2	178,6	126,3
Actifs courants		1 158,0	1 183,0	1 055,7
TOTAL ACTIF		2 923,1	3 028,8	2 758,1
PASSIF <i>En millions d'euros</i>	Notes	30/06/2017	31/12/2016	30/06/2016
Capital	6.1	12,0	12,0	12,0
Primes et Réserves	6.2	1 524,5	1 428,0	1 404,2
Résultat de l'exercice		101,1	179,1	85,7
Capitaux propres Groupe		1 637,6	1 619,1	1 502,0
Intérêts minoritaires		2,1	2,2	8,0
Capitaux propres de l'ensemble consolidé		1 639,7	1 621,4	1 510,0
Emprunts & dettes financières long terme	8	376,8	365,4	312,4
Impôt différé passif		153,5	167,3	157,4
Provisions	7	116,2	115,0	134,5
Passifs non courants		646,5	647,6	604,2
Emprunts & dettes financières court terme	8	85,7	87,9	79,4
Provisions	7	33,4	36,8	20,6
Fournisseurs et comptes rattachés		152,3	175,6	162,7
Autres dettes d'exploitation		296,3	324,2	287,2
Dettes d'impôt exigible		17,8	37,2	14,8
Dettes hors exploitation		51,4	98,2	79,2
Passifs courants		636,9	759,8	643,9
TOTAL PASSIF		2 923,1	3 028,8	2 758,1

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>En millions d'euros</i>	30/06/2017	31/12/2016	30/06/2016
Résultat net de l'ensemble consolidé	101,2	179,2	85,6
- Participations dans les entreprises associées	0,1	0,2	0,1
- Coût de l'endettement financier net	11,3	17,6	9,1
- Autres produits et charges financiers	2,2	5,6	4,7
- Charge d'impôt exigible	48,1	79,8	46,0
- Dotation nette aux amortissements d'exploitation - provisions non courantes	70,1	143,1	63,7
- Produits et charges non courants et frais et amortissements du prix d'acquisition de Biofire	9,5	15,3	3,9
EBITDA (avant produits et charges non récurrents)	242,5	440,9	213,1
Autres produits et charges opérationnels non courants (hors DAP exceptionnels, plus et moins values sur cessions d'immobilisations)	0,0	0,0	0,0
Autres produits et charges financiers (hors provisions et cessions d'immobilisations financières)	-2,0	-6,4	-3,8
Dotations nettes aux provisions d'exploitation pour risques et charges	1,3	12,3	0,1
Variation de la juste valeur des instruments financiers	0,0	-1,5	1,4
Rémunérations en actions	3,2	3,5	1,0
Elimination des autres charges et produits sans impact sur la trésorerie ou non liés à l'activité	2,5	7,9	-1,3
Variation des stocks	-18,5	-41,1	-29,5
Variation des créances clients	14,0	-10,0	27,3
Variation des dettes fournisseurs	-18,6	-3,4	-12,4
Variation des autres BFRE	-34,0	21,8	-22,1
Variation du besoin en fonds de roulement d'exploitation ^(a)	-57,1	-32,7	-36,7
Autres besoins en fonds de roulement hors exploitation	12,1	-3,3	5,2
Variation des autres actifs et passifs non courants non financiers	1,5	4,3	2,7
Variation du besoin en fonds de roulement	-43,5	-31,7	-28,8
Versement d'impôt	-56,1	-81,5	-41,3
Flux liés à l'activité	145,4	335,6	141,7
Décaissements liés aux acquisitions d'immobilisations corporelles et incorporelles	-96,9	-233,0	-114,0
Encaissements liés aux cessions d'immobilisations corporelles et incorporelles	3,5	5,3	2,3
Décaissements / encaissements liés aux acquisitions d'immobilisations financières	-8,1	8,1	0,9
Incidence des variations de périmètre	3,7	-37,6	-18,1
Flux liés aux activités d'investissement	-97,8	-257,2	-128,9
Augmentation de capital en numéraire	0,0	0,0	0,0
Rachats et reventes d'actions propres	-1,1	-14,1	-0,1
Distributions de dividendes aux actionnaires	-39,4	-39,5	-39,4
Distributions de dividendes aux minoritaires	-0,1	-0,1	0,0
Coût de l'endettement financier net	-11,3	-17,6	-9,1
Variation des dettes financières confirmées	18,9	18,6	13,8
Flux liés aux opérations de financement	-33,0	-52,5	-34,9
Variation nette de la trésorerie et équivalents de trésorerie	14,6	25,9	-21,8
Trésorerie nette à l'ouverture	146,7	136,7	136,7
Incidence des fluctuations de change sur la trésorerie nette et équivalents de trésorerie	-4,3	-15,9	-8,2
Trésorerie nette à la clôture	157,0	146,7	106,7

(a) Including additions to and reversals of short-term provisions.

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

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

<i>En millions d'euros</i>	Part du Groupe										Part des minoritaires
	Capital	Primes et Réserves consolidées	Réserves de conversion	Variation de la juste valeur	Gains et pertes actuariels	Actions propres	Rémunération en actions	Total Primes et Réserves	Résultat net	Total	Total
Capitaux propres au 31 décembre 2015	12,0	1 352,6	51,4	5,4	-42,1	-0,3	5,0	1 372,0	110,5	1 494,5	8,1
Résultat global de l'exercice			-24,6	1,3	-16,3			-39,7	85,7	46,1	-0,1
Affectation du résultat net de l'exercice précédent		110,5						110,5	-110,5	0,0	
Distribution de dividendes (d)		-39,5						-39,5		-39,5	
Actions propres		-0,5				0,3		-0,1		-0,1	
Rémunération en actions (e)							1,0	1,0		1,0	
Variation des pourcentages d'intérêts								0,0		0,0	
Capitaux propres au 30 juin 2016	12,0	1 423,2	26,7	6,7	-58,4	0,0	6,0	1 404,2	85,7	1 502,0	8,0

<i>En millions d'euros</i>	Part du Groupe										Part des minoritaires
	Capital	Primes et Réserves consolidées (a)	Réserves de conversion	Variation de la juste valeur (b)	Gains et pertes actuariels (c)	Actions propres	Rémunération en actions	Total Primes et Réserves	Résultat net	Total	Total
Capitaux propres au 31 décembre 2015	12,0	1 352,5	51,4	5,4	-42,1	-0,3	5,0	1 372,0	110,5	1 494,5	8,1
Résultat global de l'exercice			-2,4	2,0	-4,2			-4,6	179,1	174,5	
Affectation du résultat net de l'exercice précédent		110,5						110,5	-110,5	0,0	
Distribution de dividendes (d)		-39,5						-39,5		-39,5	
Actions propres		0,1				-13,8		-13,8		-13,8	
Rémunération en actions (e)							3,5	3,5		3,5	
Variation des pourcentages d'intérêts											-5,8
Capitaux propres au 31 décembre 2016	12,0	1 423,6	49,0	7,4	-46,3	-14,2	8,5	1 428,0	179,1	1 619,1	2,2
Résultat global de l'exercice			-48,0	3,7	-1,4			-45,7	101,1	55,4	0,0
Affectation du résultat net de l'exercice précédent		179,1						179,1	-179,1	0,0	
Distribution de dividendes (d)		-39,4						-39,4		-39,4	-0,1
Actions propres		-2,0				1,3		-0,7		-0,7	
Rémunération en actions (e)							3,2	3,2		3,2	
Variation des pourcentages d'intérêts											
Capitaux propres au 30 juin 2017	12,0	1 561,3 (f)	1,0 (g)	11,1	-47,7	-12,9	11,7	1 524,5	101,1	1 637,7 (f)	2,1 (h)

(a) Dont Primes : 63,7 millions d'euros

(b) Dont variation de la juste valeur des titres Labtech et Geneuro et des instruments financiers de couverture

(c) Gains et pertes actuariels sur engagements envers le personnel depuis la mise en place d'IAS 19R

(d) Dividendes par action : 1 euro en 2016 et 2017. Les titres ne donnant pas droit à dividende s'élèvent à 89.565 en 2017 contre 6.175 au 31 décembre 2016

(e) La valeur de l'avantage lié à l'attribution d'actions gratuites est étalée sur la période d'acquisition des droits

(f) Dont réserves distribuables de bioMérieux SA y compris résultat de l'exercice: 892,4 millions d'euros

(g) Cf. note 6.2 Réserves de conversion

(h) Dont bioMérieux Japon et RAS Lifesciences

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2017

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, i.e. reagents, instruments and software. bioMérieux is present in more than 150 countries through 42 subsidiaries and a large network of distributors.

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

These condensed interim consolidated financial statements were approved by the Board of Directors on August 29, 2017. They are presented in millions of euros. They have been subject to a review by the Statutory Auditors.

1 SIGNIFICANT EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION IN FIRST-HALF 2017

1.1 SIGNIFICANT EVENTS OF FIRST-HALF 2017

1.1.1 Acquisition of a stake in Banyan Biomarkers

On January 19, 2017, bioMérieux announced its partnership with Banyan Biomarkers, a company based in San Diego (United States), which develops blood tests for the diagnosis of traumatic brain injury. As part of this partnership, bioMérieux will take an equity stake of just under USD 7 million in Banyan Biomarkers, in return for global marketing rights for tests owned by Banyan. As such, bioMérieux will market the tests for use *in vitro* diagnostics, mainly as part of its VIDAS[®] immunoassay range. Given the lack of control or significant influence exerted by the Group, this stake is not consolidated and is recognised under "Non-current financial assets".

1.2 SUMMARY OF SIGNIFICANT EVENTS IN 2016

1.2.1 Sale of Shanghai bioMérieux bio-engineering

On December 9, 2016, bioMérieux sold its entire stake in Shanghai bioMérieux bio-engineering to its partner KEHUA. A portion of the receivable arising from the sale was paid in the first half of 2017. The balance was settled on July 20, 2017.

1.3 CHANGES IN THE SCOPE OF CONSOLIDATION

No changes in the scope of consolidation occurred in the first half of 2017. Given the non-material impacts of the changes in scope that occurred in 2016 and the absence of changes in scope in the first half of 2017, no pro forma information has been provided.

2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

2.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS

The 2017 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, 2017. These can be consulted on the European Commission's website at http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

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

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

The accounting principles and calculation methods used to prepare the interim consolidated financial statements for the six months ended June 30, 2017 and June 30, 2016 are identical to those used to prepare the annual financial statements for the year ended December 31, 2016 and described in detail in the Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 15, 2017, with the exception of the standards, amendments and interpretations that came into force in 2017. In some cases, these rules have been adapted to the specific nature of interim financial statements, in accordance with IAS 34.

No new standards, amendments and interpretations have been adopted by the European Commission for application from the first half of 2017.

The amendments adopted by the IASB and applicable from January 1, 2017, which the European Union is expected to approve by the end of 2017 (with early application from June 30, 2017), should not have a material impact on the consolidated financial statements. This concerns the following amendments:

- amendments to IAS 7 "Statement of Cash Flows – Disclosure Initiative";
- amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealised Losses";
- IFRS annual improvements, 2014-2016 cycle.

bioMérieux 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 December 31, 2017 but which could have been applied early. This mainly concerns the following standards and amendments, applicable for periods beginning on or after January 1, 2018:

- IFRS 15, including the amendments "Clarifications to IFRS 15 – Revenue from Contracts with Customers";
- IFRS 9 "Financial Instruments";
- amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions";
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration".

During the first half of 2017, the Group continued its work on identifying and analysing commercial contracts under IFRS 15 "Revenue from Contracts with Customers". This work does not affect the information disclosed in Note 2 to the 2016 consolidated financial statements.

The analysis is ongoing and we cannot at this stage provide figures on the expected impacts.

The Group has also continued its analysis of the impacts of IFRS 9 "Financial Instruments". As stated in the notes to the 2016 consolidated financial statements, the analysis has not yet identified any material impacts on the Group's financial statements, particularly with regard to the recognition of investments in non-consolidated companies, the impairment of doubtful receivables and hedging accounting.

The application of the amendment to IFRS 2 and IFRIC 22 is not expected to have any material impact. Lastly, the Group has continued its analysis of the impact of IFRS 16 "Leases", approved by the IASB but not yet adopted by the European Commission. This standard will be effective for the first time for periods beginning on or after January 1, 2019. No figures for the expected impacts are available from

this analysis. For information, the amount of leases recognised in expenses and commitments payable is disclosed in Note 28.3.1 to the 2016 annual financial statements.

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 JUDGMENTS AND ESTIMATES

The rules used for judgments and estimates are not materially different from those used at June 30, 2016 and December 31, 2016 (see Note 2.1 to the consolidated financial statements for the year ended December 31, 2016). 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.

In addition, for profit-sharing, incentives and performance-related bonuses, the amounts were estimated based on the extent to which targets had been reached according to the data at June 30, 2017.

2.3 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, 2016).

2.4 SEASONALITY OF OPERATIONS

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

3 CHANGES IN INTANGIBLE ASSETS AND 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, 2016. 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. No new indication of impairment loss has emerged for the assets concerned since the end of 2016.

3.2 CHANGES IN INTANGIBLE ASSETS AND AMORTISATION

Intangible assets mainly comprise patents and technologies.

Valeurs brutes <i>En millions d'euros</i>	Brevets Technologies	Logiciels	Autres	Total
31 décembre 2015	526,5	146,9	25,5	698,8
Ecart de conversion	13,2	1,2	0,5	14,8
Acquisitions/Augmentations	3,5	5,4	14,3	23,3
Variation de périmètre	35,4	0,0	-1,3	34,0
Cessions/Diminutions	-0,2	-1,3	-2,9	-4,4
Reclassements	10,0	18,7	-11,8	16,9
31 décembre 2016	588,3	170,9	24,2	783,5
Ecart de conversion	-31,3	-4,3	-1,1	-36,7
Acquisitions/Augmentations	0,2	0,8	10,5	11,4
Variation de périmètre	0,0	0,0	0,0	0,0
Cessions/Diminutions	0,0	0,0	0,0	0,0
Reclassements	0,0	2,9	-2,1	0,8
30 juin 2017	557,2	170,3	31,4	759,0
Amortissements et pertes de valeur <i>En millions d'euros</i>	Brevets Technologies	Logiciels	Autres	Total
31 décembre 2015	132,5	91,3	-1,4	222,5
Ecart de conversion	3,9	1,0	0,0	4,9
Dotations	40,4	20,9	3,4	64,7
Variations de périmètre	-0,1	0,0	-0,7	-0,7
Reprises / Cessions	-0,2	-0,8	-2,9	-3,9
Reclassements	0,0	-0,7	4,4	3,7
31 décembre 2016	176,5	111,6	2,8	291,0
Ecart de conversion	-8,8	-3,0	0,0	-11,8
Dotations	15,3	9,1	0,6	25,0
Variations de périmètre	0,0	0,0	0,0	0,0
Reprises / Cessions	0,0	0,0	0,0	0,0
Reclassements	0,0	0,0	0,1	0,1
30 juin 2017	183,0	117,7	3,5	304,2
Valeurs nettes <i>En millions d'euros</i>	Brevets Technologies	Logiciels	Autres	Total
31 décembre 2015	394,0	55,6	26,9	476,5
31 décembre 2016	411,8	59,3	21,5	492,6
30 juin 2017	374,2	52,6	27,9	454,8

The gross value of intangible assets under construction was €20.7 million at June 30, 2017, compared with €13.8 million at December 31, 2016. This mainly concerns IT and research & development projects.

The review of the impairment indicators for assets with finite useful lives, as defined in Note 3.1.1, has not led the Group to recognise a change in impairment for the first half of 2017.

3.3 CHANGES IN GOODWILL

<i>En millions d'euros</i>	Valeur nette
31 décembre 2015	459,4
Ecart de conversion	3,1
Variations de périmètre	17,1
Reclassements	-9,0
31 décembre 2016	470,6
Ecart de conversion	-15,8
30 juin 2017	454,8

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 AND DEPRECIATION

4.1 CHANGES IN PROPERTY, PLANT AND EQUIPMENT

VALEURS BRUTES <i>En millions d'euros</i>	Terrains	Construc- tions	Matériels et outillages	Instruments immobilisés	Autres immo- bilisations	Immobilisa- tions en cours	Total
31 décembre 2015	36,1	392,2	346,8	328,4	138,0	132,0	1 373,5
Ecart de conversion	0,3	4,9	6,0	1,1	2,5	6,2	21,0
Variations de périmètre		-2,5	-2,9		0,2		-5,2
Acquisitions / Augmentations	2,4	50,8	25,1	58,1	17,7	102,8	256,9
Cessions / Diminutions		-2,8	-13,6	-28,3	-5,1	-0,2	-50,0
Reclassements	1,2	13,8	19,2	0,9	5,0	-44,4	-4,4
31 décembre 2016	39,9	456,6	380,5	360,1	158,2	196,4	1 591,6
Ecart de conversion	-0,9	-15,7	-13,3	-9,2	-6,1	-9,6	-54,8
Acquisitions / Augmentations	1,0	8,1	5,9	27,8	5,8	18,4	66,9
Cessions / Diminutions		-2,8	-0,8	-15,7	-4,4		-23,7
Reclassements		81,4	7,0	0,4	2,2	-91,7	-0,8
30 juin 2017	40,0	527,5	379,3	363,3	155,7	113,5	1 579,2
AMORTISSEMENTS ET PERTES DE VALEUR <i>En millions d'euros</i>	Terrains	Construc- tions	Matériels et outillages	Instruments immobilisés	Autres immo- bilisations	Immobilisa- tions en cours	Total
31 décembre 2015	1,6	212,7	226,9	254,6	104,1	0,0	799,8
Ecart de conversion		2,7	3,7	0,6	1,6		8,6
Variations de périmètre		-1,1	-2,9		0,1		-3,9
Dotations	0,2	21,5	32,7	32,3	10,5		97,1
Cessions / Diminutions		-2,6	-12,9	-24,1	-4,9		-44,5
Reclassements		0,2	0,6		-0,8		0,0
31 décembre 2016	1,8	233,3	248,1	263,4	110,6	0,0	857,1
Ecart de conversion	-0,1	-6,4	-8,3	-6,0	-4,0		-24,7
Dotations	0,1	14,9	15,6	17,8	6,3		54,6
Cessions / Diminutions		-1,1	-0,7	-14,0	-4,3		-20,1
30 juin 2017	1,8	240,7	254,7	261,2	108,5	0,0	866,9
VALEURS NETTES <i>En millions d'euros</i>	Terrains	Construc- tions	Matériels et outillages	Instruments immobilisés	Autres immo- bilisations	Immobilisa- tions en cours	Total
31 décembre 2015	34,5	179,5	119,9	73,8	33,9	132,0	573,6
31 décembre 2016	38,1	223,3	132,4	96,6	47,7	196,4	734,5
30 juin 2017	38,2	286,9	124,6	102,1	47,2	113,5	712,3

The new Salt Lake City and Shanghai buildings were commissioned on January 1, 2017.

Assets under construction mainly comprise the new production line for blood culture bottles in Durham (USA); its commissioning is scheduled for the second half of 2017.

No changes in impairment were recognised for the first half of 2017 as a result of the impairment tests described in Note 3.1.1.

4.2 CHANGES IN NON-CURRENT FINANCIAL ASSETS

<i>En millions d'euros</i>	Valeur brute	Provisions	Valeur nette
31 décembre 2015	72,0	-12,0	60,0
Ecarts de conversion	5,5	-5,3	0,2
Acquisitions / Augmentations	0,9	-1,5	-0,6
Cessions / Diminutions	-32,0	3,5	-28,5
Reclassements et variation de la juste valeur	5,8		5,8
31 décembre 2016	52,1	-15,2	36,9
Ecarts de conversion	-8,8	8,5	-0,4
Acquisitions / Augmentations	8,5	-0,2	8,3
Cessions / Diminutions	-1,3	0,9	-0,4
Reclassements et variation de la juste valeur	2,2		2,2
30 Juin 2017	52,6	-6,0	46,6

Acquisitions in the first half of 2017 chiefly concerned shares in Banyan Biomarkers (see Note 1.1.1). Reclassifications for the period relate to the change in fair value of Geneuro and Labtech securities, recognised in other comprehensive income.

5 TRADE RECEIVABLES

<i>En millions d'euros</i>	30/06/2017	31/12/2016	30/06/2016
Créances clients	451,6	482,2	442,1
Provisions pour dépréciation	-16,1	-16,5	-21,6
Valeur nette	435,4	465,8	420,5

Trade receivables include the current portion of finance lease receivables.

6 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

6.1 SHARE CAPITAL

The Company's share capital amounted to €12,029,370 at June 30, 2017 and was divided into 39,453,740 shares, of which 26,178,370 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, 2017.

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

At June 30, 2017, the parent company held 7,976 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 175,303 of its own shares and sold 169,033 shares in connection with the liquidity agreement.

The liability recorded for the first half in respect of share-based payment schemes totalled €3.2 million. This corresponds to the accrued portion of the estimated liability recognised over the vesting period.

6.2 CUMULATIVE TRANSLATION ADJUSTMENTS

The cumulative translation adjustments shown below include the share attributable to non-controlling interests, which is a non-significant amount.

<i>En millions d'euros</i>	30/06/2017	31/12/2016	30/06/2016
Dollars (a)	23,9	63,3	38,9
Amérique latine	-8,7	-5,5	-5,6
Europe - Moyen Orient - Afrique	-20,3	-18,3	-15,8
Autres pays	6,0	9,4	9,7
Total	1,0	48,9	27,3

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

6.3 EARNINGS PER SHARE

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

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

7 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

7.1 ACCOUNTING PRINCIPLES

7.1.1 Impairment

The recognition and measurement criteria for provisions are identical to those used at December 31, 2016 (see Note 14.1 to the consolidated financial statements for the year ended December 31, 2016).

Additions to and reversals of provisions are recognised in full based on the situation at June 30, 2017.

7.1.2 Post-employment benefits

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

Post-employment benefit obligations are presented in the balance sheet for their total amount less the fair value of plan assets. The calculation of the benefit obligation and the fair value of plan assets are identical to the calculation method used at December 31, 2016 (see Note 14.3 to the consolidated financial statements for the year ended December 31, 2016).

In accordance with the provisions of IAS 34, post-employment benefits were not calculated in full at June 30, 2017 or June 30, 2016.

Changes in net obligations were estimated as follows:

- interest cost and service cost were estimated by extrapolating the total benefit obligation as calculated at December 31, 2016;

- in view of the changes in interest rates over the first half, discount rates were revised at June 30, 2017. The impact of changes in the discount rate was calculated at June 30, 2017;
- other actuarial assumptions related to the total benefit obligation (including the salary increase and employee turnover rates) showed no changes at June 30, 2017 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.

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

7.2 MOVEMENTS IN PROVISIONS

<i>En millions d'euros</i>	Indemnités de retraite et autres avantages	Garanties données	Restructurations	Litiges	Autres R&C	Total
31 décembre 2015	107,3	4,0	1,5	7,3	8,3	116,5
Dotations	10,3	7,4	0,6	3,7	18,6	40,6
Reprises avec objet	-11,8	-2,1	-0,8	-0,9	-3,7	-19,3
Reprises sans objet	-0,3	-4,6	-0,4	-0,2	0,0	-5,5
Dotations nettes	-1,8	0,7	-0,6	2,6	14,9	15,8
Ecarts actuariels	5,1	0,0	0,0	0,0	0,0	5,1
Variations de périmètre	0,0	0,0	0,0	0,0	0,1	0,1
Autres variations	0,0	0,0	-0,3	-0,4	1,0	0,3
Ecarts de conversion	1,6	0,1	0,0	0,1	0,3	2,1
31 décembre 2016	112,2	4,8	0,6	9,6	24,6	151,8
Dotations	7,5	4,6	0,0	1,1	3,9	17,1
Reprises avec objet	-5,0	-3,1	-0,4	-1,4	-3,1	-13,0
Reprises sans objet	0,0	-1,2	0,0	-0,9	-0,4	-2,5
Dotations nettes	2,5	0,3	-0,4	-1,2	0,4	1,6
Ecarts actuariels	2,3	0,0	0,0	0,0	0,0	2,3
Variations de périmètre	0,0	0,0	0,0	0,0	0,0	0,0
Autres variations	0,1	0,0	0,0	0,0	-0,1	0,0
Ecarts de conversion	-5,2	-0,2	0,0	-0,4	-0,4	-6,2
30 juin 2017	112,0	4,9	0,2	8,0	24,5	149,6

Short-term provisions represented €33.4 million at June 30, 2017, €36.8 million at December 31, 2016 and €20.6 million at June 30, 2016.

Net additions in the first half of 2017 totalled €1.6 million, including €1.3 million in net income from continuing operations. These mainly reflect the expected consequences of the Manovra Sanità law in Italy.

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

The net obligation at June 30, 2017 amounted to €112 million, comprising mainly the provision for post-employment benefits (€96.3 million), as well as the provision for long-service awards (€15.7 million).

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

<i>en millions d'euros</i>	Valeur actualisée des engagements	Juste valeur des fonds (a)	Provision retraite	Couverture frais médicaux retraités	Total provision avantages postérieurs à l'emploi
31 décembre 2016	243,5	-148,1	95,4	3,0	98,4
Coût des services rendus	3,7		3,7	0,0	3,7
Coût financier	4,3	-2,6	1,7	0,1	1,7
Départs à la retraite	-3,7	3,1	-0,6		-0,6
Changement régime	0,0		0,0		0,0
Cotisation	0,0	-4,2	-4,2		-4,2
Impact résultat opérationnel	4,3	-3,7	0,7	0,1	0,7
Ecarts actuariels (Autres éléments du résultat global)	9,8	-7,4	2,3	0,0	2,3
Autres mouvements dont effets de change	-15,1	10,1	-5,0	-0,2	-5,2
30 juin 2017	242,4	-149,0	93,4	2,8	96,3

(a) Plan assets or scheduled payments.

The discount rate applied to obligations in eurozone countries was 1.8% at June 30, 2017, versus 1.65% at December 31, 2016.

The discount rate applied to bioMérieux Inc.'s obligations was 4.0% at June 30, 2017, versus 4.35% at December 31, 2016.

7.4 PROVISIONS FOR TAX DISPUTES AND LITIGATION

As disclosed in Notes 14.4.1 and 14.4.2 to the 2016 consolidated financial statements, the Group is involved in various tax disputes and litigation. No significant changes occurred in these disputes and litigation during the first half of 2017. Consequently, the previous accounting positions have been maintained. These provisions were updated on June 30, 2017.

7.5 OTHER PROVISIONS FOR CONTINGENCIES AND LOSSES

Manovra Sanità

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 of June 30, 2017.

Other provisions for contingencies and losses

These concern the risks associated with the discontinuation of certain products. These provisions were updated as of June 30, 2017 with no material impact on earnings.

7.6 CONTINGENT ASSETS AND LIABILITIES

Diagnostic tests for Lyme disease

bioMérieux, like other laboratories, was summoned before the Tribunal de Grande Instance de Paris by 45 patients seeking compensation for anxiety allegedly "generated by a lack of reliability of serodiagnostic tests" for Lyme disease. On June 6, 2017, 19 new claimants served a new summons with the exact same content as the original one. bioMérieux will file an application to join the proceedings.

At this stage of the proceedings, it is impossible to reliably estimate the risk facing the Group.

8 NET DEBT – NET CASH AND CASH EQUIVALENTS

8.1 CONSOLIDATED STATEMENT OF CASH FLOWS

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

It lists separately:

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

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

Net cash and cash equivalents correspond to the 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.

<i>En millions d'euros</i>	30/06/2016	31/12/2016	30/06/2016
Méthode additive développée			
- Résultat net	101,2	179,2	85,6
- Produits et charges non courants et frais et amortissements du prix d'acquisition de Biofire	9,5	15,3	3,9
- Coût de l'endettement financier net	11,3	17,6	9,1
- Autres produits et charges financiers	2,2	5,6	4,7
- Charge d'impôt exigible	48,1	79,8	46,0
- Participations dans les entreprises associées	0,1	0,2	0,1
- Dotation nette aux amortissements d'exploitation - provisions non courantes	70,1	143,1	63,7
EBITDA	242,5	440,9	213,1
Méthode additive simplifiée			
- Résultat Opérationnel Courant Contributif	172,4	297,8	149,4
- Amortissements d'exploitation	70,1	143,1	63,7
EBITDA	242,5	440,9	213,1

Compared with a €37 million increase in the first half of 2016, operating working capital requirement rose by €57 million in the first half of 2017. This increase is mainly due to the settlement in the first half of 2017 of retention bonuses linked to the acquisition of BioFire.

The increase in other working capital requirement items remained under control:

- the increase in inventories at the end of June 2017 was only €19 million, compared with €29 million in June 2016, despite strong business growth;

- trade receivables were down €14 million, after falling €27 million in the same period of the previous year;
- Trade payables were down €19 million in 2017, after falling €12 million in the same period in 2016.

The amount of taxes paid rose €14.8 million to €56.1 million (compared with €41.3 million at June 30, 2016). This reflects growth in the Group's taxable income, especially in the United States.

The positive impact of changes in scope corresponds to the partial payment of the receivable arising from the Kehua sale. In 2016, changes in scope generated a cash outflow of €18 million, corresponding to the acquisition of Hyglos and the deconsolidation of bioTheranostics.

At June 30, 2017, the Group's net cash position was €157 million, versus €146.7 million at December 31, 2016, representing a €10.3 million increase in the net cash position.

8.2 MOVEMENTS IN NET DEBT

At June 30, 2017, after the €39.4 million dividend payout to bioMérieux SA shareholders, the Group's net debt stood at €280.3 million and mainly comprised the bond issue described below.

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

The bond issue is shown on the balance sheet at amortised cost calculated using the effective interest rate method for an amount of €298.4 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, 2022.

8.3 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.

<i>En millions d'euros</i>	31/12/2016	Variation au tableau des flux de trésorerie	Ecart de conversion	30/06/2017
Disponibilités	137,1	-3,8	-4,0	129,3
Placements de trésorerie	41,5	11,4	0,0	52,9
Disponibilités et équivalents de trésorerie	178,6	7,6	-4,0	182,2
Concours bancaires courants et autres dettes financières non confirmées	-31,9	7,0	-0,3	-25,2
Trésorerie nette (A)	146,7	14,6	-4,3	157,0
Dettes financières confirmées (B)	421,3	18,9	-2,9	437,3
<i>dont part à plus de cinq ans</i>	27,9			26,6
<i>entre 1 an et cinq ans</i>	337,4			350,2
<i>à moins d'un an</i>	56,0			60,5
Endettement net (B) - (A)	274,6	4,3	1,4	280,3

At June 30, 2017, the share of borrowings due beyond five years mainly comprises the share due beyond five years of the debt relating to finance leases for €23.6 million in France. Borrowings due in one to five years include the €298.4 million in bonds issued to fund the acquisition of BioFire (net of issue fees and premiums calculated using the amortised cost method) and non-current finance lease liabilities totalling €14.6 million. Borrowings due within one year mainly include €45 million in commercial paper and current finance lease liabilities totalling €3.5 million.

In addition, borrowings due in one to five years also include a liability towards bioMérieux Inc. and BioFire employees under a medium-term bonus scheme index-linked to the bioMérieux share price. This commitment totalled €16.9 million at June 30, 2017.

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, 2017 concerning loans to be set up in the second half of 2017.

8.4 DEBT COVENANTS

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

The syndicated credit facility is subject to a single covenant: net debt to operating income before depreciation/amortisation and acquisition fees. This covenant was modified by the May 2014 addendum and may not exceed 3.5. The Group complied with this ratio at June 30, 2017.

The Group's other term borrowings at June 30, 2017 primarily correspond to commercial paper and finance lease liabilities related to assets in France. None of these borrowings are subject to covenants.

8.5 INTEREST RATES

Before hedging, 68.2% of the Group's borrowings are at fixed rates (€298.4 million) and the balance is at floating rates (€138.9 million).

Fixed-rate borrowings comprise the €298.4 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 fixed rate, capped at 1.20% and with a floor of 0.30%. A second swap was arranged in April 2017 to

convert the interest rate back into a fixed rate. This second swap is due to take effect in 2018; the fair value of this instrument at June 30, 2017 was not significant.

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

8.6 LOAN GUARANTEES

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

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

Hedging agreements are discussed in Note 15.

9 OTHER OPERATING INCOME

<i>En millions d'euros</i>	30/06/2017	31/12/2016	30/06/2016
Redevances nettes reçues	2,8	13,7	7,6
Crédits d'impôt recherche	11,5	21,3	10,4
Subventions de recherche	0,9	2,3	1,5
Autres *	-0,2	1,2	1,5
Total	15,1	38,5	20,9

* Other income at June 30, 2016 included the liquidation surplus relating to a dormant subsidiary in Russia and a capital gain on the sale of a subsidiary in France.

In accordance with IAS 20, bioMérieux presents research tax credits as a subsidy within other operating income.

10 BIOFIRE ACQUISITION FEES AND AMORTISATION EXPENSE

At June 30, 2017, the amortisation expense on the BioFire acquisition price amounted to €9.5 million. This amount corresponds to the amortisation expense of assets revalued at the acquisition date.

This item totalled €13.6 million at June 30, 2016, including €9.3 million in amortisation charged against assets revalued at the acquisition date and €4.3 million relating to the retention plan put in place at the time of the acquisition.

11 OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS

11.1 ACCOUNTING PRINCIPLES

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, 2017.

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

<i>En millions d'euros</i>	30/06/2017	31/12/2016	30/06/2016
bioTheranostics		9,9	10,4
Dépréciation des créances publiques grecques			-0,5
Cession d'immobilisations			-0,1
Autres		-0,1	
Total	0,0	9,9	9,7

In 2016, other non-recurring income and expenses from operations included €10 million in translation differences relating to bioTheranostics and taken back to income following the company's deconsolidation.

12 NET FINANCIAL EXPENSE

12.1 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.

12.2 COST OF NET DEBT

<i>En millions d'euros</i>	30/06/2017	31/12/2016	30/06/2016
Frais financiers	-8,8	-17,1	-8,5
Instruments dérivés de couverture de taux d'intérêts (a)	-0,5	0,9	-1,5
Ecart de change	-2,0	-1,3	0,9
Total	-11,3	-17,6	-9,1

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

At June 30, 2017, the cost of net debt chiefly includes interest in respect of the bond issue.

12.3 OTHER FINANCIAL INCOME AND EXPENSES, NET

<i>En millions d'euros</i>	30/06/2017	31/12/2016	30/06/2016
Produits sur créances de location financement	0,7	1,6	0,9
Dépréciation et cession de titres non consolidés	-0,1	-0,9	-1,1
Instruments dérivés de couverture de taux de change	-3,0	-5,2	-5,1
Autres	0,3	-1,2	0,5
Total	-2,2	-5,6	-4,7

13 INCOME TAXES

13.1 ACCOUNTING PRINCIPLES

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

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

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

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

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

The additional 3% tax on dividend payouts decided before June 30, 2017 was recognised in full in first-half 2017.

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

No new deferred tax assets were recognised on tax loss carryforwards in the first half of 2017. Deferred tax assets on losses carried forward at June 30, 2017 are not significant.

13.2 CHANGES IN INCOME TAX

At June 30, 2017, the effective tax rate stood at 32.2% of pre-tax income, versus 34.9% at June 30, 2016.

The year-on-year fall in effective tax rate is mainly due to the recognition in 2016 of specific events, including the consequences of a tax dispute and non-recurring and non-taxable income arising from the deconsolidation of bioTheranostics.

<i>(en millions d'euros)</i>	2017 6 mois		2016 6 mois	
	Impôt	Taux	Impôt	Taux
Impôt théorique au taux de droit commun français	51,4	34,4%	45,3	34,4%
- Incidence des produits taxés à taux réduits et des taux d'imposition étrangers	-1,8	-1,2%	-1,6	-1,2%
- Incidence des différences permanentes	1,0	0,7%	4,9	3,7%
- Impôts de distribution	1,1	0,7%	0,8	0,6%
- Actifs d'impôt non constatés sur pertes reportées	0,6	0,4%	0,4	0,3%
- Impact de la taxe sur les dividendes versés	1,2	0,8%	1,2	0,9%
- Incidence des crédits d'impôts (CIR et CICE) présentés en résultat opérationnel	-4,8	-3,2%	-4,2	-3,2%
- Crédits d'impôt (autres que crédits d'impôt recherche)	-0,6	-0,4%	-0,5	-0,4%
- Utilisation d'actifs d'impôt antérieurs	0,0	0,0%	-0,3	-0,2%
Charge effective d'impôt	48,1	32,2%	46,0	34,9%

14 INFORMATION BY GEOGRAPHIC AREA, TECHNOLOGY AND APPLICATION

14.1 ACCOUNTING PRINCIPLES

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

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

14.2 INFORMATION BY GEOGRAPHIC AREA

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

30 JUIN 2017 <i>En millions d'euros</i>	AMERICAS	EMEA	ASPAC	CORPORATE	GROUPE
Chiffre d'affaires consolidé	514,0	431,8	184,8	3,8	1 134,3
Coût des ventes	-198,2	-209,9	-88,0	-33,1	-529,3
Marge brute	315,7	221,9	96,8	-29,3	605,0
<i>Taux de marge brute</i>	<i>61,4%</i>	<i>51,4%</i>	<i>52,4%</i>		
Autres produits de l'activité et frais opérationnels	-114,7	-74,3	-39,5	-204,2	-432,7
Résultat opérationnel courant contributif	201,1	147,6	57,3	-233,5	172,4
<i>Taux de marge opérationnelle</i>	<i>39,1%</i>	<i>34,2%</i>	<i>31,0%</i>		

30 JUIN 2017 <i>En millions d'euros</i>	AMERICAS	EMEA	ASPAC	CORPORATE	GROUPE
Actifs non courants					
Immobilisations incorporelles	12,6	35,0	5,1	402,2	454,8
Ecart d'acquisition				454,8	454,8
Immobilisations corporelles	298,0	216,0	33,8	164,5	712,3
Actifs courants					
Stocks et en-cours	185,6	168,1	50,7		404,4
Clients et comptes rattachés	149,0	239,0	47,4		435,4
Actifs destinés à être cédés					0,0

The changes in operating margin are affected by exchange rate movements, particularly in the Americas region, due to the appreciation of the dollar, and by the appreciation of certain emerging currencies, such as the Brazilian real.

30 JUIN 2016 <i>En millions d'euros</i>	AMERICAS	EMEA	ASPAC	CORPORATE	GROUPE
Chiffre d'affaires consolidé	417,5	418,6	163,0	1,8	1 000,8
Coût des ventes	-175,4	-198,3	-73,9	-34,4	-482,0
Marge brute	242,1	220,2	89,1	-32,6	518,8
<i>Taux de marge brute</i>	<i>58,0%</i>	<i>52,6%</i>	<i>54,6%</i>		
Autres produits de l'activité et frais opérationnels (a)	-83,3	-75,9	-31,6	-178,6	-369,5
Résultat opérationnel courant contributif	158,8	144,3	57,4	-211,2	149,4
<i>Taux de marge opérationnelle</i>	<i>38,0%</i>	<i>34,5%</i>	<i>35,2%</i>		

30 JUIN 2016 <i>En millions d'euros</i>	AMERICAS	EMEA	ASPAC	CORPORATE	GROUPE
Actifs non courants					
Immobilisations incorporelles	14,6	45,9	6,0	405,2	471,7
Ecart d'acquisition				455,8	455,8
Immobilisations corporelles	309,0	206,6	35,5	63,1	614,1
Actifs courants					
Stocks et en-cours	178,3	167,4	37,2		382,9
Clients et comptes rattachés	141,8	228,5	50,2		420,5
Actifs destinés à être cédés					0,0

(a) After reclassification of BioFire's R&D expenses in Corporate for €27.1 million.

Regional data include commercial activities, corresponding mainly to sales in each of the above geographic areas, the related cost of sales and the operating expenses necessary for these commercial activities. Regional data also include costs not included in the calculation of the cost price (e.g., projects) of production sites located in those areas.

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

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

14.3 INFORMATION BY TECHNOLOGY AND APPLICATION

The table below provides a breakdown of sales by technology:

<i>En millions d'euros</i>	30/06/2017	31/12/2016	30/06/2016
Applications cliniques	917,2	1 677,9	798,2
Microbiologie	464,0	897,3	426,7
Immunoessais	232,5	451,7	219,1
Biologie moléculaire	218,0	322,8	149,5
Autres gammes	2,7	6,1	2,8
Applications industrielles	202,4	379,9	181,5
Total par application	1 119,6	2 057,8	979,7
Collaborations de R&D	1,2	6,4	1,8
BioFire Defense	11,3	35,2	18,0
Applied Maths	2,2	3,8	1,3
Total	1 134,3	2 103,2	1 000,8

15 EXCHANGE RATE AND MARKET RISK MANAGEMENT

Exchange rate, credit and market risks are respectively described in Notes 27.1, 27.2 and 27.4 to the consolidated financial statements for the year ended December 31, 2016.

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

15.1 HEDGING INSTRUMENTS

The table below shows currency hedging instruments in effect at June 30, 2017 that were set up as part of the currency hedging policy described in Note 27.1.1 to the consolidated financial statements for the year ended December 31, 2016:

Couverture de change au 30 Juin 2017 <i>en millions d'euros</i>	Échéances		Valeur de marché
	< 1 an	1 à 5 ans	(a)
Couvertures de transactions commerciales			
- change à terme	98,4	0,0	0,2
- options	5,0	0,0	0,0
Total	103,4	0,0	0,3
Couvertures de transactions commerciales futures			
- change à terme	104,0	0,0	1,5
- options	24,8	0,0	0,4
Total	128,7	0,0	1,9

(a) Difference between the hedging rate and the market rate at June 30, 2017, including premiums paid/received.

All of the currency forward contracts and options outstanding at June 30, 2017 had maturities of less than 12 months.

15.2 LIQUIDITY RISK

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

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

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

The table below shows projected cash flows from the bond issue and the hedges related to contractual redemption of the principal at par and to contractual interest payments at June 30, 2017:

<i>en millions d'euros</i>	A moins d'un an	De un à cinq ans	A plus de cinq ans
Emprunt obligataire (a)	-8,6	-325,9	0,0
Cross Currency Swap	-13,5	-28,4	0,0
Stratégies optionnelles (b)	-0,8	-0,3	0,0
Swap de Taux (b)	2,8	5,8	0,0

(a) Contractual flows of principal and interest.

(b) Based on the IRS yield curve at June 30, 2017.

15.3 FINANCIAL INSTRUMENTS: FINANCIAL ASSETS AND LIABILITIES

The table below shows a breakdown by category of financial assets and liabilities (excluding accrued and receivable payroll and other taxes), as prescribed by IAS 39 "Financial Instruments: Recognition and Measurement" (see Note 26.1 to the consolidated financial statements for the year ended December 31, 2016), and provides a comparison between their carrying amount and fair value:

30 juin 2017 <i>En millions d'euros</i>	Actifs à la juste valeur par résultat (hors dérivés)	Actifs disponibles à la vente	Créances, dettes, emprunts au coût amorti	Instruments dérivés	Valeur comptable	Juste valeur	Niveau
Actifs financiers							
Autres titres non consolidés		39,2			39,2	39,2	1 - 3
Autres immobilisations financières			7,4		7,4	7,4	-
Autres actifs non courants			16,7		16,7	16,7	
Instruments dérivés - actifs				17,3	17,3	17,3	2
Clients et comptes rattachés			435,4		435,4	435,4	-
Autres créances			3,8		3,8	3,8	-
Disponibilités et placements de trésorerie	182,2				182,2	182,2	1
Total des actifs financiers	182,2	39,2	463,3	17,3	702,0	702,0	
Passifs financiers							
Emprunt obligataire (a)			298,4		298,4	318,4	1
Autres financements			78,4		78,4	78,4	2
Instruments dérivés - passifs				39,6	39,6	39,6	2
Dettes financières courantes			85,7		85,7	85,7	2
Fournisseurs et comptes rattachés			152,3		152,3	152,3	-
Autres passifs courants			34,8		34,8	34,8	-
Total des passifs financiers	-	-	649,6	39,6	689,2	709,2	

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

Levels 1 to 3 correspond to the fair value hierarchy as defined by IFRS 13 (see Note 26.1 to the consolidated financial statements for the year ended December 31, 2016).

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

Assets available for sale are carried at fair value, except where fair value cannot be reliably determined (see Note 26.1.4 to the consolidated financial statements for the year ended December 31, 2016).

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 2017.

At December 31, 2016, the breakdown of assets and liabilities was as follows:

31 décembre 2016 <i>En millions d'euros</i>	Actifs à la juste valeur par résultat (hors dérivés)	Actifs disponibles à la vente	Créances, dettes, emprunts au coût amorti	Instruments dérivés	Valeur comptable	Juste valeur	Niveau
Actifs financiers							
Autres titres non consolidés		30,7			30,7	30,7	1 - 3
Autres immobilisations financières			6,2		6,2	6,2	-
Autres actifs non courants			18,0		18,0	18,0	-
Instruments dérivés - actifs				18,0	18,0	18,0	2
Clients et comptes rattachés			465,8		465,8	465,8	-
Autres créances			5,1		5,1	5,1	-
Disponibilités et placements de trésorerie	178,6				178,6	178,6	1
Total des actifs financiers	178,6	30,7	495,1	18,0	722,4	722,4	
Passifs financiers							
Emprunt obligataire (a)			298,2		298,2	320,1	1
Autres financements			67,2		67,2	67,2	2
Instruments dérivés - passifs				69,0	69,0	69,0	2
Dettes financières courantes			87,9		87,9	87,9	2
Fournisseurs et comptes rattachés			175,6		175,6	175,6	-
Autres passifs courants			53,6		53,6	53,6	-
Total des passifs financiers	-	-	682,5	69,0	751,5	773,4	

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

At June 30, 2017, movements in financial instruments whose fair value was determined using Level 3 inputs under IFRS 13 (see Note 26.1.5. to the consolidated financial statements for the year ended December 31, 2016) were as follows:

<i>En millions d'euros</i>	Titres disponibles à la vente
31 décembre 2015	33,9
Gains et pertes enregistrés en résultat	-1,4
Gains et pertes enregistrés en capitaux propres	8,8
Acquisitions	0,3
Cessions	-10,8
Variations de périmètre, change et divers	
31 décembre 2016	30,7
Gains et pertes enregistrés en résultat	-0,2
Gains et pertes enregistrés en capitaux propres	1,4
Acquisitions	7,4
Cessions	0,0
Variations de périmètre, change et divers	-0,2
30 juin 2017	39,2

15.4 COUNTRY RISK

The Group is not exposed to significant country risk.

The Group does not at this time have indications that suggest that the UK's decision to leave the European Union would present a risk that could have a significant impact on its accounts. Note that bioMérieux UK contributed around 3% of the Group's revenue at June 30, 2017.

16 OFF-BALANCE SHEET COMMITMENTS

In January 2017, bioMérieux SA renegotiated its syndicated credit facility, taking the amount to €500 million with a bullet repayment due in 2022.

There were no significant changes in off-balance sheet commitments compared with December 31, 2016 (see Note 28 to the consolidated financial statements for the year ended December 31, 2016).

For commitments related to derivative instruments, see Note 8.5.

17 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties continued on the same basis as in 2016 without any significant developments (see Note 29 to the consolidated financial statements for the year ended December 31, 2016).

18 SUBSEQUENT EVENTS

On July 21, 2017, Sysmex and bioMérieux announced that they had signed an agreement whereby Sysmex will transfer its entire stake in Sysmex bioMérieux Co., Ltd (34% of the capital) to bioMérieux. As a result, the distribution agreement between Sysmex and Sysmex bioMérieux Co., Ltd for bioMérieux products in Japan will terminate on October 31, 2017. Sysmex will continue to provide the after-sales service for bioMérieux products in Japan until March 31, 2018. As part of a long-term vision, bioMérieux will create its own commercial structure in Japan to take over the activities previously led by Sysmex. The acquisition is not expected to have a material impact on the Group's shareholders' equity.

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

B – INTERIM MANAGEMENT REPORT
FOR THE SIX MONTHS ENDED JUNE 30, 2017

INTERIM MANAGEMENT REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2017

1 – FINANCIAL SUMMARY

Consolidated data In € millions	First-half 2017	First-half 2016	% change as reported
Sales	1,134	1,001	+13.3%
Contributive operating income before non-recurring items*	172	149	+15.4%
Operating income**	163	146	+11.9%
Net income of consolidated companies	101	86	+18.1%
Earnings per share (in €)	€2.57	€2.17	

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

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

2 – MANAGEMENT REPORT

2.1 SALES

Consolidated sales rose to €1,134 million for the first six months of 2017, up from €1,001 million in the same period one year earlier. This represents growth of 13.3% as reported, including a positive currency effect of around €21 million. Organic growth (at constant exchange rates and scope of consolidation) came to 11.3% year-on-year, with FilmArray[®] accounting for more than half of the increase.

Analysis of sales

In € millions

Sales - Six months ended June 30, 2016	1,001	
Currency impact ⁽¹⁾	+21	+2.0%
Organic growth (at constant exchange rates and scope of consolidation)	+113	+11.3%
Sales - Six months ended June 30, 2017	1,134	+13.3%

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

Second-quarter sales rose 9.1% on the same period of 2016 with one less billing day, consolidating the 13.7% increase reported in the three months to March 31. This vigorous growth was powered by a strong sales dynamic across all regions and particularly North America, which continued to post strong growth over the quarter. All strategic lines of bioMérieux's portfolio contributed to the momentum, led by FilmArray[®] in molecular biology, VITEK[®] in microbiology and the product ranges for industrial customers. Sales for the second quarter and first half of 2017 can be summarised by region as follows:

Sales by region In € millions	Q2 2017	Q2 2016	% change as reported	% change at constant exchange rates and scope of consolidation	6 months ended June 30, 2017	6 months ended June 30, 2016	% change as reported	% change at constant exchange rates and scope of consolidation
Europe ⁽¹⁾	215.2	210.3	+2.3%	+2.8%	432.2	417.1	+3.6%	+4.1%
Americas	246.5	205.3	+20.1%	+17.0%	514.0	418.1	+23.0%	+18.7%
North America	207.7	172.5	+20.4%	+17.7%	438.7	355.4	+23.4%	+19.8%
Latin America	38.8	32.9	+18.0%	+13.3%	75.3	62.7	+20.1%	+12.6%
Asia-Pacific	103.2	95.0	+8.7%	+7.1%	184.8	162.4	+13.8%	+11.4%
Total sales from the regions	564.9	510.6	+10.7%	+9.3%	1,130.9	997.7	+13.4%	+11.4%
Applied Maths	0.6	0.7			2.2	1.3		
R&D-related revenues	0.8	1.0			1.2	1.8		
Total consolidated sales	566.4	512.3	+10.5%	+9.1%	1,134.3	1,000.8	+13.3%	+11.3%

⁽¹⁾ Including the Middle East and Africa.

- ▼ Operations in the **Americas** (45% of the consolidated total) continued to deliver a robust performance in the second quarter of 2017, with sales rising 17.0% year-on-year to €246 million. Sales ended the first half at €514 million, a very strong 18.7% increase over first-half 2016.
 - Sales in **North America** (39% of the consolidated total) were boosted by high instrument sales for both clinical and industrial applications and by double-digit growth in sales of reagents. Business was driven by the FilmArray[®] molecular biology line and by microbiology lines, notably VITEK[®] and BacT/ALERT[®]. In addition, sales of the VIDAS[®] B•R•A•H•M•S PCT™ test continued to grow, despite a more competitive environment.
 - In **Latin America**, sales for the second quarter came in at around €39 million, up 13.3% on the same period in 2016. The acceleration in growth reflects a good performance from most countries in the region, along with an upturn in Brazil during the quarter.
- ▼ Sales in the **Europe – Middle East – Africa** region (38% of the consolidated total) came to €215 million for the quarter, up 2.8% year-on-year, and to €432 million for the first half, up 4.1% year-on-year.
 - In **Western Europe** (32% of the consolidated total), good performances in the UK, Switzerland and the Scandinavian countries spurred by instrument sales more than offset the slowdown in Spain and in certain Central European countries. Italy posted satisfactory growth of around 1.5%.
 - Sales in the **Eastern Europe – Middle East – Africa** region were up 11.0% in the second quarter compared to second-quarter 2016. Sales amounted to €68 million at the end of the first half, up 10.1% year-on-year. All distribution regions and countries contributed to growth during the quarter with the exception of Russia, after a particularly strong performance in the first three months of the year.
- ▼ In the **Asia-Pacific** region (16% of the consolidated total), sales came to €103 million in second-quarter 2017, up 7.1% year-on-year, and to €185 million in the first half, a rise of 11.4% on first-half 2016.
 - In **China**, bioMérieux's third biggest market, sales were up around 6% over the quarter, which compares to a strong dynamic over the same period in 2016. Growth in sales was spurred by clinical microbiology and molecular biology lines and by industrial applications.
 - Faster-paced growth in **India** compared to the first quarter and good performances in the **Southeast Asia** region more than offset modest sales in Japan and South Korea in second-quarter 2017.

Sales for the second quarter and first half of 2017 can be summarised by application as follows:

Sales by application In € millions	Q2 2017	Q2 2016	% change as reported	% change at constant exchange rates and scope of consolidation	6 months ended June 30, 2017	6 months ended June 30, 2016	% change as reported	% change at constant exchange rates and scope of consolidation
Clinical Applications	456.6	405.3	+12.7%	+11.2%	917.3	798.2	+14.9%	+12.8%
Microbiology	234.8	219.9	+6.8%	+5.5%	464.0	426.7	+8.7%	+6.8%
Immunoassays ⁽¹⁾	120.8	115.1	+5.0%	+4.0%	232.6	219.1	+6.1%	+4.8%
Molecular Biology ⁽²⁾	99.4	69.3	+43.5%	+40.3%	218.0	149.5	+45.8%	+41.9%
Other lines	1.5	1.1	+33.0%	+37.5%	2.7	2.8	-5.4%	+13.9%
Industrial Applications	102.2	95.5	+7.1%	+6.4%	202.3	181.5	+11.5%	+10.2%
BioFire Defense	6.2	9.8	-36.8%	-38.6%	11.3	18.0	-37.5%	-39.4%
Applied Maths	0.6	0.7			2.2	1.3		
R&D-related revenues	0.8	1.0			1.1	1.8		
Total consolidated sales	566.4	512.3	+10.5%	+9.1%	1,134.3	1,000.8	+13.3%	+11.3%

⁽¹⁾ Including VIDAS[®]: up 4.6% at constant exchange rates and scope of consolidation in Q2; up 5.8% in H1.

⁽²⁾ Including FilmArray[®]: €82 million in Q2 and €183 million in H1.

- ▼ Sales of **clinical applications**, which account for approximately 81% of the consolidated total sales, rose by 11.2% year-on-year to €457 million for the quarter, and by 12.8% to €917 million for the first half.
 - In **microbiology**, the VITEK[®] line posted vigorous gains in most regions. Sales of BacT/ALERT[®] slowed slightly over the quarter, due mainly to a high comparison basis for Chinese operations resulting from the country's strong performance in the second quarter of 2016. Culture media also made a significant contribution to second-quarter sales growth.
 - In **immunoassays**, sales of the VIDAS[®] line were up by almost 5% over the second quarter, with high medical value tests accounting for around half of the growth. Sales of this line were also powered by countries in the Middle East and Africa, which value the VIDAS[®] line's ease-of-use, flexibility and robustness.
 - Growth in **molecular biology** lines was driven by the ongoing fast-paced development of FilmArray[®], and in particular the Gastrointestinal and Meningitis/Encephalitis panels. An increasing proportion of laboratories are using several panels, underlining the importance of being able to offer customers a diverse and comprehensive menu, such as currently exists in the FilmArray[®] system. International sales also continued to rise, with the contribution from outside the United States representing almost 12% of the total in the first half, versus 9% one year earlier.
- ▼ Sales of **industrial applications**, which represent around 18% of the consolidated total, amounted to €102 million in second-quarter 2017, up 6.4% on the three months to June 30, 2016 after a remarkable performance in ^{Q1}. Sales ended the first half at €202 million, up more than 10% year-on-year. The second quarter benefited from the fast-paced development of alternative methods, particularly VIDAS[®] immunoassay and GENE-UP[®] molecular biology lines for customers in the food industry, and the CHEMUNEX[®] cytometry line for pharmaceutical markets. Traditional methods using culture media also continued to perform well.
- ▼ The second quarter saw balanced organic sales growth. Sales of **reagents** and **services** rose 9.1% and accounted for some 90% of total sales. Instrument sales were up 9.2%.

2.2 FINANCIAL HIGHLIGHTS

Consolidated income statement

▸ **Gross profit**

Gross profit for the first six months of the year came to €605 million or 53.3% of sales, up from 51.8% in the prior-year period. Gross margin benefited from a positive currency effect, strong growth in volumes and an improvement in the product mix, with the BioFire FilmArray[®] product line making a growing contribution. These positive effects more than offset the increase in depreciation relating to the commissioning of certain capital projects at several production sites.

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

Contributive operating income before non-recurring items stood at €172 million for the period, a year-on-year gain of 15.4%. It represented 15.2% of sales, versus 14.9% in first-half 2016, despite the recognition of expenses that were significantly higher than in the prior-year period on certain long-term bonus plans in the United States that are indexed to the bioMérieux share price. The positive currency effect on contributive operating income represented around €4 million in the first six months of the year.

- **Selling, general and administrative expenses** amounted to €299 million, or 26.4% of sales, compared with €265 million and 26.5% in the first half of 2016. The change reflected a decline in general and administrative expenses, facilitated by the more precise allocation of IT expenses to the various lines of the income statement, which was offset by an increase in selling expenses that was greater than the growth in sales, primarily relating to the deployment of the BioFire FilmArray[®] offer.
- **R&D expenses** totalled €149 million, up 18.3% year-on-year, and represented 13.1% of sales, compared to 12.5% in first-half 2016. As announced, the increase reflected the ramp-up of research and development initiatives undertaken to boost the Group's strategic product lines, particularly BioFire[®] FilmArray[®] in molecular biology and the microbiology lines.
- **Research tax credits and grants received** came to €12 million for the period, unchanged from the prior year.
- **Other operating income** amounted to €3 million, compared with €9 million in first-half 2016, reflecting the expected drop in royalty income due to the expiration of certain patents in 2016.

▸ **Operating income**

BioFire acquisition expenses amounted to €9 million in the first six months of 2017, corresponding to depreciation/amortisation charged against assets valued at the acquisition date, compared with €14 million in first-half 2016, which included a provision for the key employee retention plan.

As a result, interim **operating income** came out at €163 million, versus €146 million in first-half 2016. The prior-year period figure included a non-recurring gain of €11 million relating to the deconsolidation of bioTheranostics. Excluding this non-recurring item, operating income rose by more than 20% year-on-year.

▸ **Net income of consolidated companies**

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

- **Cost of debt** stood at €11 million at June 30, 2017, versus €9 million a year earlier.
- On the other hand, **other financial expenses** totalled €2 million in first-half 2017, compared with €5 million in the prior-year period. The improvement is primarily attributable to the decrease in the cost of currency hedging instruments due to the increase in euro interest rates.

▾ The Group's **effective tax rate** for the six months ended June 30, 2017 stood at 32.2%, versus 34.9% in first-half 2016, which included non-recurring items. Excluding non-recurring items, the Group's effective tax rate is virtually unchanged from the recurring rate of 32.3% for the first six months of 2016.

In light of the above, **net income** of consolidated **companies** ended the period at €101 million, up a strong 18% on the €86 million reported in first-half 2016.

Cash management and finance

▸ **Net cash from operating activities**

EBITDA¹ rose 13.8% to €243 million in the first half of 2017, from €213 million in the same period of 2016. This reflects the increase in contributive operating income before non-recurring items and net additions to depreciation and amortisation of operating items.

Compared with an increase of €37 million during the first half of 2016, **operating working capital requirement** increased by €57 million over the first six months of 2017, due to the payment during the period of the retention bonus relating to the BioFire acquisition for a total of €21 million. Other working capital requirement items remained under control:

- the increase in inventories over the period was just €19 million, nearly €10 million lower than in first-half 2016, despite sustained business growth;
- trade payables decreased by €19 million in first-half 2017, compared with a €12 million decline in first-half 2016, due to legislation on payment terms;
- after dropping €27 million in first-half 2016, trade receivables fell by €14 million over the first six months of 2017, with consolidated days sales outstanding coming to 70 days, versus 77 days in the prior-year period.

Income tax paid amounted to €56 million, compared with €41 million in first-half 2016.

▼ **Net cash used in investing activities**

As expected, **capital expenditure** outlays declined significantly over the period, to €97 million, of which €70 million in industrial capital expenditure, versus €114 million and €90 million respectively in first-half 2016. The decrease reflected the commissioning of capital projects designed to increase capacity at several production sites.

In light of the above, **free cash flow²** improved during the period, amounting to €38 million, versus €21 million in first-half 2016.

Purchases of non-current financial assets, net of disposals, amounted to €4 million, versus €18 million in first-half 2016, and notably reflected the Company's equity investment in Banyan Biomarkers.

▼ **Net cash used in financing activities**

A total of €39.5 million in dividends was paid in June 2017, unchanged from the prior year.

▼ **Net debt**

Consolidated **net debt** amounted to €280 million at June 30, 2017, versus €275 million at December 31, 2016.

The Company has issued €300 million in bonds maturing in October 2020, and holds an undrawn syndicated line of credit for €500 million maturing on January 26, 2022, with options to extend the facility for two additional years.

3 – SIGNIFICANT EVENTS OF FIRST-HALF 2016

▼ **Commercial offer**

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

- on February 24, 2017, bioMérieux received 510(k) clearance from the U.S. Food and Drug Administration (FDA) for the expanded use of VIDAS[®] B•R•A•H•M•S PCT[™], making it the first procalcitonin test to receive FDA clearance to help encourage appropriate use of antibiotics in respiratory infections and sepsis;
- on April 6, 2017, bioMérieux announced that its automated blood culture system, BacT/ALERT[®] VIRTUO[™], had received 510(k) clearance from the FDA, making this system available in the United States after its launch in Europe. The BacT/ALERT[®] VIRTUO[™] system is a highly automated blood culture system which enables faster detection of pathogens by clinical microbiology laboratories to help deliver optimal patient treatment;
- on April 27, 2017, bioMérieux obtained FDA clearance to market and sell Rapidec[®] Carba NP, a manual, high medical value test used to confirm the detection of carbapenemase-producing

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

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

bacteria in agar cultures. The test gives reliable results in under two hours, making it a quick and easy way to improve patient management and control healthcare-associated infections. Carbapenemase are a group of enzymes that hydrolyze carbapenems, a sub-class of antibiotics with the broadest spectrum of antibacterial activity, used primarily for the treatment of multi-drug resistant bacterial infections, exclusively in hospital settings;

- On April 20, 2017, bioMérieux announced that its BioFire FilmArray[®] RP2*plus* test, a new generation of FilmArray[®] respiratory panels, was CE-marked. The BioFire FilmArray[®] RP2*plus* simultaneously tests for 22 pathogens responsible for respiratory tract infections in a reduced processing time of 45 minutes and offers improved overall sensitivity.

This new improved version of the FilmArray[®] respiratory panel includes two additional pathogens: Middle East Respiratory Syndrome coronavirus (MERS-CoV), and the *Bordetella parapertussis* bacteria, the causative agent of whooping cough. On June 1, 2017, bioMérieux announced that its BioFire FilmArray[®] RP2 panel, which includes the same pathogens as the RP2*plus* test except for MERS-CoV, had received FDA clearance in the United States.

- As of June 2017, the automated VIDAS[®] D-Dimer test, cleared to exclude the diagnosis of deep vein thrombosis and pulmonary embolism in outpatients, is authorised for extended use. It can now be used to help guide the duration of long-term oral anticoagulant therapy in women with a first unprovoked venous thromboembolism (VTE). For several years, bioMérieux has financed the multicentre REcurrent VEnous Thromboembolism Risk Stratification Evaluation (REVERSE) study coordinated by Dr Marc Rodger from the Ottawa Hospital Research Institute. As a result of the study, a clinical decision rule has been defined which includes the use of the VIDAS[®] D-Dimer test, confirming its clinical utility. Given the bleeding risks and constraints associated with such long-term therapy, the ability to safely discontinue oral anticoagulants represents a true benefit for patients.

▼ **bioMérieux and Banyan Biomarkers partner to develop, validate and market tests for the diagnosis of traumatic brain injuries**

On January 19, 2017, bioMérieux and Banyan Biomarkers, an innovative biomarkers company specialising in traumatic brain injuries, announced that they had entered into a partnership. Under the terms of the agreement, bioMérieux obtains the rights to develop and market Banyan's proprietary tests worldwide for use on the VIDAS[®] platform in the field of *in vitro* diagnostics.

▼ **bioMérieux's General Shareholders' Meeting approves the appointment of two directors**

On May 30, 2017, the General Shareholders' Meeting of bioMérieux approved the appointment of two independent directors: Fanny Letier and Marie-Paule Kieny. In compliance with the law of January 27, 2011 concerning gender equality on boards of directors and supervisory boards and equal opportunity in the workplace, the Board of Directors comprises ten members, including four women.

4 – SUBSEQUENT EVENTS

▼ **Sysmex**

On July 27, 2017, Sysmex Corporation and bioMérieux announced that they had agreed to transfer all of Sysmex' holdings in Sysmex bioMérieux Co., Ltd. (Tokyo, Japan) to bioMérieux, thereby dissolving the joint venture created by the two companies in 2008 with the goal of bringing together bioMérieux's innovative solutions and Sysmex' expertise in the Japanese market. As part of a long-term vision, bioMérieux will create its own commercial structure in Japan to take over the activities previously led by Sysmex.

▼ **bioMérieux receives FDA clearance for expanded pathogen identification capability on VITEK[®] MS**

On July 31, 2017, bioMérieux announced that its rapid pathogen identification system VITEK[®] MS had received 510(k) clearance from the FDA for the identification of new pathogens. The expanded database includes more than 15,000 distinct strains and, for the first time, enables the safe

identification of the *Mycobacterium tuberculosis* (TB) group, the most frequent non-tuberculous mycobacteria (NTM), *Nocardia* and the most medically important molds.

5 PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties to which the Company could be exposed in the second half of 2017 are set out in Chapters 2 and 6 of the 2016 Registration Document (Note 27 to the consolidated financial statements for the year ended December 31, 2016) and in Notes 7.6 (Provisions – Contingent assets and liabilities) and 15 (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 2016 without any significant developments (see Note 29 to the consolidated financial statements for the year ended December 31, 2016, Chapter 6 of the 2016 Registration Document and Note 17 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 light of the robust organic growth reported in the first half and based on the information available to bioMérieux, the Company is now targeting organic sales growth for the full year of between 9% and 10%.

Given the more-favourable-than-expected exchange rates in the first half and the revised target for full-year organic sales growth, bioMérieux is now aiming to deliver full-year contributive operating income before non-recurring items of between €330 million and €345 million. This new target takes into account the Group's ongoing efforts in sales and innovation as part of a long-term strategy and is subject to current exchange rates holding firm in the second half of the year.

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

STATEMENT BY THE PERSONS RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

We hereby certify that, to the best of our knowledge, the condensed interim consolidated financial statements for the six months ended June 30, 2016 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and the consolidated Group as a whole, and that the interim management report on page 35 *et seq.* above provides a fair view of the significant events that took place during the first six months of the year, their impact on the interim consolidated financial statements and the principal transactions with related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the year.

Marcy l'Etoile, August 29, 2017

Chairman and Chief Executive Officer
Jean-Luc Bélingard

Chief Operating Officer
Alexandre Mérieux

D – STATUTORY AUDITORS' REVIEW REPORT

Statutory Auditors' review report on the 2016 interim financial information

bioMérieux
Six months ended June 30, 2017
Statutory Auditors' review report
on the interim financial information

GRANT THORNTON

French member of the Grant Thornton International network

Cité Internationale
44, quai Charles-de-Gaulle
CS 60095
69463 Lyon Cedex 06

Statutory Auditors
Member of the
regional association of Versailles

ERNST & YOUNG et Autres

Tour Oxygène
10-12, boulevard Vivier Merle
69393 Lyon Cedex 03
A simplified joint stock corporation with variable
share capital

Statutory Auditors
Member of the
regional association of Versailles

bioMérieux

Six months ended June 30, 2017

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

To the Shareholders,

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

- the review of the accompanying condensed interim consolidated financial statements of bioMérieux for the six months ended June 30, 2017;
- 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.

2. Specific verification

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

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

Lyon, August 29, 2017

The Statutory Auditors

GRANT THORNTON

French member of the Grant Thornton International network

ERNST & YOUNG et Autres

Françoise Mechin

Nicolas Perlier