Half-Year Financial Report 2012

HALF-YEAR FINANCIAL REPORT

Half-year closed June 30, 2012

(L 451-1-2 III of the French Monetary And Financial Code.
Article 222-4 and seq. Of the French Securities and Exchange Commission [AMF] Regulations)

BOIRON
Limited liability Company with capital of 21,482,556 euros.
Registered office : 20, rue de la Libération - 69110 Sainte-Foy-lès-Lyon.
Lyon Commercial Register no 967 504 697.

This half-year financial report is for the six months ended June 30, 2012, and was prepared in line with the Articles L. 451-1-2 III of the French Monetary and Financial Code and 222-4 et seq. of the AMF Regulations.

It was published in line with the Article 221-3 of the AMF Regulations. It is available on the Company's website: www.boiron.com (http://www.boiron.com/en/Shareholders-and-investors-area/Financial-information/Regulated-information/Financial-reports)

Summary

This is a free translation into English of the Boiron Half Year Report 2012, issued in the French language and is provided solely for the convenience of English speaking readers. In case of discrepancy the French version prevails.

Declaration by the person responsible for this report

DECLARATION BY THE PERSON RESPONSIBLE FOR THIS REPORT

I declare that to the best of my knowledge, the condensed half-year financial statements, have been prepared according to the applicable accounting standards and provide a fair view of the businesses, financial position and income of all entities in the company's scope of consolidation, and the half-year report provides a true and fair view of the highlights of the first six months, their impact on the financial statements, the main related party transactions as well as a description of the main risks and main uncertainties for the remaining six months of the fiscal year.

Sainte-Foy-lès-Lyon
August 30, 2012

Philippe Montant
Deputy General Manager

Half-year activity report

HIGHLIGHTS OF THE FIRST HALF OF 2012

In France :

- The ministerial decree modifying the schedule of "authorized margins for pharmaceutical wholesalers" effective as of January 1, 2012 permitted price increases on a certain number of reimbursable medicines for the first time in 23 years.

- Sédatif PC® in a new 90 tablet format and Arnicalme®, a new speciality were launched during the first half-year.

- At Montévrain, the new production of single-doses (Camilia®, Homéoptic® ...) is in the process of being qualified. It will be operational in the second half and will permit an increase in production capacity.

- During the half-year period, the old Nantes and Nancy sites were sold, generating a gain of €1,412 thousand.

- Litigation between the company Dolisos and the French social security agency (URSSAF) related to the Tax on Direct Sales (TVD) resulted in a friendly settlement. Boiron has recorded a receivable of €2,699 thousand in principal and €797 thousand in interest.

In Italy, the closures of the Pioltello (Milan) and Bologna sites took place during the first half-year. The Segrate facilities (Milan) were refurbished to accommodate the activities of those two sites.

In the United States and **Poland,** reorganizations which began in 2011 related to the redesign of the marketing and sales strategy resulted in an increase in business and profitability.

The subsidiaries in the **Czech Republic** and **Slovakia** now perform the distribution of Boiron medicines.

HALF-YEAR RESULTS 2012

1. ACTIVITY

Following flat business volume in the first quarter within the context of a low level of winter illnesses, **sales revenues** increased by 16.1% during the second quarter.
Half-year sales amounted to €241,518 thousand at the end of June 2012 as compared to €225,816 thousand in 2011. The growth of €15,702 thousand (+7.0%) achieved during the first half-year was mainly based in France.

- Sales in **France** increased by €15,188 thousand or 11.7%. Non-proprietary medicines increased by 13.4% mainly due to price increases which were gradually increased on certain reimbursable drugs. OTC specialities were down 6.0% in the first quarter. They grew 27.9% in the second quarter, in particular driven by the launch of Arnicalme® and Sédatif PC® in 90 tablet format.

- **In the Europe region (excluding France)** sales decreased by 6.9%:
  - **In Italy**, half-year sales fell by 8.3% for both non-proprietary medicines and specialities. Business activity was especially impacted by a low level of illnesses in a difficult economic environment.
  - **In Russia**, sales decreased by 8.1% over the half-year period. The subsidiary's customers continued their efforts initiated in 2011 to reduce inventories.
  - **In Spain**, sales were down 6.7% at the end of June. Sales of non-proprietary medicines declined 12.3% while specialities remained stable.
  - **In Czech Republic**, sales decreased by 41.5%. The first half of 2011 was highlighted by significant growth in sales due to regulatory changes.

- **In Poland**, following the reengineering of the marketing and sales strategy, first half sales were up by 29.2% (38.7% at constant exchange rates). Sales of specialities increased significantly in the second quarter.

- **North America,** sales increased by 28.5% benefitting from favourable exchange rates. (+20.0% at a constant exchange rate). Sales growth noted in the United States of 33.4% was driven primarily by the sales of Arnica gels and creams in the second quarter. In addition, sales revenues also benefitted from improved controls on the sales conditions accorded to mass market customers.

- Sales in the **"Other countries"** increased by 31.2%, primarily in Tunisia and Brazil.

2. RESULTS

Operating income amounted to €15,179 thousand versus €686 thousand in the first half of 2011. The increase in profitability was the result of the increase in sales volume in the second quarter, the decrease in advertising expense and the managed control of overhead expenses. The total salary expense for the Group was stable as compared to the first half of 2011.

It should be noted that income at subsidiaries increased by €3,463 thousand as compared to the first half of 2011, notably in the United States and Poland. On the other hand, operating income in Italy was especially affected by expenses associated with the closure of the Italian facilities in Bologna and Pioltello.

Operating income by subsidiaries *(in thousands of euros)*	**2012**	**2011**	***Variation***
France	16,883	5,853	*11,030*
Spain	1,280	1,862	*-582*
Italy	649	2,825	*-2,176*
Carribean	*438*	349	*89*
Reunion	*287*	153	*134*
Belgium	*197*	176	*21*
United-States	*162*	-4,167	*4,329*
Poland	*-49*	-1,112	*1,063*
Canada	*-396*	-80	*-316*
Switzerland	*-535*	-468	*-67*
Brazil	*-1,228*	-1,756	*528*
Russia	*-2,761*	-3,299	*538*
Other	*252*	*350*	*-98*
Group total	**15,179**	**686**	***14,493***

Gross margin increased by 6.3%, representing 77.0% of sales revenues as compared to 77.5% in 2011. It was impacted by the closure of the production unit in Piotella in Italy (€846 thousand) and by increases in depreciation as a result of investments made in recent years (+ €762 thousand).

Preparation and distribution costs increased by 2.7% mainly due to increases in pharmaceutical taxes based on sales revenues. Moreover, those costs were impacted by the closure of the facilities in Pioltello and Bologna (€904 thousand).

Marketing costs decreased by 5.5%. Decreases in advertising expenses were reported, especially in France, Russia and the United States. It should be noted however that the first half of 2011 was highlighted by an increase of 6.8% as compared to the first half of 2010.

Research expenses doubled compared to the first half of 2011 following a decrease of 47.9% between 2010 and 2011. Those expenditures are made within the framework of multi-year projects.

The **costs of support functions** were stable as compared to 2011.

- On one hand, costs related to IT maintenance and sub-contracting decreased in line with the projects' evolution.
- On the other hand, legal fees have increased in the United States in the framework of proceedings between Boiron and certain consumers ("class actions"). In addition, depreciation and amortization increased, especially on administrative buildings and computer software.

Other operating income and expenses amounted to income of €5,079 thousand versus €2,014 thousand in 2011.

- In the framework of the friendly settlement on litigation related to the tax on direct sales (TVD) between Dolisos and the French social security agency (URSSAF), a receivable of €2,699 thousand was recorded related to the principal. This sum was collected after the closing.
- A total gain of €1,412 thousand was realized on the sale of two facilities used for preparation and distribution in France.
- It should be noted that, in the first half of 2011, provisions of €1,220 thousand were reversed due to the favourable outcomes of litigation in France, Belgium and Spain.

Interest income and financing charges amounted to €434 thousand versus €515 thousand in the first half of 2011.

The other financial income and expense included outstanding income of €797 thousand related to the tax on direct sales (portion associated with late-payment penalties). This sum was collected after the closing.

Tax expense amounted to €7,102 thousand in the 1st half of 2012 representing 43.4% of pre-tax income after taking into account losses which did not generate tax savings in Switzerland and Brazil.

Net income amounted to €9,246 thousand as compared to a loss of €215 thousand in the 1st half of 2011.

3. NET CASH POSITION

Net cash increased to €76,172 thousand as of June 30, 2012 versus €89,801 thousand as of December 31, 2011. It decreased by €13,733 thousand in the first half compared to a decrease of €34,478 thousand in the first half of 2011.

Cash flow from **operating activities** reached €11,066 thousand versus €7,526 thousand in the first half of 2011:

- Cash flow increased by €13,019 thousand when compared to the first half of 2011 representing 10.8% of sales revenues versus 5.8% in 2011. It was impacted by the transfer of 5,000 thousand US dollars provided within the framework of a settlement agreement signed in the US. (See litigation in process). With the exception of that specific transaction, cash flow generation was in line with the trend in operating income.

- Tax payments amounted to €18,738 thousand versus €9,703 thousand in 2011: In the first half of 2011, payments were impacted by tax refunds as a result of significant advance payments made in 2010.

- Changes in working capital were stable as compared to 2011 with a positive balance amounting to €3,636 thousand.

Cash flow from **investment activities** reached €10,943 thousand versus €28,092 thousand in the first half of 2011. They were mainly related to investments in manufacturing and IT made in France and Belgium.

Cash flows from **financing activities** amounted to €13,856 thousand and were mainly related to the payment of dividends (€15,029 thousand in the first half of 2012 and €15,035 thousand in the first half of 2011).

4. POST CLOSING EVENTS

No other post-closing events which might have a material impact on the Group's financial statements have been identified.

5. OUTLOOK

This chapter contains outlooks for the Group which are based on estimates and expectations. Actual results may differ materially from these guidelines, especially in light of the risks and uncertainties described below.

Boiron continued its land purchase project in 2012 in light of the expansion of its production site in Messimy. This multi-year investment project which should, effectively, begin in 2013, will provide increased production capacity in France.

Despite the uncertainties related to the economic environment, at this point in time, Boiron confirms its targets of increased sales revenue and income in 2012.

DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES

Industrial and environmental risks

There were no notable changes from the industrial and environmental risks described in the 2011 Reference Document.

Operational risks

- Status of homeopathic medicines, registration, advertising permits:

Regulatory authorities are imposing ever increasing regulatory constraints, whether related to market access (registration, marketing authorisation), marketing, advertising or the production of pharmaceutical products. The procedures which demonstrate the compliance of our medicines to these requirements can take several years and require significant financial and human resources. Moreover, the products may be subject to subsequent reviews.

Thus, changes in the regulation of homeopathic medicines, such as changes to registration processes or, for obtaining authorizations relating to their marketing and advertising, could have an impact on the group's businesses.

Regulatory issues are managed both at headquarters and at the subsidiaries by services whose objective is to ensure a continuous watch and foresee or anticipate changes that may have consequences related to the marketing of our medicines.

Since 2001, a European Directive contains a number of provisions whose transcription in France resulted in a decree in 2008 establishing two regulatory statutes for homeopathic medicines:

- *The Homeopathic Registration* (l'Enregistrement Homéopathique or EH), which authorizes homeopathic medicines for a given strain meeting the following criteria: No therapeutic indication, a controlled level of dilution, oral or external administration and the production at approved pharmaceutical manufacturing sites.

- *Marketing Authorisation (MA)* for drugs excluded from the EH range.

An application for EH or MA must be filed by each laboratory with the French National Agency for the Safety of Medicinal Products (ANSM) prior to 2015.
Boiron has foreseen this process since 2001. As of the end of 2012, 834 applications out of 1,163 reimbursable strains had been filed, 141 EH's have been obtained and 7 were repealed (requirement to cease production). Other filings are under review. The schedule of the response times for the EH's is not defined and will depend on the French ANSM.

Obtaining EH for any given strain will have an impact on:
- *The pharmaceutical form provided*: Thus, certain pharmaceutical forms which are non-approved within the framework of the French Homeopathic Registration (or EH) will be gradually phased out.
- *The various levels of dilution approved*: For a dilution level which was not foreseen under the EH, a marketing authorization application may be made for the strain under consideration.
- *Approved production sites*: Thus, by gradually obtaining EH approval, certain production will only be possible at the Sainte-Foy-lès-Lyon, Messimy and Montrichard production sites.

The December 29, 2011 law relating to improving the safety of medicines and healthcare products was published in the Official Journal dated December 30, 2011.
That text provides the following provisions:

- *Publication by the laboratories of the existence of conventions and benefits for the various stakeholders in the healthcare environment, especially healthcare professionals,*
- *Creation of a French Federal Drug Administration (l'Agence Nationale de Sécurité du Médicament or ANSM) empowered with significant authority,*
- *The implementation of new methods of controlling the advertising of medicinal products for human use, including the establishment of an a priori monitoring mechanism for advertisements targeting healthcare professionals,*
- *The testing of Collective Medical Visits at the hospital.*

It remains difficult to measure the precise impact of this law on the pharmaceutical industry to the degree that the decrees relating to the implementation of the major provisions of the law have not yet been published.

It should be noted however that the decree specifying the conditions relating to the advertising of medicinal products for human use was published on May 10, 2012 and the decree on the new organization of the ANSM was published on April 29, 2012.

- The status of reimbursements and price controls:

Homeopathic medicines can be subject to reimbursements by public health insurance organisms or by the complimentary health insurance institutions. This possibility exists, particularly in France, the United Kingdom, certain German states, Belgium and Switzerland.

Changes in the conditions under which homeopathic medicines are reimbursed can have a significant impact on the business and profitability of the company. For example, in France, in 2004, the reimbursement rate for homeopathic medicines was reduced from 65% to 35%. That rate decrease resulted in a 2% decline in sales of reimbursable drugs in 2004 and a 3% decline in 2005, following growth of 5.8% in 2003. That decrease was offset by the development of non-reimbursable OTC specialities.

As of May 2, 2011, the rate paid by the French Public Health Insurance for reimbursed drugs changed from 35% to 30%. That rate cut had no impact on patients because the decrease was fully transferred to the complementary health insurance. Therefore, that measure had no impact on sales revenues in France.

Moreover, in 2007, for safety reasons, pharmaceutical regulations limited the list of substances considered to be reimbursable compounds, which led to a 50% decrease in our compound volumes. That downturn in business led the company to reorganize in 2008 and 2009 by closing 5 of its 36 preparation and distribution facilities in mainland France.

Price controls can lead to changes in selling price trends or distribution margins. In January of 2012, for the first time in 23 years, a change in distribution margins permitted Boiron to increase the selling prices on some of the reimbursable drugs in France.

- Pharmaceutical risks

There is no change to note in the field of pharmaceutical risks as described in the 2011 reference document.

- Business risks:

  - Internationalization

By significantly reinforcing its global presence, the group may be more exposed to political and economic instability, to cultural or regulatory specificities, or to the risk of counterfeiting. The occurrence of any of these issues may affect production planning, the business or the profitability of the group.

In order to protect itself as much as possible, the group is further strengthening the legal protection of its medications and implementing an active watch over regulations in all regions within which it operates.

The political events that occurred in Northern Africa and the Middle-East did not affect the group's business, notably sales in Tunisia.
The economic crisis in Europe led to a downturn in Italy in the first half (-8.3%), in Spain (-6.7%) and, to a lesser extent, in Portugal (-1.1%).
Sales of our subsidiaries in Central and Eastern Europe were also affected with the exception of Romania and Poland.

- Market, credit and liquidity risks

The management of market, credit and liquidity risks is described in the 2011 registration document (page 109 of the notes to the consolidated financial statements for 2011).

The notes to the 2012 interim consolidated financial statements describe trends in the management of risks and financial instruments (note 17).

There were no changes to note related to other risks associated with the business as described in the 2011 registration document.

Ongoing lawsuits

France : Previous year lawsuits and risks

- Direct sales tax

Since 1999, Boiron SA has taken legal action to obtain the cancellation of its liability to pay the Additional Tax on Direct Sales and requested the refund of taxes paid between 1998 and 2002. The company recorded the amounts claimed for reimbursement as an expense for a total of €9,959 thousand during the periods from 1998 to 2001 and did not recognize income related to this claim.

On December 1, 2011, the French Court of Final Appeal ruled in favour of Boiron and put a definitive end to this long dispute concerning the legality of this tax in relation to community law.

The Court rejected the appeal brought by the French agency "URSSAF" (initially ACOSS) and confirmed the judgment of the Versailles Court of Appeals dated September 2, 2010, ordering the reimbursement of amounts paid by Boiron between 1998 and 2002 related to this tax as well as accrued interest.

The total amount of €12,956,525 received by Boiron as principle and interest following the judgment of the Versailles Court of Appeals impacted the financial statements as at December 31, 2011.

Concurrently, the company Dolisos appealed to the Tribunal of Social Security Affairs of the French region "Haute Garonne" in order to obtain the cancellation of its liability related to the Additional Tax on Direct Sales. The refund requested related to the Additional Tax on Direct Sales for the years 1998 to 2000 amounts of €2,866 thousand.

The case is currently pending before the Toulouse Court of Appeals which delivered a stay of proceedings pending the final settlement of Boiron's initial litigation on the Additional Tax on Direct Sales mentioned above.

As the French Court of Final Appeal ruled in Boiron's favour in its judgment of December 1, 2011, the parties agreed to apply this legal precedent to the case in process by favouring a friendly settlement. The principal amount due was reduced from €2,866 thousand to €2,699 thousand, a portion of the claim having exceeded the statute of limitations.

The principal of €2,699 thousand and €797 thousand in interest were paid by the URSSAF after the end of the half-year period. Those amounts have been recorded as accrued income at June 30, 2012.

The parties accordingly withdraw the proceedings pending before the Toulouse Court of Appeals.

France and Belgium :

- Ce.M.O.N lawsuit

In the framework of an increase in Boiron's investment in the capital of UNDA, on 2005, an arbitration court sentenced on January 29, 2009, jointly, Jean-Pierre Boumans (seller of the shares of the UNDA holdings), UNDA, the two UNDA holdings, and Boiron SA to transfer an indemnity to compensate damages amounting to €3,400 thousand to the company Ce.M.O.N. (minority shareholder of UNDA and the Italian distributor of UNDA products). On April 3, 2009, Boiron SA and UNDA fulfilled the requirements of the arbitration court through the transfer of the total amount of the settlement indemnity.

As according to the decision taken by the Boiron Board of Directors on December 16, 2009, contributory recourse was initiated at the Court of First Instance in Anvers, France in May of 2010 against the seller, Jean-Pierre Boumans, in order to obtain the reimbursement of his share of the penalty (€680 thousand). Concurrently, on March 4, 2011 Boiron obtained an order authorizing enforcement of the arbitration award. (That is to say, providing executor power to the ruling). Mr Boumans has filed a contestation of that order before the Brussels Court of First Instance.

In the framework of his defence, Mr. Boumans also presented the case in that same court for annulment

of the arbitration award against all parties to the arbitration proceedings.
Through two judgments dated June 22, 2012, the Brussels Court of First Instance rejected Mr Boumans' request for the annulment of the arbitration award and his opposition to the arbitration award's enforcement order.
Enforcement actions against Mr Boumans to obtain repayment of the €680 thousand may be launched. Mr Boumans has the option of appealing those decisions.

Litigation in the United States having occurred before 2012

- Boiron USA has been the subject of a customer's complaint filed in the Los Angeles, California court against the medication Children's Coldcalm® (used to relieve cold symptoms), for false advertising based on the accusation that the medication is not effective.

In the framework of the court proceedings, Boiron USA wanted the litigation to be taken to the federal court level and filed an appeal in order to obtain the dismissal of the complaint prior to any substantive consideration. That appeal was dismissed by a federal judge on July 25, 2011. Moreover, the lawsuit was recognized as a "Class Action" on August 24, 2011. A provision of 1 million US dollars was created to cover risks associated with this case on December 31, 2011. The proceedings are pending before the Court of California.

- Concurrently, on August 8, 2011 another law firm filed a complaint on the same basis in the San Diego, California court regarding the medication Oscillococcinum®. As a result, other complaints have been filed against most of the medications marketed by Boiron in the USA.

In order to limit the costs associated with these various proceedings, our subsidiary has succeeded in obtaining the approval of a settlement agreement destined to put a stop to all proceedings with the exception of the complaint related to the medication Children's Coldcalm®. This agreement involves the payment of a lump sum of 5 million dollars covering all costs (registered in December 31, 2011), as well as a commitment to modify the packaging and advertising of the medication within 24 months of the final approval of the agreement. The 24 month deadline will enable our subsidiary to sell its current inventory under normal conditions.

This agreement was filed with the San Diego court on March 6, 2012 for consideration. It has already received prior approval and Boiron USA is still waiting for definitive approval by the court. Certain complainants have opposed this agreement, as provided by the procedure.

Litigation in Canada having occurred before 2012

During the first half of 2012, Boiron Canada has been the subject of two complaints, in Ontario and Quebec aimed at the launching of class action law suits against some of its medications.

Both procedures remain in a preliminary stage.
In Ontario, the schedule of these legal proceedings has not yet been defined.
In Quebec, the judge has set a target for the parties for the hearing on the potential certification of the class action suit to be pleaded no later than the end of June 2013. In the meantime, the parties will exchange their findings and respective evidence.

There are no other governmental, judicial or arbitration proceedings, including all proceedings of which the company is aware, pending or threatened, which may have or have had a material impact upon the financial position or profitability of the company or the group in the past 6 months.

MAIN RELATED-PARTY TRANSACTIONS

The main related-party transactions are set out in Note 24 to the half-year condensed consolidated financial statements.

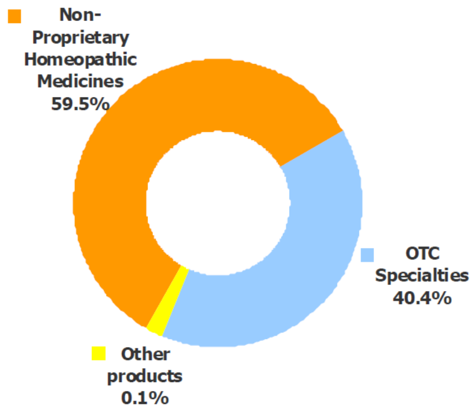
Half-Year results

Data in millions of euros

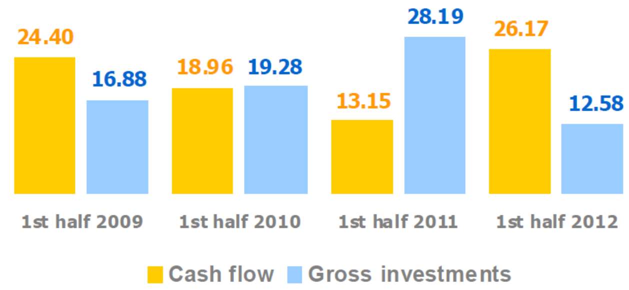
BREAKDOWN OF GROUP SALES

Consolidated data	Q1 *2012*	Q2 *2012*	1st half *2012*	Q1 2011	Q2 2011	1st half 2011	Change 1st half 2012/2011
France	**74.19**	**71.21**	**145.40**	**70.46**	**59.75**	**130.21**	**+11.7%**
International	**54.90**	**41.22**	**96.12**	**58.48**	**37.13**	**95.61**	**+0.5%**
Incl. Europe excluding France	*41.81*	*28.89*	*70.70*	*47.02*	*28.89*	*75.91*	*-6.9%*
Incl. North America	*10.28*	*9.86*	*20.14*	*9.57*	*6.11*	*15.68*	*+28.4%*
Incl. Other countries	*2.81*	*2.47*	*5.28*	*1.89*	*2.13*	*4.02*	*+31.2%*
GROUP TOTAL	**129.09**	**112.43**	**241.52**	**128.94**	**96.88**	**225.82**	**+7.0%**

SALES BY PRODUCT CATEGORY



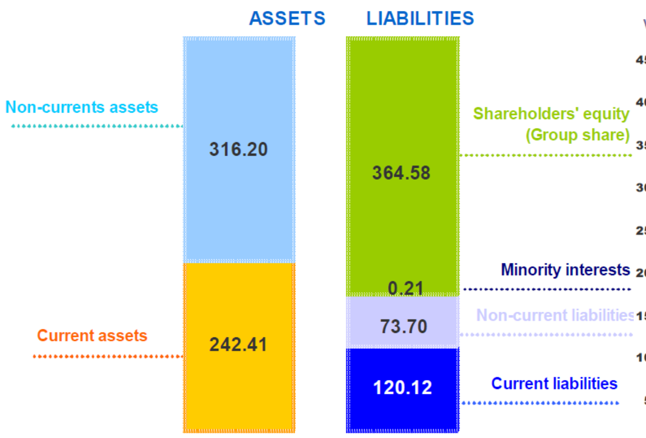
INVESTMENTS AND CASH FLOW



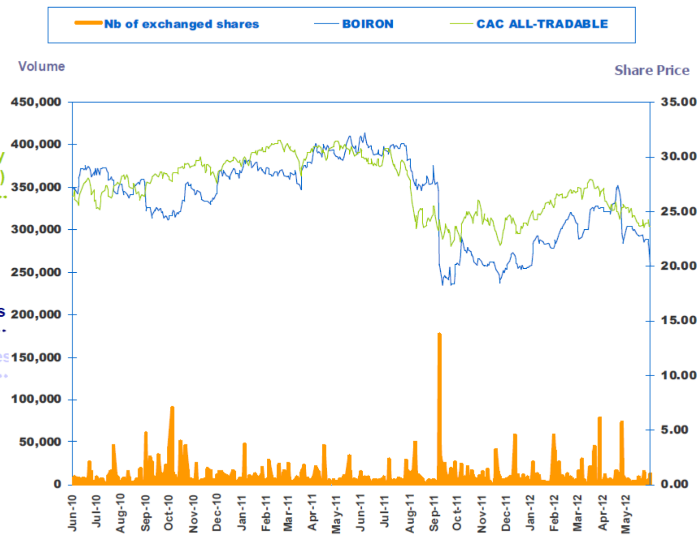
SIMPLIFIED INCOME STATEMENT

	2012	2011	*var.*
Sales	**241.52**	**225.82**	*+7.0%*
Operating income	**15.18**	**0.69**	
Net Income - Group share	**9.25**	**-0.22**	
Cash Flow	**26.17**	**13.15**	*+99.0%*

SIMPLIFIED BALANCE SHEET



SHARE PRICE PERFORMANCE



Source : Euronext Paris

Half-year condensed consolidated financial statements
JUNE 30, 2012

Established by the General Shareholders' Meeting of August 30, 2012

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2012 (6 months)	2011 (6 months)
Sales	18	**241,518**	**225,816**
Other sales revenue	18	128	119
Industrial production costs		(55,638)	(50,984)
Preparation and distribution costs		(74,141)	(72,186)
Marketing costs		(59,409)	(62,840)
Research costs		(3,886)	(1,977)
Regulatory affairs costs		(2,796)	(3,085)
Support function costs		(35,676)	(36,191)
Other operating revenue	19	5,325	2,318
Other operating expenses	19	(246)	(304)
Operating income		**15,179**	**686**
Cash revenue and financing expenses	17	434	515
Cash revenue		768	606
Financing expenses		(334)	(91)
Other financial revenue and expenses	17	741	66
Other financial revenue		1,006	87
Other financial expenses		(265)	(21)
Share in net earnings (losses) of companies at equity		0	0
Income before tax		**16,354**	**1,267**
Income tax	20	(7,102)	(1,476)
Consolidated net income		**9,252**	**(209)**
Net income (minority share)		6	6
Net income (group share)	21	**9,246**	**(215)**
Earnings per share (1)	21	0.43 EUR	(0.01) EUR

(1) In the absence of a dilutive instrument, the average earnings per share are the same as the average diluted earnings per share.

STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	2012 (6 months)	2011 (6 months)
Consolidated net income	**9,252**	**(209)**
Net income (minority share)	6	6
Net income (group share)	**9,246**	**(215)**
Other items of comprehensive income that will be reclassified subsequently to profit or loss	**755**	**(732)**
Currency translation adjustements	772	(789)
Other movements	(17)	57
Changes in the fair value of financial instruments	0	0
Other items of comprehensive income that will not be reclassified subsequently to profit or loss	**0**	**0**
Other items of comprehensive income (1)	**755**	**(732)**
Comprehensive income (group share)	**10,001**	**(947)**

(1) There is no tax effect on other items of comprehensive income.

CONSOLIDATED BALANCE SHEET

ASSETS (in thousands of euros)	Notes	06/30/2012	12/31/2011
Non-current assets		**316,202**	**319,694**
Goodwill	7	89,918	89,893
Intangible fixed assets	8	39,947	40,026
Tangible fixed assets	8	156,429	161,092
Investments		2,542	1,250
Other non-current assets	11	1,716	1,699
Deferred tax assets		25,650	25,734
Current assets		**242,406**	**267,912**
Inventories and work in progress	9	61,885	57,235
Accounts receivable	10	73,734	95,744
State - income tax receivable	11	9,711	1,044
Other current assets	11	19,825	22,237
Cash and cash equivalents	12	77,251	91,652
TOTAL ASSETS		**558,608**	**587,606**

LIABILITIES (in thousands of euros)	Notes	06/30/2012	12/31/2011
Shareholders' equity (group share)		**364,575**	**368,432**
Share capital	13	21,483	21,483
Additional paid-in-capital		79,876	79,876
Retained earnings		263,216	267,073
Minority interests		**214**	**219**
Total Shareholders' equity		**364,789**	**368,651**
Non-current liabilities		**73,700**	**71,332**
Non-current borrowings and financial debts		3,343	3,049
Social benefits	14	65,542	63,553
Non-current provisions	15	764	761
Other non-current liabilities	16	2,693	2,651
Deffered taxes liabilities		1,358	1,318
Current liabilities		**120,119**	**147,623**
Current borrowings and financial debts		1,802	2,118
Current provisions	15	10,744	14,081
Accounts payable		34,279	45,593
State - income tax	16	2,144	5,209
Other current liabilities	16	71,150	80,622
TOTAL LIABILITIES		**558,608**	**587,606**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	2012 (6 months)	2011 (6 months)
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	**11,066**	**7,526**
Net income - group share	9,246	(215)
Amortization and provisions (excluding current assets)	11,589	12,353
Other items (including income on asset disposals)	(1,335)	50
Cash-flows from consolidated companies after cash revenue,financing expenses and tax	19,500	12,188
Cash revenue and financing expenses	(434)	(515)
Tax charge (including deferred taxes)	7,102	1,476
Consolidated cash-flow before cash revenue, financing expenses and tax	**26,168**	**13,149**
Tax paid / tax repayment	**(18,738)**	**(9,703)**
Changes in working capital requirements, including:	**3,636**	**4,080**
Changes in inventories and work-in-progress	(4,397)	(8,703)
Changes in current operating receivables	25,888	25,351
Changes in current operating debts	(17,855)	(12,568)
NET CASH FLOWS RELATED TO INVESTMENT ACTIVITIES	**(10,943)**	**(28,092)**
Acquisitions of tangible fixed assets	(8,854)	(20,237)
Acquisitions of intangible assets	(3,722)	(7,953)
Disposals of tangible fixed assets	1,669	85
Acquisitions of investments	(39)	(2)
Disposals of investments	3	15
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	**(13,856)**	**(13,912)**
Dividends paid to parent company shareholders	(15,029)	(15,035)
Reduction in capital, additional paid-in capital and reserves	(10)	(15)
Loans issues	1,253	916
Repayment of loans	(503)	(249)
Paid interests	(335)	(135)
Cash revenue	768	606
CHANGE IN CASH POSITION	**(13,733)**	**(34,478)**
Impact of exchange rate fluctuations	104	117
Net cash position 1st January	**89,801**	**97,897**
Net cash position 30th June	**76,172**	**63,536**

Consolidated cash-flow before cash revenue, financing expenses and tax:		
- per share	**1.22 EUR**	**0.61 EUR**
- as a % of sales	**10.8%**	**5.8%**

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT June 30, 2011

Before allocation of net income (in thousands of euros)	Number of shares (1)	Capital	Share premium	Consolidated reserves (2)	Treasury shares	Currency translation adjustement	**Shareholders equity group share**	Minority interests	**Shareholders equity total**
12/31/2010	***21,474,529***	**21,483**	**79,876**	**244,944**	**(243)**	**(2,436)**	**343,624**	**219**	**343,843**
Purchases and sales of treasury shares	*(1,732)*			5	(60)		(55)		(55)
Treasury shares cancellation		0		0	0		0		0
Dividends paid				(15,035)			(15,035)	(15)	(15,050)
Transactions with shareholders	***(1,732)***	**0**	**0**	**(15,030)**	**(60)**	**0**	**(15,090)**	**(15)**	**(15,105)**
Net Result				(215)			(215)	6	(209)
Other Comprehensive Income				57		(789)	(732)	0	(732)
Comprehensive income				**(158)**	**0**	**(789)**	**(947)**	**6**	**(941)**
06/30/2011	***21,472,797***	**21,483**	**79,876**	**229,756**	**(303)**	**(3,225)**	**327,587**	**210**	**327,797**

(1) Number of shares after elimination of treasury shares ;
(2) Including € 158,631 thousand of retained earnings and € 2,201 thousand of legal reserve in social accounts of parent company, Boiron France, at June 30, 2011

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT June 30, 2012

Before allocation of net income (in thousands of euros)	Number of shares (1)	Capital	Share premium	Consolidated reserves (2)	Treasury shares	Currency translation adjustement	**Shareholders equity group share**	Minority interests	**Shareholders equity total**
12/31/2011	***21,411,289***	**21,483**	**79,876**	**272,069**	**(1,490)**	**(3,506)**	**368,432**	**219**	**368,651**
Purchases and sales of treasury shares	*49,296*			160	1,011		1,171		1,171
Treasury shares cancellation		0		0	0		0		0
Dividends paid				(15,029)			(15,029)	(11)	(15,040)
Transactions with shareholders	***49,296***	**0**	**0**	**(14,869)**	**1,011**	**0**	**(13,858)**	**(11)**	**(13,869)**
Net Result				9,246			9,246	6	9,252
Other Comprehensive Income				(17)		772	755	0	755
Comprehensive income				**9,229**	**0**	**772**	**10,001**	**6**	**10,007**
06/30/2012	***21,460,585***	**21,483**	**79,876**	**266,429**	**(479)**	**(2,734)**	**364,575**	**214**	**364,789**

(1) Number of shares after elimination of treasury shares ;
(2) Including € 158,631 thousand of retained earnings and € 2,201 thousand of legal reserve in social accounts of parent company, Boiron France, at June 30, 2012

Those notes are an integral part of the condensed consolidated financial statements for the half-year ended June 30, 2012. The condensed half-year consolidated financial statements were established by the Board of Directors on August 30, 2012.

Presentation of the Company

Boiron SA, the group's parent company, is a French Public Limited Company founded in 1932. Its main business activity is manufacturing and selling homeopathic medicines.
Its head office is at 20, rue de la libération, 69 110 Sainte-Foy-lès-Lyon, France.
Boiron SA and its subsidiaries have 3,963 employees (actual workforce) on June 30, 2012, in France and abroad, compared to 4,031 on December 31, 2011.

The Boiron stock is listed on the "Eurolist" at Euronext Paris.

NOTE 1 : MAIN EVENTS OF THE PERIOD

In France, the ministerial decree modifying the schedule of "authorized margins for pharmaceutical wholesalers" effective as of January 1, 2012 permitted price increases on a certain number of reimbursable medicines for the first time in 23 years.

During the half-year period, the old Nantes and Nancy sites were sold, generating a gain of €1,412 thousand.

Litigation between the company Dolisos and the French social security agency (URSSAF) related to the Tax on Direct Sales (TVD) resulted in a friendly settlement. Boiron has recorded a receivable of €2,699 thousand in principal and €797 thousand in interest related to late payment influencing respectively in operating income and in financial income.

In Italy, the closures of the Pioltello (Milan) and Bologna sites took place during the first half-year. The Segrate facilities (Milan) were refurbished to accommodate the activities of those two sites.

NOTE 2 : VALUATION METHODS AND CONSOLIDATION PRINCIPLES

The consolidated financial statements are stated in thousands of euros unless otherwise indicated.

Boiron group's financial statements as of June 30, 2012 were prepared in line with the standards and interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union.
This framework, available on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias_fr.htm), comprises international accounting standards (IAS and IFRS), interpretations from the Standing Interpretations Committee (SIC) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC).

The half-year consolidated financial statements were prepared pursuant to IAS 34 "Interim Financial Reporting", an IFRS standard, as adopted by the European Union in respect of interim financial reporting. Pursuant to this standard, the half-year consolidated financial statements are presented including the condensed notes; notes are only provided for significant transactions. They should be read together with the group's annual financial statements as of December 31, 2011, as presented in the Reference Document filed with the French Securities and Exchange Commission (AMF) on April 5, 2012 under number D.12-0290 and available on the Company's website: http://www.boiron.com/en/Shareholders-and-investors-area/Financial-information/Regulated-information/Financial-reports.

2.1 NEW IFRS STANDARDS AND INTERPRETATIONS

2.1.1. The new standards and interpretations adopted by the European Union with mandatory application in 2012

The standards and interpretations with mandatory application from January 1, 2012, have no impact on the accounts of the Boiron group. Most of them are not applicable.

2.1.2. Standards and interpretations adopted by the European Union before the closing date and that go into effect subsequent to this date

The Boiron group opted not to implement early application of the standards, interpretations and amendments adopted by the European Union before the closing date and that go into effect subsequent to this date, notably the standard IAS 19R.

This standard about employee benefits will become mandatory as of the fiscal year beginning January 1, 2013, retroactively, and will result in significant changes in the accounting of pension liabilities (actuarial differences will be reported directly as other items in comprehensive income, changes in pension programmes are now excluded, breakdown of the net expense items reported between operating income and financial income/expense and other items within comprehensive income…).

The after tax impact of this new standard on shareholders' equity at December 31, 2011 is estimated to €14,276 thousand (or 3.9% of consolidated shareholders' equity).

The estimated impact on operating income in first half-year 2012, resulting primarily from the classification of the interest cost in financial income and the exclusion of the amortization of actuarial gains and losses, amounts to €2,218 thousand. This impact was estimated without modifications in actuarial assumptions (see note 2.2.3).

2.1.3. Standards and interpretations with mandatory or optional application in 2012 and not yet adopted by the European Union

The group does not expect that the standards and interpretations, published by the IASB, but not yet approved at the European level, have a significant incidence on its financial statements, notably new standards in linked with consolidation establishment (IFRS 10, 11, and 12, IAS 27R and 28R).

2.2. SPECIFIC ACCOUNTING TO HALF-YEAR CLOSING

Principle assumptions and judgments applied are described in note 2 of annual financial statements of December 31, 2011. In several cases, these rules were adapted to the specificities of an half-year closing.

2.2.1. Income tax expenses

The income tax expense for the half-year was calculated individually for each company: average effective rate estimated for this year was applied to income before tax of the period.

2.2.2. Profit-sharing and employee profit-sharing

Profit-sharing expenses were calculated prorata temporis on the basis of the estimated annual amount.

2.2.3. Post-employment benefits

The post-employment benefits cost (retirements, indemnities retirements…) is evaluated according to 2012 annual forecast and based on the actuarial projection realized at December 31, 2011.
Post-employment benefits were not calculated at June 30, 2012 for taking into account the decrease of actualization rate at June, 30.
Taking into account to method corridor application, the impact of changes in actuarial assumptions (and in particular actualization rate) would be not significant on the income statement and shareholders' equity at June 30, 2012. For the record, a 0.5 point change in the discount rate has an impact of less than 6% on the commitments taken as a whole (see note 17.2.1 in the 2011 Reference Document).

2.2.4. Impairment tests

The process for carrying out impairment tests as at December 31, 2011 is described in the 2011 Reference Document in note 2.5.

For the purposes of the half-year financial statements, impairment tests were only carried out on assets or groups of assets with respect to which there were indications of impairment during the last six months, or for which there were indications of impairment at the last closing.

NOTE 3 : SCOPE OF CONSOLIDATION

There has been no change on the scope of consolidation since December 31, 2011. It is set out in note 3 to the 2011 Reference Document.

The year end for all companies is December 31.

Non-consolidated companies are measured at historical cost and are recognized as investments.

NOTE 4 : CURRENCY TRANSLATION METHOD FOR ELEMENTS IN FOREIGN CURRENCY

The following table sets out the euro translation rates related to the currencies used for consolidation, for the main entities in foreign currencies:

	Average rate 2012 (6 months)	Average rate 2011 (6 months)	Closing rate 2012 (6 months)	Closing rate 12/31/2011
US Dollar	1.297	1.403	1.259	1.294
Canadian Dollar	1.304	1.370	1.287	1.322
Polish zloty	4.244	3.952	4.249	4.458
Russian rouble	39.698	40.145	41.370	41.765
Czech koruna	25.166	24.348	25.640	25.787

NOTE 5 : SEASONALITY

The activity of the group is more and more seasonal due to the development of the wintry specialities, in particular abroad. The annual results depend on the activity realized on the second half-year of the fiscal year.

Consequently, results of the first half-year are not representative of results expected for the whole year 2012.

NOTE 6 : SEGMENT REPORTING

The board below presents the data as of June 30, 2012:

DATA CONCERNING INCOME STATEMENT	France	Europe (excluding France)	North America	Other Countries	Eliminations (1)	2012 (6 months)
External SALES	156,831	64,234	19,405	1,048		241,518
Inter-sector SALES	27,278	4,370		517	(32,165)	0
Total SALES	**184,109**	**68,604**	**19,405**	**1,565**	**(32,165)**	**241,518**
Other operating income	5,260	124	(70)	11		5,325
Other operating expenses	(198)	(22)	(22)	(4)		(246)
OPERATING INCOME	**18,342**	**(1,031)**	**(234)**	**(1,189)**	**(709)**	**15,179**
included Allowances to amortization and impairments on intagible and tangible a:	*(11,694)*	*(1,121)*	*(294)*	*(20)*		*(13,129)*
included Net changes in depreciation and provisions	*(615)*	*(1,417)*	*3,720*	*2*		*1,690*
Cash revenue and financing expenses	432	68	(8)	(59)	1	434
Other financial revenue and expenses	760	7	(25)	(1)		741
INCOME BEFORE TAX	**19,534**	**(956)**	**(267)**	**(1,249)**	**(708)**	**16,354**
Income tax	(7,018)	(157)	88	(15)		(7,102)
CONSOLIDATED NET INCOME	**12,516**	**(1,113)**	**(179)**	**(1,264)**	**(708)**	**9,252**
NET INCOME (MINORITY SHARE)	4	2				6
NET INCOME (GROUP SHARE)	**12,512**	**(1,115)**	**(179)**	**(1,264)**	**(708)**	**9,246**

DATA CONCERNING BALANCE SHEET	France	Europe (excluding France)	North America	Other Countries	Eliminations	06/30/2012
Total Assets	**510,022**	**123,622**	**27,497**	**1,861**	**(104,394)**	**558,608**
included Net tangible fixed assets and intangible assets	*170,946*	*23,307*	*6,647*	*188*	*(4,712)*	*196,376*
included Net financial assets	*35,011*	*9,741*	*7*	*8*	*(42,225)*	*2,542*
included Deferred taxes (receivable)	*18,891*	*2,488*	*4,271*			*25,650*
included Income tax (receivable)	*6,855*	*2,403*	*442*	*11*		*9,711*
included Cash and cash equivalents	*86,225*	*22,008*	*985*	*298*	*(32,265)*	*77,251*
Total Liabilities	**510,022**	**123,622**	**27,497**	**1,861**	**(104,394)**	**558,608**
Included Net equity	320,481	81,735	12,962	(332)	(50,057)	364,789
included Treasury liabilities	*19,566*	*10,370*	*3,408*		*(32,264)*	*1,080*
included Borrowings and financial debts (except treasury liabilities)	*10,032*	*2,645*		*1,589*	*(10,201)*	*4,065*
included Deferred taxes (debts)	*14*	*1,343*		*1*		*1,358*
included Income tax (debts)	*1,422*	*495*	*216*	*11*		*2,144*
Total Working Capital Requirements	**(24,528)**	**(35,668)**	**(5,918)**	**(764)**	**14,729**	**(52,149)**
Included Inventories and work-in-progress	*45,928*	*23,540*	*7,093*	*166*	*(14,842)*	*61,885*
Included Current operating receivable	*59,721*	*34,360*	*6,412*	*1,182*	*(10,265)*	*91,410*
Included Current operating debts	*81,121*	*22,232*	*7,587*	*584*	*(10,378)*	*101,146*

DATA CONCERNING CASH FLOWS	France	Europe (excluding France)	North America	Other Countries	Eliminations	06/30/2012
Acquisition of intangible and tangible assets	10,762	1,677	131	6		12,576

The data as of June 30, 2011 are presented below:

DATA CONCERNING INCOME STATEMENT	France	Europe (excluding France)	North America	Other Countries	Eliminations (1)	2011 (6 months)
External SALES	145,121	64,869	15,251	575		225,816
Inter-sector SALES	29,282	6,713		418	(36,413)	0
Total SALES	**174,403**	**71,582**	**15,251**	**993**	**(36,413)**	**225,816**
Other operating income	1,825	530	(37)			2,318
Other operating expenses	(218)	(30)	(56)			(304)
OPERATING INCOME	**7,711**	**282**	**(4,247)**	**(1,728)**	**(1,332)**	**686**
included Allowances to amortization and impairments on intagible and tangible a:	*(9,563)*	*(1,183)*	*(300)*	*(28)*		*(11,074)*
included Net changes in depreciation and provisions	*1,316*	*5*	*(250)*	*(2)*		*1,069*
Cash revenue and financing expenses	410	134	(16)	(13)		515
Other financial revenue and expenses	22	(1)		45		66
INCOME BEFORE TAX	**8,143**	**415**	**(4,263)**	**(1,696)**	**(1,332)**	**1,267**
Income tax	(2,303)	(876)	1,712	(9)		(1,476)
CONSOLIDATED NET INCOME	**5,840**	**(461)**	**(2,551)**	**(1,705)**	**(1,332)**	**(209)**
NET INCOME (MINORITY SHARE)	3	3				6
NET INCOME (GROUP SHARE)	**5,837**	**(464)**	**(2,551)**	**(1,705)**	**(1,332)**	**(215)**

DATA CONCERNING BALANCE SHEET	France	Europe (excluding France)	North America	Other Countries	Eliminations (1)	06/30/2011
Total Assets	**488,207**	**118,048**	**23,452**	**2,033**	**(96,309)**	**535,431**
included Net tangible fixed assets and intangible assets	*168,557*	*22,163*	*6,363*	*215*	*(4,720)*	*192,578*
included Net financial assets	*31,254*	*8,754*	*1*	*9*	*(37,513)*	*2,505*
included Deferred taxes (receivables)	*17,543*	*2,064*	*717*			*20,324*
included Income tax (receivables)	*8,846*	*3,433*	*3,283*	*25*		*15,587*
included Cash and cash equivalents	*76,466*	*21,258*	*890*	*543*	*(30,831)*	*68,326*
Total Liabilities	**488,207**	**118,048**	**23,452**	**2,033**	**(96,309)**	**535,431**
Included Net equity	287,275	76,626	12,692	1,434	(50,230)	327,797
included Treasury liabilities	*23,433*	*7,963*	*4,246*		*(30,827)*	*4,815*
included Borrowings and financial debts (except treasury liabilities)	*8,342*	*93*			*(5,004)*	*3,431*
included Deferred taxes (debts)		*1,319*		*1*		*1,320*
included Income tax (debts)	*743*	*1,856*		*16*		*2,615*
Total Working Capital Requirements	**(21,476)**	**(28,692)**	**(6,290)**	**(657)**	**12,824**	**(44,291)**
Included Inventories and work-in-progress	*45,965*	*22,628*	*5,549*	*396*	*(12,949)*	*61,589*
Included Current operating receivables	*53,361*	*32,054*	*4,998*	*843*	*(10,211)*	*81,045*
Included Current operating debts	*77,850*	*25,990*	*4,257*	*582*	*(10,336)*	*98,343*

DATA CONCERNING CASH FLOWS	France	Europe (excluding France)	North America	Other Countries	Eliminations (1)	06/30/2011
Acquisition of intangible and tangible assets	26,568	1,521	50	51		28,190

(1) Included eliminations of internal incomes.

Consolidated sales broken down on the criterion of the destination of sales, as published as part of mandatory quarterly reporting, is as follows for the first half-year of 2012 and 2011:

	2012 (6 months)	2011 (6 months)
France	145,398	130,210
Europe (excluding France)	70,696	75,904
North America	20,146	15,679
Other Countries	5,278	4,023
TOTAL GROUP	**241,518**	**225,816**

The breakdown of sales by line of products is given in note 18.

The structure of the customers is atomized. No customer represents more than 10 % of the group's sales on the presented financial statements.

NOTE 7 : GOODWILL

	12/31/2011	Increases / (Decreases)	Currency translation adjustments	06/30/2012
Boiron France [1]	82,826			82,826
Editions Similia	663			663
Total "France"	***83,489***	***0***	***0***	***83,489***
Belgium [2]	2,231			2,231
Boiron Italie	2,242			2,242
Boiron Espagne	584			584
Boiron Suisse	55			55
Total "Europe excluding France"	***5,112***	***0***	***0***	***5,112***
Boiron Canada	215		(2)	213
Boiron USA	1,132		27	1,159
Total "North America"	***1,347***	***0***	***25***	***1,372***
Total "Other countries"	***0***			***0***
TOTAL GROSS GOODWILL	**89,948**	**0**	**25**	**89,973**
Swiss Impairment	**(55)**			**(55)**
TOTAL NET GOODWILL	**89,893**	**0**	**25**	**89,918**

(1) Boiron France goodwill comes from (€70,657 thousand), LHF (€7,735 thousand), SIBOURG (€1,268 thousand), DSA (€1,381 thousand) and Herbaxt (€1,785 thousand). Goodwill issued from different acquisitions in France having been inseparable, impairment tests are realized in France.

(2) Goodwill in Belgium comes from UNDA (€1,408 thousand) and Omnium Mercur (€823 thousand). Impairment tests are realized in Belgium.

There was no acquisition generating new goodwill during first half-year 2012.

The variation of goodwill on the half-year 2011 amounted to €67 thousand and concerned the currency translation adjustments on "North America" area.

There is no price revision clause or staggered payment clause in respect of securities acquired.

In the absence of indications of impairments, the group does not carry out impairment tests during the presenting period (see note 2.2.4).

NOTE 8 : INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS

As of June 30, 2012, acquisitions of intangible assets amounted to €3,722 thousand, included €3,074 thousand on Boiron France. These acquisitions main concern IT plan in progress.

With respect to tangible fixed assets acquisitions, adjusted of change in payables to fixed assets, in the first half of 2012 amounted to €8,854 thousand. The main acquisitions were by Boiron France, for €7,623 thousand, essentially for the three production sites and the new buildings of Nantes and Nancy.
During the half-year period, the old Nantes and Nancy sites were sold, generating a gain of €1,412 thousand.

As of June 30, 2012 and 2011, no intangible assets or tangible fixed assets were pledged or offered as collateral for a guarantee or surety.

Research costs are recognized as expenses.

NOTE 9 : INVENTORIES AND WORK IN PROGRESS

	06/30/2012	12/31/2011
Raw materials and supplies	13,709	13,649
Semi-finished goods and finished goods	49,754	43,695
Goods	1,445	1,322
TOTAL GROSS INVENTORIES	**64,908**	**58,666**
TOTAL DEPRECIATIONS ON INVENTORIE	**(3,023)**	**(1,431)**
TOTAL NET INVENTORIES	**61,885**	**57,235**

As at June 30, 2012 and December 30, 2011 no inventory has been pledged to guarantee liabilities.

NOTE 10 : ACCOUNTS RECEIVABLE

	06/30/2012			12/31/2011		
	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Net accounts receivable denominated in euros	60,852	(952)	59,900	76,706	(1,263)	75,443
Net accounts receivable denominated in other currencies	14,193	(359)	13,834	20,583	(282)	20,301
TOTAL	**75,045**	**(1,311)**	**73,734**	**97,289**	**(1,545)**	**95,744**

There is no sale of receivables agreement.
Impairments on accounts receivable are recognized in line with defined principles in 2.7.3.1 note in 2011 Reference Document.
The credit risk is treated in note 17 "Financial Instruments and risks".

Accounts receivable denominated in currencies mainly concern Russia and the United States.

NOTE 11 : TAX REFUNDS RECEIVABLE AND OTHER CURRENT AND NON-CURRENT ASSETS

	06/30/2012		12/31/2011	
	Current	Non-current	Current	Non-current
State - Income tax receivable (non financial assets)	**9,711**		**1,044**	
Other assets excluded income tax receivable				
Non financial assets	**14,630**	**80**	**15,163**	**106**
State and local government, excluding income tax	10,436	9	11,520	9
Staff	329	71	627	97
Accrued expenses	3,865	0	3,016	
Financial assets valued at cost	**5,170**	**1,636**	**7,074**	**1,592**
Other debtors	5,170	1,636	7,074	1,592
Derivative instruments (1)	**25**			
TOTAL	**19,825**	**1,716**	**22,237**	**1,698**

(1) See. note 17

Depreciations included in the table above are not material. There are no other older assets that have not been depreciated.

NOTE 12 : CASH AND CASH EQUIVALENTS

	06/30/2012			12/31/2011		
	Euros	Other currencies (euro equivalents)	Total	Euros	Other currencies (euro equivalents)	Total
Cash equivalents	23	140	**163**	1,894	1,234	**3,128**
Cash	72,247	4,841	**77,088**	76,492	12,032	**88,524**
TOTAL	**72,270**	**4,981**	**77,251**	**78,386**	**13,266**	**91,652**

Cash equivalents are primarily comprised of euro money market funds or similar investments (certificates on deposits and future deposits…) satisfying the criteria of IAS 7 (see note 2.7.3.2 of Reference document 2011).

Fair value changes were not material at the closing date.
No investments instruments have been provided as guarantees as of the end of the period, nor subject to restrictions.

The amount of non available cash and cash equivalents for the group (example: exchange controls in a subsidiary) is non material.

NOTE 13 : SHAREHOLDERS' EQUITY

As at June 30, 2012, Boiron France's share capital is comprised of 21,482,556 fully paid-up shares, each with a par value of €1.

There are no preference shares.

The Boiron France company is not subjected to an external constraint, of regulatory level or agreement, in conformance with its capital. The company integrates for the follow-up of its shareholders' equities the same elements as those who are integrated into the consolidated shareholders' equity.

The Board policy in management of shareholders' equities privileges this day the financing of its development on its shareholders' equity. Within an environment of tightening bank credit, Boiron France has secured its financing by replacing unconfirmed current account overdrafts with confirmed lines of credit for a period of five years in the total amount of €80,000 thousand. The group thus has financial resources in addition to its excess cash readily available to continue its development. These lines of credit were not used at June 30, 2012.

13.1. TREASURY SHARES

The capital is comprised as follows (number of shares):

	06/30/2012	12/31/2011
Total number of shares	**21,482,556**	**21,482,556**
Treasury shares	(21,971)	(71,267)
Number of shares excluded treasury shares	**21,460,585**	**21,411,289**

Shares registered to the same person for 3 years or more have double voting rights at shareholders' meetings.

There are no share warrants in circulation and the Company has not introduced any employee stock option plans or dilutive instruments.

Treasury shares are valued at the historical cost, their value is directly booked in consolidated shareholders' equity.
At June 30, 2012, the value of treasury shares held amounted to €478 thousand and the latent loss on that portfolio was €29 thousand. 21,971 shares are held through the liquidity contract subscribed with the French bank "Natixis" (substitute "Société Générale"), there is no share acquired in order to be cancelled.

Treasury shares acquisitions and disposals were made as part of the liquidities agreement.

13.2. DIVIDEND PER SHARE

Dividend per share in euro	
Dividend 2011 paid in 2012	0.70
Dividend 2010 paid in 2011	0.70

NOTE 14 : NON-CURRENT EMPLOYEE BENEFITS

14.1. GROUP QUANTIFIED DATA

	12/31/2011	Increases	Decreases	Currency translation adjustments and other movements	06/30/2012
Retirement indemnity - Boiron France	8,239	229			8,468
Retirement indemnity - Boiron Caraïbes	42	3			45
Retirement indemnity - Boiron Océan Indien	12				12
Agreement on Preparation for Retirement - Boiron France	48,495	1,601			50,096
Pre-prension UNDA	167	(1)	(14)		153
Retirement benefits - Boiron Pologne	2				2
Total post-employment benefits (defined contribution plans)	**56,957**	**1,832**	**(14)**		**58,775**
Long-services bonuses - Boiron France	5,695	127			5,822
Long-services bonuses - Boiron Caraïbes	71	1			72
Bonuses granted - Boiron Espagne	506	28			534
Seniority bonuses - UNDA	324	15			339
Total other long-term benefits	**6,596**	**171**			**6,767**
TOTAL EMPLOYEE BENEFITS RECOGNIZED IN NON-CURRENT LIABILITIES	**63,553**	**2,003**	**(14)**	**0**	**65,542**

Movements for the first half of 2011:

	12/31/2010	Increases	Decreases	Currency translation adjustments and other movements	06/30/2011
Total post-employment benefits (defined contribution plans)	**51,100**	**1,375**	**(15)**		**52,460**
Total other long-term benefits	**6,063**	**140**			**6,203**
TOTAL EMPLOYEE BENEFITS RECOGNIZED IN NON-CURRENT LIABILITIES	**57,163**	**1,515**	**(15)**	**0**	**58,663**

14.2. INDIVIDUAL TRAINING ENTITLEMENT (D.I.F)

As indicated in note 2.9.1.3 of 2011 Reference Document, the Individual Training Entitlement is considered as a contingent liabilities, the history of the modalities of use of this right not bringing to light significant likely additional costs.
The number of hours vested within the framework of the Individual Training Entitlement by all the French subsidiaries of the group is of 272,527 hours on June 30, 2012 (598 hours were used during first half-year 2012), against 259,380 hours on December 31, 2011 (1 403 hours were used in 2011).

NOTE 15 : CURRENT AND NON-CURRENT PROVISIONS

Current	12/31/2011	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments & other	06/30/2012
Provisions for returned goods	6,021	1,401	(35)	(2,019)	183	5,551
Provisions for contingencies and lawsuits	7,697	207	(96)	(4,107)	13	3,714
Provisions for reorganization	241	1,756	(21)	(619)		1,357
Other provisions for other expenses	122					122
TOTAL CURRENT PROVISIONS	**14,081**	**3,364**	**(152)**	**(6,745)**	**196**	**10,744**
Non current						
Provisions for contingencies and lawsuits	761	3				764
TOTAL NON-CURRENT PROVISIONS	**761**	**3**	**0**	**0**	**0**	**764**

At June 30, 2012, provision for reorganization concerns reorganization in Italy (the closing of Bologna and Pioltello sites) and is composed of €1,750 thousand for increases and €483 thousand of decrease following first payment to employees.
Decreases used in Provisions for contingencies and lawsuits integrate €3,856 thousand according to a lawsuits in the United States following a payment to a fund of $5,000 thousand, covering all expenses (see note 23).

The change in current and non-current provisions for the first half of 2011 was as follows:

Current	12/31/2010	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments & other	06/30/2011
Provisions for returned goods	5,084	1,950	(34)	(1,651)	(121)	5,228
Provisions for contingencies and lawsuits	3,762	81	(737)	(40)		3,066
Provisions for reorganization	2,031	721	(260)	(128)		2,364
Other provisions for other expenses	26	35				61
TOTAL CURRENT PROVISIONS	**10,903**	**2,787**	**(1,031)**	**(1,819)**	**(121)**	**10,719**
Non current						
Provisions for contingencies and lawsuits	15,127	70	(189)	(40)		14,968
TOTAL NON-CURRENT PROVISIONS	**15,127**	**70**	**(189)**	**(40)**	**0**	**14,968**

The other possible assets and liabilities are described in note 23.

NOTE 16 : INCOME TAX DEBT AND OTHER CURRENT AND NON-CURRENT LIABILITIES

	06/30/2012		12/31/2011	
	Current	Non-current	Current	Non-current
State - income tax payable (non financial liabilities)	**2,144**		**5,209**	
Other liabilities except income tax to be paid				
Non financial liabilities	**64,217**	**2,693**	**67,338**	**2,651**
State and local government, excluding income tax	6,056	0	7,478	
Personnel and social security organizations	57,776	2,649	59,139	2,595
Deferred revenue	385	44	721	56
Financial liabilities valued at cost	**6,918**	**0**	**13,272**	
Fixed asset suppliers	3,088	0	6,445	
Other creditors	3,830	0	6,827	
Derivative instruments (1)	**15**		**12**	
TOTAL	**71,150**	**2,693**	**80,622**	**2,651**

(1) Cf. note 17

Other non-current liabilities are primarily comprised of the debt in respect of the Italian severance indemnity provision (Italian TFR) (€2,649 thousand).

NOTE 17 : FINANCIAL INSTRUMENTS AND RISKS

Neither the nature nor maturity of the group's financial assets and liabilities changed materially compared to December 31, 2011.

Just like as of December 31, 2011, the only derivatives were foreign exchange hedges, all maturing within a year. At June 30, 2012, the whole outstanding concern fair-value hedges. So, the offsetting entry for changes in fair value was recognised in operating income. (See note 19)
At June 30, 2012 there is no cash flow hedge outstanding, and there is no impact on other comprehensive income.

The group's exposure to market, credit and liquidity risks did not change significantly from December 31, 2011 (see note 21 to the consolidated financial statements in the 2011 Reference Document). The analyses of receivables in countries which may present risks do not conduct to book additional allowance. Besides, in Spain, group is negotiating credit insurance for main customers.

As of June 30, 2012, the amount of accounts receivable due and not provided for amounted to €4,151 thousand, namely 5.6% of accounts receivable (against €5,039 thousand, namely 5.2% of accounts receivable as of December 31, 2011). Accounts receivable due for less than a month accounted for 62% of this amount.
The remainder has been overdue for less than a month. There was no major change in the structure of the aged trial balance during first half-year 2012.

There was no major accounts receivable restructuring agreement or clearing agreement as of June 30, 2012 or as of December 31, 2011.
Depreciations for doubtful receivables amounted to €1,312 thousand, namely 1.8% of the total amount of accounts receivables, compared to €1,545 thousand the previous year, namely 1.6% of accounts receivable.
Over the first half-year, losses on bad debts amounted to €323 thousand, namely 0.4% of the total amount of accounts receivable (compared to €373 thousand and 0.4% for 2011). The bulk of these losses had been depreciated.

The Boiron group did not have to notice of material failure on first half-year 2012.

NOTE 18 : OPERATING REVENUES

	2012 (6 months)	%	2011 (6 months)	%
Non-proprietary homeopathic medicines	143,633	59.5	131,785	58.4
OTC family medication specialties	97,583	40.4	93,916	41.6
Other [(1)]	782	0.3	537	0.2
Financial rebates	(480)	(0.2)	(422)	(0.2)
TOTAL SALES	**241,518**	**100.0**	**225,816**	**100.0**
Other operating revenue (fees)	**128**		**119**	

[(1)] The "Other" heading in net sales includes sales of books as well as invoicing for services (training).

The product lines presented in this breakdown of sales do not constitute operating segments.

NOTE 19 : OTHER OPERATING REVENUE AND EXPENSES

	2012 (6 months)	2011 (6 months)
Foreign exchange gains and losses on operating transactions	111	(8)
Gains and losses on derivative instruments (related to operating hedges)	(58)	(90)
Tax credits (included tax credits Research)	662	589
Net changes in amortization on intangible and tangible assets	55	(16)
Net changes in other provisions	(51)	1,220
Net changes on depreciation on current assets	118	218
Income on disposal assets (1)	1,377	(13)
Other operating revenue (2)	3,002	291
Other operating expenses	(137)	(177)
TOTAL	**5,079**	**2,014**
Included Other operating revenue	***5,325***	***2,318***
Included Other operating expenses	***(246)***	***(304)***

(1) : see note 1

(2) : in the framework of the friendly settlement on litigation related to the tax on direct sales, a receivable of €2,699 thousand was recorded related to the principal.

NOTE 20 : INCOME TAX

20.1. BREAKDOWN OF THE TAX CHARGE

	2012 (6 months)	2011 (6 months)
Current taxes payable	(6,943)	(1,591)
Deferred taxes	(159)	115
TOTAL	**(7,102)**	**(1,476)**
Effective rate	**43.43%**	**116.51%**

The difference between the recognized tax charge and the tax that would have been recognized at the nominal rate break down as follows for the first half-year 2012 and 2011:

	2012 (6 months)	%	2011 (6 months)	%
Theoretical tax	(5,903)	36.10	(436)	34.43
Impact of tax rates abroad	(521)	3.19	(497)	39.23
Impact of reduced tax rates in France	9	(0.06)	6	(0.47)
Permanent differences	(214)	1.31	(45)	3.55
Fiscal loss or gain without recognition of income tax	(477)	2.92	(535)	42.23
Tax credits, deferred income tax adjustment and other	4	(0.02)	31	(2.45)
Actual Tax	**(7,102)**	**43.43**	**(1,476)**	**116.51**

NOTE 21 : EARNINGS PER SHARE (EXCLUDING TREASURY SHARES)

	2012 (6 months)	2011 (6 months)
Net earnings (in thousand €)	9,246	(215)
Average number of shares for the fiscal year	21,453,917	21,476,094
EARNINGS PER SHARE (in €)	**0.43**	**(0.01)**

In the absence of dilutive instruments, the average earnings per share are the same as the average diluted earnings per share.
The change in the average number of shares is explained by the change in the number of treasury shares over the period.

NOTE 22 : OFF-BALANCE SHEET LIABILITIES

The Boiron group has no off-balance sheet liabilities related to acquisitions and disposals of subsidiaries (agreements to repurchase shares ...).

Concerning off-balance sheet liabilities related to company financing, we can notice the credit lines for €80,000 thousand granted for five years created in 2011 but not used during first half-year of 2012.

Off-balance sheet liabilities did not change significantly during the first half-year of 2012.

NOTE 23 : CONTINGENT ASSETS AND LIABILITIES

23.1. Tax on Direct Sales

Since 1999, Boiron SA has taken legal action to obtain the cancellation of its liability to pay the Additional Tax on Direct Sales and requested the refund of taxes paid between 1998 and 2002. The company recorded the amounts claimed for reimbursement as an expense for a total of €9,959 thousand during the periods from 1998 to 2001 and did not recognize income related to this claim.

On December 1, 2011, the French Court of Final Appeal ruled in favour of Boiron and put a definitive end to this long dispute concerning the legality of this tax in relation to community law.

The Court rejected the appeal brought by the French agency "URSSAF" (initially ACOSS) and confirmed the judgment of the Versailles Court of Appeals dated September 2, 2010, ordering the reimbursement of amounts paid by Boiron between 1998 and 2002 related to this tax as well as accrued interest.

The total amount of €12,956,525 received by Boiron as principle and interest following the judgment of the Versailles Court of Appeals impacted the financial statements as at December 31, 2011.

Concurrently, the company Dolisos appealed to the Tribunal of Social Security Affairs of the French region "Haute Garonne" in order to obtain the cancellation of its liability related to the Additional Tax on Direct Sales. The refund requested related to the Additional Tax on Direct Sales for the years 1998 to 2000 amounts of €2,866 thousand.

The case is currently pending before the Toulouse Court of Appeals which delivered a stay of proceedings pending the final settlement of Boiron's initial litigation on the Additional Tax on Direct Sales mentioned above.

As the French Court of Final Appeal ruled in Boiron's favour in its judgment of December 1, 2011, the parties agreed to apply this legal precedent to the case in process by favouring a friendly settlement. The principal amount due was reduced from €2,866 thousand to €2,699 thousand, a portion of the claim having exceeded the statute of limitations.

The principal of €2,699 thousand and €797 thousand in interest were paid by the URSSAF after the end of the half-year period. Those amounts have been recorded as accrued income at June 30, 2012.

The parties accordingly withdraw the proceedings pending before the Toulouse Court of Appeals.

23.2. LAWSUIT WITH CE.M.O.N

In the framework of an increase in Boiron's investment in the capital of UNDA, on 2005, an arbitration court sentenced on January 29, 2009, jointly, Jean-Pierre Boumans (seller of the shares of the UNDA holdings), UNDA, the two UNDA holdings, and Boiron SA to transfer an indemnity to compensate damages amounting to €3,400 thousand to the company Ce.M.O.N. (minority shareholder of UNDA and the Italian distributor of UNDA products). On April 3, 2009, Boiron SA and UNDA fulfilled the requirements of the arbitration court through the transfer of the total amount of the settlement indemnity.

As according to the decision taken by the Boiron Board of Directors on December 16, 2009, contributory recourse was initiated at the Court of First Instance in Anvers, France in May of 2010 against the seller, Jean-Pierre Boumans, in order to obtain the reimbursement of his share of the penalty (€680 thousand). Concurrently, on March 4, 2011 Boiron obtained an order authorizing enforcement of the arbitration award. (That is to say, providing executor power to the ruling). Mr Boumans has filed a contestation of that order before the Brussels Court of First Instance.

In the framework of his defence, Mr. Boumans also presented the case in that same court for annulment of the arbitration award against all parties to the arbitration proceedings.

Through two judgments dated June 22, 2012, the Brussels Court of First Instance rejected Mr Boumans' request for the annulment of the arbitration award and his opposition to the arbitration award's enforcement order.
Enforcement actions against Mr Boumans to obtain repayment of the €680 thousand may be launched. Mr Boumans has the option of appealing those decisions.

23.3. LAWSUITS IN THE USA

Boiron USA has been the subject of a customer's complaint filed in the Los Angeles, California court against the medication Children's Coldcalm® (used to relieve cold symptoms), for false advertising based on the accusation that the medication is not effective.

In the framework of the court proceedings, Boiron USA wanted the litigation to be taken to the federal court level and filed an appeal in order to obtain the dismissal of the complaint prior to any substantive consideration. That appeal was dismissed by a federal judge on July 25, 2011. Moreover, the lawsuit was recognized as a "Class Action" on August 24, 2011. A provision of 1 million US dollars was created to cover risks associated with this case on December 31, 2011. The proceedings are pending before the Court of California.

Concurrently, on August 8, 2011 another law firm filed a complaint on the same basis in the San Diego, California court regarding the medication Oscillococcinum®. As a result, other complaints have been filed against most of the medications marketed by Boiron in the USA.

In order to limit the costs associated with these various proceedings, our subsidiary has succeeded in obtaining the approval of a settlement agreement destined to put a stop to all proceedings with the exception of the complaint related to the medication Children's Coldcalm®. This agreement involves the payment of a lump sum of 5 million dollars covering all costs (registered in December 31, 2011), as well as a commitment to modify the packaging and advertising of the medication within 24 months of the final approval of the agreement. The 24 month deadline will enable our subsidiary to sell its current inventory under normal conditions.

This agreement was filed with the San Diego court on March 6, 2012 for consideration. It has already received prior approval and Boiron USA is still waiting for definitive approval by the court. Certain complainants have opposed this agreement, as provided by the procedure.

23.4. LAWSUITS IN CANADA

During the first half of 2012, Boiron Canada has been the subject of two complaints, in Ontario and Quebec aimed at the launching of class action law suits against some of its medications.

Both procedures remain in a preliminary stage.
In Ontario, the schedule of these legal proceedings has not yet been defined.

In Quebec, the judge has set a target for the parties for the hearing on the potential certification of the class action suit to be pleaded no later than the end of June 2013. In the meantime, the parties will exchange their findings and respective evidence.

There are no other governmental, judicial or arbitration proceedings, including all proceedings of which the company is aware, pending or threatened, which may have or have had a material impact upon the financial position or profitability of the company or the group in the past 6 months.

NOTE 24 : RELATED PARTIES

Managers' due gross compensation is described as follows:

	Managers
Fixed compensation	554
Variable compensation (1)	561
Exceptional compensation	0
Fees	0
Attendance fees	9
In kind compensation (2)	13
Total due gross compensation 2012	**1,138**
Total due gross compensation 2011 (reminder)	***836***
Post-employment benefits (retirement indemnities and Agreement on Preparation for Retirement)	494
Other long-term benefits (Long-Services Bonuses)	84

(1) Included for Senior Management bonus on the income, profit-sharing, abondement to reserves plan, end-career indemnity, perk retirement.

(2) It consists in retirement and insurance premium contribution and benefits car.

(3) The change between 2011 and 2012 is more particularly linked to the modification of General Management organization, occured on July, 1st 2011.

There is no significant transaction with third parties, during first half-year 2012.

NOTE 25 : SUBSEQUENT EVENTS

No post-closing event which might have a material impact on the Group's financial statements have been identified.

Statutory auditors' review report on the first half-yearly financial information

Period from January 1 to June 30, 2012

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Le Premium
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69624 Villeurbanne Cedex

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Membre de la compagnie
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S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

To the Shareholders,

In compliance with the assignement 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 half-yearly consolidated financial statements of Boiron, for the period from January 1 to June 30, 2012, and;
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

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

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the interim management report in respect of the condensed half-yearly consolidated financial statements subject to our review.

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

Villeurbanne and Lyon, August 30, 2012

The statutory auditors

French original signed by

MAZARS

Frédéric Maurel

ERNST & YOUNG et Autres

Nicolas Perlier