Half-Year Financial Report 2014

BOIRON®

HALF-YEAR FINANCIAL REPORT

Half-year closed June 30, 2014

(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 €19,441,713.
Headquarter : 2, avenue de l'Ouest Lyonnais - 69510 Messimy - France.
Lyon Commercial Register no 967 504 697.

This half-year financial report is for the six months ended June 30, 2014, 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 2014, 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

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.

Messimy
August 29, 2014

Christian Boiron
General Manager

Half-year activity report

HIGHLIGHTS OF THE FIRST HALF OF 2014

In France and internationally, the absence of winter illnesses significantly impacted sales of seasonal specialties in the first quarter.

In France, General Management decided to end the project aimed at saving jobs related to around fifty persons and review the IT organization with all of the stakeholders concerned.

In Belgium, the split of the businesses between two legal entities BOIRON SPRL and UNDA SA took place in February.

On April 1st, the group announced the resignation of Philippe Montant from his mandate of Deputy General Manager.

HALF-YEAR RESULTS 2014

1. ACTIVITY

Sales in the **first quarter** decreased by 11.3% compared to first quarter 2013 sales which grew by 22.4% compared to 2012 and were highlighted by a high level of illnesses worldwide. Sales in the **second quarter** increased by 3.1%.

Half-year sales amounted to €261,616 thousand at the end of June 2014 compared to €275,784 thousand in 2013, a decrease of 5.1%, of which, -0.7% on non-proprietary medicines and -10.7% on specialties. At constant exchange rates, the decrease amounted to 3.9%.

- **Sales in France** decreased by €2,579 thousand or 1.6%. The non-proprietary medicines decreased by 0.8%.
  Sales of specialties decreased by 4.0%. The decrease in sales of winter specialties was offset by growth in other specialties.
- **In the Europe (excluding France) region** sales decreased by 11.8%, especially in Russia, Poland and Belgium while increasing in Italy. In the second quarter they increased by 15.6%, mainly in Russia and Italy, following a first quarter decrease of 26.4%.
- **In the North America,** sales decreased by 9.0% or 3.7% at constant exchange rates. It was highly affected by the strength of the base figure: They had increased by 27% in the first half of 2013.
- Sales in the **"Other countries"** increased by 7.6%, primarily in Latin America.

2. RESULTS

Operating income amounted to €35,500 thousand, a decrease of €7,505 thousand compared to the first half of 2013 which benefitted from an exceptional level of business activity.

Operating income by company *(in thousands of euros)*	**2014**	**2013**	***Variation***
France	32,317	38,736	*-6,419*
Italy	5,685	4,186	*1,499*
United-States	1,230	4,075	*-2,845*
Spain	988	-200	*1,188*
Carribbean	343	248	*95*
Czech Republic	317	497	*-180*
Canada	316	552	*-236*
Slovakia	170	316	*-146*
Reunion	168	272	*-104*
Belgium	-283	-4,089	*3,806*
Switzerland	-394	-272	*-122*
Brazil	-403	-466	*63*
Poland	-1,064	200	*-1,264*
Russia	-3,538	-1,055	*-2,483*
Other	-352	5	*-357*
Total Boiron Group	**35,500**	**43,005**	***-7,505***

The decrease in operating income compared to 2013 was mainly the result of a reduction in gross margin. In 2013, operating income was unfavourably impacted by restructuring expenses and provisions in Belgium and Spain of €5,075 thousand and €1,027 thousand respectfully.

The **gross margin** decreased by €8,769 thousand or 4.0% under the effect of the decrease in business activity. In addition, in 2013, production expenses included a provision of €3,263 thousand related to the restructuring of the business in Belgium.

Preparation and distribution costs decreased by €3,085 thousand or 4.3%: In 2013, they included €1,504 thousand of restructuring expenses in Spain and Belgium. In addition, cost savings which began in 2013 on salary and overhead expenses continued to have an effect.

Promotion expenses were stable.

Expenses related to **research and regulatory affairs** changed little compared to 2013.

Overhead expenses increased by €3,147 thousand, mainly as a result of an increase in expenses related to the IT function.

Other operating income and expenses amounted to net income of €2,037 thousand compared to net income of €1,365 thousand in 2013. They included a tax credit for research as well as a tax credit for competitiveness and employment, in France.

Interest income and expenses amounted to €321 thousand, an increase of €145 thousand following increases in cash balances and interest rates in the first half of 2013.

Other financial income and expenses amounted to an expense of €1,387 thousand versus an expense of €1,707 thousand in 2013. They mainly consist of expenses associated with the gradual decrease of the impact of updated employee commitments.

Income tax expense amounted to €14,539 thousand in the first half of 2014, representing 42.2% of income before tax versus 38.1% in 2013, mainly as a result of increased tax rates in France.

Net income amounted to €19,905 thousand compared to income of €25,724 thousand in the first half of 2013.

3. NET CASH POSITION

Net cash amounted to €139,959 thousand at June 30, 2014 versus €159,775 thousand at December 31, 2013, decreasing by €20,456 thousand in the first half of 2014 after increasing by €10,926 thousand in the first half of 2013.
Total cash flows from **operating activities** reached €14,817 thousand versus €36,276 thousand in the first half of 2013:

- Cash flow decreased by €19,400 compared to the first half of 2013 and represented 15.5% of sales versus 21.7% in 2013. That decrease was greater than the decrease in operating income due to disbursements related to restructuring provisioned in prior periods.
- Taxes paid amounted to €34,106 thousand versus €23,051 thousand in 2013, due to the payments related to the increase in the prior year's taxes and prepayments made following the increase in profitability in 2013.
- Working capital increased by €8,470 thousand after remaining stable in the first half of 2013. The increase was mainly the result of sales trends in the 4th quarter of 2013 and the 1st quarter of 2014 which influenced the level of customer accounts receivable.

Cash flow from **investment activities** reached €13,210 thousand versus €8,564 thousand in 2013. They were mainly related to industrial investments and IT projects in France.

Cash flows from **financing activities** amounted to €22,062 thousand and were mainly related to the payment of dividends (€23,328 thousand in the first half of 2014 compared to €17,477 thousand in the first half of 2013).

4. POST CLOSING EVENTS

No post closing events which might have a material impact on the group's financial statements were identified.

5. OUTLOOK

This section contains the group's outlook which is based on estimates and expectations. Actual results may differ materially from these guidelines due especially to the risks and uncertainties mentioned in the paragraph entitled "Operating risks" on page 5 and 6 of this document.
In France, the extension of the Messimy site continued in 2014 with the finalization of land purchases. This multi-year investment project will permit the increase in the group's production capacity.

Following an exceptional 2013 and because of the uncertainty of seasonal illnesses in the second half, the group remains cautious regarding its outlook for 2014.

DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES

Within the framework of the preparation of this document, the company conducted a review of risks that could have a material adverse effect on its business, financial position or income (or its ability to achieve its objectives) and believes that no other material risks exist with the exception of those reported in this document.

Industrial and environmental risks

There have been no changes with respect to the pharmaceutical and environmental risks described annual financial report.

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 as well as 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 transposed in France by introducing two regulatory statutes for:

- 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, the production at authorised 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 at the French National Agency for the Safety of Medicinal Products (ANSM) by the end of 2015.
BOIRON has foreseen this process since 2001. As of the end of June 2014, 899 applications out of 1,163 reimbursable strains had been filed, 274 EH's have been obtained and 51 strains were repealed (requirement to cease production). The 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 an 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 gradually be 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. Such is the case for certain tinctures which were the subject of registration filings for marketing authorisations and are currently under review.
- The authorised production sites: while gradually obtaining EH approval, certain production will only be possible at the Sainte-Foy-lès-Lyon, Messimy and Montrichard production sites.

Although the provisions concerning the directive on the marketing of homeopathic medicines have been implemented in most European countries, such is not the case in Italy, in Spain, in Belgium. Nonetheless, in those two countries the transposition of the EU directive is in process and should permit the status of homeopathic medicines to evolve :
- in Spain, a draft Ministerial Order, to clarify the rules for the authorization, registration and conditions for the issuance of homeopathic medicines was published December 3, 2013. That draft is in the process of discussion within the framework of the public consultation process organized following its release,
- in Italy, all homeopathic medicines to be marketed must be registered before June 2015 at the AIFA (the Italian Drug Agency). The agency will then issue its opinion within 210 days following the date of filing for a medicine.
- in Belgium, the review of homeopathic medications by the AFMPS (the Belgium drug agency) became effective. The filing of registration applications are realized according to each laboratory's own calendar and established in conjunction with the AFMPS. For the specialties, the registration applications with be submitted before 2017. The filing of the applications for the non-proprietary medicines will take place between 2014 and 2022.

In France, 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 decree 2013-414 which clarified the "Transparency" provisions of the Bertrand law was published in the Official Journal dated May 22, 2013.

It provides for the mandatory publication:
- of all benefits in kind or in cash with a value greater than or equal to 10 euros including VAT accorded to stakeholders in the healthcare environment,
- of any agreements with those stakeholders.

The publication requirement applies to all agreements concluded and the benefits granted since January 1, 2012.

For the year 2012 and the first half of 2013, that publication was made on the companies' websites and for the October 1, 2013 on websites offering advice to healthcare professionals.
The decree dated December 3, 2013 provides that this information should now be centralized on a single public interest website.

- Seasonality

The group's business may be seasonal because of the level of winter illnesses and the wide range of winter specialties. The annual results generally depend on the business realized in the second half of the year. Therefore, the first half-year results may not be indicative of expected results for the full year period.

- The status of reimbursements and price controls

Homeopathic medicines can be subject to reimbursements by public health insurance organisms or by the complementary 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 institutors. 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 changes to note regarding pharmaceutical risks as described in the 2013 annual financial report.

- Risks related to operations

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 context in Southern Europe (Italy, Spain, and Portugal) has led the group to maintain its vigilance over its business activity its capacity of recovering debts in those countries.
In the same respect, economic or political tensions in emerging countries (to a lesser extent, Russia, Brazil, Ukraine) could affect BOIRON performance.

Market, credit and liquidity risks

The management of market, credit and liquidity risks is described in the 2013 Reference document.
The company conducted a specific review of its liquidity risk and is confident in its ability to meet its upcoming maturities.

Ongoing lawsuits

France et Belgium

- Litigation in Belgium against Jean-Pierre Boumans

In the framework of an increase in 2005 of BOIRON's investment in the capital of UNDA, on January 29, 2009, an arbitration court sentenced, in solidum, Jean-Pierre Boumans (seller of the shares of the UNDA holdings), UNDA, the two UNDA holdings, and BOIRON SA to transfer to the company Ce.M.O.N. (minority shareholder of UNDA and the Italian distributor of UNDA products) an indemnity to compensate damages amounting to €3,400 thousand. On April 3, 2009, BOIRON 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 Antwerp, 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).
Within the framework of his defence, Mr. Boumans contested the enforcement order and also presented the case for annulment of the arbitration award against all parties to the arbitration proceedings. On June 22, 2012, the Brussels Court of First Instance ruled the two cases to be unfounded. Mr. Boumans

has not appealed those rulings. Consecutively, BOIRON served a payment order against Mr. Boumans, who opposed that order by filing an appeal to the enforcement magistrate. The latter, through an order dated June 11, 2013, requested the parties to have the award interpreted by the arbitral tribunal regarding the responsibility of Mr. Boumans with respect to the damages incurred by the company Ce.M.O.N. However, the arbitration court refused to rule on this issue to the degree that this was not explicity requested of it during the arbitration litigation.
Meanwhile, in the framework of the contributory appeal proceedings against Mr. Boumans, the Antwerp Court of First Instance, by its decision dated December 3, 2013, decided that the arbitration court had not ruled on the sharing of responsibilities between the convicted parties and that Mr. Boumans shall only contribute in the amount of 1 euro.

BOIRON has filed an appeal of this initial ruling.

- Litigation in the U.S

On August 31, 2010, 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 these 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 legal recourse was however rejected by a federal judge on July 25, 2011 and the class action nature of the lawsuit was recognized on August 24, 2011. On April 16, 2013, the parties reached a settlement agreement in order to end the legal proceedings. That settlement foresees the payment of the opposing party's legal fees by BOIRON USA, the reimbursement to consumers who purchased Children's Coldcalm® in California, under the condition that they request reimbursement, and the commitment to change the advertising and packaging within a 24 month period as of the final approval of the agreement by the court. The 24 month deadline will enable BOIRON USA to sell its current inventory under normal conditions. That agreement received final approval from the Los Angeles Court by its ruling on November 6, 2013. As no further appeal has been filed, the agreement has become effective. That litigation was the subject of a provision of one million dollars in 2011, which covers the total of all expenses related to this settlement.

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, BOIRON USA has succeeded in obtaining the approval of a settlement agreement, on March 6, 2012, destined to put a stop to all proceedings with the exception of the complaint related to the medication Children's Coldcalm® mentioned above. This agreement involves the payment of a lump sum of 5 million dollars covering all costs, as well as a commitment to modify the packaging and advertising of the medications within 24 months of the final approval of the agreement. This agreement obtained the final approval of the San Diego court in its judgment dated October 31, 2012. That ruling has been the subject of three appeals. The admissibility of only one appeal remains under consideration by the Court of Appeals, the other two having been rejected for failure to file the motion of appeal in a timely manner.

The Court of Appeals has not yet set a date to hear the appeal.

- Litigation in Canada

BOIRON Canada is the subject of two consumer complaints (on March 16, 2012, in Ontario and on April 13, 2012 in Quebec) aimed at launching class action lawsuits. These two legal proceedings remain in the preliminary phase, the assigned judges having not yet decided on their admissibility.

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.

TRANSACTIONS WITH RELATED PARTIES

The main transactions with related parties are disclosed in note 24 of the notes to the condensed consolidated half-year financial statements.

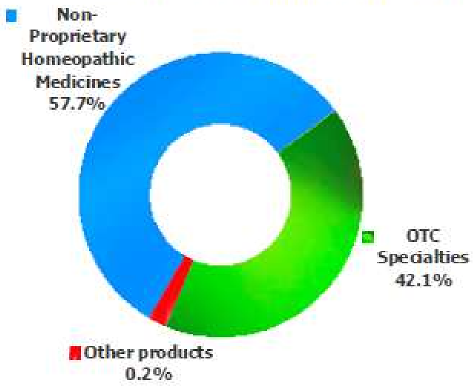
Key figures

Data in millions of euros

BREAKDOWN OF GROUP SALES

Consolidated data	Q1 2014	Q2 2014	1st half 2014	Q1 2013	Q2 2013	1st half 2013	Change 1st half 2014/2013
France	82.75	74.27	157.02	84.27	75.32	159.59	-1.6%
International	57.46	47.14	104.60	73.75	42.44	116.19	-10.0%
Incl. Europe excluding France	*39.97*	*33.57*	*73.54*	*54.33*	*29.05*	*83.38*	*-11.8%*
Incl. North America	*12.66*	*10.63*	*23.29*	*15.56*	*10.02*	*25.58*	*-9.0%*
Incl. Other countries	*4.83*	*2.94*	*7.77*	*3.86*	*3.37*	*7.23*	*+7.6%*
GROUP TOTAL	140.21	121.41	261.62	158.02	117.76	275.78	-5.1%

SALES BY PRODUCT CATEGORY

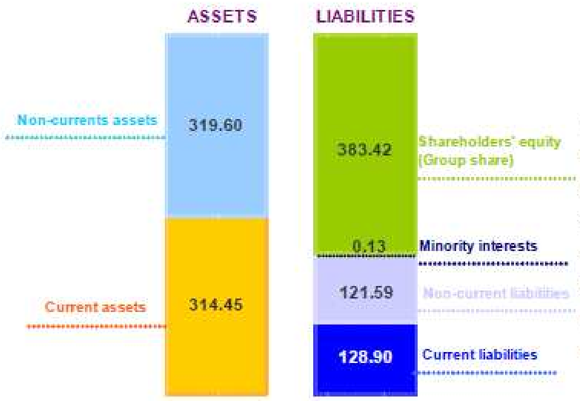


INVESTMENTS AND CASH FLOW

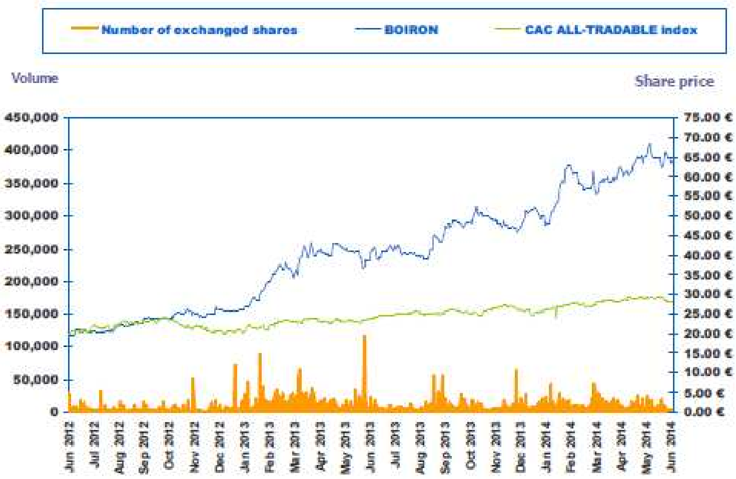
SIMPLIFIED INCOME STATEMENT

	2014	2013	*var.*
Sales	261.62	275.78	*- 5.1%*
Operating income	35.50	43.01	*- 17.5%*
Net Income - Group share	19.91	25.72	*- 22.6%*
Cash Flow	40.45	59.85	*- 32.4%*

SIMPLIFIED BALANCE SHEET



AVERAGE CLOSING PRICE



Source : Euronext Paris

Half-year condensed consolidated financial statements JUNE 30, 2014

Settled by the General Shareholders' Meeting of August 29, 2014

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2014 (6 months)	2013 (6 months)
Sales	18	**261,616**	**275,784**
Other sales revenue		177	143
Industrial production costs		(50,445)	(55,810)
Preparation and distribution costs		(67,920)	(71,005)
Marketing costs		(64,721)	(64,973)
Research costs		(3,114)	(3,645)
Regulatory affairs costs		(2,977)	(2,848)
Support function costs		(39,153)	(36,006)
Other operating revenue	19	2,870	2,342
Other operating expenses	19	(833)	(977)
Operating income		**35,500**	**43,005**
Cash revenue and financing expenses		321	176
Cash revenue		721	391
Financing expenses		(400)	(215)
Other financial revenue and expenses		(1,387)	(1,707)
Other financial revenue		310	6
Other financial expenses		(1,697)	(1,713)
Share in net earnings (losses) of companies at equity		0	0
Income before tax		**34,434**	**41,474**
Income tax	20	(14,539)	(15,782)
Consolidated net income		**19,895**	**25,692**
Net income (minority share)		(10)	(32)
Net income (group share)	21	**19,905**	**25,724**

Earnings per share (1)	21	1.02 EUR	1.32 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)	Notes	2014 (6 months)	2013 (6 months)
Consolidated net income		**19,895**	**25,692**
Other items of comprehensive income that will be reclassified subsequently to profit or loss		**121**	**(1,844)**
Currency translation adjustements		241	(103)
Other movements		(120)	(104)
Changes in the fair value of financial instruments	17	0	0
Other items of comprehensive income that will not be reclassified subsequently to profit or loss		**(5,653)**	**(572)**
Actuarial differences related with post-employment benefits	14	(5,653)	(572)
Other items of comprehensive income (1)		**(5,532)**	**(2,146)**
Consolidated comprehensive income		**14,363**	**23,276**
Comprehensive income (minority share)		**(10)**	(32)
Comprehensive income (group share)		**14,373**	**23,308**

(1) Including €2 968 thousand tax effet as of June 30,2014 (against €300 thousand as of June 30, 2013) on other items of comprehensive income, only concerning actuarial differences related with post-employment benefits.

CONSOLIDATED BALANCE SHEET

ASSETS (in thousands of euros)	Notes	06/30/2014	12/31/2013
Non-current assets		**319,595**	**315,582**
Goodwill	7	87,629	87,611
Intangible fixed assets	8	35,716	37,532
Tangible fixed assets	8	147,591	147,614
Investments		3,120	2,424
Other non-current assets	11	77	175
Deferred tax assets		45,462	40,226
Current assets		**314,447**	**352,003**
Inventories and work in progress	9	59,852	52,876
Accounts receivable	10	80,809	115,453
State - income tax receivable	11	9,031	1,413
Other current assets	11	20,935	21,312
Cash and cash equivalents	12	143,820	160,949
TOTAL ASSETS		**634,042**	**667,585**

LIABILITIES (in thousands of euros)	Notes	06/30/2014	12/31/2013
Shareholders' equity (group share)		**383,420**	**391,704**
Share capital	13	19,442	19,442
Additional paid-in-capital		79,876	79,876
Retained earnings		284,102	292,386
Minority interests		**134**	**152**
Total Shareholders' equity		**383,554**	**391856**
Non-current liabilities		**121,591**	**110,536**
Non-current borrowings and financial debts		4,266	3,407
Social benefits	14	114,617	104,612
Non-current provisions	15	292	532
Other non-current liabilities	16	1,804	1,983
Deffered taxes liabilities		612	2
Current liabilities		**128,897**	**165,193**
Current borrowings and financial debts		4,668	1,894
Current provisions	15	9,359	17,806
Accounts payable		30,608	39,012
State - income tax	16	1,589	11,870
Other current liabilities	16	82,673	94,611
TOTAL LIABILITIES		**634,042**	**667,585**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	2014 (6 months)	2013 (6 months)
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	**14,816**	**36,276**
Net income - group share	19,905	25,724
Amortization and provisions (excluding current assets)	6,310	18,338
Other items (including income on asset disposals)	19	185
Cash-flows from consolidated companies after cash revenue,financing expenses and tax	26,234	44,247
Cash revenue and financing expenses	(321)	(176)
Tax charge (including deferred taxes)	14,539	15,782
	0	0
Consolidated cash-flow before cash revenue, financing expenses and tax	**40,452**	**59,853**
Tax paid / tax repayment	**(34,106)**	**(23,051)**
Changes in working capital requirements, including:	**8,470**	**(526)**
Changes in inventories and work-in-progress	(6,864)	(7,764)
Changes in current operating receivables	35,459	24,484
Changes in current operating debts	(20,125)	(17,246)
NET CASH FLOWS RELATED TO INVESTMENT ACTIVITIES	**(13,210)**	**(8,564)**
Acquisitions of tangible fixed assets	(9,524)	(4,287)
Acquisitions of intangible assets	(3,754)	(4,242)
Disposals of tangible fixed assets	7	43
Acquisitions of investments	(3)	(78)
Disposals of investments	64	0
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	**(22,062)**	**(16,786)**
Dividends paid to parent company shareholders	(23,328)	(17,477)
Reduction in capital, additional paid-in capital and reserves	(2)	(118)
Buyback of treasury shares	0	0
Disposal of treasury shares	0	0
Loans issues	1,765	1,423
Repayment of loans	(818)	(791)
Paid interests	(400)	(214)
Cash revenue	721	391
CHANGE IN CASH POSITION	**(20,456)**	**10,926**
Impact of exchange rate fluctuations	640	(380)
Net cash position 1st January	**159,775**	**94,704**
Net cash position 30th June	**139,959**	**105,250**

Consolidated cash-flow before cash revenue, financing expenses and tax:		
- per share	**2.08 EUR**	**3.08 EUR**
- as a % of sales	**15.5%**	**21.7%**

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT June 30, 2013

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**
12/31/2012 RESTATED (3)	***19,411,434***	**21,483**	**79,876**	**279,081**	**(51,777)**	**(2,482)**	**326,181**	**196**	**326,377**
Purchases and sales of treasury shares	*3,631*			226	(296)		(70)		(70)
Treasury shares cancellation		(2,041)		(48,980)	51,021		0		0
Dividends paid				(17,477)			(17,477)	(14)	(17,491)
Transactions with shareholders	***3,631***	**(2,041)**	**0**	**(66,231)**	**50,725**	**0**	**(17,547)**	**(14)**	**(17,561)**
Net Result				25,724			25,724	(32)	25,692
Other Comprehensive Income				(675)		(1,741)	(2,416)	0	(2,416)
Comprehensive Income				**25,049**	**0**	**(1,741)**	**23,308**	**(32)**	**23,276**
06/30/2013	***19,415,065***	**19,442**	**79,876**	**237,899**	**(1,052)**	**(4,223)**	**331,942**	**150**	**332,092**

(1) Number of shares after elimination of treasury shares.
(2) Including €169,998 thousand of retained earnings and €2,201 thousand of legal reserve in social accounts of parent company, Boiron SA, at June 30, 2013.
(3) After IAS 19 Revises application on post-employement benefits.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT June 30, 2014

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**
12/31/2013	***19,416,697***	**19,442**	**79,876**	**300,261**	**(1,215)**	**(6,660)**	**391,704**	**152**	**391,856**
Purchases and sales of treasury shares	*14,333*			143	528		671		671
Treasury shares cancellation							0		0
Dividends paid				(23,328)			(23,328)	(10)	(23,338)
Transactions with shareholders	***14,333***	**0**	**0**	**(23,185)**	**528**	**0**	**(22,657)**	**(10)**	**(22,667)**
Net Result				19,905			19,905	(10)	19,895
Other Comprehensive Income				(5,773)		241	(5,532)	2	(5,530)
Comprehensive Income				**14,132**	**0**	**241**	**14,373**	**(8)**	**14,365**
06/30/2014	***19,431,030***	**19,442**	**79,876**	**291,208**	**(687)**	**(6,419)**	**383,420**	**134**	**383,554**

(1) Number of shares after elimination of treasury shares.
(2) Including €225,885 thousand of retained earnings and €2,201 thousand of legal reserve in social accounts of parent company, Boiron France, at June 30, 2014.

Those notes are an integral part of the condensed consolidated financial statements for the half-year ended June 30, 2014. The condensed half-year consolidated financial statements were settled by the Board of Directors on August 29, 2014.

PRESENTATION OF THE COMPANY

Boiron S.A., 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 2, avenue de l'Ouest Lyonnais, 69510, Messimy, France.
Boiron SA and its subsidiaries have 3,700 employees (actual workforce) on June 30, 2014, in France and abroad, compared to 3,723 on December 31, 2013.

The BOIRON stock is listed on the Euronext Paris.

NOTE 1 : MAIN EVENTS OF THE PERIOD

In France and internationally, the absence of winter illnesses significantly impacted sales of seasonal specialties in the first quarter.

In France, executive management decided to end the project aimed at saving jobs related to around fifty persons and review the IT organization with all of the stakeholders concerned.

In Belgium, the split of the businesses between two legal entities BOIRON SPRL and UNDA SA took place in February. This operation is without material impact on the consolidation financial statements.

On April 1st, the group announced the resignation of Philippe Montant from his mandate of Deputy General Manager.

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, 2014 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/index_en.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". 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, 2013, as presented in the Reference Document filed with the French Securities and Exchange Commission (AMF) on April 7, 2014 under number D.14-0295 and available on the Company's website: http://www.boironfinance.com/Shareholders-and-investors-area/Financial-information/Regulated-information/Annual-and-half-year-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 2014

The standards and interpretations applicable from January 1, 2014, including standards and amendments related to consolidation (IFRS 10, 11, 12, IAS 27R and IAS 28R), and amendments to IAS 36 standards had no impact on the BOIRON group financial statements. For information, the group does not own any entity proportionally consolidated.

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 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 with the interpretation IFRIC 21 (Levies).

2.1.3. Standards and interpretations with mandatory or optional application in 2013 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.

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, 2013. In several cases, these rules were adapted to the specificities of a half-year closing.

2.2.1. Income tax

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.

As previous years, research tax credit (CIR) and the "Tax credit competitiveness employment" (CICE) are booked as an operating grant in other operating income.

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

In accordance to the provisions of IAS 34, retirement liabilities and related were not subject to a complete recalculation at June 30, 2014 (as at June 30, 2013). The changes in the net value of benefits were estimated as follows:

- The financial cost and the cost of services rendered were estimated for December 31, 2014 based on an extrapolation of the total benefit calculated for December 31, 2013.
- The impact of the change in the discount rate (2.60% at June 30, 2014 versus 3.30% at December 31, 2013 and 2.74% at June 30, 2013) was calculated from the sensitivity tests performed in previous years: a change in the discount rate of 0.5 percentage points has an average impact of 6.0% on the total benefit.
- The other actuarial assumptions associated with the global benefit amount (the rate of salary increases, employee attrition rate, …) are generally updated at year-end. None of the factors were identified as having a material impact at June 30, 2014.
- Other actuarial differences related to experience were not recalculated due to the immaterial impact observed in prior years and the absence of significant variances expected this year.
- Contributions to the external funds and benefits paid to employees who retired in the first half-year period were taken into account.

2.2.4. Impairment tests

The process for carrying out impairment tests as at December 31, 2013 is described in the 2013 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, 2013. It is set out in note 3 to the 2013 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 2014 (6 months)	Average rate 2013 (6 months)	Closing rate 06/30/2014	Closing rate 12/31/2013
US dollar	1.370	1.313	1.366	1.379
Canadian dollar	1.503	1.335	1.459	1.467
Polish zloty	4.176	4.178	4.157	4.154
Russian rouble	48.021	40.764	46.378	45.325
Czech koruna	27.444	25.697	27.453	27.427

NOTE 5 : SEASONALITY

The activity of the group can be seasonal due to the level of pathology and to the extent of the wintry specialities range. Generally, the annual results depend on the activity realized on the second half-year of the fiscal year.

Consequently, results of the first half-year can be not representative of results that could be expected for the whole year.

NOTE 6 : SEGMENT REPORTING

The board below presents the data as of June 30, 2014:

DATA CONCERNING INCOME STATEMENT	France	Europe (excluding France)	North America	Other Countries	Eliminations (1)	2014 (6 months)
External SALES	166,177	71,316	22,650	1,473		261,616
Inter-sector SALES	40,380	1,172		559	(42,111)	0
Total SALES	**206,557**	**72,488**	**22,650**	**2,032**	**(42,111)**	**261,616**
Other operating income	2,715	36	119			2,870
Other operating expenses	(642)	(163)	(23)	(5)		(833)
OPERATING INCOME	**39,194**	**1,504**	**1,551**	**(379)**	**(6,370)**	**35,500**
included Allowances to amortization and impairments on intangible and tangible assets	*(11,913)*	*(1,097)*	*(353)*	*(19)*		*(13,382)*
included Net changes in depreciation of assets, provisions and social benefits	*1,527*	*7,369*	*(114)*	*(1)*		*8,781*
Cash revenue and financing expenses	522	(130)	(4)	(67)		321
Income tax	(12,401)	(1,592)	(539)	(7)		(14,539)
NET INCOME (GROUP SHARE)	**25,940**	**(200)**	**1,008**	**(473)**	**(6,370)**	**19,905**

DATA CONCERNING BALANCE SHEET	France	Europe (excluding France)	North America	Other Countries	Eliminations	06/30/2014
Total Assets	598,284	127,177	27,881	2,972	(122,272)	634,042
Net tangible fixed assets and intangible assets	161,503	16,136	5,527	132	9	183,307
Deferred taxes assets	37,649	4,961	2,852			45,462
Working Capital Requirements	22,898	44,776	3,530	1,529	(23,713)	49,020

DATA CONCERNING CASH FLOWS	France	Europe (excluding France)	North America	Other Countries	Eliminations	2014 (6 months)
Acquisition of intangible and tangible assets	12,488	650	130	11		13,279

(1) Including eliminations of internal incomes.

The data as of June 30, 2013 are presented below:

DATA CONCERNING INCOME STATEMENT	France	Europe (excluding France)	North America	Other Countries	Eliminations (1)	2013 (6 months)
External SALES	169,702	79,442	25,159	1,481		275,784
Inter-sector SALES	47,489	2,596		511	(50,596)	0
Total SALES	**217,191**	**82,038**	**25,159**	**1,992**	**(50,596)**	**275,784**
Other operating income	2,124	202		19		2,345
Other operating expenses	(740)	(223)	(9)	(5)		(977)
OPERATING INCOME	**49,403**	**(466)**	**4,627**	**(444)**	**(10,115)**	**43,005**
included Allowances to amortization and impairments on intangible and tangible assets	*(11,865)*	*(1,151)*	*(240)*	*(19)*		*(13,275)*
included Net changes in depreciation of assets, provisions and social benefits	*1,445*	*(2,756)*	*(344)*			*(1,655)*
Cash revenue and financing expenses	212	98	(2)	(132)		176
Income tax	(14,281)	280	(1,772)	(9)		(15,782)
NET INCOME (GROUP SHARE)	**33,644**	**(52)**	**2,831**	**(584)**	**(10,115)**	**25,724**

DATA CONCERNING BALANCE SHEET	France	Europe (excluding France)	North America	Other Countries	Eliminations	06/60/2013
Total Assets	542,124	128,004	26,039	3,056	(107,750)	591,473
Net tangible fixed assets and intangible assets	163,747	17,042	6,092	143	9	187,033
Deferred taxes assets	37,859	4,077	2,641			44,577
Working Capital Requirements	27,484	38,514	4,817	1,203	(24,058)	47,960

DATA CONCERNING CASH FLOWS	France	Europe (excluding France)	North America	Other Countries	Eliminations (1)	2013 (6 months)
Acquisition of intangible and tangible assets	7,507	883	123	16		8,529

(1) Including 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 2014 and 2013:

	2014 (6 months)	2013 (6 months)
France	157,018	159,597
Europe (excluding France)	73,537	83,381
North America	23,287	25,579
Other Countries	7,774	7,227
TOTAL GROUP	**261,616**	**275,784**

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

	12/31/2013	Increases / (Decreases)	Currency translation adjustments	06/30/2014
BOIRON S.A (1)	82,826			82,826
Editions Similia	663			663
Total "France"	***83,489***	***0***	***0***	***83,489***
Belgium (2)	2,232			2,232
Boiron Italie	2,242			2,242
Boiron Espagne	583			583
Boiron Suisse	55			55
Total "Europe excluding France"	***5,112***	***0***	***0***	***5,112***
Boiron Canada	225		9	234
Boiron USA	1,072		9	1,081
Total "North America"	***1,297***	***0***	***18***	***1,315***
Total "Other countries"	***0***			***0***
TOTAL GROSS GOODWILL	**89,898**	**0**	**18**	**89,916**
Swiss impairment	(55)			(55)
Belgium impairment (2)	(2,232)	0		(2,232)
TOTAL NET GOODWILL	**87,611**	**0**	**18**	**87,629**

(1) Boiron SA goodwill comes from DOLISOS (€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). 2012 Impairment tests led to book a total impairment loss of goodwill.

There was no acquisition generating new goodwill during 2014 first half-year.

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

Given the trend in the performance of the asset groups, no evidence of impairment had been identified as of June 30, 2014.

NOTE 8 : INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS

On 2014 first half-year, acquisitions of intangible assets are €3,754 thousand and concern IT plan in progress.

Acquisitions of tangible fixed asset opted to €9,254 thousand, mainly on Messimy site.

No intangible assets or tangible fixed assets were pledged or offered as collateral for a guarantee or surety.

NOTE 9 : INVENTORIES AND WORK IN PROGRESS

	06/30/2014	12/31/2013
Raw materials and supplies	12,859	13,217
Semi-finished goods and finished goods	48,152	41,217
Goods	1,288	1,253
TOTAL GROSS INVENTORIES	**62,299**	**55,687**
TOTAL DEPRECIATIONS ON INVENTORIES	**(2,447)**	**(2,811)**
TOTAL NET INVENTORIES	**59,852**	**52,876**

As at June 30, 2014 and December 31, 2013 no inventory has been pledged to guarantee liabilities.

NOTE 10 : ACCOUNTS RECEIVABLE

	06/30/2014			12/31/2013		
	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Net accounts receivable denominated in euros	63,811	(1,232)	62,579	85,609	(1,485)	84,124
Net accounts receivable denominated in other currencies	18,589	(359)	18,230	31,523	(194)	31,329
TOTAL	**82,400**	**(1,591)**	**80,809**	**117,132**	**(1,679)**	**115,453**

There is no sale of receivables agreement in June 30, 2014 as in December 31, 2013.

Impairments on accounts receivable are recognized in line with defined principles in 2.7.3.1 note in 2013 Reference Document.

The credit risk is treated in note 17 "Financial Instruments and risks".

Accounts receivable denominated in currencies mainly concern Russia and the USA and Poland.

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

	06/30/2014		12/31/2013	
	Current	Non-current	Current	Non-current
State - Income tax receivable (non financial assets)	**9,031**		**1,413**	
Other assets excluded income tax receivable				
Non financial assets	**15,836**	**78**	**14,568**	**76**
State and local government, excluding income tax	11,082		10,771	
Staff	257	78	284	76
Accrued expenses	4,497		3,513	
Financial assets valued at cost	**5,099**	**0**	**6,735**	**99**
Other debtors	5,099		6,735	99
Derivative instruments	**0**	**0**	**9**	**0**
TOTAL	**20,935**	**78**	**21,312**	**175**

NOTE 12 : CASH AND CASH EQUIVALENTS

	06/30/2014			12/31/2013		
	Euros	Other currencies (euro equivalents)	Total	Euros	Other currencies (euro equivalents)	Total
Cash equivalents	34,738	480	**35,218**	58,851	1,578	**60,429**
Cash	104,028	4,574	**108,602**	91,716	8,804	**100,520**
TOTAL	**138,766**	**5,054**	**143,820**	**150,567**	**10,382**	**160,949**

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 2013 Reference Document).

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 (exchange controls in a subsidiary) is no material.

NOTE 13 : SHAREHOLDERS' EQUITY

As at June 30, 2014, the share capital is comprised of 19,441,713 fully paid-up shares, each with a par value of €1.

There are no preference shares.

The Boiron SA 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, at the end of 2011, 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, 2014, considering the cash level of the group.

13.1. TREASURY SHARES

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

	06/30/2014	12/31/2013
Total number of shares	**19,441,713**	**19,441,713**
Treasury shares	(10,683)	(25,016)
Number of shares excluded treasury shares	**19,431,030**	**19,416,697**

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.

As at June 30, 2014, the value of treasury shares held amounted to €687 thousand and the latent gain on that portfolio was €9 thousand.

10,683 shares are held through the liquidity contract subscribed with the French bank "Natixis". There is no share acquired in order to be cancelled.

13.2. DIVIDEND PER SHARE

Dividend per share in euro	
Dividend 2013 paid in 2014	1.20
Dividend 2012 paid in 2013	0.90

NOTE 14 : NON-CURRENT EMPLOYEE BENEFITS

14.1. GROUP QUANTIFIED DATA

	12/31/2013	Operating Income impact	Financial Income impact	Other item of comprehensive income impact		06/30/2014
				Actuarial differences	Currency translation adjustments & other movements	
Total post-employment benefits (defined contribution plans)	97,279	(293)	1,573	8,621		107,180
Total other long-term benefits	7,333	98				7,437
TOTAL EMPLOYEE BENEFITS RECOGNIZED IN NON-CURRENT LIABILITIES	104,612	(195)	1,573	8,621	0	114,617

Actuarial differences on the first-half year are essentially linked with actualization rate (see note 2.2.3)

The change in post-employment benefits on 1st half-year 2013 was the following one:

	12/31/2012 (1)	Operating Income impact	Financial Income impact	Other item of comprehensive income impact		06/30/2013
				Actuarial differences	Currency translation adjustments & other movements	
Total post-employment benefits (defined contribution plans)	102,440	(57)	1,394	873		104,650
Total other long-term benefits	7,787	84				7,871
TOTAL EMPLOYEE BENEFITS RECOGNIZED IN NON-CURRENT LIABILITIES	110,227	27	1,394	873	0	112,521

(1) 12/31/2012 includes the impact of IAS 19 revised

14.2. POST-EMPLOYMENT BENEFITS OF BOIRON S.A

	12/31/2013	Operating Income impact			Financial Income impact	Other item of comprehensive income impacts	06/30/2014
		Service costs	Payments	Plans changes	Financial cost	Actuarial changes (1)	
Actual value of liabilities	47,478	991	(479)		774		48,764
Investments value	(22,778)		(1,021)		(376)	3,493	(20,682)
Retirement indemnity provision - BOIRON SA	24,700	991	(1,500)	0	398	3,493	28,082
Agreement on preparation for retirement provision BOIRON SA	72,390	1,387	(1,155)		1,175	5,128	78,925

(1) Including € 3,589 thousand in linked with discount rate for retirement indemnity provision and €5,270 thousand for agreement on preparation for retirement provision.

For the first half-year 2013:

	12/31/2012	Operating Income impact			Financial Income impact	Other item of comprehensive income impacts	06/30/2013
		Service costs	Payments	Plans changes	Financial cost	Actuarial changes	
Retirement indemnity provision - BOIRON SA	28,524	1,115	(1,500)	0	383	370	28,892
Agreement on preparation for retirement provision BOIRON SA	73,685	1,449	(1,103)	0	1,011	503	75,545

14.3. Individual Training Entitlement (D.I.F)

As indicated in note 2.9.1.3 of 2013 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 275,349 hours on June 30, 2014 (1,297 hours were used during first half-year 2014), against 268,404 hours on December 31, 2013 (2 167 hours were used in 2013).

NOTE 15 : CURRENT AND NON-CURRENT PROVISIONS

	06/30/2014		12/31/2013	
	Current	Non-current	Current	Non-current
State - income tax payable (non financial liabilities)	1,589		11,870	
Other liabilities except income tax to be paid				
Non financial liabilities	**74,676**	**1,803**	**82,643**	**1,983**
State and local government, excluding income tax	5,822		7,555	
Personnal and social security organizations	68,431	1,803	74,174	1,977
Deferred revenue	423		914	6
Financial liabilities valued at cost	**7,968**		**11,968**	
Fixed asset suppliers	2,303		3,119	
Other creditors	5,665		8,849	
Derivative instruments	**29**			
TOTAL	**82,673**	**1,803**	**94,611**	**1,983**

Reversals of provisions for restructuring concerning Belgium and Italy : cover cost of the first-half year.

The change in current and non-current provisions for the 2013 first half-year was as follows:

	12/31/2012	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments & other movements	06/30/2013
Current						
Provisions for returned goods	5,300	2,582	(224)	(2,228)	(1)	5,429
Provisions for contingencies and lawsuits	2,948	1,485	(234)	(140)	7	4,066
Provisions for reorganization	6,231	5,473	(237)	(2,612)	(10)	8,845
Other provisions for other expenses	575			(240)		335
TOTAL CURRENT PROVISIONS	**15,054**	**9,540**	**(695)**	**(5,220)**	**(4)**	**18,675**
Non-current						
Provisions for contingencies and lawsuits	560	27		(10)		577
TOTAL NON-CURRENT PROVISIONS	**560**	**27**	**0**	**(10)**	**0**	**577**

The contingent assets and liabilities are described in note 23.

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

	06/30/2014		12/31/2013	
	Current	Non-current	Current	Non-current
State - income tax payable (non financial liabilities)	**1,589**		**11,870**	
Other liabilities except income tax to be paid				
Non financial liabilities	**74,676**	**1,803**	**82,643**	**1,983**
State and local government, excluding income tax	5,822		7,555	
Personnel and social security organizations	68,431	1,803	74,174	1,977
Deferred revenue	423		914	6
Financial liabilities valued at cost	**7,968**		**11,968**	
Fixed asset suppliers	2,303		3,119	
Other creditors	5,665		8,849	
Derivative instruments	**29**			
TOTAL	**82,673**	**1,803**	**94,611**	**1,983**

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

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, 2013.

As of December 31, 2013, the only financial instruments valued at fair value are marketable securities and derivative instruments (see table above), corresponding to level 2 of the hierarchy defined in the standard IFRS 13 (see note 2.10 of the Reference Document 2013). The group did not find any adjustments related to counter party risks (non-payment risk of an asset) or credit risks (non-payment risk of a liability).

There are only risk-hedging financial instruments to limit the exchange exposure.

On December 31, 2013 and on June 30, 2014, the current derivative instruments of change only correspond to hedges of fair value and no cash flows. Consequently, changes in value related to derivative instruments were totally recognized in consolidated net income. There is no change in other comprehensive income booked in 2013 and 2014.

Outstanding futures options and forward transactions and the fair value of those instruments were not material at June 30, 2014.

Fair value investments are described in note 12.

The group's exposure to market, credit and liquidity risks did not change significantly from December 31, 2013 (see note 22 to the consolidated financial statements in the 2013 Reference Document). The analyses of receivable in countries which may present risks do not conduct to book additional allowance.

As at of June 30, 2014, the amount of accounts receivable due and not provided for amounted to €2,705 thousand, namely 3.3% of accounts receivable (against €5,918 thousand, namely 5.1% of accounts receivable as of December 31, 2013). Accounts receivable due for less than a month accounted for 64.8% of this amount. The remainder has been overdue for less than a year.
There was no major change in the structure of the aged trial balance during 2014 first half-year.
To date, the group has not identified any significant risk on account receivables recorded in countries in economic difficulty.

There was no major accounts receivable restructuring agreement or clearing agreement as of June 30, 2014 or as of December 31, 2013.
Depreciations for doubtful receivables amounted to €1,591 thousand, namely 1.9 % of the total amount of accounts receivables, compared to €1,679 thousand the previous year, namely 1.4% of accounts receivable.

Over the first half-year, losses on bad debts amounted to €154 thousand, namely 0.2% of the total amount of accounts receivable (compared to €279 thousand and 0.2% for 2013). The bulk of these losses had been depreciated.

The BOIRON group did not have to notice of material failure on 2014 first half-year, as in 2013.

NOTE 18 : OPERATING REVENUES

	2014 (6 months)	%	2013 (6 months)	%
Non-proprietary homeopathic medicines	150,991	57.7	152,097	55.1
OTC family medication specialties	110,254	42.1	123,466	44.8
Other [1]	782	0.3	692	0.3
Financial rebates	(411)	(0.1)	(471)	(0.2)
TOTAL SALES	**261,616**	**100.0**	**275,784**	**100.0**
Other operating revenue (fees)	**177**		**143**	

[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

	2014 (6 months)	2013 (6 months)
Income on disposal assets	(63)	(249)
Tax credit competitiveness and employment [1]	1,538	1,054
Other tax credit (including research tax credit)	507	550
Gains and losses on derivative instruments (related to operating hedges)	(348)	(36)
Foreign exchange gains and losses on operating transactions	(129)	(577)
Change in provision	535	241
Other	(3)	382
TOTAL	**2,037**	**1,365**
Included Other operating revenue	***2,870***	***2,342***
Included Other operating expenses	***(833)***	***(977)***

(1) See note 2.2.1

NOTE 20 : INCOME TAX

	2014 (6 months)	2013 (6 months)
Current taxes payable	(16,506)	(18,816)
Deferred taxes	1,967	3,034
TOTAL	**(14,539)**	**(15,782)**
Effective rate	**42.2%**	**38.1%**

The difference between the recognized tax charge and the tax that would have been recognized at the nominal rate break down as follows :

	2014 (6 months)	%	2013 (6 months)	%
Theoretical tax	(13,085)	38.0	(14,972)	36.1
Impact of tax rates abroad	(463)	1.3	(89)	0.2
Impact of reduced tax rates in France	24	(0.1)	8	(0.0)
Permanent differences	(780)	2.3	(513)	1.2
Fiscal loss or gain without recognition of income tax	(222)	0.6	(218)	0.5
Tax credits, deferred income tax adjustment and other	(13)	0.0	2	(0.0)
Actual Tax	**(14,539)**	**42.2**	**(15,782)**	**38.1**

The group's theoretical tax rate is calculated on the basis of the rate applicable in France, including the impact of the exceptional contribution.
The amount of deferred taxes not recorded on loss carry-forwards at June 30, 2014 amounted to €2,958 thousand.
The amount of deferred taxes recorded on loss carry-forwards is no material at June 30, 2014 as at December 31, 2013.

NOTE 21 : EARNINGS PER SHARE (EXCLUDING TREASURY SHARES)

	2014 (6 months)	2013 (6 months)
Net earnings (in thousand €)	19,905	25,724
Average number of shares for the fiscal year	19,430,354	19,422,860
EARNINGS PER SHARE (in €)	**1.02**	**1.32**

In the absence of dilutive instruments, the average earnings per share are the same as the average diluted earnings per share.

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.

Off-balance sheet liabilities related to group operating activities did not change significantly during the 2014 first half-year.

NOTE 23 : CONTINGENT ASSETS AND LIABILITIES

23.1. France et Belgium

23.1.1. Litigation in Belgium against Jean-Pierre Boumans

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

Within the framework of his defence, Mr. Boumans contested the enforcement order and also presented the case for annulment of the arbitration award against all parties to the arbitration proceedings. On June 22, 2012, the Brussels Court of First Instance ruled the two cases to be unfounded. Mr. Boumans has not appealed those rulings. Consecutively, BOIRON served a payment order against Mr. Boumans, who opposed that order by filing an appeal to the enforcement magistrate. The latter, through an order dated June 11, 2013, requested the parties to have the award interpreted by the arbitral tribunal regarding the responsibility of Mr. Boumans with respect to the damages incurred by the company Ce.M.O.N. However, the arbitration court refused to rule on this issue to the degree that this was not explicity requested of it during the arbitration litigation.
Meanwhile, in the framework of the contributory appeal proceedings against Mr. Boumans, the Antwerp Court of First Instance, by its decision dated December 3, 2013, decided that the arbitration court had not ruled on the sharing of responsibilities between the convicted parties and that Mr. Boumans shall only contribute in the amount of 1 euro.

BOIRON has filed an appeal of this initial ruling.

23.2. LITIGATION IN THE U.S

On August 31, 2010, 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 these 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 legal recourse was however rejected by a federal judge on July 25, 2011 and the class action nature of the lawsuit was recognized on August 24, 2011. On April 16, 2013, the parties reached a settlement agreement in order to end the legal proceedings. That settlement foresees the payment of the opposing party's legal fees by BOIRON USA, the reimbursement to consumers who purchased Children's Coldcalm® in California, under the condition that they request reimbursement, and the commitment to change the advertising and packaging within a 24 month period as of the final approval of the agreement by the court. The 24 month deadline will enable BOIRON USA to sell its current inventory under normal conditions. That agreement received final approval from the Los Angeles Court by its ruling on November 6, 2013. As no further appeal has been filed, the agreement has become effective. That litigation was the subject of a provision of one million dollars in 2011, which covers the total of all expenses related to this settlement.

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, BOIRON USA has succeeded in obtaining the approval of a settlement agreement, on March 6, 2012, destined to put a stop to all proceedings with the exception of the complaint related to the medication Children's Coldcalm® mentioned above. This agreement involves the payment of a lump sum of 5 million dollars covering all costs, as well as a commitment to modify the packaging and advertising of the medications within 24 months of the final approval of the agreement. This agreement obtained the final approval of the San Diego court in its judgment dated October 31, 2012. That ruling has been the subject of three appeals. The admissibility of only one appeal remains under consideration by the Court of Appeals, the other two having been rejected for failure to file the motion of appeal in a timely manner.

The Court of Appeals has not yet set a date to hear the appeal.

23.3. LITIGATION IN CANADA

BOIRON Canada is the subject of two consumer complaints (on March 16, 2012, in Ontario and on April 13, 2012 in Quebec) aimed at launching class action lawsuits. These two legal proceedings remain in the preliminary phase, the assigned judges having not yet decided on their admissibility.

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	588
Variable compensation linked to employment contract (1)	321
Variable compensation linked to corporate manager function (2)	304
Other compensation (3)	948
Fees	0
Attendance fees	15
In kind compensation (4)	43
Total due gross compensation in June 30, 2014	**2,220**
Total due gross compensation in June 30, 2013 (reminder)	***1,329***
Post-employment benefits (retirement indemnities and Agreement on Preparation for Retirement)	876
Other long-term benefits (Long-Services Bonuses)	87

(1) The variable compensation linked to employement contract ncluded Senior Management bonus on the income. The other items are profit-sharing, mathing savings plan, end-career indemnity, perk retirement and social insurance.

(2 The variable compensation linked to corporate manager function consists on Senior Management bonus on the income, for corporate manager function without employement contract.

(3) The other compensation consists on indemnity paid to Philippe Montant in link with his employement contract.

(4) It consists on retirement and insurance premium contribution and benefits car.

NOTE 25 : SUBSEQUENT EVENTS

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

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

For the period from January 1 to June, 30, 2014

MAZARS	**ERNST & YOUNG ET AUTRES**
Le Premium	Tour Oxygène
131, boulevard Stalingrad	10-12, boulevard Marius Vivier Merle
69624 Villeurbanne Cedex	69393 Lyon Cedex 03
	S.A.S à capital variable
Commissaires aux comptes	Commissaires aux comptes
Membre de la compagnie régionale de Lyon	Membre de la compagnie régionale de Versailles

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 half-yearly consolidated financial statements of Boiron, for the period from January 1, 2014 to June 30, 2014, and;
- the verification of the information contained in the half-yearly 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 accompanying 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 half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

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

Villeurbanne and Lyon, August 29, 2014

The statutory auditors

French original signed by

MAZARS	ERNST & YOUNG et Autres
Frédéric Maurel	Nicolas Perlier