

# Half-Year Financial Report 2015





# HALF-YEAR FINANCIAL REPORT

## Half-Year closed June 30, 2015

(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 n°967 504 697.**

This half-year financial report is for the six months ended June 30, 2015, 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.boironfinance.com](http://www.boironfinance.com) (<http://www.boironfinance.com/Shareholders-and-investors-area/Financial-information/Regulated-information/Annual-and-half-year-reports>)

### ***Summary***

---

<b>Keys figures and indicators</b>	<b>2</b>
<b>Half-year activity report</b>	<b>3</b>
<b>Half-year condensed consolidated financial statements at June 30,2015</b>	<b>6</b>
<b>Statutory auditors' review report on the first half-yearly financial information</b>	<b>25</b>
<b>Declaration by the person responsible for this report</b>	<b>26</b>

This is a free translation into English of the Boiron Half Year Report 2015, issued in the French language and is provided solely for the convenience of English speaking readers. In case of discrepancy the French version prevails.

## BREAKDOWN OF GROUP SALES

	1 <sup>st</sup> Quarter			2 <sup>nd</sup> Quarter			1 <sup>st</sup> Half-Year		
	2014	2015	Var. 15/14	2014	2015	Var. 15/14	2014	2015	Var. 15/14
France	82.75	89.58	+ 8.3%	74.27	76.86	+ 3.5%	157.02	166.45	+ 6.0%
Europe (excluding France)	39.97	40.66	+ 1.7%	33.57	29.94	- 10.8%	73.54	70.60	- 4.0%
North America	12.66	17.19	+ 35.8%	10.63	12.89	+ 21.4%	23.29	30.09	+ 29.2%
Other countries	4.83	4.62	- 4.3%	2.94	3.82	+ 29.7%	7.77	8.44	+ 8.5%
<b>Group Total</b>	<b>140.21</b>	<b>152.06</b>	<b>+ 8.4%</b>	<b>121.41</b>	<b>123.52</b>	<b>+ 1.7%</b>	<b>261.62</b>	<b>275.57</b>	<b>+ 5.3%</b>

## SALES BY PRODUCT CATEGORY

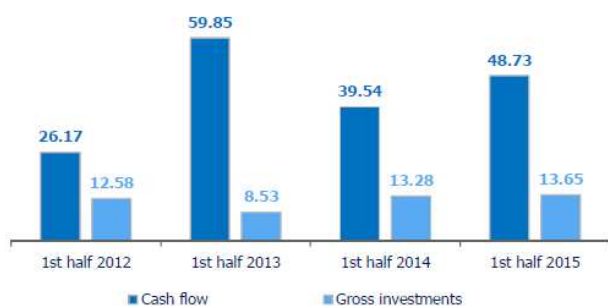


## SIMPLIFIED INCOME STATEMENT

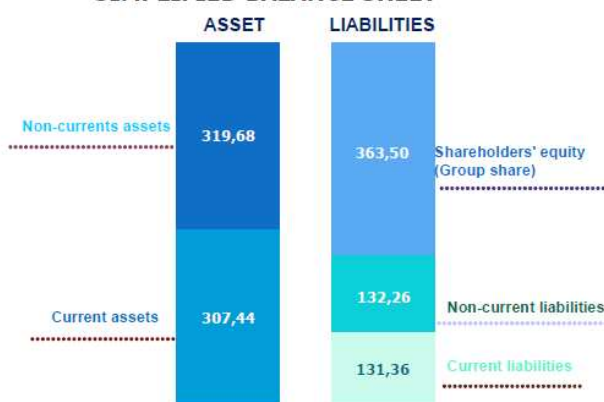
	2015	2014 Restated (1)	Var.
Sales	275.57	261.62	+ 5.3%
Operating income	37.82	34.59	+ 9.3%
Taxes and other items	-16.37	-15.24	+ 7.4%
<b>Net income (group share)</b>	<b>21.45</b>	<b>19.34</b>	<b>+ 10.9%</b>
<b>Net cash</b>	<b>145.53</b>	<b>139.96</b>	<b>+ 4.0%</b>

(1) After IFRIC 21 application on levies.

## INVESTMENTS AND CASH FLOW



## SIMPLIFIED BALANCE SHEET



## AVERAGE CLOSING PRICE



Source : Euronext Paris

## HIGHLIGHTS OF THE FIRST HALF OF 2015

In the first quarter of 2015, business activity increased by 8.4% (6.9% at constant exchange rates) compared to the first quarter of 2014 (significantly impacted by the absence of winter illnesses).

For the first half-year period, sales in Russia decreased by €5,514 thousand, of which, €1,240 thousand were due to the unfavorable impact of exchange rates. On the other hand, sales in the United-States of America increased by €6,847 thousand, benefiting from the favorable impact of exchange rates of €4,660 thousand.

Magnesium 300+® in 160 tablet and new formats for Arnigel® (120 grams) and Euphralia® eye drops (30 doses) were launched in Italy.

Work on the extension of the Messimy site has begun on the land purchased in 2014.

Within the framework of the gradual harmonization of IT systems used in the subsidiaries, the Oracle JD Edwards ERP was implemented in the Caribbean.

During the first quarter, BOIRON purchased 222,958 of its own shares back, including 26,957 shares for cancellation, for a total amount of €17,172 thousand, within the framework of the share buyback program approved by the Shareholders' meeting on May 22, 2014.

On January 19, 2015, the Supreme Court of Montreal rejected a complaint aiming at launching a class action proceeding filed on April 13, 2012. That judgement is currently under appeal.

On February 24, 2015, the Los Angeles California Court of Appeals (USA) provided their final approval of a legal settlement signed on March 6, 2012 intended to put an end to the class action lawsuits in process.

## HALF-YEAR RESULTS 2015

### 1. ACTIVITY

Sales in the second quarter increased by 1.7% following the 8.4% increase reported during the first quarter.

**Half-year sales** thus amounted to €275,573 thousand at the end of June 2015 versus €261,616 thousand in 2014, an increase of 5.3% of which 1.7% in non-proprietary medicines and 10.6% in specialties. At constant exchange rates, the increase amounted 3.9%. It related both to increases in sold quantities and increases in sales prices.

- Sales **in France** increased by €9,430 thousand (+6.0%). That growth was based on the entire range of specialties which increased by 18.1% in total, especially Oscillocoquinum®, Stodal® and Homéoplasmine®. The nonproprietary medicines increased by 1.8%.
- **In the Europe area (excluding France)**, the sales decreased by 4.0%, mainly in Russia, Poland and Spain, while increasing in Italy and Romania. At constant exchange rates, the decrease amounted to 2.6%.
- **In the North American area**, sales increased by 29.2% or 7.7% at constant exchange rates. Sales in the **United States** increased by 36.6% due to the strength of winter illnesses and a favorable exchange rate.
- Sales in the **"Other countries"** increased by 8.5%, primarily in Chile and Brazil.

## 2. RESULTS

The implementation of the **IFRIC 21** standard relating to taxes, was mandatory in the opening balance sheet as of January 1, 2015 and required the restatement of comparative information. It required that property taxes for the full-year be reported in the first half-year period. Those taxes were previously recorded over the entire full-year period on a linear basis. The impact on the operating income was an additional expense of €916 thousand in the first six-month period of 2015 which was mainly split between production, preparation and distribution costs.

Data for the first half of 2014 was restated as follows :

Consolidated income statement 2014	2014 Published	Impact of IFRIC 21	2014 Restated
Operating income	35,500	(909)	34,591
Income before tax	34,434	(909)	33,525
Income tax	(14,539)	345	(14,194)
Net income (minority share)	19,905	(564)	19,341

The following comments relate to the variances reported as compared to the restated 2014 figures.

**Operating income** was €37,819 thousand, an increase of €3,228 thousand compared to the first half of 2014.

**Gross margin** increased by €7,656 thousand or 3.6%, affected by the increase in business volume however impacted by an increase in personnel expenses and external services in France.

**Preparation and distribution costs** increased by €1,021 thousand, or 1.5%, in line with the sales increase.

**Promotional costs** increased by €3,565 thousand, or 5.5%, mainly related to advertising costs (in France) and personnel expenses.

**Costs associated with regulatory affairs and research** decreased by €587 thousand compared to 2014.

The **costs of the support functions** decreased by €1,562 thousand or -4.0%, mainly due to the decrease in IT expenses and legal fees.

**Other operating income and expenses** amounted to a net profit of €46 thousand compared to the net profit of €2,037 thousand in 2014 and included a tax credit for research as well as a tax credit for competitiveness and employment in France. In the first half-year of 2015, a write-off was reported related to commercial litigation described in note 23 of the appendix to the summarized consolidated half-year financial statements.

**Interest income and expenses** amounted to income of €431 thousand an increase of €110 thousand. The increase was the result of

increases in cash and cash equivalents and interest rates.

**Other financing income and expenses** amounted to an expense of €1,526 thousand versus an expense of €1,387 thousand in 2014. They are primarily composed of expenses associated with the gradual application of the impact of the actualization of employee commitments.

**Income tax expenses** amounted to €15,275 thousand in the first half of 2015, representing 41.6% of income before tax versus 42.3% in 2014.

**Net income** amounted to €21,451 thousand compared to an income of €19,341 thousand in the first half of 2014.

## 3. NET CASH POSITION

**Net cash** amounted to €145,534 thousand as of June 30, 2015 versus €156,173 thousand as of December 31, 2014, a decrease of €10,639 thousand in the first half of 2015, compared to €19,816 thousand in the first half of 2014.

**Cash flow from operating activities** reached €44,144 thousand versus €14,816 thousand in the first half of 2014:

- Consolidated cash-flow increased by €9,183 thousand compared to the first half-year of 2014 and represented 17.7% of sales versus 15.1% in 2014. It benefitted from the increase in profitability and the effect of a favorable base related to the payment of restructuring costs in Belgium and Italy in 2014.
- Taxes paid amounted to €24,535 thousand. Their high level in 2014 (€34,106 thousand) resulted from the increase in taxes paid related to the prior year and prepayments made, following to the increases of profitability in 2013.
- Working capital requirements increased by €19,953 thousand (it increased by €9,379 thousand during the first half of 2014). That may be explained by the reduction in customer accounts receivables during the half-year period associated with sales trends and shorter terms of payment in the group.

**Cash flow related to investment activities** was stable and amounted to €13,532 thousand. They were mainly related to industrial investments and IT projects, in France.

**Cash flows from financing activities** amounted to €44,067 thousand versus €22,062 thousand in 2014. They included the dividend payments (€27,656 thousand in the first half of 2015 versus €23,328 thousand in the first half of 2014) and the purchase of treasury shares within the framework of the share buy-back program in process for €17,172 thousand.

#### 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 chapter contains the group's outlook, which reflects its estimates and beliefs. Actual results may differ significantly from this outlook, in particular in terms of risks and uncertainties mentioned below.

The Messimy extension project and the regrouping of the activities currently located in Sainte-Foy-Lès-Lyon will continue over the next three years in order to strengthen the group's production capacity. Regulatory issues, especially in France and Europe, remain consequential and are likely to have an impact on the group's business and profitability.

BOIRON will continue its involvement in the development of homeopathy with confidence and ambition. Taking into account the geopolitical risks, the BOIRON group remains cautious in its outlook for 2015.

## MAIN RISKS AND UNCERTAINTIES

The group's exposure to the risks and uncertainties mentioned in paragraph 1.5 of the 2014 registration document did not change significantly with the exception of a commercial dispute described in note 23 of the notes to the summarized consolidated half-year financial statements.

## MAIN 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.





## CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2015 (6 months)	2014 RESTATED <sup>(2)</sup> (6 months)
<b>Sales</b>	18	<b>275,573</b>	<b>261,616</b>
Other sales revenue	18	70	177
Industrial production costs		(57,249)	(51,055)
Preparation and distribution costs		(69,124)	(68,103)
Marketing costs		(68,286)	(64,721)
Research costs		(2,051)	(3,114)
Regulatory affairs costs		(3,453)	(2,977)
Support function costs		(37,707)	(39,269)
Other operating revenue	19	2,698	2,870
Other operating expenses	19	(2,652)	(833)
<b>Operating income</b>		<b>37,819</b>	<b>34,591</b>
Cash revenue and financing expenses		431	321
Cash revenue		927	721
Financing expenses		(496)	(400)
Other financial revenue and expenses		(1,526)	(1,387)
Other financial revenue		283	310
Other financial expenses		(1,809)	(1,697)
Share in net earnings (losses) of companies at equity		0	0
<b>Income before corporate income tax</b>		<b>36,724</b>	<b>33,525</b>
Corporate income tax	20	(15,275)	(14,194)
<b>Consolidated net income</b>		<b>21,449</b>	<b>19,331</b>
Net income (minority share)		(2)	(10)
<b>Net income (group share)</b>	21	<b>21,451</b>	<b>19,341</b>
<b>Earnings per share <sup>(1)</sup></b>	21	<b>1.16 EUR</b>	<b>1.00 EUR</b>

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

(2) After IFRIC 21 interpretation application on taxes (see note 2).

## STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	Notes	2015 (6 months)	2014 RESTATED <sup>(2)</sup> (6 months)
<b>Consolidated net income</b>		<b>21,449</b>	<b>19,331</b>
<b>Other items of comprehensive income that will be reclassified subsequently to profit or loss</b>		<b>7,019</b>	<b>124</b>
Currency translation adjustments		7,052	241
Other movements		(33)	(117)
Changes in the fair value of financial instruments	17	0	0
<b>Other items of comprehensive income that will not be reclassified subsequently to profit or loss</b>		<b>0</b>	<b>(5,653)</b>
Actuarial differences related with post-employment benefits	14	0	(5,653)
<b>Other items of comprehensive income <sup>(1)</sup></b>		<b>7,019</b>	<b>(5,529)</b>
<b>Consolidated comprehensive income</b>		<b>28,468</b>	<b>13,802</b>
Comprehensive income (minority share)		(2)	(8)
<b>Comprehensive income (group share)</b>		<b>28,470</b>	<b>13,810</b>

(1) Including none tax effect as of June 30, 2015 (against €2,968 thousand as of June 30, 2014) on other items of comprehensive income, only concerning actuarial differences related with post-employment benefits.

(2) After IFRIC 21 interpretation application on taxes (see note 2).



## CONSOLIDATED BALANCE SHEET

<b>ASSETS</b> (in thousands of euros)	Notes	06/30/2015	12/31/2014
<b>Non-current assets</b>		<b>319,678</b>	<b>319,683</b>
Goodwill	7	87,819	87,732
Intangible fixed assets	8	36,146	36,324
Tangible fixed assets	8	143,558	146,054
Investments		3,175	3,204
Other non-current assets	11	55	80
Deferred tax assets		48,925	46,289
<b>Current assets</b>		<b>307,437</b>	<b>349,867</b>
Inventories and work in progress	9	60,411	52,733
Accounts receivable	10	69,899	111,004
Corporate income tax receivable	11	6,617	3,441
Other current assets	11	21,689	21,655
Cash and cash equivalents	12	148,821	161,034
<b>TOTAL ASSETS</b>		<b>627,115</b>	<b>669,550</b>

<b>LIABILITIES</b> (in thousands of euros)	Notes	06/30/2015	12/31/2014
<b>Shareholders' equity (group share)</b>		<b>363,389</b>	<b>379,727</b>
Share capital	13	19,442	19,442
Additional paid-in-capital		79,876	79,876
Retained earnings		264,071	280,409
<b>Minority interests</b>		<b>113</b>	<b>153</b>
<b>Total Shareholders' equity</b>		<b>363,502</b>	<b>379,880</b>
<b>Non-current liabilities</b>		<b>132,257</b>	<b>132,711</b>
Non-current borrowings and financial debts		4,868	4,199
Social benefits	14	124,803	125,619
Non-current provisions	15	273	476
Other non-current liabilities	16	1,697	1,780
Deferred taxes liabilities		616	637
<b>Current liabilities</b>		<b>131,356</b>	<b>156,959</b>
Current borrowings and financial debts		3,866	5,657
Current provisions	15	8,027	8,337
Accounts payable		29,234	38,282
Corporate income tax payable	16	1,247	5,062
Other current liabilities	16	88,982	99,621
<b>TOTAL LIABILITIES</b>		<b>627,115</b>	<b>669,550</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	2015 (6 months)	2014 RESTATED <sup>(1)</sup> (6 months)
<b>NET CASH FLOWS RELATED TO OPERATING ACTIVITIES</b>	<b>44,144</b>	<b>14,816</b>
Net income - group share	21,451	19,341
Amortization and provisions (excluding current assets)	11,929	6,310
Other items (including income on asset disposals)	502	19
Cash-flows from consolidated companies after cash revenue, financing expenses and tax	33,882	25,670
Cash revenue and financing expenses	(431)	(321)
Corporate tax charge (including deferred taxes)	15,275	14,194
<b>Consolidated cash-flow before cash revenue, financing expenses and corporate income tax</b>	<b>48,726</b>	<b>39,543</b>
<b>Corporate income tax paid / corporate income tax repayment</b>	<b>(24,535)</b>	<b>(34,106)</b>
<b>Changes in working capital requirements, including:</b>	<b>19,953</b>	<b>9,379</b>
Changes in inventories and work-in-progress	(6,202)	(6,864)
Changes in current operating receivables	44,977	35,459
Changes in current operating debts	(18,822)	(19,216)
<b>NET CASH FLOWS RELATED TO INVESTMENT ACTIVITIES</b>	<b>(13,532)</b>	<b>(13,210)</b>
Acquisitions of tangible fixed assets	(8,253)	(9,524)
Acquisitions of intangible assets	(5,399)	(3,754)
Disposals of tangible fixed assets	57	7
Disposals of intangible assets	0	0
Acquisitions of investments	0	(3)
Disposals of investments	63	64
Acquisitions of current financial assets	0	0
Disposals of current financial assets	0	0
<b>NET CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>	<b>(44,067)</b>	<b>(22,062)</b>
Dividends paid to parent company shareholders	(27,656)	(23,328)
Reduction in capital, additional paid-in capital and reserves	(122)	(2)
Buyback of treasury shares	(17,172)	0
Disposal of treasury shares	0	0
Loans issues	1,381	1,765
Repayment of loans	(929)	(818)
Paid interests	(496)	(400)
Cash revenue	927	721
<b>CHANGE IN CASH POSITION</b>	<b>(13,455)</b>	<b>(20,456)</b>
Impact of exchange rate fluctuations	2,816	640
<b>Net cash position 1<sup>st</sup> January</b>	<b>156,173</b>	<b>159,775</b>
<b>Net cash position 30<sup>th</sup> June</b>	<b>145,534</b>	<b>139,959</b>
<b>Consolidated cash-flow before cash revenue, financing expenses and tax:</b>		
- per share	<b>2.64 EUR</b>	<b>2.04 EUR</b>
- as a % of sales	<b>17.7%</b>	<b>15.1%</b>

(1) After IFRIC 21 interpretation application on taxes (see note 2).



## 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 adjustment	Shareholders equity group share	Minority interests	Shareholders equity total
<b>12/31/2013</b>	<b>19,416,697</b>	<b>19,442</b>	<b>79,876</b>	<b>300,261</b>	<b>(1,215)</b>	<b>(6,660)</b>	<b>391,704</b>	<b>152</b>	<b>391,856</b>
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)
<b>Transactions with shareholders</b>	<b>14,333</b>	<b>0</b>	<b>0</b>	<b>(23,185)</b>	<b>528</b>	<b>0</b>	<b>(22,657)</b>	<b>(10)</b>	<b>(22,667)</b>
Net Result				19,341			19,341	(10)	19,331
Other Comprehensive Income				(5,772)		241	(5,531)	2	(5,529)
<b>Comprehensive Income</b>				<b>13,569</b>	<b>0</b>	<b>241</b>	<b>13,810</b>	<b>(8)</b>	<b>13,802</b>
<b>06/30/2014 RESTATED <sup>(3)</sup></b>	<b>19,431,030</b>	<b>19,442</b>	<b>79,876</b>	<b>290,645</b>	<b>(687)</b>	<b>(6,419)</b>	<b>382,857</b>	<b>134</b>	<b>382,991</b>

(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 S.A., at June 30, 2014.

(3) After IFRIC 21 interpretation application on taxes (see note 2).

## STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT JUNE 30, 2015

Before allocation of net income (in thousands of euros)	Number of shares (1)	Capital	Share premium	Consolidated reserves (2)	Treasury shares	Currency translation adjustment	Shareholders equity group share	Minority interests	Shareholders equity total
<b>12/31/2014</b>	<b>18,651,204</b>	<b>19,442</b>	<b>79,876</b>	<b>353,219</b>	<b>(55,700)</b>	<b>(17,110)</b>	<b>379,727</b>	<b>153</b>	<b>379,880</b>
Purchases and sales of treasury shares	(220,171)			(30)	(17,122)		(17,152)		(17,152)
Treasury shares cancellation							0		0
Dividends paid				(27,656)			(27,656)	(38)	(27,694)
<b>Transactions with shareholders</b>	<b>(220,171)</b>	<b>0</b>	<b>0</b>	<b>(27,686)</b>	<b>(17,122)</b>	<b>0</b>	<b>(44,808)</b>	<b>(38)</b>	<b>(44,846)</b>
Net Result				21,451			21,451	(2)	21,449
Other Comprehensive Income				(33)		7,052	7,019	0	7,019
<b>Comprehensive Income</b>				<b>21,418</b>	<b>0</b>	<b>7,052</b>	<b>28,470</b>	<b>(2)</b>	<b>28,468</b>
<b>06/30/2015</b>	<b>18,431,033</b>	<b>19,442</b>	<b>79,876</b>	<b>346,951</b>	<b>(72,822)</b>	<b>(10,058)</b>	<b>363,389</b>	<b>113</b>	<b>363,502</b>

(1) Number of shares after elimination of treasury shares.

(2) Including €281,379 thousand of retained earnings and €2,201 thousand of legal reserve in social accounts of parent company, BOIRON S.A., at June 30, 2015.

Those notes are an integral part of the condensed consolidated financial statements for the half-year ended June 30, 2015 were settled by the Board of Directors on September 3, 2015.

## 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 S.A. and its subsidiaries have 3,749 employees (actual workforce) on June 30, 2015, in France and abroad, compared to 3,681 on December 31, 2014.

The BOIRON stock is listed on the Euronext Paris.

## NOTE 1 : MAINS EVENTS OF THE PERIOD

In the first quarter of 2015, business activity increased by 8.4% (6.9% at constant exchange rates) compared to the first quarter of 2014, which was significantly impacted by the absence of winter illnesses.

For the first half-year period, sales in Russia decreased by €5,514 thousand, of which, €1,240 thousand was due to the unfavorable impact of exchange rates. On the other hand, sales in the United States increased by €6,847 thousand, benefiting from the favorable impact of exchange rates of €4,660 thousand.

During the first quarter, BOIRON repurchased 222,958 shares, including 26,957 shares for cancellation, for a total amount of €17,172 thousand, within the framework of the share repurchase program approved by the Shareholders' meeting on May 22, 2014.

On January 19, 2015, the Supreme Court of Montreal refused a request to open a class action lawsuit filed on April 13, 2012. That judgement is currently under appeal (see note 23.2).

On February 24, 2015, the Los Angeles Court of Appeals (USA) provided their final approval of a legal settlement signed on March 6, 2012 intended to put an end to the class action lawsuits in process (see note 23.1).

## 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, 2015 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](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, 2014, as presented in the Reference Document filed with the French Securities and Exchange Commission (AMF) on April 9, 2015 under number D.15-0306 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 2015*

The standards and interpretations applicable as of January 1, 2015, particularly the standards and amendments relating to the 2011-2013 cycle of annual improvements and the clarifications provided by the IFRIC on the classification of a partnership based on other facts and circumstances, do not have an impact on the BOIRON group financial statements, with the exception of the IFRIC 21 interpretation.

The IFRIC 21 Interpretation "Levies" was required to be applied as of the beginning of the 2015 accounting period on January 1, 2015. The analysis performed by the group on the triggering event for each tax in the spirit of IFRIC 21 led to the identification of the French "company social solidarity contribution" (French "C3S") and property tax, for which the triggering event has been modified.

The impact on the C3S was immaterial. Thus, only the property tax was restated which resulted in the recording of the full-year expense during the first half-year period, whereas that tax accrual was previously spread over the full-year period. The restatement resulted in an additional tax expense of €916 thousand during the first half-year period in 2015, that is €568 thousand after tax.

The application of this interpretation is without effect of the annual income of the group.

In accordance with IAS 8, comparable historical information has been restated. This retrospective application led to the restatement of 2014 first half-year financial statements.

The impact of the application is shown below. Only the impacted line items are presented.

<b>2014 Consolidated Income statement</b>	<b>2014 Published Data (6 months)</b>	<b>Effect of IFRIC 21</b>	<b>2014 Restated (6 months)</b>
<b>Operating income</b>	<b>35,500</b>	<b>(909)</b>	<b>34,591</b>
<b>Income before tax</b>	<b>34,434</b>	<b>(909)</b>	<b>33,525</b>
Corporate income tax	(14,539)	345	(14,194)
<b>Consolidated net income</b>	<b>19,895</b>	<b>(564)</b>	<b>19,331</b>
<b>Net income (group share)</b>	<b>19,905</b>	<b>(564)</b>	<b>19,341</b>
Earnings per share	1.02 EUR	(0.02) EUR	1.00 EUR

<b>2014 Statement of comprehensive income</b>	<b>2014 Published Data (6 months)</b>	<b>Effect of IFRIC 21</b>	<b>2014 Restated (6 months)</b>
<b>Comprehensive income (group share)</b>	<b>14,373</b>	<b>(563)</b>	<b>13,810</b>

<b>2014 Consolidated statement of cash flows</b>	<b>2014 Published Data (6 months)</b>	<b>Effect of IFRIC 21</b>	<b>2014 Restated (6 months)</b>
Net income (group share)	19,905	(564)	19,341
<b>Cash-flows from consolidated companies after cash revenue, financing expenses and tax</b>	<b>26,234</b>	<b>(564)</b>	<b>25,670</b>
Corporate income tax charge (including deferred taxes)	14,539	(345)	14,194
<b>Consolidated cash-flow before cash revenue, financing expenses and corporate income tax</b>	<b>40,452</b>	<b>(909)</b>	<b>39,543</b>
<b>Changes in working capital requirements</b>	<b>8,470</b>	<b>909</b>	<b>9,379</b>

As of June 30, 2014, the impact of shareholder's equity is €564 thousand.

Comparative information given in all tables in notes are after effect of IFRIC 21.

**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 BOIRON opted not to implement early application of the standards and interpretations adopted by the European Union before the closing date and that go into effect subsequent to this date.

**2.1.3. Standards and interpretations with mandatory or optional application in 2015 and not yet adopted by the European Union**

The group BOIRON 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, 2014. There is no significant change in using estimate and assumptions during the first half-year.

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

### 2.2.1. *Income tax*

The corporate 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 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, 2015 (as at June 30, 2014). 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, 2015 based on an extrapolation of the total benefit calculated for December 31, 2014.
- There is no actuarial change in link with discount rate booked during 2015 first half-year, discount rate retained at June 30, 2015 is 2% as at December 31, 2014.
- 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, 2015.
- 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, 2014 is described in the 2014 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, 2014. It is set out in note 3 to the 2014 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 2015 (6 months)	Average rate 2014 (6 months)	Closing rate 06/30/2015	Closing rate 06/30/2014	Closing rate 12/31/2014
US dollar	1.116	1.370	1.119	1.366	1.214
Canadian dollar	1.377	1.503	1.384	1.459	1.406
Polish zloty	4.139	4.176	4.191	4.157	4.273
Russian rouble	64.615	48.021	62.355	46.378	72.337
Czech koruna	27.504	27.444	27.253	27.453	27.735

Currency translation adjustments of €7,052 thousand recognized in other comprehensive income are mainly related to the change in the Russian rouble and the US dollar currencies between 2014 and 2015.

## 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, 2015:

<b>DATA CONCERNING INCOME STATEMENT</b>	France	Europe (excluding France)	North America	Other Countries	Eliminations (1)	2015 (6 months)
External SALES	176,697	67,945	29,145	1,786		275,573
Inter-sector SALES	41,651	1,184		716	(43,551)	0
<b>Total SALES</b>	<b>218,348</b>	<b>69,129</b>	<b>29,145</b>	<b>2,502</b>	<b>(43,551)</b>	<b>275,573</b>
Other operating income	2,413	285				2,698
Other operating expenses	(1,070)	(1,579)	6	(9)		(2,652)
<b>OPERATING INCOME</b>	<b>40,022</b>	<b>(266)</b>	<b>3,266</b>	<b>(44)</b>	<b>(5,159)</b>	<b>37,819</b>
<i>included Allowances to amortization and impairments on intangible and tangible assets</i>	<i>(12,001)</i>	<i>(1,067)</i>	<i>(338)</i>	<i>(11)</i>		<i>(13,417)</i>
<i>included Net changes in depreciation of assets, provisions and social benefits</i>	<i>2,187</i>	<i>(805)</i>	<i>(147)</i>	<i>(2)</i>		<i>1,233</i>
Cash revenue and financing expenses	628	(37)	(3)	(157)		431
Corporate income tax	(13,311)	(751)	(1,219)	6		(15,275)
<b>NET INCOME (GROUP SHARE)</b>	<b>25,999</b>	<b>(1,047)</b>	<b>1,858</b>	<b>(200)</b>	<b>(5,159)</b>	<b>21,451</b>
<b>DATA CONCERNING BALANCE SHEET</b>	France	Europe (excluding France)	North America	Other Countries	Eliminations	06/30/2015
Total Assets	664,767	111,674	40,257	3,361	(192,943)	627,116
Net tangible fixed assets and intangible assets	158,689	15,213	5,680	114	8	179,704
Deferred taxes assets	39,872	5,230	3,823			48,925
Working Capital Requirements	24,076	27,527	4,271	1,201	(21,379)	35,696
<b>DATA CONCERNING CASH FLOWS</b>	France	Europe (excluding France)	North America	Other Countries	Eliminations	2015 (6 months)
Acquisition of intangible and tangible assets	12,860	725	55	12		13,652

(1) Included eliminations of internal incomes.

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

<b>DATA CONCERNING INCOME STATEMENT</b>	<b>France</b>	<b>Europe (excluding France)</b>	<b>North America</b>	<b>Other Countries</b>	<b>Eliminations (1)</b>	<b>2014 (6 months)</b>
External SALES	166,177	71,316	22,650	1,473		261,616
Inter-sector SALES	40,380	1,172		559	(42,111)	0
<b>Total SALES</b>	<b>206,557</b>	<b>72,488</b>	<b>22,650</b>	<b>2,032</b>	<b>(42,111)</b>	<b>261,616</b>
Other operating income	2,716	35	119			2,870
Other operating expenses	(641)	(163)	(24)	(5)		(833)
<b>OPERATING INCOME</b>	<b>38,285</b>	<b>4,825</b>	<b>1,551</b>	<b>(380)</b>	<b>(9,690)</b>	<b>34,591</b>
<i>included Allowances to amortization and impairments on intangible and tangible assets</i>	<i>(11,913)</i>	<i>(1,097)</i>	<i>(353)</i>	<i>(19)</i>		<i>(13,382)</i>
<i>included Net changes in depreciation of assets, provisions and social benefits</i>	<i>1,526</i>	<i>7,369</i>	<i>(114)</i>	<i>(1)</i>		<i>8,780</i>
Cash revenue and financing expenses	522	(130)	(4)	(67)		321
Corporate income tax	(12,056)	(1,592)	(539)	(7)		(14,194)
<b>NET INCOME (GROUP SHARE)</b>	<b>25,376</b>	<b>3,121</b>	<b>1,008</b>	<b>(474)</b>	<b>(9,690)</b>	<b>19,341</b>

<b>DATA CONCERNING BALANCE SHEET</b>	<b>France</b>	<b>Europe (excluding France)</b>	<b>North America</b>	<b>Other Countries</b>	<b>Eliminations</b>	<b>06/30/2014</b>
Total Assets	598,629	127,177	27,881	2,972	(122,272)	634,387
Net tangible fixed assets and intangible assets	161,503	16,136	5,527	132	9	183,307
Deferred taxes assets	37,994	4,961	2,853			45,808
Working Capital Requirements	21,990	44,776	3,530	1,529	(23,713)	48,112

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

(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 2015 and 2014 first half-year:

	<b>2015 (6 months)</b>	<b>2014 (6 months)</b>
France	166,448	157,018
Europe (excluding France)	70,600	73,537
North America	30,087	23,287
Other Countries	8,438	7,774
<b>TOTAL GROUP</b>	<b>275,573</b>	<b>261,616</b>

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

	12/31/2014	Increases / (Decreases)	Currency translation adjustments	06/30/2015
BOIRON France <sup>(1)</sup>	82,826		0	82,826
LES EDITIONS SIMILIA	663	0		663
<b>Total "France"</b>	<b>83,489</b>	<b>0</b>	<b>0</b>	<b>83,489</b>
Belgium <sup>(2)</sup>	2,232			2,232
BOIRON Italie	2,242			2,242
BOIRON Espagne	583	0		583
BOIRON Suisse	55			55
<b>Total "Europe excluding France"</b>	<b>5,112</b>	<b>0</b>	<b>0</b>	<b>5,112</b>
BOIRON Canada	221		(1)	220
BOIRON USA	1,197		88	1,285
<b>Total "North America"</b>	<b>1,418</b>	<b>0</b>	<b>87</b>	<b>1,505</b>
<b>Total "Other countries"</b>	<b>0</b>			<b>0</b>
<b>TOTAL GROSS GOODWILL</b>	<b>90,019</b>	<b>0</b>	<b>87</b>	<b>90,106</b>
Swiss impairment	(55)			(55)
Belgium impairment <sup>(2)</sup>	(2,232)	0		(2,232)
<b>TOTAL NET GOODWILL</b>	<b>87,732</b>	<b>0</b>	<b>87</b>	<b>87,819</b>

<sup>(1)</sup> BOIRON France 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.

<sup>(2)</sup> Goodwill in Belgium comes from UNDA (€1,408 thousand) and OMNIUM MERCUR (€823 thousand). Since 2012, it has been totally depreciated ; there was not necessary to depreciate additional assets.

There was no acquisition generating new goodwill during 2015 first half-year.

Given the trend in the performance of the asset groups, no evidence of impairment had been identified as of June 30, 2015.

## NOTE 8 : INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS

On 2015 first half-year, acquisitions of intangible assets are €5,399 thousand and concern IT plan in progress, mainly in France.

Acquisitions of tangible fixed asset opted to €8,253 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

	06/30/2015	12/31/2014
Raw materials and supplies	13,727	13,053
Semi-finished goods and finished goods	47,305	40,565
Goods	1,167	1,092
<b>TOTAL GROSS INVENTORIES</b>	<b>62,199</b>	<b>54,710</b>
<b>TOTAL DEPRECIATIONS ON INVENTORIES</b>	<b>(1,788)</b>	<b>(1,977)</b>
<b>TOTAL NET INVENTORIES</b>	<b>60,411</b>	<b>52,733</b>

As at June 30, 2015 and December 31, 2014 no inventory has been pledged to guarantee liabilities.

## NOTE 10 : ACCOUNTS RECEIVABLE

	06/30/2015			12/31/2014		
	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Net accounts receivable denominated in euros	55,947	(2,477)	53,470	72,449	(1,203)	71,246
Net accounts receivable denominated in other currencies	17,034	(605)	16,429	40,307	(549)	39,758
<b>TOTAL</b>	<b>72,981</b>	<b>(3,082)</b>	<b>69,899</b>	<b>112,756</b>	<b>(1,752)</b>	<b>111,004</b>

There is no sale of receivables agreement in June 30, 2015 as in December 31, 2014.

Impairments on accounts receivable are recognized in line with defined principles in note 2.7.3.1 in 2014 Reference Document.

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

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

The level of account receivables on June 30, 2015 is comparable to the amount on June 30, 2014 (€80,809 thousand). The decrease as compared to December 31, 2014 is understandable by the seasonality of the activity (see note 5).

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

	06/30/2015		12/31/2014	
	Current	Non-current	Current	Non-current
<b>State - Corporate income tax receivable (non financial assets)</b>	<b>6,617</b>		<b>3,441</b>	
<b>Other assets excluded income tax receivable</b>				
<b>Non financial assets</b>	<b>17,088</b>	<b>55</b>	<b>14,512</b>	<b>80</b>
State and local government, excluding income tax	12,707		10,679	
Staff	418	55	228	80
Accrued expenses	3,963		3,605	
<b>Financial assets valued at cost</b>	<b>4,576</b>	<b>0</b>	<b>7,110</b>	<b>0</b>
Other debtors	4,576		7,110	
<b>Derivative instruments</b>	<b>25</b>	<b>0</b>	<b>33</b>	<b>0</b>
<b>TOTAL</b>	<b>21,689</b>	<b>55</b>	<b>21,655</b>	<b>80</b>

## NOTE 12 : CASH AND CASH EQUIVALENTS

	06/30/2015			12/31/2014		
	Euros	Other currencies (euro equivalents)	Total	Euros	Other currencies (euro equivalents)	Total
Cash equivalents	29,199	402	29,601	44,327	920	45,247
Cash	112,485	6,735	119,220	109,128	6,659	115,787
<b>TOTAL</b>	<b>141,684</b>	<b>7,137</b>	<b>148,821</b>	<b>153,455</b>	<b>7,579</b>	<b>161,034</b>

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 2014 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 (example: exchange controls in a subsidiary) is no material.

## NOTE 13 : SHAREHOLDERS' EQUITY

As at June 30, 2015, 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 S.A. 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.

Lines of credit of €80,000 thousand subscribed by BOIRON S.A., at the end of 2011, for an initial period of five years, were never used and were cancelled by anticipation during 2015 first half-year.

### 13.1. TREASURY SHARES

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

	06/30/2015	12/31/2014
<b>Total number of shares</b>	<b>19,441,713</b>	<b>19,441,713</b>
Treasury shares	(1,010,680)	(790,509)
<b>Number of shares excluded treasury shares</b>	<b>18,431,033</b>	<b>18,651,204</b>

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, 2015, the value of treasury shares held amounted to €72,822 thousand and the latent gain on that portfolio was €17,586 thousand.

11,683 shares are held through the liquidity contract subscribed with the French bank "Natixis" and 999,042 shares are acquired in within the framework of the share repurchase program including 26,957 shares acquired in order to be cancelled.

### 13.2. DIVIDEND PER SHARE

Dividend per share in euro	
Dividend 2014 paid in 2015	1.50
Dividend 2013 paid in 2014	1.20

## NOTE 14 : NON-CURRENT EMPLOYEE BENEFITS

### 14.1. GROUP QUANTIFIED DATA

	12/31/2014	Operating income impact	Financial income impact	Other item of comprehensive income impact		06/30/2015
				Actuarial differences <sup>(1)</sup>	Currency translation adjustments and other movements	
Total post-employment benefits (defined contribution plans)	117,765	(2,058)	1,149		(1)	116,855
Total other long-term benefits	7,854	94				7,948
<b>TOTAL EMPLOYEE BENEFITS RECOGNIZED IN NON-CURRENT LIABILITIES</b>	<b>125,619</b>	<b>(1,964)</b>	<b>1,149</b>	<b>0</b>	<b>(1)</b>	<b>124,803</b>

(1) There is no actuarial differences linked with discounted rate during the first half-year 2015, the discount rate retained at June 30, 2015 is 2% as at December 31, 2014.

The change in non-current employee benefits during 2014 first half-year was the following:

	12/31/2013	Operating income impact	Financial income impact	Other item of comprehensive income impact		06/30/2014
				Actuarial differences <sup>(1)</sup>	Currency translation adjustments and 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	104				7,437
<b>TOTAL EMPLOYEE BENEFITS RECOGNIZED IN NON-CURRENT LIABILITIES</b>	<b>104,612</b>	<b>(189)</b>	<b>1,573</b>	<b>8,621</b>	<b>0</b>	<b>114,617</b>

(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.

### 14.2. POST-EMPLOYMENT BENEFITS OF BOIRON S.A

	12/31/2014	Operating Income impact			Financial Income impact	Other item of comprehensive income impacts	06/30/2015
		Service costs	Payments	Plans changes	Financial cost	Actuarial changes	
Actual value of liabilities	57,478	1,089	(673)		565		58,459
Investments value	(25,915)		(2,327)		(257)		(28,499)
<b>Retirement indemnity provision - BOIRON S.A.</b>	<b>31,563</b>	<b>1,089</b>	<b>(3,000)</b>	<b>0</b>	<b>308</b>	<b>0</b>	<b>29,960</b>
<b>Agreement on preparation for retirement provision BOIRON S.A.</b>	<b>86,050</b>	<b>1,371</b>	<b>(1,499)</b>	<b></b>	<b>841</b>	<b></b>	<b>86,763</b>

The change in post-employment benefits defined of BOIRON S.A during 2014 first half-year was the following:

	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 <sup>(1)</sup>	
<b>Retirement indemnity provision - BOIRON SA</b>	<b>24,700</b>	<b>991</b>	<b>(1,500)</b>	<b></b>	<b>398</b>	<b>3,493</b>	<b>28,082</b>
<b>Agreement on preparation for retirement provision BOIRON SA</b>	<b>72,390</b>	<b>1,387</b>	<b>(1,155)</b>	<b></b>	<b>1,175</b>	<b>5,128</b>	<b>78,925</b>

(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.



## NOTE 15 : CURRENT AND NON-CURRENT PROVISIONS

	12/31/2014	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	06/30/2015
<b>Current</b>						
Provisions for returned goods	5,866	2,856	(347)	(2,737)	164	5,802
Provisions for contingencies and lawsuits	1,216	296	(200)	(128)	(5)	1,179
Provisions for reorganizations	1,040			(59)		981
Other provisions for other expenses	215			(150)		65
<b>TOTAL CURRENT PROVISIONS</b>	<b>8,337</b>	<b>3,152</b>	<b>(547)</b>	<b>(3,074)</b>	<b>159</b>	<b>8,027</b>
<b>Non-current</b>						
Provisions for contingencies and lawsuits	476	15	(217)	(1)		273
<b>TOTAL NON-CURRENT PROVISIONS</b>	<b>476</b>	<b>15</b>	<b>(217)</b>	<b>(1)</b>	<b>0</b>	<b>273</b>

The change in current and non-current provisions for the 2014 first half-year was as follows:

	12/31/2013	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	06/30/2014
<b>Current</b>						
Provisions for returned goods	5,939	1,964	(534)	(2,157)	18	5,230
Provisions for contingencies and lawsuits	2,659	167	(584)	(440)		1,802
Provisions for reorganizations	9,142	73	(182)	(6,524)	(247)	2,262
Other provisions for other expenses	66				(1)	65
<b>TOTAL CURRENT PROVISIONS</b>	<b>17,806</b>	<b>2,204</b>	<b>(1,300)</b>	<b>(9,121)</b>	<b>(230)</b>	<b>9,359</b>
<b>Non-current</b>						
Provisions for contingencies and lawsuits	532	10	(210)	(40)		292
<b>TOTAL NON-CURRENT PROVISIONS</b>	<b>532</b>	<b>10</b>	<b>(210)</b>	<b>(40)</b>	<b>0</b>	<b>292</b>

The contingent assets and liabilities are described in note 23.

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

	06/30/2015		12/31/2014	
	Current	Non-current	Current	Non-current
<b>Corporate income tax payable (non financial liabilities)</b>	<b>1,247</b>		<b>5,062</b>	
<b>Other liabilities except income tax to be paid</b>				
<b>Non financial liabilities</b>	<b>78,357</b>	<b>1,697</b>	<b>86,450</b>	<b>1,780</b>
State and local government, excluding income tax	7,130		10,147	
Personnel and social security organizations	70,901	1,697	75,421	1,780
Deferred revenue	326		882	
<b>Financial liabilities valued at cost</b>	<b>10,625</b>		<b>13,171</b>	
Fixed asset suppliers	3,412		4,736	
Other creditors	7,213		8,435	
<b>Derivative instruments</b>				
<b>TOTAL</b>	<b>88,982</b>	<b>1,697</b>	<b>99,621</b>	<b>1,780</b>

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, 2014.

As of December 31, 2014, 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 2014 Reference Document). 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, 2014 and on June 30, 2015, 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 2014 and 2015.

Outstanding futures options and forward transactions and the fair value of those instruments were not material at June 30, 2015.

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, 2014 (see note 21 to the consolidated financial statements in the 2014 Reference Document). The analyses of receivable in countries which may present risks do not conduct to book additional allowance.

As of June 30, 2015, the amount of accounts receivable due and not provided for amounted to €4,161 thousand, namely 5.7% of account receivables (against €5,501 thousand, namely 5% of account receivables as of December 31, 2014). Accounts receivable due for less than a month accounted for 69.7% 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 2015 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, 2015 or as of December 31, 2014.

Depreciations for doubtful receivables amounted to €3,082 thousand, namely 4.2 % of the total amount of accounts receivable, compared to €1,752 thousand, namely 1.6% of accounts receivable at December 31, 2014. In 2015, they include €1,510 thousand related to a business dispute commented in note 23.

Over the first half-year, losses on bad debts amounted to €173 thousand, namely 0.2% of the total amount of accounts receivable (compared to €154 thousand and 0.2% for 2014 first half-year). The bulk of these losses had been depreciated.

The BOIRON group did not have to notice of material failure on 2015 first half-year, as in 2014.

## NOTE 18 : OPERATING REVENUES

	<b>2015</b>	<b>%</b>	<b>2014</b>	<b>%</b>
	<b>(6 months)</b>		<b>(6 months)</b>	
Non-proprietary homeopathic medicines	153,545	55.7	150,991	57.7
OTC Specialties	121,910	44.2	110,254	42.1
Other (1)	118	0.1	371	0.2
<b>TOTAL SALES</b>	<b>275,573</b>	<b>100.00</b>	<b>261,616</b>	<b>100.0</b>
<b>Other operating revenue (fees)</b>	<b>70</b>		<b>177</b>	

<sup>(1)</sup> 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

	<b>2015</b> <b>(6 months)</b>	<b>2014</b> <b>(6 months)</b>
Income on disposal assets	(320)	(63)
Tax credit competitiveness and employment	1,558	1,538
Other tax credits (included tax credits research)	500	507
Net changes in depreciations on current assets <sup>(1)</sup>	(1,588)	227
Net changes in provisions	(53)	535
Gains and losses on derivative instruments (related to operating hedges)	(521)	(348)
Foreign exchange gains and losses on operating transactions	300	(129)
Other	170	(230)
<b>TOTAL</b>	<b>46</b>	<b>2,037</b>
<b><i>Included Other operating revenue</i></b>	<b><i>2,698</i></b>	<b><i>2,870</i></b>
<b><i>Included Other operating expenses</i></b>	<b><i>(2,652)</i></b>	<b><i>(833)</i></b>

(1) Included €1,510 thousand concerning a depreciation booked in the framework of business dispute described in note 23.

## NOTE 20 : INCOME TAX

	<b>2015</b> <b>(6 months)</b>	<b>2014</b> <b>(6 months)</b>
Current taxes payable	(17,471)	(16,506)
Deferred taxes	2,196	2,312
<b>TOTAL</b>	<b>(15,275)</b>	<b>(14,194)</b>
<b>Effective rate</b>	<b>41.6%</b>	<b>42.3%</b>

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

	<b>2015</b> <b>(6 months)</b>	<b>%</b>	<b>2014</b> <b>(6 months)</b>	<b>%</b>
Theoretical tax	(13,955)	38.0	(12,739)	38.0
Impact of subsidiaries tax rates	(770)	2.1	(464)	1.4
Impact of reduced tax rates in France	16	(0.0)	24	(0.1)
Permanent differences	(431)	1.2	(780)	2.3
Fiscal loss or gain without recognition of income tax	(155)	0.4	(222)	0.7
Tax credits, deferred income tax adjustment and other	20	(0.1)	(13)	0.0
<b>Actual corporate tax</b>	<b>(15,275)</b>	<b>41.6</b>	<b>(14,194)</b>	<b>42.3</b>

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, 2015 amounted to €2,779 thousand.

The amount of deferred taxes recorded on loss carry-forwards is no material at June 30, 2015 as at June 30, 2014.

Differences related to the effects of subsidiaries tax rates mainly focused on Russia whose local tax rate is 20.0%.

## NOTE 21 : EARNINGS PER SHARE (EXCLUDING TREASURY SHARES)

	2015 (6 months)	2014 (6 months)
Net earnings (in thousand €)	21,451	19,341
Average number of shares for the fiscal year	18,465,765	19,430,354
<b>EARNINGS PER SHARE (in €)</b>	<b>1.16</b>	<b>1.00</b>

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 ...).

Lines of credit of €80,000 thousand subscribed by BOIRON S.A., at the end of 2011, for an initial period of five years, were never used and were cancelled by anticipation during 2015 first half-year.

Off-balance sheet liabilities related to group operating activities did not change significantly during 2015 first half-year.

## NOTE 23 : CONTINGENT ASSETS AND LIABILITIES

### 23.1. LITIGATION IN THE UNITED-STATES

BOIRON USA has been the subject of a customer complaint filed on August 8, 2011 in the San Diego, California court against the medication Oscillococinum® for false advertising based on the accusation that the medication is not effective.

Following that, other complaints have been filed against most of the medications marketed by BOIRON in the US.

In order to limit the costs associated with these various proceedings, on March 6, 2012, BOIRON USA, our US subsidiary, signed a settlement agreement destined to put a stop to all proceedings. 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. This settlement agreement obtained the final approval of the San Diego court in its judgment dated October 31, 2012.

That judgment was the subject of an appeal. In its judgement dated February 24, 2015, the Court of Appeals rejected the possibility of an appeal and definitively confirmed its final approval of the settlement agreement.

### 23.2. LITIGATION IN CANADA

BOIRON Canada was 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.

In Quebec, the Superior Court of Montréal refused the application in its judgement dated January 19, 2015. That judgement is currently the subject of an appeal.

In Ontario, this proceeding remains in a preliminary phase, the assigned judge having not yet decided on its admissibility.

### 23.3. COMMERCIAL LITIGATION

CeMON is UNDA's exclusive distributor in Italy.

At the end of 2014, UNDA revised its prices. Those price changes were refused by CeMON.

As a consequence, deliveries to CeMON were suspended, pending an agreement. CeMON initially decided to suspend the payment of its invoices prior to unilaterally terminating the distribution contract.

As a result, a write-off of €1,510 thousand was reported at June 30, 2015 related to accounts receivable from CeMON.

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 and/or the group in the past six months.

### NOTE 24 : RELATED PARTIES

Managers' due gross compensation is described as follows :

	Managers
Fixed compensation	481
Variable compensation linked to employment contract <sup>(1)</sup>	318
Variable compensation linked to corporate manager function <sup>(2)</sup>	320
Other compensation	0
Fees	0
Attendance fees	18
In kind compensation <sup>(3)</sup>	12
<b>Total due gross compensation in June 30, 2015</b>	<b>1,149</b>
<b>Total due gross compensation in June 30, 2014<sup>(4)</sup> (reminder)</b>	<b>2,220</b>
Post-employment benefits (retirement indemnities and Agreement on Preparation for Retirement)	1,007
Other long-term benefits (Long-Services Bonuses)	61

(1) The variable compensation linked to employment contract includes profit-sharing, matching savings plan, bonus on income 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 employment contract.

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

(4) Due gross compensation in June 30, 2014 included compensation indemnity paid to Philippe Montant who left the company in June 2014. These element amounted to €1,135 thousand on June 30, 2014.

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

### NOTE 25 : SUBSEQUENT EVENTS

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

## MAZARS

Le Premium  
131, boulevard Stalingrad  
69624 Villeurbanne Cedex

Commissaires aux comptes  
Membre de la compagnie régionale de Lyon

## ERNST & YOUNG ET AUTRES

Tour Oxygène  
10-12, boulevard Marius Vivier Merle  
69393 Lyon Cedex 03  
S.A.S à capital variable

Commissaires aux comptes  
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, to June 30, 2015, 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 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 half-yearly financial information.

Without qualifying our opinion, we draw your attention to the matter set out in Note 2.1.1. « The new standards and interpretations adopted by the European Union with mandatory application in 2015 » to the financial statements, which describes the impact of the first application, since January 1, 2015, of the IFRIC 21 "levies" interpretation.

### 2. Specific verification

We have also verified the information presented in the half-yearly 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 consolidated half-yearly financial statements.

Villeurbanne and Lyon, September 3, 2015

The statutory auditors

*French original signed by*

MAZARS

Frédéric Maurel

ERNST & YOUNG et Autres

Nicolas Perlier



### **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  
September 3, 2015

**Christian Boiron**  
General Manger