Half-year financial report 2016

BOIRON

HALF-YEAR FINANCIAL REPORT

Half-year closed June 30, 2016

(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, 2016, and was prepared in line with the Articles L. 451-1-2 III of the French Monetary and Financial Code and 222-4 and 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/Shareholders-and-investors-area/Financial-information/Regulated-information/Annual-and-half-year-reports)

Summary

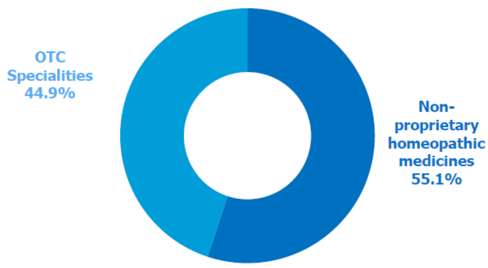
Keys figures and indicators

Data in million of euros

BREAKDOWN OF GROUP SALES

In thousand of euros	1st Quarter			2nd Quarter			1st Half-Year		
	2015	2016	*Var. 16/15*	2015	2016	*Var. 16/15*	2015	2016	*Var. 16/15*
France	89.58	90.49	*+ 1.0%*	76.86	80.47	*+ 4.7%*	166.45	170.96	*+ 2.7%*
Europe (excluding France)	40.66	43.69	*+ 7.4%*	29.94	31.57	*+ 5.4%*	70.60	75.26	*+ 6.6%*
North America	17.19	16.06	*- 6.6%*	12.89	14.11	*+ 9.5%*	30.09	30.18	*+ 0.3%*
Other countries	4.62	3.85	*- 16.8%*	3.82	4.06	*+ 6.4%*	8.44	7.91	*- 6.3%*
Group total	152.06	154.09	*+ 1.3%*	123.52	130.22	*+ 5.4%*	275.57	284.30	*+ 3.2%*

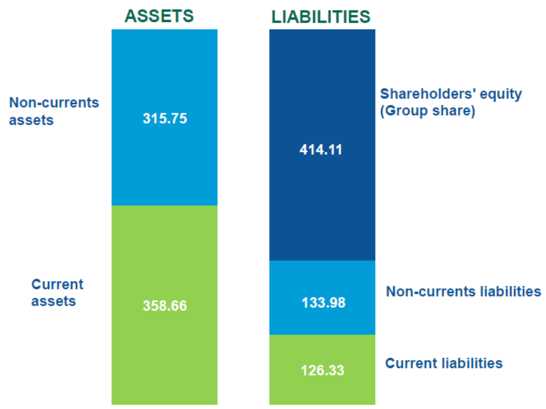
SALES BY PRODUCT CATEGORY



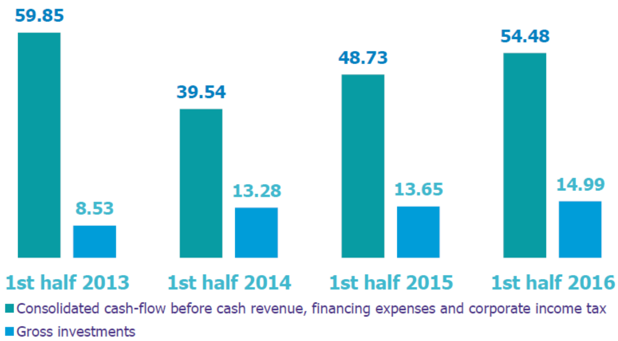
SIMPLIFIED INCOME STATEMENT

	2016	2015	*Var.*
Sales	284.30	275.57	*+ 3.2%*
Operating income	43.39	37.82	*+ 14.7%*
Taxes and other items	-16.93	-16.37	*+ 3.4%*
Net income (group share)	26.46	21.45	*+ 23.4%*
Net cash	188.43	145.53	*+ 29.5%*

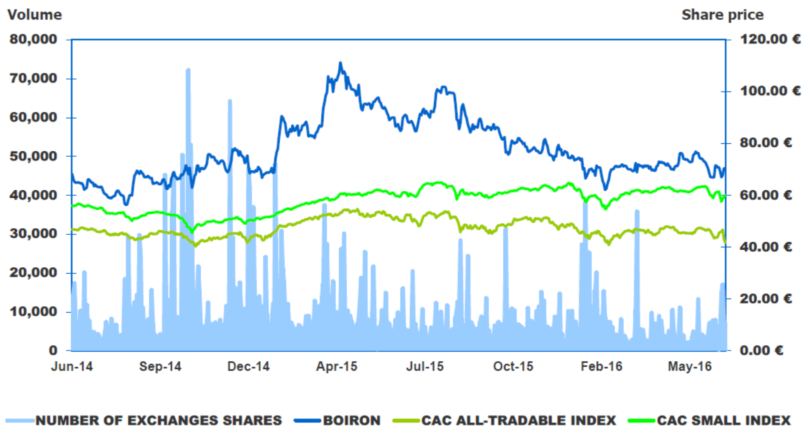
SIMPLIFIED BALANCE SHEET



INVESTMENTS AND CASH FLOW



AVERAGE CLOSING PRICE



Source : Euronext Paris

Half-year activity report

HIGHLIGHTS OF THE FIRST HALF OF 2016

Sales in the first half-year period increased by €8,731 thousand, favorably impacted by sales growth in Russia of €12,577 thousand.

The first half-year period was highlighted by the launch of the following products:
- Arnigel® in 120 gram format in France and Spain,
- Sédatif PC® in 90 tablet format in Italy and Portugal,
- Magnésium 300+® in Portugal and Slovakia,
- Homéoptic® in Belgium.

The Messimy site expansion continued as the construction of several production facilities and a research laboratory began.

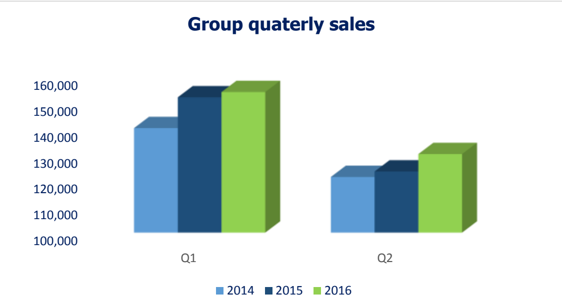
Within the framework of the gradual harmonization of IT systems at the subsidiaries, the JD Edwards Oracle ERP was implemented in Spain.

In the USA, the last class action procedure against the medicine Oscillococcinum® has been rejected unanimously by the jury of the Los Angeles Court in California. This verdict may be appealed.

In Canada, the federal department of health, Health Canada, got back on its statements of the end of July 2015 and authorizes to maintain the indications of use on medicines against cough, cold and flu for children under 12. By March 31, 2017, a claim on the packaging must state the grounds of such allegations.

HALF-YEAR RESULTS 2016

1. ACTIVITY



Sales in the second quarter increased by 5.4% following a 1.3% increase in the first quarter.

Sales for the first half-year period thus amounted to €284,304 thousand at the end of June 2016 versus €275,573 thousand in 2015, an increase of 3.2%, of which, 1.7% in non-proprietary medicines and 4.6% in specialties. At constant exchange rates[(1)] the increase was 4.8% and was mainly due to increased volumes.

- **Sales in France** increased by €4,515 thousand or 2.7%. The non-proprietary medicines increased by 4.5%.

  The specialties decreased by 1.9%, impacted by a decrease in winter specialties (less illnesses in the first quarter). The Arnica gels and creams increased by €1,753 thousand thanks to the launch of Arnigel® in 120 gram format.

- **In the Europe area (excluding France),** sales increased by 6.6% thanks to Russia which realized sales of €16,166 thousand compared to €3,589 thousand in 2015. Sales in that region excluding Russia decreased 11.8%, especially in Italy and Spain. All countries were affected by low levels of winter illnesses.

- **In the North America area,** sales were stable. It should be noted that the first half of 2015 was impacted by a high level of winter illnesses in the United States.

- **Sales in the "Other countries"** decreased by 6.3%, notably in Chile. In Brazil, sales increased by 24.4% at constant exchange rates however were flat when expressed in euros.

[(1)] The change in sales at constant exchange rates reflects sales variances reported using the same exchange rates for the year in process as the exchange rates used for the comparable prior period in order to neutralize any impact related to changes in exchange rates. At constant exchange rates, sales in the first half year period amounted to €288,695 thousand, €4,391 thousand above the sales previously reported for 2016.

2. RESULTS

Operating income was €43,390 thousand, an increase of €5,571 thousand compared to the first half of 2015.

Gross margin rose by €7,272 thousand or 3.3% due to the increase in sales.

Preparation and distribution costs and promotion costs were stable.

Research costs decreased by €442 thousand compared to 2015. The **costs for regulatory affairs** increased by €424 thousand.

The **costs of the support functions** increased by €3,643 thousand, mainly impacted by increased legal fees incurred in the United States and the group's IT costs.

Other operating income and expenses amounted to a net profit of €2,128 thousand compared to net profit of €46 thousand in 2015: they mainly included the research tax credit and the tax credit for employment competitiveness in France. In 2015, they were impacted by write-offs for impairment recorded due to the litigation between UNDA and its exclusive distributor in Italy.

Cash revenue and financing expenses amounted to a net expense of €65 thousand compared to income of €431 thousand in 2015 due to the impact of reduced interest rates.

Other financial income and expenses amounted to an expense of €1,243 thousand versus an expense of €1,526 thousand in 2015. They mainly consisted of an expense related to the gradual decrease in the impact of discounted employee commitments.

Tax expenses for the first half of 2016 amounted to €15,623 thousand or 37.1% of income before tax compared to 41.6% in 2015.

Net income amounted to €26,458 thousand versus €21,451 thousand in the first half 2015.

3. NET CASH POSITION

Net cash at June 30, 2016 amounted to €188,428 thousand compared to €191,865 thousand on December 31, 2015. It decreased by €3,437 thousand in the first half 2016 compared to €10,639 thousand in the first half 2015.

Cash flows from operating activities amounted to €36,168 thousand versus €44,144 thousand in the first half of 2015:

- Cash flows rose by €5,757 thousand compared to the first half of 2015 and represented 19.2% of sales versus 17.7% in 2015. It benefited from the increase in profitability.
- Taxes paid amounted to €25,731 thousand which was near the 2015 level.
- The change in working capital requirement amounted to a cash source of €7,416 thousand compared to €19,953 thousand in the first half impacted by a decrease in trade receivables.

Cash flows from investing activities amounted to €14,823 thousand, an increase of €1,291 thousand. They were mainly related to expansion of the Messimy site and IT projects.

Cash flows from financing activities amounted to €27,059 thousand following the payment of €27,646 thousand in dividends. In 2015, they amounted to €44,067 thousand, of which, €17,172 thousand of own shares purchased.

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 two to three years in order to increase the group's production capacity. Additionally, in the future, BOIRON consider to locate its logistics platform in the city of Les Olmes, West of Lyon, France.

Our Company still continues with the same determination the development of homeopathy in the world.

MAIN RISKS AND UNCERTAINTIES

The group's exposure to the risks and uncertainties mentioned in paragraph 1.5 of the 2015 reference document did not change significantly, with the exception of the events which occurred in the United States and Canada which are described in the highlights.

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	2016 (6 months)	2015 (6 months)
Sales	18	**284,304**	**275,573**
Other sales revenue	18	1	70
Industrial production costs		(58,639)	(57,249)
Preparation and distribution costs		(68,841)	(69,124)
Marketing costs		(68,727)	(68,286)
Research costs		(1,609)	(2,051)
Regulatory affairs costs		(3,877)	(3,453)
Support function costs		(41,350)	(37,707)
Other operating revenue	19	2,863	2,698
Other operating expenses	19	(735)	(2,652)
Operating income		**43,390**	**37,819**
Cash revenue and financing expenses		(65)	431
Cash revenue		560	927
Financing expenses		(625)	(496)
Other financial revenue and expenses		(1,243)	(1,526)
Other financial revenue		315	283
Other financial expenses		(1,558)	(1,809)
Share in net earnings (losses) of companies at equity		0	0
Income before corporate income tax		**42,082**	**36,724**
Corporate income tax	20	(15,623)	(15,275)
Consolidated net income		**26,459**	**21,449**
Net income (minority share)		1	(2)
Net income (group share)	21	**26,458**	**21,451**
Earnings per share [1]	21	1.38 EUR	1.16 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	2016 (6 months)	2015 (6 months)
Consolidated net income		**26,459**	**21,449**
Other items of comprehensive income that will be reclassified subsequently to profit or loss		**4,064**	**7,019**
Currency translation adjustements		4,069	7,052
Other movements		(5)	(33)
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		**(5,824)**	**0**
Actuarial differences related with post-employment benefits	**14**	(5,824)	0
Other items of comprehensive income (1)		**(1,760)**	**7,019**
Consolidated comprehensive income		**24,699**	**28,468**
Comprehensive income (minority share)		**0**	(2)
Comprehensive income (group share)		**24,699**	**28,470**

(1) Including €3,058 thousand tax effet as of June 30, 2016 (against none impact as of June 30, 2015) on other items of comprehensive income, only concerning actuarial differences related with post-employment benefits.

CONSOLIDATED BALANCE SHEET

ASSETS (in thousands of euros)	Notes	06/30/2016	12/31/2015
Non-current assets		**315,752**	**314,067**
Goodwill	7	87,831	87,858
Intangible fixed assets	8	33,462	35,463
Tangible fixed assets	8	144,119	143,451
Investments		3,807	2,792
Other non-current assets	11	38	37
Deferred tax assets		46,495	44,466
Current assets		**358,660**	**381,380**
Inventories and work in progress	9	62,183	59,721
Accounts receivable	10	74,351	100,286
Corporate income tax receivable	11	10,458	3,281
Other current assets	11	20,681	22,683
Cash and cash equivalents	12	190,987	195,409
TOTAL ASSETS		**674,412**	**695,447**

LIABILITIES (in thousands of euros)	Notes	06/30/2016	12/31/2015
Shareholders' equity (group share)		**414,022**	**415,947**
Share capital	13	19,442	19,442
Additional paid-in-capital		79,876	79,876
Retained earnings		314,704	316,629
Minority interests		**87**	**97**
Total Shareholders' equity		**414,109**	**416,044**
Non-current liabilities		**133,976**	**124,779**
Non-current borrowings and financial debts		5,211	4,677
Social benefits	14	126,785	118,015
Non-current provisions	15	368	364
Other non-current liabilities	16	1,596	1,696
Deffered taxes liabilities		16	27
Current liabilities		**126,327**	**154,624**
Current borrowings and financial debts		3,260	4,109
Current provisions	15	7,135	8,811
Accounts payable		33,624	38,563
Corporate income tax payable	16	769	4,783
Other current liabilities	16	81,539	98,358
TOTAL LIABILITIES		**674,412**	**695,447**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	2016 (6 months)	2015 (6 months)
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	**36,168**	**44,144**
Net income - group share	26,458	21,451
Amortization and provisions (excluding current assets)	12,248	11,929
Other items (including income on asset disposals)	89	502
Cash-flows from consolidated companies after cash revenue,financing expenses and tax	38,795	33,882
Cash revenue and financing expenses	65	(431)
Corporate tax charge (including deferred taxes)	15,623	15,275
Consolidated cash-flow before cash revenue, financing expenses and corporate income tax	**54,483**	**48,726**
Corporate income tax paid / corporate income tax repayment	**(25,731)**	**(24,535)**
Changes in working capital requirements, including:	**7,416**	**19,953**
Changes in inventories and work-in-progress	(1,351)	(6,202)
Changes in current operating receivables	27,255	44,491
Changes in current operating debts	(6,033)	(8,224)
Changes in others operating receivables and others operating debts	(12,455)	(10,112)
NET CASH FLOWS RELATED TO INVESTMENT ACTIVITIES	**(14,823)**	**(13,532)**
Acquisitions of tangible fixed assets	(9,800)	(8,253)
Acquisitions of intangible assets	(5,177)	(5,399)
Disposals of tangible fixed assets	158	57
Disposals of intangible assets	2	0
Acquisitions of investments	(16)	0
Disposals of investments	10	63
Acquisitions of current financial assets	0	0
Disposals of current financial assets	0	0
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	**(27,059)**	**(44,067)**
Dividends paid to parent company shareholders	(27,646)	(27,656)
Reduction in capital, additional paid-in capital and reserves	(16)	(122)
Buyback of treasury shares	0	(17,172)
Disposal of treasury shares	0	0
Loans issues	1,359	1,381
Repayment of loans	(691)	(929)
Paid interests	(625)	(496)
Cash revenue	560	927
CHANGE IN CASH POSITION	**(5,714)**	**(13,455)**
Impact of exchange rate fluctuations	2,277	2,816
Net cash position 1st January	**191,865**	**156,173**
Net cash position 30th June	**188,428**	**145,534**
Consolidated cash-flow before cash revenue, financing expenses and tax:		
- per share	**2.84 EUR**	**2.64 EUR**
- as a % of sales	**19.2%**	**17.7%**

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 adjustement	Shareholders equity group share	Minority interests	Shareholders equity total
12/31/2014	***18,651,204***	**19,442**	**79,876**	**353,219**	**(55,700)**	**(17,110)**	**379,727**	**153**	**379,880**
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)
Transactions with shareholders	***(220,171)***	**0**	**0**	**(27,686)**	**(17,122)**	**0**	**(44,808)**	**(38)**	**(44,846)**
Net result				21,451			21,451	(2)	21,449
Other comprehensive income				(33)		7,052	7,019		7,019
Comprehensive income				**21,418**	**0**	**7,052**	**28,470**	**(2)**	**28,468**
06/30/2015	***18,431,033***	**19,442**	**79,876**	**346,951**	**(72,822)**	**(10,058)**	**363,389**	**113**	**363,502**

(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 parent company at June 30, 2015.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT JUNE 30, 2016

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
12/31/2015	***18,420,146***	**19,442**	**79,876**	**405,369**	**(73,537)**	**(15,203)**	**415,947**	**97**	**416,044**
Purchases and sales of treasury shares	*12,964*			(56)	1,078		1,022		1,022
Treasury shares cancellation							0		0
Dividends paid				(27,646)			(27,646)	(10)	(27,656)
Transactions with shareholders	***12,964***	**0**	**0**	**(27,702)**	**1,078**	**0**	**(26,624)**	**(10)**	**(26,634)**
Net result				26,458			26,458	1	26,459
Other comprehensive income				(5,828)		4,069	(1,759)	(1)	(1,760)
Comprehensive income				**20,630**	**0**	**4,069**	**24,699**	**0**	**24,699**
06/30/2016	***18,433,110***	**19,442**	**79,876**	**398,297**	**(72,459)**	**(11,134)**	**414,022**	**87**	**414,109**

(1) Number of shares after elimination of treasury shares.
(2) Including €342,410 thousand of retained earnings and €2,201 thousand of legal reserve in social accounts of parent company, BOIRON parent company at June 30, 2016.

Those notes are an integral part of the condensed consolidated financial statements for the half-year ended June 30, 2016, were settled by the Board of Directors on September 8, 2016.

Presentation of the company

BOIRON, the group 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 parent company and its subsidiaries have 3,710 employees (actual workforce) on June 30, 2016, in France and abroad, compared to 3,711 on December 31, 2015.

The BOIRON stock is listed on the Euronext Paris.

NOTE 1 : MAINS EVENTS OF THE PERIOD

Sales in the first half-year period increased by €8,731 thousand favorably being impacted by sales growth in Russia of €12,577 thousand.

The Messimy site expansion continued as the construction of several production facilities and a research laboratory began.

In the USA, the last class action procedure against the medicine Oscillococcinum® has been rejected unanimously by the jury of the Los Angeles Court in California. This verdict may be appealed.

In Canada, the federal department of health, Health Canada, got back on its statements of the end of July 2015 and authorizes to maintain the indications of use on medicines against cough, cold and flu for children under 12. By March 31, 2017, a claim on the packaging must state the grounds of such allegations.

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, 2016 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, 2015, as presented in the Reference Document filed with the French Securities and Exchange Commission (AMF) on April 8, 2016 under number D.16-0303 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. New standards and interpretations adopted by the European Union for which application is required in 2016

The standards and interpretations applicable as of January 1, 2016, particularly the standards and amendments relating to annual improvements for the 2010-2012 and 2012-2014 reporting cycles as well as the amendment to IAS 1, have no impact on the Boiron group's financial statements or are not applicable.

2.1.2. Standards and interpretations adopted by the European Union prior to the closing date which take effect after that date

The BOIRON group has decided against the early application of the following standards, amendments and interpretations adopted by the European Union or not yet adopted by the European Union for which early application was possible and which will be required after June 30, 2016. They include the amendments to IAS 12 "Recognition of deferred tax assets for unrealized losses" and IAS 7 "Disclosure initiative". Based on the analysis in process, those standards, amendments and interpretations should not have a material impact on the consolidated shareholders' equity.

2.1.3. Standards and interpretations not yet adopted by the European Union for which application is mandatory or optional in 2016

The analysis of IFRS 15 "Revenue from Contracts with Customers", IFRS 9 "Financial Instruments" and IFRS 16 "Leases" is currently in process however the group is not able to determine the impact at this stage.

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, 2015. 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, 2016 (as at June 30, 2015). 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, 2016 based on an extrapolation of the total benefit calculated for December 31, 2015.
- The impact of the change in the discount rate (1.6 % at June 30, 2016 versus 2.2 % at December 31, 2015) 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, 2016.
- 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, 2015 is described in the 2015 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, 2015. It is set out in note 3 to the 2015 Reference Document.

The year end for all companies in activity 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 2016 (6 months)	Average rate 2015 (6 months)	Closing rate 06/30/2016	Closing rate 06/30/2015	Closing rate 12/31/2015
US dollar	1.116	1.116	1.110	1.119	1.089
Canadian dollar	1.485	1.377	1.438	1.384	1.512
Polish zloty	4.369	4.139	4.436	4.191	4.264
Russian rouble	78.412	64.615	71.520	62.355	80.674
Czech koruna	27.039	27.504	27.131	27.253	27.023

Currency translation adjustments of €4,069 thousand recognized in other comprehensive income are mainly related to the change in the Russian rouble and the US dollar currencies between 2015 and 2016.

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, 2016:

DATA CONCERNING INCOME STATEMENT	**France**	**Europe (excluding France)**	**North America**	**Other Countries**	**Eliminations (1)**	**2016 (6 months)**
External SALES	180,053	73,455	29,019	1,777		284,304
Inter-sector SALES	46,519	1,413		765	(48,697)	0
Total SALES	**226,572**	**74,868**	**29,019**	**2,542**	**(48,697)**	**284,304**
OPERATING INCOME	**42,515**	**(185)**	**1,997**	**(146)**	**(791)**	**43,390**
included Allowances to amortization and impairments on intangible and tangible assets	*(12,663)*	*(1,046)*	*(271)*	*(12)*		*(13,992)*
included Net changes in depreciation of assets, provisions and social benefits	*2,763*	*(35)*	*110*	*71*		*2,909*
Cash revenue and financing expenses	376	(488)		47		(65)
Income tax	(14,487)	(403)	(716)	(17)		(15,623)
NET INCOME (GROUP SHARE)	**27,150**	**(1,063)**	**1,282**	**(120)**	**(791)**	**26,458**

DATA CONCERNING BALANCE SHEET	**France**	**Europe (excluding France)**	**North America**	**Other Countries**	**Eliminations**	**06/30/2016**
Total Assets	717,723	112,519	37,521	6,315	(199,666)	674,412
Net tangible fixed assets and intangible assets	158,057	14,113	5,307	96	8	177,581
Deferred taxes assets	38,915	3,917	3,663			46,495
Working Capital Requirements	28,017	27,253	6,411	2,160	(20,329)	43,512

DATA CONCERNING CASH FLOWS	**France**	**Europe (excluding France)**	**North America**	**Other Countries**	**Eliminations**	**2016 (6 months)**
Acquisition of intangible and tangible assets	14,054	794	108	21		14,977

(1) Included eliminations of internal incomes.

The board below presents the data as of June 30, 2015:

DATA CONCERNING INCOME STATEMENT	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
Total SALES	**218,348**	**69,129**	**29,145**	**2,502**	**(43,551)**	**275,573**
OPERATING INCOME	**40,022**	**(266)**	**3,266**	**(44)**	**(5,159)**	**37,819**
included Allowances to amortization and impairments on intangible and tangible assets	*(12,001)*	*(1,067)*	*(338)*	*(11)*		*(13,417)*
included Net changes in depreciation of assets, provisions and social benefits	*2,187*	*(805)*	*(147)*	*(2)*		*1,233*
Cash revenue and financing expenses	628	(37)	(3)	(157)		431
Income tax	(13,311)	(751)	(1,219)	6		(15,275)
NET INCOME (GROUP SHARE)	**25,999**	**(1,047)**	**1,858**	**(200)**	**(5,159)**	**21,451**

DATA CONCERNING BALANCE SHEET	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

DATA CONCERNING CASH FLOWS	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.

Consolidated sales broken down on the criterion of the destination of sales, as published as part of mandatory quarterly reporting, is as follows for 2016 and 2015 first half-year:

	2016 (6 months)	2015 (6 months)
France	170,963	166,448
Europe (excluding France)	75,257	70,600
North America	30,177	30,087
Other Countries	7,907	8,438
TOTAL GROUP	**284,304**	**275,573**

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

	12/31/2015	Increases / (Decreases)	Currency translation adjustments	06/30/2016
BOIRON France (1)	82,826			82,826
LES 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	227		(4)	223
BOIRON USA	1,317		(23)	1,294
Total "North America"	***1,544***	***0***	***(27)***	***1,517***
Total "Other countries"	***0***			***0***
TOTAL GROSS GOODWILL	**90,145**	**0**	**(27)**	**90,118**
Swiss impairment	(55)			(55)
Belgium impairment (2)	(2,232)			(2,232)
TOTAL NET GOODWILL	**87,858**	**0**	**(27)**	**87,831**

(1) 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.

(2) 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 2016 first half-year.

Given the trend in the performance of the asset groups, no evidence of impairment had been identified as of June 30, 2016.

NOTE 8 : INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS

On 2016 first half-year, acquisitions of intangible assets are €5,177 thousand and concern IT plan in progress, mainly in France.

Acquisitions of tangible fixed asset opted to €9,800 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 : INTANGIBLE ASSETS AND WORK IN PROGRESS

	06/30/2016	12/31/2015
Raw materials and supplies	13,508	13,104
Semi-finished goods and finished goods	50,422	48,069
Goods	838	1,035
TOTAL GROSS INVENTORIES	**64,768**	**62,208**
TOTAL DEPRECIATIONS ON INVENTORIES	**(2,585)**	**(2,487)**
TOTAL NET INVENTORIES	**62,183**	**59,721**

As at June 30, 2016 and December 31, 2015, no inventory has been pledged to guarantee liabilities.

NOTE 10 : ACCOUNTS RECEIVABLE

	06/30/2016			12/31/2015		
	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Net accounts receivable denominated in euros	54,694	(2,606)	52,088	70,167	(2,643)	67,524
Net accounts receivable denominated in other currencies	23,152	(889)	22,263	33,359	(597)	32,762
TOTAL	**77,846**	**(3,495)**	**74,351**	**103,526**	**(3,240)**	**100,286**

There is no sale of receivables agreement in June 30, 2016 as in December 31, 2015.

Impairments on accounts receivable are recognized in line with defined principles in note 2.7.3.1 in 2015 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 Poland.

The level of account receivables on June 30, 2016 is comparable to the amount on June 30, 2015 (€69,899 thousand). The decrease as compared to December 31, 2015 is understandable by the seasonality of the activity (see note 5).

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

	06/30/2016		12/31/2015	
	Current	Non-current	Current	Non-current
State - Corporate income tax receivable (non financial assets)	**10,458**		**3,281**	
Other assets excluded income tax receivable				
Non financial assets	**16,125**	**38**	**15,641**	**37**
State and local government, excluding income tax	11,077		11,931	
Staff	390	38	589	37
Accrued expenses	4,658		3,121	
Financial assets valued at cost	**4,556**	**0**	**7,001**	**0**
Other debtors	4,556		7,001	
Derivative instruments	**0**	**0**	**41**	**0**
TOTAL	**20,681**	**38**	**22,683**	**37**

NOTE 12 : CASH AND CASH EQUIVALENTS

	06/30/2016			12/31/2015		
	Euros	Other currencies (euro equivalents)	Total	Euros	Other currencies (euro equivalents)	Total
Cash equivalents	22,638	1,383	**24,021**	35,579	548	**36,127**
Cash	159,048	7,918	**166,966**	154,305	4,977	**159,282**
TOTAL	**181,686**	**9,301**	**190,987**	**189,884**	**5,525**	**195,409**

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 2015 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, 2016, 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 parent 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.

13.1. TREASURY SHARES

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

	06/30/2016	12/31/2015
Total number of shares	**19,441,713**	**19,441,713**
Treasury shares	(1,008,603)	(1,021,567)
Number of shares excluded treasury shares	**18,433,110**	**18,420,146**

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, 2016, the value of treasury shares held amounted to €72,459 thousand and the latent loss on that portfolio was €1,392 thousand (on the basis of average price of June 2016).

9,561 shares are held through the liquidity contract subscribed with the French bank "Natixis" and 999,042 shares were acquired excluding the liquidity contract, included 26,957 shares in view of cancellation.

13.2. DIVIDEND PER SHARE

Dividend per share in euro	
Dividend 2015 paid in 2016	1.50
Dividend 2014 paid in 2015	1.50

NOTE 14 : NON-CURRENT EMPLOYEE BENEFITS

14.1. GROUP QUANTIFIED DATA

	12/31/2015	Operating income impact	Financial income impact	Other item of comprehensive income impact		06/30/2016
				Actuarial differences (1)	Currency translation adjustments and other movements (2)	
Total post-employment benefits (defined contribution plans)	109,851	(1,974)	1,173	8,882		117,932
Total other long-term benefits	8,164	22			667	8,853
TOTAL EMPLOYEE BENEFITS RECOGNIZED IN NON-CURRENT LIABILITIES	118,015	(1,952)	1,173	8,882	667	126,785

(1) The discount rate retained at June 30, 2016 is 1.6 % (at December 31, 2015 the rate was 2.2 %).

(2) This amount represents the Pre Pension of UNDA employees who were fired in 2014. It was originally booked in provision for reorganizations.

The change in non-current employee benefits during 2015 first half-year was the following:

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

(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.

14.2. POST-EMPLOYMENT BENEFITS OF BOIRON PARENT COMPANY

	12/31/2015	Operating Income impact			Financial Income impact	Other item of comprehensive income impacts	06/30/2016
		Service costs	Payments	Plans changes	Financial cost	Actuarial changes (1)	
Actual value of liabilities	**57,161**	1,131	(1,026)		614	3,772	**61,652**
Investments value	**(27,733)**		(1,974)		(301)		**(30,008)**
Retirement indemnity provision - BOIRON parent company	**29,428**	**1,131**	**(3,000)**	**0**	**313**	**3,772**	**31,644**
Agreement on preparation for retirement provision BOIRON parent company	**80,336**	1,513	(1,621)		860	5,110	**86,198**

(1) The discount rate retained at June 30, 2016 is 1.6 % (at December 31, 2015 the rate was 2.2 %).

The change in post-employment benefits defined of BOIRON parent company during 2015 first half-year was the following:

	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	
Retirement indemnity provision - BOIRON parent company	**31,563**	1,089	(3,000)	0	308	0	**29,960**
Agreement on preparation for retirement provision BOIRON parent company	**86,050**	1,371	(1,499)	0	841	0	**86,763**

NOTE 15 : CURRENT AND NON-CURRENT PROVISIONS

	12/31/2015	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements (1)	06/30/2016
Current						
Provisions for returned goods	6,648	2,535	(407)	(2,794)	(42)	5,940
Provisions for contingencies and lawsuits	1,389	346	(227)	(346)	3	1,165
Provisions for reorganizations	744		(77)		(667)	0
Other provisions for other expenses	30					30
TOTAL CURRENT PROVISIONS	**8,811**	**2,881**	**(711)**	**(3,140)**	**(706)**	**7,135**
Non-current						
Provisions for contingencies and lawsuits	364	5			(1)	368
TOTAL NON-CURRENT PROVISIONS	**364**	**5**	**0**	**0**	**(1)**	**368**

(1) The amount of €667 thousand represents the Pre Pension of UNDA employees who were fired in 2014. In 2016, it has been reclassified in provision for other long-term benefits.

The change in current and non-current provisions for the 2015 first half-year was as follows:

	12/31/2014	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	06/30/2015
Current						
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
TOTAL CURRENT PROVISIONS	**8,337**	**3,152**	**(547)**	**(3,074)**	**159**	**8,027**
Non-current						
Provisions for contingencies and lawsuits	476	15	(217)	(1)		273
TOTAL NON-CURRENT PROVISIONS	**476**	**15**	**(217)**	**(1)**	**0**	**273**

The contingent assets and liabilities are described in note 23.

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

	06/30/2016		12/31/2015	
	Current	Non-current	Current	Non-current
Corporate income tax payable (non financial liabilities)	**769**		**4,783**	**0**
Other liabilities except income tax to be paid				
Non financial liabilities	**71,408**	**1,596**	**85,325**	**1,696**
State and local government, excluding income tax	7,833		9,624	
Personnel and social security organizations	63,062	1,591	74,941	1,696
Deferred revenue	513	5	760	
Financial liabilities valued at cost	**10,089**	**0**	**13,033**	**0**
Fixed asset suppliers	3,000		4,319	
Other creditors	7,089		8,714	
Derivative instruments	**42**	**0**	**0**	**0**
TOTAL	**81,539**	**1,596**	**98,358**	**1,696**

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, 2015.

As of December 31, 2015, 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 2015 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, 2015 and on June 30, 2016, 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 2015 and 2016.

Outstanding futures options and forward transactions and the fair value of those instruments were not material at June 30, 2016.

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, 2015 (see note 21 to the consolidated financial statements in the 2015 Reference Document). The analyses of receivable in countries which may present risks do not conduct to book additional allowance.

As of June 30, 2016, the amount of accounts receivable due and not provided for amounted to €6,926 thousand, namely 8.9% of account receivables (against €4,217 thousand, namely 4.1% of account receivables as of December 31, 2015). Accounts receivable due for less than a month accounted for 46% of this amount. The remainder has been overdue for less than a year. That increase mainly originated from receivables in Russia, a portion of which were settled in July and the balance of which is covered by a bank guarantee.

There was no major change in the structure of the aged trial balance during 2016 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, 2016 or as of December 31, 2015.
Losses on bad debts, net of amortizations and reversal on depreciations for bad debts amount to - €442 thousand compared to - €1,458 thousand in 2015 (including €1,510 thousand related to commercial litigation in Belgium).

The BOIRON group did not have to notice of material failure on 2016 first half-year, as in 2015.

NOTE 18 : OPERATING REVENUES

	2016 (6 months)	%	2015 (6 months)	%
Non-proprietary homeopathic medicines	156,148	54.9	153,545	55.7
OTC Specialties	127,462	44.8	121,910	44.2
Other [(1)]	694	0.3	118	0.1
TOTAL SALES	**284,304**	**100.0**	**275,573**	**100.0**
Other operating revenue (fees)	**1**		**70**	

[(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

	2016 (6 months)	2015 (6 months)
Income on disposal assets	(87)	(320)
Tax credit competitiveness and employment	1,603	1,558
Other tax credits (included tax credits research)	500	500
Net changes in depreciations on current assets [(1)]	14	(1,588)
Net changes in provisions	1	(53)
Gains and losses on derivative instruments (related to operating hedges)	(585)	(521)
Foreign exchange gains and losses on operating transactions	669	300
Other	13	170
TOTAL	**2,128**	**46**
Included Other operating revenue	***2,863***	***2,698***
Included Other operating expenses	***(735)***	***(2,652)***

(1) Included €1,510 thousand in 2015 concerning a depreciation booked in the framework of business dispute described in note 23.

NOTE 20 : INCOME TAX

	2016 (6 months)	2015 (6 months)
Current taxes payable	(15,019)	(17,471)
Deferred taxes	(604)	2,196
TOTAL	**(15,623)**	**(15,275)**
Effective rate	**37.1%**	**41.6%**

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

	2016 (6 months)	%	2015 (6 months)	%
Theoretical tax	(14,489)	34.4	(13,955)	38.0
Impact of subsidiaries tax rates	(434)	1.0	(770)	2.1
Impact of reduced tax rates in France	4	(0.0)	16	(0.0)
Permanent differences	(598)	1.4	(431)	1.2
Fiscal loss or gain without recognition of income tax	(107)	0.3	(155)	0.4
Tax credits, deferred income tax adjustment and other	1	(0.0)	20	(0.1)
Actual corporate tax	**(15,623)**	**37.1**	**(15,275)**	**41.6**

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, 2016 amounted to €2,708 thousand.

The amount of deferred taxes recorded on loss carry-forwards is no material at June 30, 2016 as at June 30, 2015.

Differences related to the effects of subsidiaries tax rates mainly focused on Poland whose local tax rate is 19%.

NOTE 21 : EARNINGS PER SHARE (EXCLUDING TREASURY SHARES)

	2016 (6 months)	2015 (6 months)
Net earnings (in thousand €)	26,458	21,451
Average number of shares for the fiscal year	18,428,472	18,465,765
EARNINGS PER SHARE (in €)	**1.44**	**1.16**

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 ...).

Off-balance sheet liabilities related to group operating activities did not change significantly during 2016 first half-year.

NOTE 23 : CONTINGENT ASSETS AND LIABILITIES

23.1. LITIGATION IN THE UNITED STATES

In the United States, the final class action lawsuit regarding Oscillococcinum® was unanimously rejected by a jury at the Los Angeles Court in California. That decision is subject to appeal.
No amount has been provisioned related to that litigation.

23.2. LITIGATION IN CANADA

BOIRON Canada was the subject of two consumer complaints on March 16, 2012 in Ontario, Canada and on April 13, 2012 in Quebec, Canada aimed at launching class action lawsuits.
In Quebec, the Superior Court of Montréal refused the request in its judgement dated January 19, 2015. That judgement is currently the subject of an appeal before the Quebec Court of Appeals which should provide its opinion during 2016.
In Ontario, the legal proceedings have not evolved since the filing of a consumer complaint.
No amount has been provisioned related to that litigation.

23.3. COMMERCIAL LITIGATION

At the end of 2014, UNDA revised its prices. Those price changes were refused by Ce.M.O.N., its Italian distributor. As a consequence, deliveries to Ce.M.O.N. were suspended, pending an agreement. Ce.M.O.N. initially decided to suspend the payment of its invoices prior to unilaterally terminating the distribution contract which associated it with UNDA. Faced with the impossibility of finding an amicable agreement, UNDA has initiated arbitration proceedings before the International Court of Arbitration of the International Chamber of Commerce in Paris, in accordance with contractual terms. The legal proceedings are currently in process.

In 2015, Ce.M.O.N. receivables of €1,596 thousand and inventories of €787 thousand were written off for impairment. As of June 30, 2016, no further developments had taken place related to this situation.

23.4. TAX AUDIT IN FRANCE

The BOIRON parent company is currently the subject of tax audits for the years 2012, 2013 and 2014. The audits are currently in process. The risk analysis performed by BOIRON did not lead to any provisions being recorded.

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.

NOTE 24 : RELATED PARTIES

Managers' due gross compensation is described as follows:

	Managers
Fixed compensation	475
Variable compensation linked to employment contract (1)	303
Variable compensation linked to corporate manager function (2)	271
Other compensation	0
Fees	0
Attendance fees	19
In kind compensation (3)	31
Total due gross compensation in June 30, 2015	**1,099**
Total due gross compensation in June 30, 2014 (4) (reminder)	***1,149***
Post-employment benefits (retirement indemnities and Agreement on Preparation for Retirement)	869
Other long-term benefits (Long-Services Bonuses)	65

(1) The variable compensation linked to employement contract includes profit-sharing, mathing 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 employement contract.
(3) It consists on retirement and insurance premium contribution and benefits car.
(4) The variation between 2015 and 2016 is mainly due to the nomination of Mr Jean-Christophe Bayssat as Deputy General Manager director and as Chief Pharmacist of the company replacing Mr Philippe Gouret.
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.

Statutory auditors' review report on the 2016 first half-yearly financial information

Period from January 1 to June 30, 2016

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This is a free translation into English of the statutory auditors' review report on the half-yearly consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the Group's interim management report. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

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, 2016, 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 IFRS 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 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 8, 2016

The statutory auditors
French original signed by

MAZARS

Frédéric Maurel

ERNST & YOUNG et Autres

Nicolas Perlier

Declaration by the person responsible for this report

DECLARATION BY THE PERSON RESPONSIBLE FOR THIS REPORT

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

Messimy
September 8, 2016

Christian Boiron
General Manager