REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

2013

BIOMÉRIEUX

PIONEERING DIAGNOSTICS

French joint stock company (*société anonyme*) with share capital of €12,029,370
Registered office: Marcy l'Etoile (69280)
Registered in Lyon, France under number 673 620 399

The French version of this Registration Document (*document de référence*) was filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on April 29, 2014 in accordance with article 212-13 of the AMF's General Regulations. This document may be used in support of a financial transaction if it is accompanied by an offering circular (*note d'opération*) approved by the AMF. This document was drawn up by the issuer and its signatories assume responsibility for its content.

This is a free translation of the French original *document de référence*. In the event of any discrepancy between the French version and the English translation the French version shall prevail in all cases.

Contents

Note: Cross-references to sections or appendices are references within this Registration Document.

In accordance with article 28 of Regulation 809/2004 of the European Commission (EC), the following information is referenced in this Registration Document.

For the year ended December 31, 2012:

- the consolidated financial statements and the corresponding Statutory Auditors' report on pages 146 to 208 and 237 to 238, respectively;
- the parent company financial statements and the corresponding Statutory Auditors' report on pages 209 to 236 and 239 to 240, respectively;
- financial information on pages 91 to 100;
- investments on pages 35 to 36,

appearing in the 2012 Registration Document filed with the AMF on May 17, 2013 under number D.13-0542.

Other information in this Registration Document is irrelevant to investors or covered by another section in the 2013 Registration Document.

For the year ended December 31, 2011:

- the consolidated financial statements and the corresponding Statutory Auditors' report on pages 135 to 196 and 224 to 225, respectively;
- the parent company financial statements and the corresponding Statutory Auditors' report on pages 197 to 223 and 226 to 227, respectively;
- financial information on pages 83 to 90;
- investments on page 33,

appearing in the 2011 Registration Document filed with the AMF on April 26, 2012 under number D.12-0421.

Other information in this Registration Document is irrelevant to investors or covered by another section in the 2013 Registration Document.

1 PERSONS RESPONSIBLE

1.1 PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Jean-Luc Belingard, Chairman and Chief Executive Officer of bioMérieux and Alexandre Mérieux, Chief Operating Officer of bioMérieux.

1.2 STATEMENT BY THE PERSONS RESPONSIBLE

"We hereby certify that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

We declare that, to the best of our knowledge, the annual financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and the consolidated Group as a whole, and that the management report in Appendix 4 provides a fair view of the business, results and financial position of the Company and the consolidated Group as a whole, as well as a description of the principal risks and uncertainties to which they are exposed.

We obtained a statement from the Statutory Auditors at the end of their engagement in which they state that they have examined the information concerning the financial position and the financial statements presented in this Registration Document and that they have read this Registration Document in its entirety. Historical financial information for the years ended December 31, 2012 and December 31, 2011, as well as their respective Statutory Auditors' reports, are referenced herein as indicated on page 8.

The consolidated financial statements and the parent company financial statements for the year ended December 31, 2013, presented in the Registration Document, are covered by the Statutory Auditors' reports in sections 20.4.1 and 20.4.2. They contain an emphasis of matter on the impact on employee benefits of the application from January 1, 2013 of revised IAS 19 (in the consolidated financial statements) and on the change of accounting method for post-employment benefits as of January 1, 2013 (in the parent company consolidated financial statements)."

Marcy l'Etoile, April 29, 2014

Chairman and Chief Executive Officer
Jean-Luc Belingard

Chief Operating Officer
Alexandre Mérieux

2 STATUTORY AUDITORS

2.1 IDENTITY OF THE STATUTORY AUDITORS

Statutory Auditors	Deputy Statutory Auditors
Ernst & Young et Autres 1-2 place des Saisons, Paris-La Défense 1 92400 Courbevoie France Ernst & Young et Autres was appointed deputy Statutory Auditor by the Annual General Meeting of May 30, 2012 for a term expiring at the end of the Annual General Meeting called to approve the financial statements for the year ending December 31, 2017. Ernst & Young et Autres is a registered audit firm, member of *Compagnie régionale des Commissaires aux comptes de Versailles*. Ernst & Young et Autres is represented by Marc-André Audisio.	**Auditex** 1-2 place des Saisons, Paris-La Défense 1 92400 Courbevoie France Auditex was appointed deputy Statutory Auditor by the Annual General Meeting of May 30, 2012 for a term expiring at the end of the Annual General Meeting called to approve the financial statements for the year ending December 31, 2017. Auditex is a registered audit firm, member of *Compagnie régionale des Commissaires aux comptes de Versailles*.
Diagnostic Révision Conseil (DRC) 112 rue Garibaldi, 69006 Lyon France Diagnostic Révision Conseil (DRC) was appointed deputy Statutory Auditor by the Annual General Meeting of June 15, 2011 for a term expiring at the end of the Annual General Meeting called to approve the financial statements for the year ending December 31, 2016. Diagnostic Révision Conseil (DRC) is a registered audit firm, member of *Compagnie régionale des Commissaires aux comptes de Lyon*. Diagnostic Révision Conseil (DRC) is represented by Hubert de Rocquigny du Fayel.	**Commissariat Contrôle Audit (CCA)** 112 rue Garibaldi, 69006 Lyon France Commissariat Contrôle Audit (CCA) was appointed deputy Statutory Auditor by the Annual General Meeting of June 15, 2011 for a term expiring at the end of the Annual General Meeting called to approve the financial statements for the year ending December 31, 2016. Commissariat Contrôle Audit (CCA) is a registered audit firm, member of *Compagnie régionale des Commissaires aux comptes de Lyon*.

2.2 AUDITORS' FEES

In thousands of euros	Dec. 31. 2013				Dec. 31. 2012			
	Ernst & Young	DRC	Other	**TOTAL**	Ernst & Young	DRC	Other	**TOTAL**
Audit	**1,042**	**143**	**53**	**1,239**	**1,069**	**133**	**70**	**1,272**
- bioMérieux SA	160	130		290	160	130		290
- fully consolidated subsidiaries	882	3	53	885	909	3	70	982
Related assignments	**29**	**10**		**39**	**3**	**8**		**11**
AUDIT	**1,071**	**143**	**53**	**1,267**	**1,072**	**141**	**70**	**1,283**
Legal, tax, labor-related services					18			18
Other	4			4	10			10
OTHER SERVICES	**4**	**-**	**-**	**4**	**28**	**-**	**-**	**28**
TOTAL	**1,075**	**143**	**53**	**1,271**	**1,100**	**141**	**70**	**1,311**

3 SELECTED FINANCIAL INFORMATION

3.1 SELECTED HISTORICAL FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

Consolidated income statement *In millions of euros*	2013	2012	% change as reported
Sales	**1,588**	1,570	+1.2%
Gross profit	**825**	814	+1.3%
Operating income before non-recurring items	**262**	260	+0.8%
Operating income	**257**	235	+9.6%
Net income for the year	**165**	134	+22.7%

Consolidated balance sheet

Assets *In millions of euros*	Net Dec. 31, 2013	Net Dec. 31, 2012[(a)]
Non-current assets	950	963
Current assets	1,196	845
Assets held for sale	50	46
Total assets	**2,197**	**1,854**
Equity and liabilities	**Dec. 31, 2013**	**Dec. 31, 2012[(a)]**
Equity	1,267	1,160
Non-current liabilities	413	159
Current liabilities	503	522
Liabilities related to assets held for sale	13	13
Total equity and liabilities	**2,197**	**1,854**

[(a)]Including the impact of revised IAS 19 on staff commitments

Consolidated statement of net cash flows

Consolidated statement of net cash flows *In millions of euros*	2013	2012
EBITDA[(a)] (before non-recurring items)	353	355
Net cash generated from operating activities	241	259
Net cash used in investing activities	(128)	(119)
Free cash flow	**109**	**134**
Net cash generated	**69**	**83**
Net cash and cash equivalents (net debt) at beginning of year	(48)	(131)
Net change in cash and cash equivalents	73	83
Net cash and cash equivalents (net debt) at year-end	**25**	**(48)**

[(a)] Operating income before non-recurring items, depreciation and amortization

3.2 INTERIM FINANCIAL INFORMATION

None.

4 RISK FACTORS

The Company has conducted a review of risks that could have a material adverse impact on its business, financial position, earnings or ability to meet its objectives. It is not aware of any material risks other than those presented below.

However, the Company operates in a rapidly changing environment that exposes it to risks, some of which are beyond its control. The risks and uncertainties reviewed below are not the only ones to which the Company is exposed. Other risks and uncertainties of which the Company is not aware at this time, which it considers not material, or which concern more generally all economic players, could also adversely affect its business, financial position or ability to meet its objectives.

4.1 PRESENTATION

A number of important factors could cause the Company's actual results to differ materially from those indicated in its forward-looking statements, in particular as regards strategic aims and growth and profitability targets.

4.1.1 RISKS RELATED TO BIOMÉRIEUX'S BUSINESS AND OPERATIONS

4.1.1.1 Risks related to the failure of R&D projects and new products

The Company may not collect the return on its investments in research and development in the event of technical or industrial failure, if the products developed do not receive the requisite regulatory approval or if they do not meet the expected commercial success.

The Company invests significant amounts in research and development (systems, instruments, reagents, software, services, etc.) in order to remain competitive. The Company's growth and profitability could be impacted if these products encounter technical, manufacturing, regulatory or commercial setbacks. In particular:

- the upstream selection of new projects may prove irrelevant and not lead to the launch of new products;
- research and development teams may fail to develop the new products needed to meet the Company's strategic objectives, of either capturing new markets or preserving existing markets. In particular, as new diagnostic systems are extremely complex to develop, requiring the joint development of platforms, reagents and software, the Company may fail to develop the solution needed and have to abandon or postpone certain projects;
- the joint development with other technical partners of products considered key growth drivers for the Company could prove more difficult than expected, either for the reasons set out above, or owing to possible disagreement with partners (see section 4.1.1.8), and the corresponding product launches could be delayed or abandoned;
- the launch of new products may require more spending than anticipated by the Company on research and development, marketing, manufacturing, sales force and commercial support, instrument placement and maintenance, and customer training;
- it may be too costly or too difficult to manufacture new instruments or reagents on a large scale or to obtain the supplies necessary for their manufacture and marketing;
- certain products may not be able to be marketed or may be more costly than expected to market, in particular due to the existence of intellectual property rights belonging to third parties;
- technical, manufacturing or regulatory difficulties or difficulties concerning intellectual property could delay the launch of a menu of tests and affect the commercial success of the associated systems;
- the new products may not correspond to market demand;
- new products may be accepted by laboratories and the medical community after a longer period than expected, delaying the positive impact on sales growth and program profitability;
- the products and systems developed by the Company could be faulty and this could delay their marketing, affect their commercial success or give rise to additional expenses for the Company in order to remedy the faults and/or compensate customers;

- the Company's competitors may develop products that are more effective or otherwise better adapted to demand. For instance, certain IVD tests based on innovative biomarkers could render obsolete some of the Company's reagents under development or already on the market, and this even before the Company is able to recoup the costs incurred for the research, development and marketing of these new products;

- the full microbiology laboratory automation offering developed by the Company (FMLA® project) may be irrelevant for certain customers or on certain markets. Furthermore, the development and marketing of fully integrated instrument lines may prove more complex or costly than expected;

- the Company is planning to launch an extended "bioMérieux Performance Solutions™" service offering, including services to help customers train staff, prepare for accreditation and optimize laboratory performance. This new business means that the Company has to recruit new skills. However, the Company cannot guarantee that the new business will be a commercial and financial success;

- personalized medicine is a driver of long-term growth for *in vitro* diagnostics. For several years, the Company has been progressively expanding into this area through partnership agreements with pharmaceutical companies and its investment in bioTheranostics. Nevertheless, personalized medicine may develop less quickly than expected in the field of infectious diseases, the core business of the Company, and may require greater R&D and business resources than initially envisaged. In addition, the medical validity of biomarkers and tests may prove more difficult to demonstrate, necessary changes in medical practices may not be adopted by healthcare professionals as quickly as desired, and regulators or reimbursement organizations may not sufficiently value the corresponding innovation.

Risk management: The Company places particular emphasis on selecting and developing its R&D projects. It set up a Strategy Committee and an R&D Committee, as described in the internal control report in Appendix 1. The Company is organized in technology units in order to reinforce the integration between R&D and marketing. The Company also has an Innovation & Systems Department and has created the position of chief medical officer in order to develop its portfolio of biotechnologies and establish its medical added value.

4.1.1.2 Risks related to the emergence of rival technologies

The Company may have to face the emergence of new diagnostic techniques that may render some of its products entirely or partially obsolete.

In vitro diagnostics is a highly innovative sector in which the emergence of new technologies is a source of risks and opportunities, and the Company's technologies include some that are currently complementary, but which could one day compete with each other. Certain technologies currently used by the Company, moreover, may be threatened by other more effective technologies. Specifically, developments in mass spectrometry might accelerate and extend to new applications. Fresh innovations might emerge, in spectroscopic techniques (fluorescence, Raman, etc.) and mass spectrometry (LC-ESI-MS/MS, etc.) for identifying bacteria, assessing their virulence and resistance, and measuring specific molecules. Sequencing techniques might extend to cover a broad spectrum of medical applications, such as oncology and theranostics. They might also find uses in microbiology, virology and molecule measurement.

Some of these technical innovations will give rise to the sale of instruments that cost more than those resulting from traditional techniques. These new technologies may also lead to a decrease in, or discontinuation of, the use of reagents. Increased use of mass spectrometry, for example, might lead to a drop in recurring sales, since sales of consumables and associated services would only be able to partially replace sales of reagents.

In addition, the Company may not be able to accurately assess the technological, medical and commercial opportunities that these new technologies may offer, and could be outdistanced by the competition.

Risk management: The Company has a special technological intelligence department that tracks emerging technologies and anticipates their potential and speed of take-up by laboratories. It has also developed a mass spectrometry solution integrated with its VITEK® platform (see section 6.1.3.2.1). Further upstream, the Company enhances business consistency by making acquisitions (for example, the acquisition of the microbial database for bacterial identification from the Berlin-based company AnagnosTec) and developing its services offering, in particular with bioMérieux Performance Solutions™. It has also set up a technology unit focusing on innovation and systems and in 2012 it recruited a chief medical officer.

4.1.1.3 Risks related to competition

The Company may be unable to compete effectively in its market.

According to its estimates, the Company ranks tenth in terms of sales on the global *in vitro* diagnostics market. This market is rapidly evolving and competition is intensifying among the different players, particularly in certain markets where the Company does not have a large market share, such as molecular biology and POCT.

The Company's competitors include major international companies, such as Roche, Siemens, Abbott and Danaher, which are bigger and more experienced, and have larger financial resources and market shares, enabling them to invest more heavily in research and development and marketing and/or to set more competitive prices as a result of greater economies of scale. For a number of years now, more specialized competitors have also been emerging on the Company's strategic markets (see section 6.2.2). Finally, new competitors from emerging markets (especially China and India) may appear and offer products that are much cheaper than those of the Group. As a result, the Company cannot be certain that its products will:

- be able to compete over the long term with products sold by competitors;
- allow it to gain or maintain significant market shares and benefit from the same product reputation as its better-positioned competitors;
- respond quickly enough to the emergence of new technologies and to scientific advances on which the Company is dependent (see previous section).

Part of the Company's operations is conducted on markets where it is awarded tenders, some of which are significant and which might not be maintained or renewed. This would affect its business and development.

The growth of the Company's business depends, moreover, on certain products, such as the VIDAS® B.R.A.H.M.S. PCT test, and the development of rival products could slow it down.

Risk management: The Company has set up a Strategy Committee as described in the internal control report in Appendix 1. It has four technology units integrating marketing and R&D to bolster the competitiveness of its commercial offering. It also has a global sales structure, a Competitive Intelligence Department and a management control department.

4.1.1.4 Risks related to international business

The Company is exposed to certain risks related to the international nature of its business.

The Company operates throughout the world. Accordingly, it faces numerous risks relating to its international operations, including risks relating to:

- unforeseen changes or a lack of harmonization in regulations, in particular commercial or tax regulations (notably with respect to transfer pricing and the rebilling of services);
- failure of public- and private-sector customers to meet their debt obligations, and restrictions on the cross-border repatriation of profits or assets held abroad;
- exchange rate risks (see Note 29.1 to the consolidated financial statements in section 20.1.1 and the discussion of emerging countries in section 4.1.1.6 below);
- differences in the protection of intellectual property rights in different countries;
- changing economic and political conditions in a given region or country, particularly the Middle East, Turkey and Africa;
- risks linked to the complexity of decision-making processes at Group level;
- increased difficulties in recruiting personnel outside France and managing commercial or manufacturing entities abroad, and in selecting distributors;

- setting up of centrally operated shared service centers in Europe and Latin America;
- non-compliance with regulations in the countries in which the Group operates, since regulations are generally country-specific, constantly evolving and complex (notably in the U.S. and China);
- management of a network of external distributors;
- risks linked to violations of the Company's Code of Conduct in terms of business practice, working conditions and recruitment;
- product distribution throughout the world and availability of transportation;
- natural disasters.

If they were to materialize, these risks could affect the development of the Company's business, as well as its profitability and working capital, in particular by generating significant exchange rate losses on sales, increasing customer payment periods and increasing inventories. They could also lead to the recognition of significant expenses in the financial statements (impairment, tax reassessments, fines and penalties, etc.).

Risk management: The Company has a wide geographical base and a global organization that enables it to share best practices throughout its sales network, while adapting its sales policy to the local market in all countries in which it operates. Its Regulatory Affairs Department allows it to verify compliance with current obligations and applicable regulations (see section 6.3). The Company also has a Global Compliance Officer, whose tasks include overseeing compliance with applicable legislation (concerning corruption, control of exports and anti-competitive practices), observance of the ethical standards set out in the Code of Conduct, and the implementation of a Group training program.

4.1.1.5 Risks related to prices and reimbursements

Uncertainty over reimbursements of *in vitro* diagnostic analyses and over possible health insurance reforms could affect the Company's customers, and indirectly, the Company itself.

The commercial success of the Company's products notably depends on the extent to which private or public health insurance bodies reimburse the cost of analyses performed by the Company's customers.

A decision by a public or a private insurer to limit or stop the reimbursement of certain diagnostic analyses, particularly as part of certain governments' austerity measures, could have a significant impact on the demand for the Company's products and/or on the price charged by the Company to its customers. Likewise, in some countries, public authorities determine the price of a diagnostic analysis, and have a direct influence on the ability of customers to pay for products.

Health insurance bodies may not sufficiently value the benefits associated with certain diagnostics that use the Company's products, including products with high medical value, and define inadequate reimbursement thresholds.

In the U.S., the healthcare reform is expected in particular to meet the demand of part of the population which does not currently have sufficient social security coverage. However, this demand for medical care might not rise at the pace expected while the tax on diagnostic products introduced by the reform has affected the Group's financial statements as from 2013.

Risk management: The Company has a Regulatory Affairs Department responsible for filing and defending requests for new product approval and for determining the medical value of these products. In some cases, the department also conducts studies to demonstrate the economic savings resulting from the use of the products. In addition, the Company endeavors to raise its sales prices at the start of each year.

4.1.1.6 Risks related to changes in the economic environment

Economic environment

The Company's business may be affected by a deterioration in the global economic environment and/or more moderate growth than expected in the *in vitro* diagnostics market.

For example, the implementation of austerity measures in Southern Europe (Greece, Italy, Spain and Portugal) restricts healthcare spending, thus slowing down sales, increasing pressure on prices, and leading to late payments and, in some cases, outright default.

Furthermore, in some emerging countries the economy has tightened since the third quarter of 2013, with these currencies losing ground against the euro. Other countries are facing inflationary pressures. Consumer spending might also slow down in the event of a political or economic crisis, while protectionist measures or regulatory barriers may be introduced in these countries, particularly in order to promote the emergence of local competitors. The Company may be unable to devise an appropriate sales policy and its growth in these countries would be slower than expected. Alternatively, it may have to recognize exchange losses on its reported sales (in euros), which would affect its operating income before non-recurring items, as the Group's cost structure in these countries is generally that of a distribution company.

Customer consolidation

There is a growing consolidation of customers, particularly in France and the United States, for *in vitro* diagnostic products, which has led to the creation of technical platforms that process large test volumes daily. In certain fields (such as immunoassays), the Company's products and services could fail to meet the requirements of these technical platforms. This trend is especially pronounced in France, owing to the requirements arising from the "Bachelot Act".

Increasing pressure on prices

This consolidation trend also allows customers to exert greater influence on product prices. In the U.S. in particular, hospitals' central purchasing offices pursue an aggressive purchase price reduction policy. Pressure on prices is increased by the entry of new market players seeking to rapidly acquire market share as well as by public health policies, which generally tend to restrict reimbursements for healthcare products and services (see section 4.1.1.5.).

A reduction in sale prices could have an impact on the Company's sales and profit margins.

Risk management: The Company is diversified in terms of products, technologies and customer profiles. It also enjoys a balanced geographical footprint. Its innovation efforts should enable it to regularly launch new products on the market in order to meet changing market needs. The launch of a new range of services could also prove to be an effective driver of growth in the medium term. In addition, in Southern Europe, the Company has tightened up its procedures with public-sector customers and intends to develop business conditions with private laboratories.

4.1.1.7 Risks related to the business development strategy

The Company may be unable to pursue its strategy of the acquisition or use under license of technologies developed by third parties, or be unable to renew the rights required for some of its operations at the expiration date.

The growth of the Company depends partly on targeted acquisitions of small companies and external partnerships that enrich its technology portfolio, product offering and global positions. Nevertheless, the Company may not be able to find or retain partners willing to provide it with the technologies, rights, products or market access it may need.

The value of certain targets and conditions imposed for certain licenses may represent a barrier to the entry into or renewal of agreements required for the implementation of this strategy.

Acquisitions may be delayed by the complexities of finalizing agreements, especially in the validation of regulatory authorizations.

If the Company is unable to leverage this strategy, this could delay its growth and/or have a significant impact on its sales performance or financial position. The main licenses on which the Company's business depends, and their expiration dates, are listed in section 6.4.

Risk management: The Company has set up a Technological Watch and Competitive Intelligence Department, as well as a Business Development Department. It benefits from its relatively small scale, which gives it flexibility and makes decision-making more efficient.

The Company may have difficulties in efficiently integrating the companies it acquires.

bioMérieux's strategy includes targeted acquisitions. These acquisitions seek to strengthen the Company's commercial positions, and/or extend its innovation portfolio and its offering. If difficulties are experienced in integrating the acquired companies, the Company might not benefit within the expected timeframes from the synergies calculated at the time of acquisition.

Risk management: Over the years, the Company has developed extensive experience in integrating the companies it acquires. For all recent acquisitions, it has set up dedicated project groups covering all the necessary skills.

The Company takes minority stakes in companies with which it signs development, research or technology agreements, or which invest in biotechnology companies. These stakes can entail financial risk.

The biotech companies, which are listed in Note 5.1 to the parent company financial statements, tend to have higher risk profiles than the Company's. If these companies experience difficulties, bioMérieux might have to write down the value of the stocks it holds.

Risk management: The Company carries out financial and commercial analyses of companies before investing in them. After investing in them, it monitors their financial situations. In some cases, it can sit on the board of a company it invests in.

4.1.1.8 Risks related to dependence on partners

The Company is dependent on partners to develop, manufacture and market certain products, and may be adversely affected by a disagreement regarding operational matters.

The Company works with partners to:

- develop certain products (for example, the Quanterix ultrasensitive immunoassay system);
- manufacture certain products (particularly microplate immunoassays in China with Shanghai Kehua Bio-engineering Ltd as part of a 60%-owned joint venture);
- market its products in certain countries. In Japan, for example, the Company's products are distributed by a 66% joint venture co-owned by Sysmex, and in China the Company sells its products through distributors. In the United States, the reagents it produces or buys from other Group companies to sell on the market are stocked and sold by a third party.

These partnerships may, in the event of a disagreement between the parties, prove more complex than anticipated and this may delay the associated product launches, put a stop to projects, affect the production or marketing of the Group's products and consequently affect its sales and operating income. Any incident affecting these third parties or cessation of their activity would affect the Company's activity and its operating income.

Risk management: The Company endeavors to work closely with its partners. Projects are managed by joint steering committees comprising the teams of both partners. In the United States, the Company has selected a third party to distribute its products on the basis of its expertise and sound financial position. It also tracks the activity of this third party. The Company has also taken out insurance policies to cover these products.

4.1.1.9 Risks related to dependence on certain senior executives

The Company's success largely depends on certain key personnel, such as management and scientific personnel. The loss of such personnel, particularly to competitors, or failure to hire new personnel could adversely affect its competitiveness and compromise its ability to meet its objectives. In addition, there could be a need to recruit more management and scientific personnel as business expands in areas that call for additional expertise and resources (such as research and development, marketing and regulatory clearance). The Company may be unable to attract and retain the necessary management and scientific personnel.

Risk management: The Company places strong emphasis on recruitment and career development. It has set up a number of internal mobility and training programs (see section 5.2.1.7). The Company endeavors to offer fairly competitive compensation packages and occasionally grants free shares to members of the Management Committee and key managers. Each year, the Human Resources, Appointment and Compensation Committee and the Executive Committee review succession plans for key positions.

4.1.1.10 Risks related to dependence on certain suppliers

The Company is dependent on certain suppliers, some of whom are exclusive and its profitability and production capacity may be affected in the event of a disagreement, or if the suppliers fail to meet their obligations.

The Company could lose the exclusive rights it holds with certain key suppliers to competitors. This could jeopardize its competitive position and weigh on its sales and growth prospects.

Some Company product components could become obsolete, forcing the Company either to overstock these components if suppliers were to discontinue their production or to partially or completely redevelop some instruments.

The Company uses an extensive network of suppliers. The process of qualifying all the materials, components and supplies it uses is often quite long and limits the number of authorized suppliers. A disagreement with certain suppliers or a failure of suppliers to meet their obligations could create difficulties for the Company's manufacturing operations, including for some of its main products, thereby leading to material additional costs and delays resulting from the need to validate and put in place alternative procurement solutions. In addition, the Company could lose the exclusive rights it holds with certain suppliers, which could intensify competitive conditions.

Risk management: The Company has set up a global purchase department. This department looks to secure supplies by using a wide variety of suppliers, entering into long-term agreements and holding safety inventories. It also looks to involve its suppliers in a sustainable growth strategy.

4.1.1.11 Risks related to the location of industrial facilities

The occurrence of an event causing a temporary or permanent interruption in production at one of the Company's production facilities could have a negative impact on its financial position.

4.1.1.11.1. "Single-site" process

The Company operates 18 production facilities, each primarily dedicated to a single product line and technology, based on the principle of "one site–one product line". As a result, with the exception of ready-to-use media, key product lines are each manufactured at a single dedicated site. For example, the BacT/ALERT® blood culture bottles are exclusively manufactured at the Durham site (North Carolina, U.S.). Production at this site has been affected by problems encountered in setting up a new production line at the same time as the site's boosting of its Quality system in response to the seven points raised by the FDA in its Warning Letter of August 2012. As a result, production levels of the bottles are lower than customer orders.

Any industrial, economic, political, labor, regulatory, environmental incident or accident affecting production capacity or causing a temporary or permanent interruption in production at the single-product production facilities could give rise to a public health risk and have a material adverse impact on the Company's sales and image. This kind of event could also affect the Company's profitability, either permanently with the structural reinforcement of its organization, or temporarily with advisory and assistance missions.

If it were impossible to quickly resume operations at the production facility concerned, the Company could be forced to relocate production of the product line concerned. Due to the complexity of the products manufactured by the Company, relocating production could be long and expensive for the Company, thus increasing the negative financial impact of the production stoppage.

In France, the Group has an international logistics center. As above, any economic, political, labor, regulatory or environmental incident causing a temporary or permanent interruption of operations at this center could have a negative impact on the distribution of products and on the Group's financial position.

4.1.1.11.2. Optimization of production sites and logistics

In order to optimize production and logistics, the Company may have to shut down certain facilities or logistics centers and transfer their activity to other sites. The transfer could be lengthier and more costly than originally expected, and even cause a production and distribution stoppage. One difficulty concerns the need to obtain the regulatory clearance required to manufacture IVD systems.

Risk management: A contingency plan is already in place at certain key sites, and the Company is working to extend these plans to all of its facilities. Transfers of operations are managed by special project teams boasting the requisite skills.

4.1.1.12 Risks related to the regulatory environment

Regulatory constraints could adversely affect the Company's ability to market its products or could increase their manufacturing costs.

The Company's products and their manufacturing process are subject to strict, fast-changing regulations which vary widely from one country to the next. Securing the regulatory clearance or certification needed to market a new product may take several months or, in some countries, one to two years, and requires significant financial resources. Manufacturing sites are subject to regulatory approval processes and periodic inspections, in particular by the U.S. Food and Drug Administration (FDA).

As a result, new applicable regulations could:

- delay or preclude the marketing of new products by the Company;
- force the Company to halt production or sales of existing products;
- oblige the Company to change manufacturing and quality control processes; or
- impose costly constraints on the Company as well as on its suppliers.

An amendment to a regulatory process (such as the 510(k) registration in the U.S. or the CE marking in Europe) or the implementation of a new mandatory process by such a body could lead to additional delays or costs that affect the sale of the Company's products. Similarly, the Company could be required to redevelop certain products in response to changing standards in the food industry.

Changes in product performance, or the release of competitive products of greater sensitivity or specificity, may lead regulatory authorities to prevent the product from being marketed.

Products are inspected by regulatory authorities during the entire manufacturing and marketing process.

For example, the U.S. FDA carries out audits of production sites on an *ad hoc* basis. Following an inspection of the Durham site (North Carolina, U.S.) during the first quarter of 2012, the FDA sent a Warning Letter to the Company setting out seven points related to the site's quality system.

The inspections – required by the regulatory authorities or initiated by the Company – may result in (i) a modification of products or of their production methods, (ii) a product withdrawal, (iii) the suspension of current product applications for products developed, (iv) a remedial action plan in the event of non-compliance, (v) in exceptional cases, the closure of a manufacturing site, if significant risks are caused by non-compliant results obtained when using the Company's products, and/or (vi) the Company being ordered to pay potentially significant fines.

Risk management: The Company strives to reduce this risk by rigorously inspecting production output (see section 6.3.5) and by monitoring regulatory compliance through the Quality Management System Department in all countries in which the Group operates (see the internal control report in Appendix 1 and section 6.3.1). In addition, a number of standards or benchmarks (including ISO) are in force within the Group. These are described in section 6.3.5.

4.1.1.13 Risks related to information system failure

The Company's operations could be affected by the failure of its information system.

Any failure or malfunction of applications or the communication network could adversely affect the Company's business and cause it financial losses.

In particular, the Company has undertaken a worldwide project with a view to implementing a global resource management IT system (Global ERP), the rollout of which falls under the responsibility of a dedicated and multiskilled internal team. This rollout has given rise to numerous assistance agreements with specialist service providers (programmers, integrators, trainers, etc.). This type of project involves significant risks for the Company's business if the safeguards put in place in rolling out the system prove inappropriate or insufficient. In addition, use of the new IT system may reveal flaws or inadequacies that may give rise to additional costs (additional development, user training, etc.) or data loss.

Risk management: An IT contingency plan and a back-up environment have been put in place to counter the eventuality of a major incident affecting the Global ERP system servers. This arrangement was tested in an exercise in which users worked on the back-up environment under real conditions. In addition, the Company has set up a "Value Realization" program to adapt its organizational processes to Global ERP and optimize use of this system.

The Company may have to carry out major IT upgrades.

IT tools and requirements are constantly changing, and the Company may have to make significant changes to its information systems. Its customers may want to switch to computerized payment, for example, and electronic invoicing may become compulsory in some countries. These changes may make the Company's tools more complex in terms of technology and functionality, potentially leading to significant additional set-up costs. The Company may also be unable to develop and deploy these changes quickly enough.

Risk management: The Company pays close attention to the functionality and security of the IT solutions it deploys.

The Company could be the target of cyber attacks.

Cybercrime is on the rise, and the security of its information systems is a top issue for the Company, especially the protection of data on its R&D and production expertise, customers, staff and patients involved in clinical trials. A cyber attack could affect the development of new products or production facilities, and it could affect the Company's rights and competitive advantages.

Risk management: The Company has a dedicated team in the IT department that pays close attention to cybersecurity. This team works with internal experts and external partners to implement and maintain a security program based on risk analysis that combines governance and processes, control, training and awareness raising among end users with the use of the right technologies for reducing exposure to cybercrime.

4.1.2 LEGAL RISKS

4.1.2.1 Risks related to product liability

The production and marketing of diagnostic products generally expose the Company to product liability risks.

The Company could be held liable if a diagnostic error resulting from the defective performance of one of its products leads to unsuitable treatment of a patient or the marketing of contaminated products. Even if diagnostic products are designed, manufactured and delivered in compliance with the quality standards (described in the internal control report in Appendix 1) and it is common practice to perform a series of additional tests to reduce the risk of error for the most serious diseases, this risk cannot be totally eliminated.

The Group uses biological products that are manufactured or created from components developed from materials that are of human, animal or plant origin and which cannot yet be manufactured inexpensively using synthetic materials. This process generates risks in the use of these products or components due to their nature.

There are no guarantees that the Company will always be able to obtain and maintain adequate insurance on acceptable terms to cover its liability. Should the Company fail to obtain insurance at a reasonable cost or otherwise protect itself against potential product liability claims, it could incur significant liability that could undermine the marketing of its products and considerably harm its business and financial position.

4.1.2.2 Risks related to intellectual property

If intellectual property rights cannot be protected, the Company may not compete effectively or may find it impossible to maintain its profitability.

The Company currently owns around 500 patent families and 260 brand families. It has also obtained licenses for a number of patents or trademarks for the products it uses or develops.

The Company's success depends, among other things, on its ability to obtain, maintain and protect patents and other intellectual property rights effectively. Intellectual property law in the health sector is constantly changing and gives rise to uncertainties. Accordingly, the Company may not be able to:

- develop patentable inventions;
- be granted the patents for which it has applied or will apply;
- obtain or renew the licenses it needs for its business;
- ensure that the validity of the patents or trademarks it holds, or for which it has been granted a license either now or in the future, will not be challenged by third parties;
- be sufficiently protected by its patents to exclude competitors; or
- ensure that the patents or other intellectual property rights held, or for which the Company has been granted a license either now or in the future, will not be challenged by third parties.

Within the scope of joint development projects, the Group cannot be certain that the confidential nature of its unpatented technologies or its industrial secrets will be effectively safeguarded by the mechanisms in place, or in the event that confidentiality is breached, that the necessary measures can be taken.

The Company's patents may be infringed, or the Company may infringe the patents of others.

Competitors may infringe the Company's patents or other intellectual property rights or successfully circumvent them through design innovations. Actions may be taken by the Company against infringement, which are expensive and labor-intensive. Policing unauthorized use of intellectual property is difficult, and the Company may not be able to prevent misappropriation of its intellectual property rights.

As the *in vitro* diagnostics industry develops, more and more patent applications are filed and patents granted, leading to an increased risk of unintentional infringement of third-party patents. In general, patent applications are not published until 18 months after the filing date or priority date where applicable, and in some cases patent applications are only published upon issuance of the patent. Therefore, it cannot be ascertained that third parties were the first to invent certain products or processes, and/or to file patent applications for inventions that are identical to those of the Company or for products or processes used by the Company.

If this occurs, the Company may have to obtain the appropriate licenses to third-party patents, cease certain activities or seek alternative technology if obtaining a license is impossible or unprofitable.

4.1.2.3 Risks related to the management of personal data protection

Within the scope of its activities, the Company has access to personal data concerning patients. The confidentiality of personal data is protected through particularly strict regulations in the U.S. and Europe. The Company may fail to comply with these regulations or protect the confidentiality of these data.

4.1.2.4 Risks related to claims and litigation

The Company is a party to a certain number of claims and litigation.

Claims and litigation involving the Company (or the Group) are described in Notes 15.3.1 and 15.4 to the consolidated financial statements included in section 20.1.1.

To the best of the Company's knowledge, there are no other governmental, legal or arbitration proceedings, whether pending or threatened, that are liable to have or that have had over the past 12 months any material impact on the Company's financial position or profitability.

4.1.2.5 Fraud risk

The development of new technologies and communication channels raises new risks of fraud by third parties and the Company might suffer financial loss.

4.1.2.6 Legal risk management

The Legal Affairs and Industrial Property Department ensures compliance with applicable legal and regulatory requirements in its dealings with all of its partners (see the internal control report in Appendix 1). The department has put in place insurance protecting it against legal risks. This includes a civil liability policy in respect of products, people and business losses (see section 4.2).

To limit intellectual property risks, the Company pursues an active policy of patenting and monitoring third-party products to identify potential infringers of its patents (see section 11.5.1). Similarly, the Company checks the freedom to operate in relation to third-party patents for all products under development. The Company has set up a monitoring system to be able to prevent registration of third-party brands and trademarks that are likely to create confusion with its own key brands. Before launching a new brand, bioMérieux verifies as far as possible that the brand will not infringe the rights of third parties.

To minimize the risk of fraud, the Company develops internal control and checks on proper application of procedures through measures such as regular internal and external audits (as described in the internal control report in Appendix 1).

The Company has also created the position of data privacy manager reporting to the Global Compliance Officer in order to ensure the use of patient data in compliance with the regulations in force and to protect their confidentiality.

4.1.3 INDUSTRIAL AND ENVIRONMENTAL RISKS

Liabilities with respect to the environment, changing health, safety and environmental regulations (especially in Europe, with the REACH, RoHS and CLP/GHS regulations), and the ensuing cost of achieving compliance, could have an adverse effect on the Company's operating income and financial position.

The nature of the Company's business requires it to use biological agents. Though these are used in compliance with international recommendations, and emergency response plans are in place, accidental dissemination of biological agents could entail a risk of exposure for people and the environment.

Environmental laws and regulations could require the Company to maintain and restore sites where potentially toxic industrial products are manufactured and stored, in the event that the sites were found to be contaminated. These obligations may relate to sites currently owned or operated, or to sites that were owned by the Company or operated in the past, or even sites where waste that it produced was dumped. Similar obligations may also apply to the recycling of instruments installed at user sites or sold to users.

The REACH regulation aims to eliminate the use of chemical substances of "high concern" from the market. This may oblige the Company to redevelop or even discontinue certain products if it cannot find alternative solutions.

The rewritten EU RoHS (Reduction of Hazardous Substances) Directive removes the exemption for *in vitro* medical diagnostic systems from 2016. For compliance purposes, the Company will have to list the instruments concerned by this development and draw up the requisite technical documents. Compliance with the RoHS Directive will also require establishing the compliance of components and sub-assemblies of the Company's instruments bought from suppliers. To obtain EC marking, products covered by the Directive must prove compliance. Ensuring the compliance of the Company's instruments with the RoHS Directive may generate significant costs for the Company, which may also have to redesign some instruments to replace non-compliant parts. It may also have to terminate the sale of any instruments containing parts whose suppliers cannot provide sufficient guarantees of compliance.

The Company could be involved in legal or administrative proceedings relating to environmental matters. The introduction of stricter health, safety and environmental laws and more thorough enforcement measures than those currently applied could result in considerable costs and liability for the Company. Applicable regulations could make it subject to stricter inspections in respect of the handling, manufacture, use, reuse, or treatment of substances or pollutants than provided for by current law. Accordingly, compliance with these laws could result in considerable expenses for bringing facilities into compliance, as well as other costs and compensation, which could have an adverse impact on the Company's business and earnings.

If production facilities were to be closed for reasons relating to the enforcement of environmental laws, the Company could suffer a temporary interruption in the manufacture of certain products and the regulatory clearance needed to resume production could take a long time to obtain.

Risk management: A Health, Safety and Environment Department operating at Group level develops a harmonized and pro-active approach aimed at preventing harm to individuals, property and the environment (see the internal control report in Appendix 1 and section 8.2). The department ensures that employees are aware of and comply with applicable regulations.

The Company has put together a special project team to reach the expected level of compliance with the deadlines set by the RoHS Directive. This team sets priorities, defines the compliance action plan and ensures the viability of the solutions selected for current products and for future developments.

4.1.4 MARKET RISKS

4.1.4.1 Borrowing risks

The Company's syndicated loan requires it to comply with certain financial ratios (covenants) at consolidated level.

The Company has access to a five-year, €350-million revolving credit facility maturing in March 2017. This funding is subject to compliance with one financial ratio: net debt may not exceed three times EBITDA (leverage ratio).

Failure to comply with this covenant may prevent the Company from being able to use this revolving credit facility.

4.1.4.2 Exchange rate risks

Changes in exchange rates could materially affect the Company's sales, earnings and net assets (see Note 29.1 to the consolidated financial statements included in section 20.1.1), especially if the Company's attempts to reflect these impacts in its selling prices prove insufficient.

4.1.4.3 Credit risks

Certain public or private customers may fail to meet their debt obligations as they fall due. The Company holds significant outstanding trade receivables with public bodies in Southern European countries currently experiencing financial difficulties.

A provision has been booked for all identified credit risks (see Note 29.2 to the consolidated financial statements included in section 20.1.1).

4.1.4.4 Liquidity risks

At December 31, 2013, the Group was not exposed to any material liquidity risks (see Note 29.3 to the consolidated financial statements included in section 20.1.1).

4.1.4.5 Counterparty risks

The Company's exposure to financial counterparty risk is linked to its cash surpluses, invested with leading counterparties, and interest rate and exchange rate guarantees contracted with these counterparties. The Cash Management and Finance Department tracks their ratings and the distribution of these sums between an appropriate number of counterparties.

4.1.4.6 Interest rate risks

Interest rate risk, the Company's hedging policy and its financial impact are described in the notes to the consolidated financial statements in section 20.1.1 (see Note 29.4).

4.1.4.7 Raw materials risks

For manufacturing and logistics purposes, the Company uses energy and processed raw materials such as plastic and electronic components. A sharp rise in prices of raw materials could adversely affect the Company's earnings.

4.1.4.8 Pension risks

Obligations to finance defined benefit pension plans chiefly concern the Group's U.S. employees. The amount of these obligations depends on:

- the return on plan assets;
- the interest rates used to calculate the present value of its obligations;
- actuarial data (life expectancy, employee turnover, etc.);
- inflation rates;
- the level of insurance offered to employees; and
- changes in the regulatory environment (retirement age, taxation, etc.).

An adverse change in any of the above factors may lead to an increase in the Company's unfunded pension obligations and have a negative impact on its financing capacity or on the Company's earnings (see Note 15.2. to the consolidated financial statements included in section 20.1.1).

4.1.4.9 Share price volatility and liquidity risks

Due to the fairly small number of shares making up the free float, the existence of major shareholders within the free float could restrict the liquidity of the share and have an adverse impact on the share price.

For information on financial risk management, see Note 29 to the consolidated financial statements included in section 20.1.1.

4.2 INSURANCE

4.2.1 INSURANCE POLICY

The Company's policy regarding insurance coverage is designed to ensure that all subsidiaries have access to similar coverage, regardless of their size or location.

Coverage purchased takes into consideration the specific nature of local regulations, while at the same time reflecting the Group's centralization and overall coverage policies. Insurance policies are purchased from insurance companies selected on the basis of their creditworthiness as well as their ability to provide the Company with risk prevention services.

Coverage is calculated on the basis of loss assumptions, taking into account the Company's risk profile. The following types of insurance cover the risks to which the Company is exposed as a result of its business and organization:

- general and specific civil liability;
- property and casualty;
- transport;
- car;
- construction;
- individual accident.

Property and casualty insurance includes coverage of accidents (fire, machine failure, computer damage, etc.) which may occur at Company facilities, as well as consequential business losses over an 18-month period.

The nature of the Company's business has also been taken into consideration for the purpose of liability coverage (professional nature of most of its clients, batch manufacturing processes that reduce the likelihood of multiple risks, etc.). Separate policies are sometimes required to cover specific risks, either due to insurance regulations or applicable laws.

4.2.2 PRINCIPAL INSURANCE POLICIES

Civil liability

The Company and all of its subsidiaries are covered by an umbrella policy with a limit of €100 million per claim and per year as regards:

- operating liability;
- liability after delivery and/or product liability and/or liability for experimentation;
- professional liability;
- environmental damage caused by its products.

In addition to this umbrella coverage, specific policies have been purchased to cover the following risks:

- liability for environmental damage caused by Group entities;
- Group liability under regulations governing biomedical research ("Huriet Act").

In order to comply with laws and regulations in effect in certain countries, specific local policies such as employer liability policies have been purchased by certain Group subsidiaries.

The Company also has an insurance program covering the liability of its corporate officers, senior executives and representatives.

Property and casualty

The Company and its subsidiaries are covered by an umbrella policy with a limit of €300 million per claim and per year, which notably covers fire, machine failure, theft, natural disasters and consequential business interruptions.

This master policy covers all subsidiaries located in the European Union, making it unnecessary for them to take out insurance locally. It can also be extended to cover subsidiaries located in major countries outside the European Union, including the United States, through local agreements with the same benefits or as supplementary coverage or where no coverage has been taken out locally to comply with regulations.

Transport

Exposure to "ordinary" risks entailed by the transport of freight by land, sea or air is covered by an umbrella policy with a limit of €2.3 million per mode of transport and per location during transport. Freight transportation insurance offered by all insurers and reinsurers excludes coverage for chemical, biochemical, electromagnetic and cyber risks.

Deductibles and premiums

The Group seeks to make sure that all information regarding premiums and terms of coverage is kept confidential in order to avoid its use against the Company's interests. This is particularly true in the case of liability insurance.

In general, the Company's principal insurance policies include:

– various specific deductibles ranging from €15,000 to €250,000 per claim in the case of civil liability insurance;

– various specific deductibles ranging from €10,000 to €75,000 in the case of property and casualty insurance.

In 2013, no loss incurred exceeded the deductible amounts set in property and casualty or civil liability policies.

5 INFORMATION ABOUT BIOMÉRIEUX

5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

5.1.1 COMPANY NAME

The Company's name is bioMérieux. No trade name has been registered.

In this Registration Document, bioMérieux is referred to as the "Company", "bioMérieux", or the "Group".

5.1.2 REGISTRATION DETAILS

The Company is registered with the Trade and Companies Registry of Lyon under number 673 620 399.

The Company's APE industry code is 2059 Z.

5.1.3 DATE OF INCORPORATION (ARTICLE 5 OF THE BYLAWS)

The Company was incorporated on December 13, 1967 for a period of 50 years from its registration with the Trade and Companies Registry, unless said period is extended or the Company is dissolved before the end of said period.

The Ordinary and Extraordinary Shareholders' Meeting of April 16, 2004 resolved to extend the Company's duration to 99 years, expiring April 15, 2103.

5.1.4 REGISTERED OFFICE AND LEGAL FORM

The Company's registered office is located in Marcy l'Etoile (Rhône department), France.
The Company has been established in France since its incorporation.
The telephone number of the registered office is +33 4 78 87 20 00.
The corporate website is www.biomerieux.com.

bioMérieux is a French joint stock company (*société anonyme*) with a Board of Directors, governed by the French Commercial Code (*Code de commerce*) and all other applicable laws and regulations.

5.1.5 HISTORY AND DEVELOPMENT OF THE GROUP'S ACTIVITIES

The Company's expertise is built upon the Mérieux family's experience in biology dating back to 1897 when Marcel Mérieux established Institut Mérieux, which was later headed by Dr. Charles Mérieux in 1937, then by Alain Mérieux, who served as Chairman from 1968 to 1994.

Since its establishment in 1963 in Marcy l'Etoile (near Lyon, France), B-D Mérieux, which became bioMérieux in 1974, has provided a vast range of products for medical laboratories, from biochemistry, coagulation, and virology to microbiology. The Company initially targeted French-speaking markets mainly for the diagnosis of infectious diseases.

bioMérieux then rapidly expanded on an international scale through the creation of its own network of subsidiaries, in particular in Belgium (1975), Germany (1976), Spain (1980), Italy (1985), Japan (1988), and the United Kingdom (1991). The Company also decided early on to expand into emerging markets: Brazil (1973), China (1992), Russia (1996) and India (1998). At the same time, the Company pursued a policy of external growth through targeted acquisitions, enabling it to progressively extend its product lines in order to respond to its customers' changing needs and the emergence of new pathologies.

In 1987, within the framework of this policy, the Company acquired the API group, the global benchmark in microbiology solutions for bacterial identification and manual antibiotic susceptibility tests[(1)].

(1) On March 21, 1987, bioMérieux merged with API SA, a company incorporated in 1967. bioMérieux, which had been established in 1963, was absorbed by API SA. Following this transaction, API SA took on the name bioMérieux.

In response to the trend towards automation in the *in vitro* diagnostics market, the Company acquired a controlling interest in Vitek Systems, an American corporation specializing in automated microbiology, from McDonnel Douglas in 1988. This acquisition enabled the Company to extend its microbiology product lines, establish operations in the United States, and strengthen its global position.

In 1991, the Company's product lines were extended to include industrial applications, and initial efforts were focused on the food industry.

The same year, the Company launched the VIDAS® system for use in the field of immunoassays.

In 1996, the Company entered the molecular biology field in partnership with Gen-Probe, which entrusted the Company with the exclusive distribution of manual reagents in certain regions, and with Affymetrix (DNA chips).

In 2001, the Company acquired the diagnostics division of Organon-Teknika, a subsidiary of Akzo Nobel. This acquisition was a major step in the Group's development, providing it with:

– new products that were highly complementary to its strategy, particularly in microbiology with the BacT/ALERT® blood culture product line;

– new technologies, particularly in the molecular biology field with the BOOM® extraction technology which the Company uses in its NucliSENS® EasyMAG® system and the NASBA® amplification technology, which the Group has integrated into its NucliSENS EasyQ® system;

– a reinforced presence in the American market and, in particular, the Durham site in the heart of the North Carolina Research Triangle to where the North American headquarters were relocated;

– critical mass, and a stronger presence in the global market as Organon Teknika's diagnostic division's sales in 2001 were equivalent to approximately 40% of the Group's sales before the acquisition; and

– synergies and economies of scale, from which the Group quickly benefited.

In 2003 and 2004, the Group simplified its structure by merging its holding companies and focusing exclusively on *in vitro* diagnostics

On July 6, 2004, the Company's shares were admitted for trading on NYSE Euronext Paris.

Since 2004, the Group has pursued a strategy for the development and acquisition of biological markers in order to offer high medical value tests with, in particular, the launch of VIDAS® B.R.A.H.M.S PCT and NT-proBNP in 2007, VIDAS® EBV in 2009 and VIDAS® Galectin-3 in Europe at the end of 2012.

In 2006, the Group also implemented a strategic refocusing of its activities through the sale of its Hemostasis product line and the termination of the production and marketing of its microplate immunoassay product line in North America in 2007.

Since 2006, the Company has carried out various acquisitions with a view to widening its product lines and its geographic positioning:

– in 2006, the Company acquired the molecular biology company Bacterial Barcodes Inc., which developed the patented DiversiLab® system, for its automated bacterial genotyping activity;

– in 2007, the Group acquired the Spanish company Biomedics, which specializes in the production of culture media, as well as the Australian company BTF, whose patented BioBall® calibrated strain technology is used in quantitative microbiological quality control in industrial applications;

– In 2008, the Group carried out three acquisitions of reagent companies:

  - AB BIODISK (Sweden), a company specialized in microbiology, whose flagship product, Etest®, allows for the measurement of the minimum inhibiting concentration of an antibiotic treatment and constitutes a benchmark method for microbiology laboratories worldwide,

- AviaraDx (California, United States), a molecular diagnostic company specialized in oncology and theranostics. AviaraDx, renamed bioTheranostics, develops molecular-based tests that are used to characterize metastatic cancers and help physicians choose the most effective treatment strategy. It runs these tests in its CLIA (Clinical Laboratory Improvement Amendments) service lab. In early 2013, bioMérieux decided to seek outside partners in order to accelerate the development of bioTheranostics,

- PML Microbiologicals (North America) was acquired for its activity in the field of culture media and microbiological control products intended for industrial applications on the North American market;

– In 2010, the Group carried out two acquisitions in China:

  - Meikang Biotech – renamed bioMérieux Shanghai Biotech – produces rapid tests in Shanghai. Thanks to this acquisition, bioMérieux has gained production and R&D capabilities in China. This site in Shanghai is bioMérieux's new China headquarters. bioMérieux also acquired Dima GmbH, a distributor of Meikang Biotech products primarily in Germany (this company, which focuses on the marketing of rapid tests for drugs of abuse, a non-strategic area for bioMérieux, was sold to Biosynex in January 2012),

  - Shanghai Zenka Biotechnology, a company that possesses the authorizations necessary to market the main microbiological culture media in China;

– In 2011, the Group carried out two acquisitions in France:

  - AES, a leading French group specialized in industrial microbiological control. The acquisition has made bioMérieux the world leader in food applications and the Company now offers its customers a comprehensive product line. In addition, this acquisition has enabled bioMérieux to develop and invest in AES cytometry solutions and other high-potential platforms in order to strengthen its solid competitive position. In 2013, the AES group's legal structure was simplified when bioMérieux SA acquired AES Chemunex (France),

  - Argene, a company specializing in the molecular diagnosis of infectious diseases for immunocompromised patients, has extended bioMérieux's infectious disease product portfolio. This acquisition will also accelerate time-to-market of a broad test menu. In 2012, Argene was merged into bioMérieux SA;

– In 2012, bioMérieux acquired a 60% interest in India's RAS Lifesciences Pvt. Ltd (RAS). Based in Hyderabad, RAS is a privately held start-up specialized in molecular diagnostics and does not yet have significant sales. RAS's expertise and range of reagents, which are intended primarily for the diagnosis of infectious diseases, will enable bioMérieux to commercialize a menu of molecular diagnostic tests primarily in India and, over the medium term, in emerging markets.

In line with its 2012-2015 roadmap, the Company also entered into a strategic agreement in 2012 with the American company Quanterix giving bioMérieux worldwide exclusive rights to Quanterix's Simoa™ ultrasensitive immunoassay technology in clinical laboratories and for industrial applications. Under the agreement, Quanterix will deliver a new instrument and consumables based on its Simoa™ technology, and bioMérieux will develop ultrasensitive and multiplex assays on the new platform. At the same time, bioMérieux took a 14% equity stake in Quanterix.

In 2013, bioMérieux entered into three strategic partnerships:

– In March, Veolia Environnement and bioMérieux announced their commitment to undertaking a research partnership aimed at developing an innovative technology for the continuous monitoring of the microbiological quality of drinking water;

– In October, bioMérieux signed an exclusive agreement with Gilead Sciences Inc., a biopharmaceutical company focusing on innovative therapeutics for unmet medical needs, to co-develop an assay that may be a potential companion diagnostic of a Gilead drug candidate, currently under development;

– In December, bioMérieux selected Life Technologies (Applied Biosystems® 7500, 7500 Fast and 7500 Fast Dx instruments) as its preferred thermocyclers, marking a new stage in the rollout of its comprehensive automation solution for centralized or benchmark molecular biology laboratories.

Furthermore, in November, bioMérieux announced the end of its collaboration with Biocartis for the development and commercialization of an integrated molecular biology system. After returning its rights to use Biocartis technology, especially in microbiology molecular diagnostics, bioMérieux nevertheless remains a Biocartis shareholder.

In January 2014, bioMérieux acquired all outstanding shares of BioFire Diagnostics Inc., a privately held U.S. company specialized in molecular biology. BioFire has developed FilmArray®, a CE-marked, FDA-cleared integrated multiplex PCR molecular biology system. By introducing the syndromic approach to the molecular diagnosis of infectious diseases, FilmArray® has set a new market standard, combining in a single assay such critical benefits as speed, accuracy, ease of use and exhaustiveness. The FilmArray® menu currently comprises two panels, the respiratory panel and the sepsis panel, both of which are CE-marked and FDA-cleared. In early February 2014, BioFire submitted its Gastrointestinal (GI) Panel, currently under development, to the FDA for clearance for commercialization in the United States.

The two companies present strong strategic synergies, especially in marketing, manufacturing and innovation. The unique FilmArray® system is a key differentiating asset in the development of bioMérieux's franchise in infectious disease diagnostics, its primary area of expertise.

In early 2014, as soon as the transaction was completed, bioMérieux and BioFire began the integration process, focusing mainly on leveraging positive synergies between the two companies to drive FilmArray® sales and expand its menu. In addition, to meet the expectations of BioFire's biodefense customers in the United States, a wholly owned subsidiary dedicated to this business was created. In light of the above, the U.S. Department of Defense (DoD) awarded BioFire Defense, LLC the Next Generation Diagnostic System (NGDS) Technology Development contract. This eight-year biodefense contract has a price tag of USD 240 million (see section 12.1).

Financial highlights

The transaction includes the USD 450 million acquisition price and BioFire's net financial debt (around USD 35 million), for a total consideration of €355 million.

In 2014, the recognition of BioFire's revenue should increase the Group's sales by around €60 million. BioFire's rapid development will subsequently act as a key growth driver for the Group whose ambition is to increase bioMérieux's organic sales growth by 100 to 200 basis points over the 2015-2017 period. In light of an ambitious plan to stimulate the development of this new line, the acquisition is expected to have a dilutive effect on operating margin before non-recurring items in 2014 and 2015.

5.2 CORPORATE SOCIAL RESPONSIBILITY

The information provided in this section is consolidated information for the Group as a whole, unless otherwise stated.

5.2.1 HR INFORMATION

5.2.1.1 Workforce

Before acquiring BioFire, the Group had 7,723 full-time-equivalent employees as of December 31, 2013. This compares with 7,413 employees at December 31, 2012, based on the same method of calculation.

Expressed as employees on the payroll, the workforce comprised 7,862 employees as of December 31, 2013 (55% of which outside France).

The indicators presented below are based on employees on the payroll.

Breakdown of workforce by gender

	Women	Men	Total workforce
2012	3,715	3,819	7,534
2013	3,893	3,969	7,862

Women account for half of the Group's workforce.

Breakdown of the workforce by gender and time worked

	Women		Men	
	Part time	Full time	Part time	Full time
2012	14%	86%	1%	99%
2013	13%	87%	2%	98%

Number of departures by type of contract and departure

Departures	2013	2012	2011
Permanent			
Voluntary	433	374	380
Involuntary	131	163	213
Sub-total	*564*	*537*	*593*
Temporary			
Voluntary	101		
Involuntary	420		
Sub-total	*521*	*418*	*297*
Total	**1,085**	**955**	**890**

Number of new hires by type of contract

New hires	2013	2012	2011
Permanent	665	651	1,157
Temporary	748	543	491
Total	**1,413**	**1,194**	**1,648**

Breakdown of departures and new hires by gender in 2013

2013	Men		Women		Total
Departures	Number	%	Number	%	
Permanent					
Voluntary	252	58.2%	181	41.8%	**433**
Involuntary	82	62.6%	49	37.4%	**131**
Sub-total	*334*	*59.2%*	*230*	*40.8%*	***564***
Temporary					
Voluntary	40	39.6%	61	60.4%	**101**
Involuntary	146	34.8%	274	65.2%	**420**
Sub-total	*186*	*35.7%*	*335*	*64.3%*	***521***
Total departures	**520**	**47.9%**	**565**	**52.1%**	***1,085***

New hires	Number	%	Number	%	
Permanent	386	58.0%	279	42.0%	**665**
Temporary	285	38.1%	463	61.9%	**748**
Total new hires	**671**	**47.5%**	**742**	**52.5%**	**1,413**

Breakdown of workforce by age

Age	2013	2012	2011
< 25	4%	5%	4%
25-34	27%	27%	28%
35-44	31%	32%	32%
45-54	27%	27%	26%
> 54	11%	10%	9%

Breakdown of workforce by age and gender in 2013

Age	2013 workforce	Women	Men
< 25	4%	5%	4%
25-34	27%	29%	25%
35-44	31%	30%	32%
45-54	27%	26%	28%
> 54	11%	10%	11%

Breakdown of workforce by region

Region	2013	2012	2011
France	45%	45%	46%
EMEA[(2)]	16%	16%	16%
North America	23%	23%	23%
Asia-Pacific	12%	11%	10%
Latin America	4%	5%	5%

Breakdown of workforce by region and gender in 2013

Region	2013 workforce	Women	Men
France	45%	50%	40%
EMEA	16%	14%	17%
North America	23%	20%	26%
Asia-Pacific	12%	12%	12%
Latin America	4%	4%	5%

Absenteeism: value / theoretical working hours

ABSENTEEISM: value / theoretical working hours	2013		2012		2011	
	Hours	%	Hours	%	Hours	%
Theoretical working hours	5,441,530		5,127,522		5,043,517	
Sick leave	168,791	3.10%	165,219	3.22%	164,286	3.26%
Occupational accidents and commuting accidents	9,957	0.18%	14,049	0.27%	12,271	0.24%
Maternity/paternity leave	58,539	1.08%	54,085	1.05%	49,379	0.98%
Total hours	**237,287**	**4.36%**	**233,353**	**4.55%**	**225,936**	**4.48%**

(2) EMEA: Europe, Middle East, Africa.

5.2.1.2 Compensation policy

Compensation (fixed and variable) is set in each country on the basis of local conditions, the Company's results and individual performance. For executives, a worldwide grading of positions makes it possible to compare levels of responsibility and set compensation on the basis of local benchmarks.

In order to align staff with bioMérieux values and strategic priorities, certain executives receive a compensation package based on common indicators, a portion of which is linked to the Company's economic performance.

Incentives for employee savings have been offered in France since 1987, with the establishment of a company savings plan (*Plan Epargne Entreprise* – PEE). In addition to the regulatory profit-sharing plan, the Company's employees also benefit from an incentive plan. Since 2006, all employees in France have been able to invest their variable compensation in a group retirement savings plan (*Plan d'Epargne Retraite Collectif* – PERCO), to which the Company makes contributions. Caps on employee contributions to the plan were revised upwards in 2013.

In addition to the plan proposed in 2004 in connection with the Company's IPO, a global share ownership plan (Opus) was implemented in 2009, 2010 and 2011 to enable the Group's employees in France and the U.S. to take part in this operation. The Opus plan allowed employees to acquire bioMérieux shares on favorable terms (employer's matching contribution in the form of free shares outside France and under the PEE in France).

More than half the employees are now bioMérieux shareholders. At December 31, 2013, 0.75% of the share capital of bioMérieux was held by its personnel directly or through mutual funds.

Incentive and mandatory profit-sharing plan

An incentive plan was negotiated for 2013, 2014 and 2015 for the employees of bioMérieux SA. The amount distributable under the plan is calculated by reference to consolidated operating income.

bioMérieux SA also has a regulatory profit-sharing plan calculated on the basis of the legal formula.

Employee profit sharing, including the corporate social contribution (*forfait social*), amounted to €9,460,338 in 2013.

5.2.1.3 Work organization

bioMérieux SA has signed several agreements on work organization, including the "Health in the workplace" agreement in 2012, the "Travel and working hours" agreement in 2011 and the "35-hour week/working time arrangements" agreement in 2000; an amendment to this agreement was signed in December 2013.

Within the Group, the organization of working hours took form in 2000 with the signing of the "35-hour week/working time arrangements" agreement ensuring more flexibility and a better work-life balance:

- flextime was introduced alongside the fixed-schedule working day;
- staggered alternating morning/evening work and the night shift have changed, with benefits including rest days in recognition of the difficulty of these schedules and not time worked (equal to or below legal working hours);
- Saturday-Sunday substitution teams and working from home have also been introduced;
- stepping up the Company's international expansion, increasing the need for long trips to subsidiaries and customers, has resulted in the establishment of compensation for business travel outside working hours.

The "Gender equality" agreements, renegotiated every three years, were instrumental in the introduction of measures designed to ensure equal pay, especially by correcting and later preventing pay gaps that can occur following maternity and parental leave. These agreements also helped improve the work-life balance. Special attention is given to pregnant women who receive paid leave every other Wednesday immediately after declaring their pregnancy and every Wednesday after the sixth month of pregnancy. They are also provided with the tools needed to work from home. Moreover, optional part-time work has grown in popularity.

The 2011-2012-2013 agreement includes:

- The non-discrimination principle: "The signatory parties would like to stress their commitment to the non-discrimination principle, not only on the basis of gender, but also lifestyle, sexual orientation, pregnancy, age, family status, genetic traits, actual or assumed identification with an ethnic group, nation or race, origin, political views, involvement with unions or solidarity movements, legally exercising the right to strike, religious beliefs, physical appearance, family names, health or disabilities."

- Prevention and punishment of bullying and sexual harassment: "Employers should work to prevent, inform and be particularly vigilant concerning bullying and sexual harassment. The role of employee representatives is to inform employees and management. Irrespective of the procedures that can be implemented pursuant to legal provisions in force, management has been instructed to pay close attention to this issue. When instances of harassment are brought to management's attention, management, with the assistance of the Human Resources Department, must listen to each party concerned and take the appropriate actions which can been decided on within or, where necessary, outside the Company."

Employees and particularly managers receive training on these principles.

The "Health in the workplace" agreement, aimed at improving the health and welfare of employees at work, pays particular attention to workstations, organization, night shifts and the prevention of psychosocial risks and harassment risks, in accordance with the non-discrimination principle. In addition, the agreement harmonizes methods for preventing and assessing risk in all of bioMérieux SA's French sites, introduces alternate telecommuting for some autonomous personnel and creates a Central HSWC (Health, Safety and Working Conditions) Committee. This Committee, headed by a site director and a Human Resources representative and comprising secretaries from the various HSWC Committees, aims to address all HSE issues at all sites and bring all sites in line with best Health, Safety and Environment (HSE) practices, for example concerning the job hazard assessment, a single set of guidelines and harsh working conditions.

This agreement is also related to the agreement on forward looking skills, career management and the time savings account for the compensation of senior employees for arduous working hours. Three years before retiring after 20 years of working staggered hours or night shifts, older employees have the option of working 80% of their workload, while being paid 90% of their salary and 100% of their pension contributions. In addition to this recognition of harsh working conditions over the long term, these employees also receive an additional contribution to their time savings account of up to 40%.

The Group's Italian and Spanish companies have their own equivalent of the HSWC Committee.

5.2.1.4 Employee relations

In its opinion, the Company has good relations with its employees and has always been very attentive to the quality of social dialogue with the employee representative bodies.

In 2013, six company-wide agreements were signed in France for bioMérieux SA, including:

- an incentive plan for 2013, 2014, 2015 (see section 5.2.1.2);

- the "GPEC – Generational Contract" agreement covering all applications and tools used to qualitatively and quantitatively adapt bioMérieux's Human Resources to changes in strategy. Thanks to this agreement, bioMérieux complies with new legislation on the employment of seniors and employment security for the 2013-2016 period. The agreement also provides for a strong commitment to youth employment and the development of different forms of monitoring to favor the transfer of skills and integration into the Company;

- an amendment to the "35-hour week/working time arrangements" agreement aiming to make production more flexible within a more competitive international environment, for example by allowing the Company to answer calls for tenders which are frequently used in emerging countries;

- a method agreement on the arrangements for harmonizing the status of employees at AES-Chemunex which was merged with bioMérieux SA on December 31, 2013. The legal status of bioMérieux SA provides the employees of AES-Chemunex with considerable improvements, such as an annual salary paid over 13 months, improved health insurance and welfare, access to PERCO (supplementary pension savings plan), various contributions, reassessment of compensation for blue-collared workers and a supplementary pension fund for senior staff.

No consensus was reached on the mandatory annual bargaining agreement for 2014. Despite this, the Company is committed to proposing long-term solutions to help employees understand the lower return on mandatory pension plans, to which the Company pays a maximum contribution, and what they can do to mitigate it:

- increasing the contributions paid by the Company into PERCO;

- increasing contributions paid by both certain senior staff members and the Company to the supplementary pension plan.

In addition, the ongoing implementation of the 2011-2013 agreement on the employment of workers with disabilities allowed bioMérieux SA to increase its percentage of workers with disabilities to 5.65% of the total workforce in 2012 as part of the difficult task of recruiting workers with disabilities. A new agreement was drafted and negotiated pending its signing in the first quarter of 2014. Further to the mandatory contribution which decreased as a result of an increase in the percentage of workers with disabilities, the agreement provides for an optional contribution for the prevention of disabilities, in particular within the framework of the Company's policy of preventing musculoskeletal disorders. The Company will continue its efforts to outsource work to sheltered-sector workshops (*Etablissements et Services d'Aide par le Travail* – ESAT) and to employ young people in internships or work-study programs.

The Company continued the rollout of the "Health in the workplace" agreement entered into in 2012 particularly as regards harsh working conditions and occupational hazards (see section 5.2.1.6).

As a result, in 2013 bioMérieux was ranked as the most sought after employer in the Rhône-Alpes region in France according to the annual *Palmarès Employeurs* survey of French employers for *RegionsJob*, *l'Express*, *le journal des entreprises* and ANDRH (French national association of HR Directors).

In 2013, the bioMérieux SA Central Works Council held 15 information and/or consultation meetings. The Chairman and Chief Executive Officer or members of the Executive Committee attended these meetings depending on the topics covered.

The topics discussed related to:

- the Company's financial position, environment and financial results, and the merger with AES-Chemunex;

- the overall strategy, research and development policy, industrial master plan and strategy in the various divisions;

- the operating changes needed to achieve objectives;

- the social balance sheet, changing professions (application of the GPEC agreement), training policy, compensation and company-wide agreements.

Since 2008, these topics have also been addressed during the biannual meetings of the European Works Council.

The Group's other companies also have sound labor relations. For example, in 2013 two company-wide agreements were signed in Italy, including:

– an agreement on the organization of working hours in 2013; and

– an agreement for 2013-2016 on the manufacturing policy, national holidays and work organization (flextime, sick leave, absences and HSE).

5.2.1.5 Health, Safety and the Environment

The Company's Global Health, Safety and Environmental policy is part of a sustainable development process; the Company signed the United Nations Global Compact in 2003.

A Health, Safety and Environment Department operates at Group level, in order to develop a harmonized and proactive approach aimed at preventing harm to individuals, property and the environment. It is headed by the Health, Safety and Environment (HSE) Corporate Director, who reports to the Corporate Vice President of Human Resources, a member of the Company's Executive Committee. The Health, Safety and Environmental policy is laid out in a manual signed by the Company's Chairman and Chief Executive Officer. It describes the organization and implementation of HSE-related activities across all Company entities worldwide.

The Company has chosen to organize its Health, Safety and Environment approach on the principle of continuous improvement; programs are based on ISO 14001 (see section 5.2.2.1) and OHSAS 18001. The site in Craponne (France) received OHSAS 18001 certification from an authorized third party.

The corporate Health, Safety and Environment Department provides advice and support as required by the various sites and subsidiaries. All of the Company's production sites have HSE departments working directly under the authority of the site Director. HSE resources are evaluated by the corporate Health, Safety and Environment Department and other relevant functions to ensure that they are appropriate for the management of the risks specific to each site. A network of HSE correspondents is in place in all commercial subsidiaries. Under the authority of the Director of the subsidiary, the HSE correspondent coordinates the HSE program within the subsidiary.

Each production site throughout the world subscribes to an HSE regulatory monitoring stream provided through dedicated software. This allows the identification of regulatory requirements applicable to the site in respect of health, safety and environmental issues; periodic regulatory compliance assessments are made to ensure that work is conducted in accordance with the regulations.

Additionally, protection and prevention programs which can sometimes exceed regulatory requirements have been rolled out, including the following:

– HSE corporate program on minimum operating requirements applicable to sites;

– standard program for the assessment of occupational hazards;

– standard program for the environmental analysis of the Company's activities;

– program for managing individual protective equipment;

– program for managing and reporting hazardous situations.

The Company provides HSE training for all new employees.

In 2013, the corporate Health, Safety and Environment Department set up an intranet dedicated to HSE issues with the aim of facilitating the sharing of programs, HSE best practices and information with all Group employees.

Health, safety and environmental performance indicators are defined and implemented across the entire Company. More detailed management indicators are monitored at each site and in each subsidiary to assess the implementation of HSE programs at the local level.

5.2.1.6 Health and Safety

Assessment and prevention of occupational hazards

The Company has implemented a single methodology across all its sites for the assessment of occupational hazards, to:

- identify and measure risks;
- determine the necessary prevention measures; and
- define the best practices to be applied to the employees concerned.

The Company has also put in place corrective and preventive measures to eliminate or at least reduce these hazards.

Certain occupational hazards are monitored particularly closely:

- Biohazards: the Company implements a biosafety program based on a common set of rules and conducts audits;
- Chemical risks: the Company is implementing a chemical safety program at its production facilities and laboratories. It limits the use of products that are carcinogenic, mutagenic, or toxic to reproduction, evaluates the danger posed by finished products, assesses employee exposure to hazardous materials and provides adequate equipment for collective and individual protection;
- Ergonomic risk: to prevent the risk of musculoskeletal disorders, the Company carries out at most of its sites an ergonomic assessment of workstations and continuously improves risk-prone functions. In addition to these initiatives regarding the improvement of risk-prone functions from a physical point of view and in terms of their duration (rotation), personnel are trained in the proper movements and postures to use at these workstations.

The Company is especially attentive to psychosocial risks faced by its employees and already benefits from substantial experience and past actions in analyzing and preventing such risks. In France, an agreement on occupational health was signed with union representatives (see section 5.2.1.4).

Occupational Health and Safety

The Company attaches particular importance to safety in the workplace and has adopted various measures relating in particular to the prevention of occupational accidents and diseases, which are monitored through specific indicators. These indicators are reported to the Executive Committee, trends are measured and corrective action taken as appropriate.

Managers are held accountable (with objectives and awareness raising) for the implementation of the prevention programs for which they are responsible.

In order to foster a culture of prevention, each employee must report the events in which he/she was involved or that he/she witnessed and that could have caused an accident. The employee must propose corrective measures. A program specifically focused on the identification of "dangerous situations" has been put in place for this purpose.

Work began with commercial subsidiaries to raise awareness about the risks at subsidiaries and at customer locations. Depending on the size of the subsidiary, the program includes training and awareness raising on certain risks (automotive, biological, chemical, ergonomic, etc.), appropriate protection measures and best practice. In particular, the Company has developed guidelines for users of company cars, laying down rules in terms of driving, prevention of road risks and vehicle maintenance.
Besides preventing occupational risks, the Company improves the health of its employees by promoting health in the workplace.

All Group employees benefit from health insurance coverage (public, private, or both).

The Company has rolled out a healthcare and health education pilot program at its North American sites, in the form of health days. These initiatives are designed to offer employees who so wish to benefit from medical check-ups, early cancer screening, and medical or nutritional advice given by professionals. The confidentiality of medical data is strictly observed and the Company does not have access to personal data.

Sites promote sporting activity through the provision of sporting facilities or subsidies for subscriptions to gyms.

In addition, each year the Company provides a free flu vaccination campaign for its employees at most of its sites.

In France, medical staff employed by the Company (doctors and nurses) are consulted and involved in the prevention of occupational health risks.

In 2013, bioMérieux invested around €4 million in projects to improve, either directly or indirectly, occupational health and safety.

Monitoring of Health and Safety policy

Occupational accidents and first aid provided by the site infirmary are reported monthly by the manufacturing sites and main subsidiaries, analyzed by the Executive Committee and circulated within the Company.

Safety indicators[a]	2013	2012	2011	2010	2009
Number of lost-time occupational accidents	49	42	36	48	40
Number of occupational accidents without lost time	49	28	39	59	45
Number of days lost[b]	1,166	982	696	844	1,658
Frequency rate of lost-time occupational accidents[c]	4.6	4.0	3.9	5.2	4.1
Frequency rate of total reportable occupational accidents[d]	9.1	6.9	8	12	9
Severity rate[e]	0.11	0.10	0.08	0.09	0.17
Number of occupational diseases[f]	2	9	Not available	Not available	Not available
Number of reportable commuting accidents with or without lost time	14	Not available	Not available	Not available	Not available
Frequency rate of total reportable commuting accidents[g]	1.3	Not available	Not available	Not available	Not available

[a] Including temporary employees – see the guidelines for the coverage of the indicator (section 5.2.3.5).
[b] Number of days lost corresponds to occupational accidents during the year.
[c] Number of lost-time occupational accidents per million hours worked.
[d] Number of reportable occupational accidents with or without lost time per million hours worked.
[e] Number of days off work per thousand hours worked.
[f] An occupational disease is the result of exposure, more or less prolonged, to a risk existing in the normal practice of the profession.
[g] Number of reportable commuting accidents with or without lost time per million hours worked.

5.2.1.7 Training and internal mobility

bioMérieux University aims to enable employees to develop skills that will allow them to continue working in a changing environment. In this way, it contributes to the achievement of strategic business objectives.

In 2013, bioMérieux University set up a Business Advisory Committee to meet the Company's strategic and operating priorities. The Committee is composed of members of the Executive Committee or their representatives and their Human Resources correspondents. Its mission is to identify critical skills that need to be strengthened throughout the Company and the corresponding solutions for their development.

Accordingly, a wide range of training programs covering both technical and behavioral skills is offered to all employees:

- Specific programs are offered to managers to develop their personal and organizational agility, collaboration and teamwork between functions. The bioMérieux Manager Essentials program is in place for all Group managers. In 2013, this program represented over 19,000 hours of training, an average of 15 hours' training per manager. A blended-learning campaign on performance management is being developed and all managers have access to distance training content on the e-learning platform. At end-December 2013, an average of 51% of managers had connected to the e-learning platform. A 360° process is also in place, as well as team building and internal coaching.

- Specific courses are developed for each business function. Since 2009, Marketing Excellence, Manufacturing Essentials, Quality Essentials, Regulatory Affairs Essentials, LeanSixSigma and Sales Capabilities programs have been developed. For example, in 2013, approximately 7,300 hours of training were provided across all Group structures in the Quality Essentials program and more than 2,060 hours in the Sales Capabilities program.

- In 2013, a specific Compliance training program was rolled out to fully comply with bioMérieux's regulatory requirements. All employees received distance training, representing a total of 5,050 hours.

- In addition, an intensive LeanSixSigma work-study program was rolled out in France for ten people, representing a total of 480 hours of training.

- Training in respect of products is essential to best meet the needs of customers. In 2013, 655 employees received a total of 36,700 hours' training.

Summary

Indicators	2013	2012
Number of training hours in the bioMérieux Manager Essentials program	19,053	17,340
Number of training hours in the Quality Essentials program	7,306	Not available
Number of training hours in the Sales Capabilities program	2,065	2,890
Number of training hours in the Compliance program	5,050	Not available
Average number of training hours per employee in France (excluding DIF*)	30	27
Number of DIF* training hours in France	7,894	8,496
Average number of training hours per employee in the United States	12	25.5
Average number of training hours per employee in China	49	38
Number of training hours in the product program	36,684	38,000

In 2013, total training hours amounted to 172,025, i.e., an average of 23 hours per employee. 5,679 employees took at least one training course (workstation training excluded), i.e. around 75% of total headcount.

bioMérieux also focuses on career skills and encourages internal mobility in order to achieve the following:

- enable employees to keep their positions when there are changes within the organization or to the methods and tools used;

- make career changes possible within the same profession or a new one. bioMérieux's worldwide presence in more than 160 countries also gives employees international career development opportunities. The "Career Opportunities" page on bioMérieux's intranet enables employees to find information about job vacancies in all Group companies and to apply.

Succession plans are in place for key positions. A talent review process is also carried out every year in order to plan the careers of the Company's key employees.

Moreover, in France, the agreement on forward-looking skills, career management and senior staff management focuses on the retention of older employees and youth employment.

Relationships with schools and universities are at the core of the recruitment policy to facilitate the integration of young graduates who receive regular presentations on the breadth of career opportunities within the Company. In 2013, 5.4% of employees in France were young people on work-study programs (in 2013, 143 young people were hired on apprenticeship or work-study programs, 116 of which were hired in 2013, 19 as part of the international internship program (*Volontariat International en Entreprise* – VIE), 13 of which were hired in 2013, and five as part of CIFRE industrial research training agreements).

5.2.1.8 Diversity and equal opportunity/equal treatment

The Company has drawn out a Code of Conduct and a company-wide agreement on equality in the workplace in line with the non-discrimination principle (see section 5.2.1.3).

Half of bioMérieux's employees are women (50% at December 31, 2013, 43% of which are executives). In 2013, bioMérieux created a corporate program called "Women Ready for Leadership Diversity" (WoRLD), sponsored by the head of Human Resources. As part of this initiative, bioMérieux participates in the French business network "Alliance for Diversity in Business" (*Alliance pour la Mixité en Entreprise* – AME), helping to promote women to managerial positions.

5.2.1.9 Promotion of and compliance with the ILO's Core Conventions

- bioMérieux adheres to the UN Global Compact whose foundations result from the International Labor Organization's (ILO) Conventions.

- The *Ethical and Sustainable Development Charter* between bioMérieux and its suppliers refers to these principles under Working Conditions and Human Rights. See http://www.biomerieux.com/en/sustainable-purchasing.

5.2.2 ENVIRONMENTAL INFORMATION

5.2.2.1 Environmental policy

The Company designs, uses and maintains its facilities in such a way as to limit to the maximum possible extent the environmental impact of its operations (soil, water, air, noise, odor, energy, waste, etc.).

The Company is implementing an environmental management system compliant with ISO 14001. In 2013, ISO 14001 certifications for bioMérieux Suisse SA, bioMérieux Brasil SA and bioMérieux UK Ltd were renewed. The production site in Craponne (France) obtained ISO 14001 certification in 2013 and a deployment plan is in place for the other manufacturing sites.

The Company's "bioMérieux Goes Green" environmental initiative covers five key areas: energy, water, paper, waste and emissions.

Training and raising awareness of environmental protection among employees

Environmental protection training is included in the training program provided to new hires at the Company's sites. An HSE module is included in the training guide provided to Group entities for new hires.

In addition, more specific training programs are provided:

- As part of the rollout of the environmental management system in accordance with ISO 14001, training is provided on site. In 2013, training on internal environmental audits was organized at the Craponne (France) site.

- In its efforts to reduce waste from manufacturing operations in line with the Six Sigma method, the Company provides its production and packaging operators with special training to prevent unjustified product scrap (see section 5.2.2.2).

Environmental initiatives are supported by a network of over 40 “Green Champions” or "environment correspondents" covering each of the Company's sites, subsidiaries and support departments.

The Company devotes human, material and financial resources to environmental protection and the prevention of pollution. In 2012, the Company set out a number of “minimum HSE operating requirements” for the prevention of pollution. Among other aspects, they cover the management of chemicals, wastewater and waste.

In 2013, the Company invested approximately €4 million at its manufacturing sites for projects relating to resource conservation and/or the prevention of pollution. These projects fall into two categories:

– purely environmental projects;

– projects not related to the environment, which have a positive effect on the environment (e.g., replacement of production equipment with new equipment generating less waste).

The Group’s provisions for warranties reflect the commitment of its companies to their customers to restore defective equipment. They therefore do not represent provisions of an environmental nature.

The Group complies with the EU WEEE Directive on waste electrical and electronic equipment, and as such sets aside provisions to cover the removal of equipment from customer sites located within the European Union and the safe removal of heavy metals in some equipment. These provisions totaled approximately €660,000 as of December 31, 2013.

5.2.2.2 Pollution and waste management

The Company seeks to optimize waste management and to sort waste at source. Its efforts are mainly focused on reducing waste at source and developing recycling and waste-to-energy streams. As far as hazardous waste is concerned, the Company has implemented a strict policy of sorting it at source and disposal by companies licensed to process such waste in an appropriate manner. All of the Company's sites have waste storage facilities.

Reduction of waste at source

As part of its continuous improvement approach, the Company is working to reduce waste from manufacturing operations at source.

In 2013, the Company continued or implemented a number of Six Sigma projects to reduce waste at source at its production sites by improving production equipment as well as training operators. For example:

– in 2013, a project reduced the amount of waste produced from a product line of tubes at the Lombard site (U.S.) by 58% through the optimization of equipment and improved training for operators;

– the Saint Louis site (U.S.) eliminated 18 metric tons of annual waste from VITEK® 2 cards and 27 metric tons of waste generated annually from discharged bags by fine-tuning equipment, optimizing the use of raw materials and working with suppliers to reduce the variability of raw materials;

– another project is under way at the Marcy l'Etoile site (France) to reduce discharges from the VIDAS® SPR production line.

The Company also seeks to optimize packaging in terms of quantity of material. The switch from printed to electronic format for instruction notices for reagents also allows the size of secondary packaging to be reduced.

Waste recycling and waste-to-energy

In addition to a reduction in waste in absolute terms, the Company seeks to increase the proportion of recycled or incinerated waste from which energy can be recovered. The Grenoble, La Balme and Saint-Vulbas sites in France, as well as the Basingstoke site (UK) and the German subsidiary are “zero-landfill” sites. The Durham site in North Carolina (U.S.) achieved the same status in early 2013.

Best practice in respect of waste sorting

bioMérieux is also working on behavioral aspects to ensure that practices are consistent with the Company's objectives.

Sorting and recycling guides are available to employees. The Company raises awareness among employees of best waste management practices at events such as the National Sustainable Development Week in France.

Waste *estimate in thousands of metric tons*	
2009	6.2
2010	5.7
2011	7.1
2012	7.0
2013	**9.1**

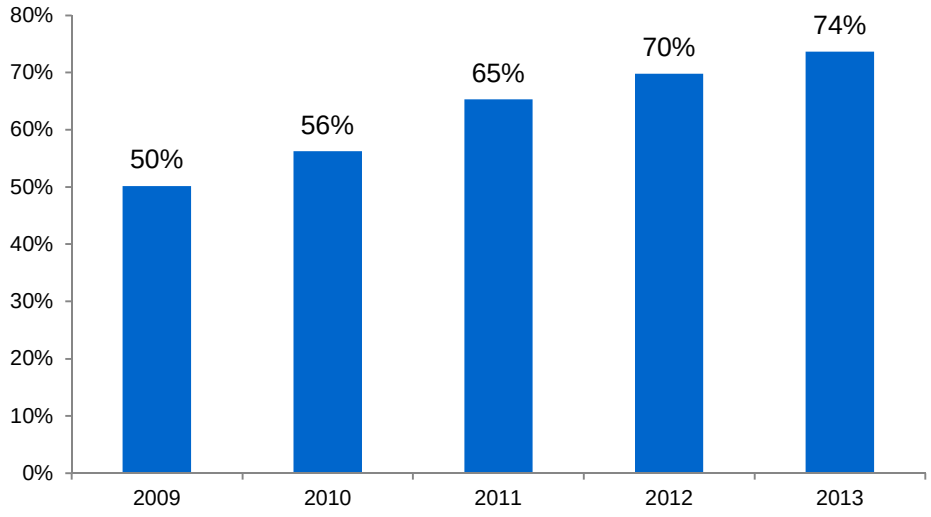
Note: as of 2012 the indicator includes Argene and AES.

Amount of hazardous waste produced by the Company

Hazardous waste *estimate in thousands of metric tons*	
2012	1.3
2013	**1.7**

Hazardous waste accounted for approximately 19% of the total amount of waste produced by the Company in 2013.

Percentage of waste recycled or incinerated with energy recovery



The proportion of waste either recycled or incinerated with energy recovery reached nearly 74% in 2013.

Discharges into the air, water and soil

- Discharges into the air (excluding greenhouse gas emissions, see section 5.2.2.5): the Company does not have facilities that discharge significant levels of emissions into the air and therefore does not collect consolidated information on air emission indicators. SO_2 and NOx emissions relating to the operation of boilers are monitored at each site in accordance with the applicable regulations.

- Discharges into water: tests are carried out regularly on the Company's biggest production sites, based on several parameters. In 2012, the Craponne and Marcy l'Etoile sites in France invested in facilities to neutralize their wastewater on site before discharging it into the network feeding the treatment plants to which they are connected. This aims to improve the pH of discharged water in particular and ensuring compliance with the parameters set in their respective discharge agreements.

  In connection with its contribution to the fight against antimicrobial resistance, bioMérieux has implemented measures at its industrial sites to collect separately and eliminate, through specialized channels, preparations containing antibiotics used in manufacturing or R&D. For example, this selective management procedure is in operation at the La Balme site (France), which uses antibiotics, to avoid discharging antibiotics into the site's wastewater.

  The French national program for the reduction of hazardous substances in water (RSDE, France): Marcy l'Etoile is the only site concerned by this program. The permanent monitoring phase is in progress. The techno-economic study required to eliminate or reduce identified substances over the long term was finalized in 2013. Since the installation of a special system for the collection of mercury discharges at source, samples analyzed show that water discharges from the Marcy l'Etoile site now comply with the limits set by the national program for the reduction of hazardous substances in water (*Réduction des substances dangereuses dans l'eau* – RSDE).

- Discharges into the soil: in 2012, the Company issued "minimum operating requirements," some of which focus specifically on the prevention of the risk of leakage or spillage into the soil, e.g., requirements for storage in dams, underground tanks, storage of chemicals and waste.

- Emergency response – measures to retain fire-water runoff: the Company's sites are equipped with systems designed to retain fire-water runoff in order to prevent the discharge of potentially polluted or contaminated water into the natural environment.

5.2.2.3 Sustainable use of resources

5.2.2.3.1. Water

Consumption of water resources

Water is used by the Company in formulating its products. Water is also used in refrigerating facilities, such as cold storage rooms, in controlled atmosphere areas and as a coolant in the manufacturing process. Regarding the latter, the Company prioritizes closed-circuit systems and takes a pro-active approach to replacing open loop cooling systems.

For the water needs of its manufacturing sites, bioMérieux uses the local water supply. bioMérieux does not extract water directly from the natural environment, except for the cooling requirements of its logistics platform located in Saint-Vulbas, in the Ain department (France). At this site, a heat exchanger allows the temperature difference with the local groundwater to be used for cooling purposes. Water abstracted from the groundwater is discharged back into the aquifer after heat exchange, and has no direct contact with process water. bioMérieux commissioned an impact assessment of this use of groundwater in 2009, and no major impact on the aquifer has been found.

Water consumption is monitored on a regular basis, and steps are taken to reduce it. For example, in 2013:

- water consumption at the Marcy l'Etoile (France) site was reduced by 9% from 2012 thanks to the shutdown of air-cooling towers and an improved watering system in the site's green spaces;

- water consumption at the Durham site (North Carolina, U.S.) was reduced by 6% from 2012 thanks to the purchase of a water recovery system for cooling towers.

Water supply in relation to local restrictions

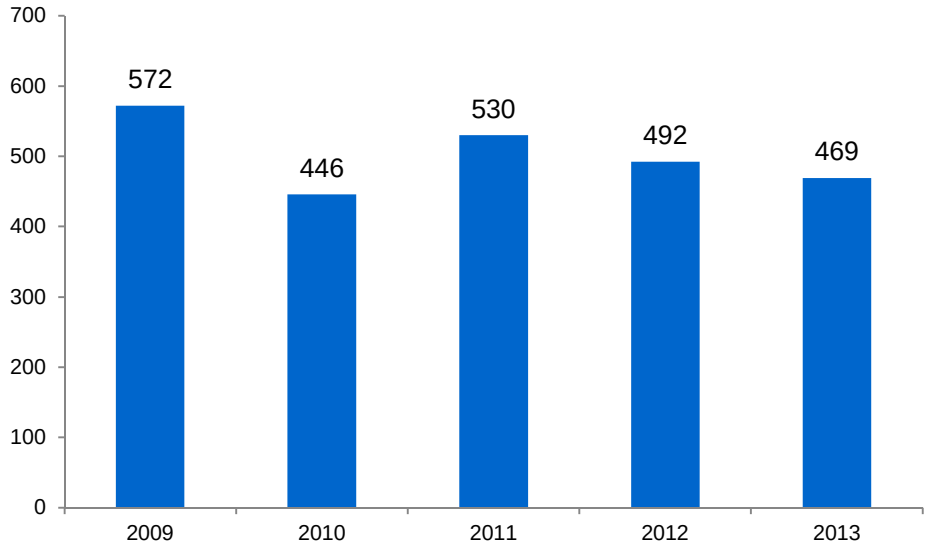
The Company's sites are not subject to any specific local restrictions on water supply on a permanent basis. As regards possible seasonal restrictions, bioMérieux strives to comply with specific water restrictions issued by local authorities in the event of drought, such as local restrictions on watering of green spaces.

Water consumption *In thousands of cubic meters*	
2009	700
2010	605
2011	737
2012[(a)]	773
2013	**745**[(b)]

(a) As of 2012 the indicator includes Argene and AES. Water consumption for 2012 was revised as a result of retroactive adjustments.
(b) Of which 38% was abstracted from groundwater at the Saint Vulbas logistics platform in France (see above). Abstracted water is discharged back into the groundwater.

The ratio of water consumed to Company sales has decreased by 18% since 2009.

Water consumption in relation to sales (cubic meters per million euros of sales)



Wastewater

Wastewater is contained and analyzed. On the biggest production sites, analyses are carried out regularly, using several parameters. In 2012, the Company invested in its Marcy l'Etoile and Craponne sites in France, to improve the quality of wastewater before its discharge into the local sewage networks, feeding the water treatment plants to which the two sites are connected.

5.2.2.3.2. Raw materials

Consumption of raw materials and measures taken to improve their efficient use

Since 2011, bioMérieux has implemented Six Sigma manufacturing projects for finished and semi-finished products with the objective of reducing waste and the consumption of raw materials and improving the use of these raw materials while complying with the Company's quality standards.

For example, a project to improve the production of ATB test strips rolled out between 2012 and 2013 at the La Balme site (France) reduced production waste by 6%. This project also increased raw material efficiency, reducing the amount of plastics used annually for ATB strips by around four metric tons.

5.2.2.3.3. Energy

In order to improve energy efficiency, the Company implements energy optimization and saving policies. Prior to constructing or refurbishing buildings, simulations are made to measure their energy efficiency in terms of lighting, heating, ventilation and summer climate control. Efforts are made to find ways of reducing energy consumption to a low or very low level through systems that are researched, promoted and gradually applied.

bioMérieux is also improving the control systems for its energy-using equipment. For example, in 2013:

– at the international logistics platform in Saint Vulbas (France), a substitution program for the fluid management command systems was finalized;

– the Florence site (Italy) replaced its boiler, helping to reduce its consumption of natural gas by 22%.

The Company seeks to promote the use of energy derived from renewable sources.

– The sites in Marcy l'Etoile and Craponne in France, which are two of the three sites that consume the greatest amounts of electricity in the Company, renewed their contractual commitment to using 50% certified "green" electricity in 2013-2015.

– In 2013, the Durham site (North Carolina, U.S.) produced 135,000 KWh of electricity from solar panels installed on the site's roof. Electricity generated from these panels was fed into the local network.

– The Company's Austrian and Canadian subsidiaries only use hydroelectricity.

In addition, bioMérieux is one of the first French companies to have voluntarily taken the steps necessary to obtain energy saving certificates (ESC). In 2013, the Company set up a partnership with an "obligated" player to take advantage of opportunities to develop its energy-saving measures as part of the second period of the French ESC scheme. A total of 4,756 MWh cumac[3] was recorded in 2013 for various energy-saving projects. These measures will continue in 2014 as part of the extension of the second period.

Total energy consumption *In GWh*	
2009	157
2010	164
2011	160
2012	173
2013	**175**

Note: as of 2012 the indicator includes Argene and AES.

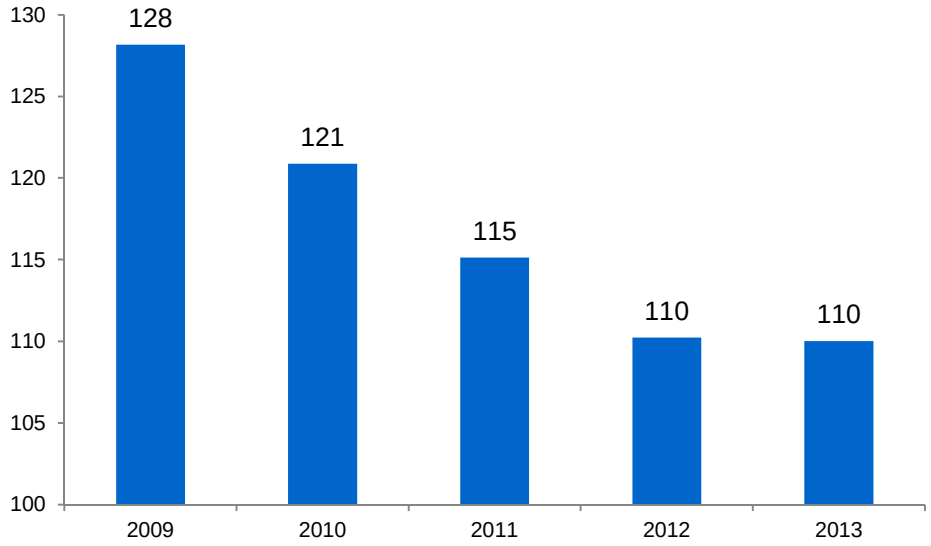
[3] Cumac: French abbreviation for the actualized energy savings over the lifetime of the equipment.

Consumption of energy from renewable sources

Consumption of energy from renewable sources *In GWh*	
2012	19
2013	**19**

Energy consumption from renewable sources accounted for approximately 11% of the Company's total energy consumption in 2013.

Energy consumption in relation to sales (MWh per million euros of sales)



Note: as of 2012 the indicator includes Argene and AES.

Altogether, the measures implemented since 2009 had resulted in a 14% reduction in energy consumption in relation to the Company's sales at end-2013.

5.2.2.3.4. Paper

Initiatives are being implemented across all of the Company's sites and subsidiaries to reduce paper consumption, including incentives for greener printing practices. A new printing solution resulting in improved management of paper consumption was rolled out across the Company. By the end of 2013, paper consumption had been reduced by 19% in North America, and by nearly 36% in France over a five-year period. At the same time, the use of recycled paper is increasingly widespread.

More generally, the Company seeks to modify its processes in order to replace use of paper by electronic means: an Electronic Document Management system with an electronic review and approval circuit was rolled out in 2010 within the framework of the Quality Management System. This solution enables all employees, regardless of where they are, to access original documents through a Web interface. Thanks to this system, the utilization, circulation and archiving of paper-based documents has been significantly reduced.

Another major example is the decrease in the use of paper consumables (instructions and labels) included with products sent to customers. Instruction notices included with reagents are being replaced with electronic instructions that can be downloaded from the Company's technical library. As of end-2013, the ranges covered were TEMPO®, industrial BacT/ALERT® and VIDAS®, as well as LyfoCults® Plus and Etest®.

5.2.2.4 Other measures

Eco-design approach

The Company has issued a guide to eco-design in order to formally integrate the environmental aspects of the product life cycle in the development process. This guide prescribes restraint in the use of materials in a broad sense: it applies to all materials used to produce our diagnostic systems.

The Company is applying this eco-design approach to the development of products currently under way. As an example, the new packaging launched in 2012 for the Etest® range allows storage at 2-8°C, as opposed to -20°C previously, thereby eliminating the need for cold storage within the Company and on its customers' premises and thereby generating energy savings. As of the end of 2013, this packaging was available for 55 items in the Etest® range. Primary packaging uses a single material (aluminum) and is recyclable. Paper is no longer used for Etest® information sheets (see the section on "Paper" above), which has reduced the volume of secondary packaging by 30% compared with the volume that would have been necessary to accommodate printed information sheets.

The Company also applies the eco-design approach to its buildings. A new R&D facility completed in 2013 on the site in La Balme (France) was certified in accordance with the "NF Bâtiments Tertiaires – HQE[4] Neuf" approach in October 2012 for the programming and design phases (Certificate No. NF380/12/1015 Rev.00 of 10/19/2012). The HQE profile defined for the building focuses on energy performance as well as on comfort (visual, thermal, etc.) and the health of its users. A final HQE audit for the delivery phase has been scheduled for the second quarter of 2014. The expansion project for the Marcy l'Etoile site is also a part of this environmental initiative.

Land use

bioMérieux does not exploit land as such for the purposes of its industrial activity.

The Company pays particular attention to the development of sites and ensures that they preserve quality green spaces, space permitting.

Protection of biodiversity

The Company's facilities are located in industrial and urban areas and are therefore not in places where nature, fauna and flora are protected. The Company puts special emphasis on the appearance of its facilities and on the landscaping and harmonious integration of its sites into their surroundings. It has also discontinued the use of pesticides at several sites.

5.2.2.5 Climate change

The Company seeks to reduce greenhouse gas emissions. In 2013, the Company carried out, with the help of a specialized consulting firm, an assessment of greenhouse gas emissions for all Group companies with the exception of small entities that do not have a material impact. The emission categories assessed include:

- mandatory emission categories (as defined by French regulations);
- emissions generated from energy production not included in the mandatory scope (emissions from the extraction, production and transportation of fuels consumed);
- downstream transportation of goods;
- business travel and commuting.

Based on the scope used, the Company's greenhouse gas emissions based on 2012 data amounted to 171 thousand mt CO_2e (metric tons of CO_2 equivalent).

(4) HQE: *Haute Qualité Environnementale* (High Environmental Quality).

In 2012, the Company had already carried out an assessment of greenhouse gas emissions in France for mandatory emission categories in accordance with French regulations. The table below features the results of this assessment and compares them to the assessment of emissions in France based on 2012 data using the same scope.

Greenhouse gas emissions in France based on the mandatory scope in accordance with French regulations (mt CO_2e):

2011	12,477[(5)]
2012	**13,505**

The year-on-year increase in emissions is chiefly due to the rise in fugitive emissions from refrigerants.

The Company monitors the use of refrigerant gases in its cold-production equipment and air-conditioning systems. Action plans are being implemented on its production sites to replace obsolete equipment.

The Company is pursuing its initiatives to reduce emissions of greenhouse gases relating in particular to energy consumption. Among other aspects, these measures bear on energy savings including, for instance, the use of variable power control units to limit the consumption of specific equipment. Furthermore, the use of renewable energies in the Company's energy mix limits greenhouse gas emissions associated with energy consumption (see section 5.2.2.3.3).

Business travel

The Company is pursuing an active policy of reducing and optimizing travel, and in 2013 equipped the Grenoble (France) site with "telepresence" infrastructure allowing meetings to be conducted via video conference in conditions similar to those of actual meetings, bringing the number of equipped sites to eight.

The Group's company car policy states that CO_2 emissions must not be greater than 140 g/km (or equivalent local standard).

Remote maintenance and updating of instruments

The development of the VILINK™ IT solution, enabling bioMérieux customers to benefit from remote interventions for incident resolution as well as for maintenance and updates, continued in 2013. Thanks to a fast and secure connection, this solution helps limit travel by engineers in the field and increases the speed of problem solving for customers. The VITEK® 2, VITEK® MS, PREVI™ Isola, MYLA®, VIDAS®, VIDAS® 3, TEMPO®, OBSERVA® and VIGIGuard ranges are covered by VILINK™.

Partnership with the Greater Lyon Energy Climate Plan

In October 2013, bioMérieux entered into a partnership with the Energy Climate Plan (*Plan Energie Climat*) of the Greater Lyon urban community where two major industrial sites are located (in Marcy l'Etoile and Craponne), committing the Company to participating in 26 initiatives to reach Greater Lyon's 2020 objectives for the reduction of energy consumption and greenhouse gas emissions. Based on data collected in 2000, these objectives aim to reduce greenhouse gas emissions by 20%, increase energy efficiency by 20% and increase the share of renewable energy in the total energy mix to 20%.

Commuting

bioMérieux promotes carpooling and the use of public transport wherever possible. In 2013, the Craponne site joined the Greater Lyon regional carpooling platform as did the Marcy l'Etoile site in 2012. This platform is one of the initiatives put in place by the Greater Lyon Energy Climate Plan (see above). Similar arrangements are in place in the Company's other sites and subsidiaries.

(5) The result of the mandatory assessment of greenhouse gas emissions carried out in 2012 for France, based on 2011 data, was retrospectively adjusted by the specialized consulting firm hired by the Company due to an omission in 2012 of a portion of electricity consumption at two French sites subsequent to the revised emission factor used for purchased electricity.

The Group has also established a home working policy, effective since the first quarter of 2013, aimed at reducing commutes.

Adapting to climate change

Climate change leads to natural disaster risks which the Company considers in its risk analysis and management by integrating them into its business continuity plans (see section 4.1.1.11.2) for each of its sites.

The Group's sites in the United States exposed to extreme weather events have emergency shelters for the protection of employees and others.

5.2.3 SOCIAL INFORMATION

The table below shows the funds contributed to corporate sponsorships and other donations:

Contributions, donations and sponsorships *In thousands of euros*	**2013**	**2012**	**2011**	**2010**
Contributions	**2,557**	1,959	1,859	2,464
of which to the Mérieux Foundation	*489*	*121*	*69*	*660*
of which to the Christophe and Rodolphe Mérieux Foundation	*1,325*	*1,325*	*1,325*	*1,325*
Sponsorships, other donations, national heritage and amortization of living artists' works	**186**	404	186	198
Total	**2,743**	2,363	2,045	2,662

5.2.3.1 Territorial, economic and social impact of the Company's business through its public health initiatives

bioMérieux is committed to public interest initiatives in education, awareness raising and mobilization initiatives to address major public health issues mainly including the fight against antimicrobial resistance.

As part of this commitment, in late June 2013, more than 70 world-renowned experts in the field of antimicrobial resistance and healthcare-associated infections met in Annecy for the 4th World HAI Forum, organized by bioMérieux. During this conference, they agreed on a number of priorities to fight antimicrobial resistance, which is recognized worldwide as a major public health issue for the 21st century. Among these priorities, bioMérieux is committed to supporting the following initiatives:

– measuring the degree of antimicrobial resistance and the consumption of antibiotics with the help of studies with international partners, that aim to provide indicators on the use of antibiotics and the extent of antimicrobial resistance on a global scale;

– conduct a multi-center study showing the long-term benefits of the cautious use of antibiotics in order to provide health professionals with concrete evidence on best practices.

bioMérieux is also developing products adapted to countries with limited resources. In 2013, the Company launched VIKIA® Malaria Ag Pf/Pan, the first test of a panel for tropical diseases currently under development. In December 2013, VIKIA® HIV-1/2 for the detection of HIV 1 and 2 antibodies for AIDS infections was pre-approved by the World Health Organization (WHO), providing the Company with access to the international tender market.

5.2.3.2 Relationships with stakeholders

Regulatory authorities

National health authorities

The Company pays close attention to compliance with the requirements of health bodies governing the national markets in which it sells its products. It takes into account their comments and opinions issued during audits as part of a continuous improvement process.

Local environmental authorities

All Company sites in France are installations classified for environmental protection (*Installations Classées pour la Protection de l'Environnement* – ICPE), and comply with their operating permits.

The Company does not operate any SEVESO facilities.

At Company facilities that generate noise, every effort is made to ensure compliance with noise level restrictions applicable to the location concerned. In this context, the Company takes measurements every three years at all of its French sites, as required under applicable operating permits.

The Company's operations do not currently cause any odor pollution.

Relationships with the local communities in which the Group's entities are located

The Group is not only involved in public health, but also in the life of the local communities around its sites and subsidiaries, taking part in social and cultural initiatives. For instance, the Company continued to support the Sport dans la Ville association in France, whose purpose is to promote the social and professional integration of young people from underprivileged neighborhoods through sport. The Company is also partnered with Fondation pour l'Enfance which supports local sponsorship for children in need. This foundation works locally with associations such as Horizon Parrainage in the Rhône-Alpes region. As part of the Company's initiatives in favor of workers with disabilities, "Handibio" days are held each year in France to raise employee awareness on the issue of disability.

Relationships with organizations promoting public health

Pursuant to Act no. 2003-09 of August 1, 2003, the Company's Board of Directors decided to contribute a portion of sales to sponsorship activities. The majority of the contribution is allocated to projects supported by the Mérieux Foundation, recognized as a public utility, and the Christophe and Rodolphe Mérieux Foundation, under the aegis of the Institut de France, and the remaining amount to sponsorship projects undertaken directly by bioMérieux. In 2013, the Company contributed €2,557 thousand to sponsorship activities, i.e., 3.2% of its sales, including €1,814 thousand to the two aforementioned foundations.

The Mérieux Foundation's purpose is to promote research and international scientific cooperation in the area of infectious diseases and assist in the development of public health infrastructures. As part of its corporate sponsorship policy, the Company contributed €489,000 to the Foundation in 2013.

The purpose of the Christophe and Rodolphe Mérieux Foundation is to support public health-applied biological research in developing countries, and more specifically aid in the fight against infectious diseases and contribute to scientific and educational projects. As part of its sponsorship contract with the Christophe and Rodolphe Mérieux Foundation, the Company contributed €1,325,000 to the Foundation in 2013.

bioMérieux is also involved in sponsorship and/or philanthropy in the countries where it operates, primarily in relation to the following selection criteria:

– Projects related to health:

  - related to the Company's fields of business or expertise, namely *in vitro* diagnostics, the fight against infectious diseases, cancers, cardiovascular diseases and industrial microbiological tests,
  - related to the Company's mission – to improve public health – and to provide access to healthcare, particularly in developing countries,
  - related to the Company's people commitment, particularly occupational health and integration on the labor market;

– Projects enabling bioMérieux to play a role as a corporate citizen in the communities where its sites and subsidiaries are located.

Social philanthropy

A global player in public health, bioMérieux makes patients – and, more broadly, people – central to its activities. Conscious of its social responsibility, the Group supports a variety of initiatives.

Support for many international organizations

bioMérieux works alongside international organizations (Clinton Foundation, United Nations, World Bank, Global Business Coalition, European Commission) by supporting various initiatives (funding of research projects, international programs, etc.).

Support for local initiatives

In addition to the Group's corporate sponsorship policy, teams at the subsidiaries are involved in humanitarian activities in their countries, with a number of initiatives carried out in partnership with local NGOs.

The bioMérieux Hellas team in Greece, for example, participated in the renovation of a care home for orphans. This care home is managed by the "The smile of the child" charity, founded by Konstantinos Yannopoulos, which has also implemented several initiatives to help sick or abused Greek children and currently manages 16 care homes in Greece.

Cultural philanthropy

bioMérieux also supports cultural initiatives in the communities where its sites are located.

Museum of Grenoble

bioMérieux has had close ties with the city of Grenoble for many years. Grenoble was accordingly chosen as home for the Christophe Mérieux Center dedicated to research and the production of molecular biology systems. The Center is located in an exceptional scientific cluster promoted by the city authorities.

In addition to this scientific collaboration, bioMérieux wanted to support the city's cultural environment, notably as part of the Sponsors' Club of the Museum of Grenoble. Alain Mérieux, Chairman of Institut Mérieux, is a founding member of the Museum's Sponsors' Club, which, in 2013, helped the Grenoble Museum of Fine Arts to acquire Picasso's *papier collé* "Verre".

Other cultural philanthropy

bioMérieux supports the Lyon **Museum of Fine Arts** and, in 2008, sponsored the purchase of Nicolas Poussin's painting "The Flight into Egypt" which is now displayed in the museum. In 2013, thanks to the generosity of the member companies, including bioMérieux, of the Saint Pierre Museum Club, the Lyon Fine Arts Museum acquired Jean-Honoré Fragonard's "Le Rocher" and "L'Abreuvoir", two paintings of considerable historical importance.

For many years, bioMérieux has also supported diverse cultural events in the Rhône-Alpes region, including:

– the Chaise Dieu music festival in Haute-Loire, a 30-year partnership;

– the Baroque Music Festival of Lyon.

5.2.3.3 Subcontracting and suppliers

Responsible purchasing

bioMérieux aims to build long-term relationships with suppliers, based on a responsible purchasing policy.

In France, bioMérieux was among the first companies to sign the Charter for responsible supplier relations initiated by the Business-to-Business Mediation Department (*Médiation Inter-Entreprises*) and the French Purchasing Association (*Compagnie des Dirigeants et Acheteurs de France* – CDAF). The contractors who signed this Charter thereby demonstrated their commitment to implementing best purchasing practices and to exercising their responsibility within a framework of mutual trust with suppliers, with full knowledge of and respect for their respective rights and duties. In 2013, the Company provided training on the Charter's ten commitments for all buyers in France in order to raise awareness of the importance of this commitment.

The Company is also one of the founding members of the Pas@Pas association, which puts large companies with a strong commitment to socially responsible purchasing in contact with representatives of people with disabilities and the underprivileged.

In the United States, in accordance with the purchasing policy of the Federal Supply Service and the General Services Administration, two federal administrations with which the Company has significant contracts, bioMérieux Inc. includes small business concerns in its supplier portfolio in line with a specific purchasing plan defined on an annual basis. These businesses are mainly managed by veterans, women or minorities. In 2013, bioMérieux Inc. surpassed its objectives by 47%.

As part of this purchasing plan, the Company also trained the teams concerned and participated at various seminars and meetings organized by the Chamber of Commerce.

Ethical and Sustainable Development Charter between bioMérieux and its suppliers

bioMérieux aims to integrate its suppliers into its continuous improvement approach and to involve them in its sustainable growth strategy, based on environmental protection, social progress and human rights. bioMérieux's commitments to and expectations of its suppliers are set out in its "Ethical and Sustainable Development Charter between bioMérieux and its suppliers".

In 2013, the Company included environmental requirements in the new framework agreements entered into with service providers that ensure the international transportation of its products and local logistics in a number of countries (excluding France). These requirements relate to the reporting of greenhouse gas emissions generated by services performed for the Company and recommendations expected from service providers on ways to reduce the environmental impact of logistics and transportation.

5.2.3.4 Business ethics and human rights

Since 2003, bioMérieux has been a member of the Global Compact, an international initiative under the auspices of the United Nations founded on ten universally recognized principles on human rights, working conditions, the environment and the fight against corruption.

bioMérieux has renewed its commitment by taking action to support the principles of the Global Compact, particularly in terms of business ethics and human rights.

– Human rights principles

  In 2012, bioMérieux, alongside the Christophe and Rodolphe Mérieux Foundation, continued to demonstrate its commitment to programs fighting infectious diseases in emerging countries mainly by strengthening their diagnostic capabilities through the distribution of quality testing tools based on cutting-edge technology at an affordable price.

– Anti-corruption principles

  bioMérieux has strengthened its efforts to support its Ethics and Compliance Program, which aims to ensure policies and practices that clearly convey, both internally and publicly, bioMérieux's commitment to an organizational culture of ethics and integrity (see below).

  A Code of Conduct sets out rules and procedures to guide staff in the performance of their duties and responsibilities, and to ensure that bioMérieux's ethical and legal obligations are met. These rules apply to all bioMérieux employees and managers, wherever the Company operates.

Ethics and Compliance Program

bioMérieux has also established an Ethics and Compliance Program that plays an important role in ensuring the compliance of bioMérieux's activities and is an integral part of the Company's values, culture and philosophy.

bioMérieux has always prided itself on maintaining high ethical standards. It operates within a framework of principles, policies and procedures that reflect the highest ethical standards. In doing so, it endeavors to continually improve within the areas of labor standards, human rights and the environment, and to work against corruption in any form.

The Ethics and Compliance Program strives to promote ethical conduct in all business dealings, provide training for employees on ethical standards and the laws that apply to them, and provide an opportunity for employees to voice their concerns and ask questions. Online training in the form of a questionnaire was provided to a large number of employees worldwide on the rules of conduct and integrity (around 5,500 employees received training).

The Program is designed to prevent, detect and respond to any concerns or reports of unethical conduct.

Prevention

– Setting clear policies regarding behavior.

– Integrating the Code of Conduct in personnel processes.

– Ensuring that top management leads by example in terms of ethics and compliance.

– Providing training on ethical standards.

– Being available for advice and support when an employee has concerns about a potential action.

– Ensuring that every site has a local team committed to compliance.

Detection

– Multiple channels available for expressing concerns.

– Compliance risk assessments.

– Investigations into alleged misconduct.

Response

– Analyzing the consequences of any misconduct.

– Planning corrective measures to prevent any future misconduct.

– Adjusting policies and processes to address any issues.

5.2.3.5 Standards and interpretations

Calculation scope of quantitative indicators

The scope corresponds to the bioMérieux Group; AES and Argene are included as of 2012.

Collection and consolidation of data

Health and Safety

Safety data are collected on a monthly basis from the HSE managers or safety representatives of the Company's entities. They are consolidated by the Corporate HSE team. All production and R&D sites, where occupational health and safety risks are concentrated, are included in the report.

All consolidated data comply with regulations for recording occupational accidents and diseases for each country.

This reporting system covers Manufacturing and Support Operations sites as well as subsidiaries in the following countries: Argentina, Australia, Brazil, China, France, Italy, Spain and the United States.

Environment

Local environmental data are collected twice a year from the "Green Champions" of the Group's sites and subsidiaries and are consolidated by the Corporate HSE team. The indicators cover approximately 90% of the Group's subsidiaries.

Definition and method of calculating the indicators

Health and Safety

- Number of occupational accidents with lost time: number of accidents occurring in the workplace and resulting in more than one day's lost time (the day of the accident's occurrence is not counted as lost time). The number of accidents includes those involving temporary employees as well as permanent Company employees.

- Number of days lost: number of days lost following a lost-time occupational accident. The day of the accident's occurrence is not counted as lost time.

- Frequency rate of lost-time occupational accidents: number of lost-time occupational accidents per million hours worked.

- Frequency rate of total reportable occupational accidents: number of occupational accidents with or without lost time per million hours worked.

- Severity rate: number of days lost per thousand hours worked.

- Number of occupational diseases: an occupational disease is the result of exposure, more or less prolonged, to a risk existing in the normal practice of the profession.

- Safety – guidelines used for the indicators: definitions used by the French national health insurance fund (*Caisse Nationale d'Assurance Maladie*), which are consistent with the resolution adopted by the Sixteenth International Conference of Labour Statisticians concerning the presentation of occupational injury statistics.

Environment

Indicators relating to water:

– Water consumption (thousands of cubic meters).

– The performance indicator monitored is the total water consumption of the Company's entities in cubic meters in relation to the Company's sales (in cubic meters per million euros).

Indicators relating to energy:

– Total energy consumption (GWh).

– Consumption of energy from renewable sources (GWh).

– The performance indicator monitored is the total energy consumption (from all energy sources) of the Company's various entities in relation to the Company's sales (in MWh per million euros).

Paper consumption: corresponds to the quantity of paper purchased.

Indicators relating to waste:

– Total amount of waste produced (metric tons).

– Hazardous waste: total amount of hazardous waste produced (metric tons). Hazardous waste is waste with one or more properties that poses a threat to human health or the environment, and requires special processing. This category includes chemical waste, infectious waste, or waste electrical and electronic equipment.

– Recovery of materials or energy: the performance indicator monitored is the ratio, expressed as a percentage, of the total weight of waste recycled or incinerated with energy recovery to the total weight of waste.

Indicators relating to greenhouse gas emissions:

– Direct and indirect energy-related emissions of greenhouse gases, emissions from the downstream transportation of goods and emissions generated from business travel and commuting expressed in metric tons of CO_2 equivalent.

  The V7 version (July 2013) of the Bilan Carbone® method is used to calculate greenhouse gas emissions.

  Entities excluded: subsidiaries in Algeria, Czech Republic, Denmark, Dubai, Finland, Hungary, Côte d'Ivoire, Japan, Malaysia, New Zealand, Norway, Thailand and Singapore as well as R&D centers in Laval (Canada) and Saint-Brieuc (France).

5.3 INVESTMENTS

5.3.1 PRINCIPAL INVESTMENTS IN 2013

Capital expenditure totaled €127 million for the year, of which €97 million was industrial capital expenditure, compared with, respectively, €131 million and €98 million in 2012 (excluding the impact of the change in "payables to suppliers of fixed assets"). Industrial capital expenditure primarily concerned production capacity and output improvements, land acquisitions, and the construction and extension of industrial and R&D buildings. The Global ERP project also continued during the year. In all, capital expenditure amounted to 8% of sales for the year.

– In France:

  - La Balme site: construction of R&D facilities (€10 million).
  - Marcy l'Etoile site: expansion of the production facilities for the manufacture of VIDAS® reagents (€6 million) allowing the Company to review and improve work flows.

5.3.2 PRINCIPAL INVESTMENTS IN PROGRESS

– In all Group companies: the ongoing implementation of the Global ERP system. This project, which began in 2008, is being implemented by Company teams with the assistance of external service providers. Total costs will amount to approximately €95 million, of which €66 million will be capitalized: completion expected by early 2015.

– In France:

  - Marcy l'Etoile site: acquisition of land for the expansion of the site (€50 million, of which €6 million for the purchase of the land): completion expected by mid-2016.
  - Craponne site: construction of facilities and the installation of new equipment to increase the production capacity of petri dishes (€14 million): completion expected by end-2015.

– In the United States:

  - Durham site: construction of facilities and installation of a new production line to increase the production capacity of BacT/ALERT® bottles (estimated cost of €45 million): completion expected by the first half of 2015.
  - Saint Louis site: renovation of the raw material manufacturing laboratory and update of the MES (Manufacturing Execution System) software for a total of €8 million: completion expected by end-2014.

Investments are generally financed by the Company's equity (see the consolidated statement of cash flows in section 20.1.1).

5.3.3 PRINCIPAL FUTURE INVESTMENTS

According to the Company's forecasts, principal future investments include:

– Hyderabad site (India): construction of a production facility (estimated cost of €4 million): completion expected by mid-2016.

– Shanghai site (China): renovation and expansion of the site's facilities, construction of a warehouse, canteen and parking lot (estimated cost of €11 million): completion expected during 2016.

– Salt Lake City site (United States): as part of the integration of BioFire, an examination of the automation and expansion of FilmArray® reagent production capacity.

6 BUSINESS OVERVIEW

6.1 MAIN ACTIVITIES

6.1.1 BUSINESS SUMMARY

Incorporated in 1963, bioMérieux is a worldwide group specializing in the field of *in vitro* diagnostics for clinical and industrial applications. In 2013, bioMérieux reported sales of €1,588 million and had 7,723 full-time equivalent employees.

bioMérieux designs, develops, manufactures and markets systems used in:

- the clinical field: the diagnosis of infectious diseases such as HIV, tuberculosis and respiratory diseases, as well as cardiovascular diseases and targeted cancers, based on the analysis of biological samples such as blood, saliva and urine. Clinical applications account for 79% of the Company's sales. bioMérieux is a specialist, ranking tenth worldwide in *in vitro* diagnostics, but number one in clinical microbiology;

- the industrial field: microbiological analyses of manufacturing and of its environment, chiefly in the food and biopharmaceutical industries. Industrial applications account for 21% of the Company's sales. bioMérieux is the world leader in this field.

The Group’s diagnostic systems consist of the following three components and related services:

- reagents and consumables used to carry out biological tests, in order to perform screening, diagnostic assistance, prognosis and treatment monitoring;

- instruments (or platforms or autoanalyzers) used for automated testing at high or low throughputs;

- software to process analyses and expert systems to interpret test results; and

- related services such as the installation and maintenance of instruments, user training or the audit of laboratory workflows.

The vast majority of the Group's instruments are closed systems, which are systems that only work with reagents specifically developed and marketed by bioMérieux (see section 6.1.3).

Most of the Company's sales come from reagent sales which accounted for 81% of its sales in 2013. Instruments are either sold (approximately 12% of sales in 2013) or provided to customers for use on their sites as part of a reagent supply agreement. At the end of December 2013, the installed base amounted to approximately 74,000 instruments.

In the clinical market, bioMérieux customers are primarily private-sector analysis laboratories, hospital laboratories, blood banks and, in some countries, physician office laboratories (POLs). In the industrial market, customers include large international groups operating in the food, pharmaceutical and cosmetics industries, and independent quality-control laboratories.

bioMérieux is a diversified company:

- geographically: the Group operates in over 160 countries, through 41 international subsidiaries (see section 6.2.4) and a wide network of distributors; and

- technologically: bioMérieux’s product offering is based on three technologies: (i) microbiology, bioMérieux's core business in which the Company holds the leading position worldwide; (ii) immunoassays; and (iii) molecular biology (see section 6.1.2.1). It also has an extensive product portfolio, with 4,500 reagent references.

OVERVIEW OF THE *IN VITRO* DIAGNOSTICS MARKET

There are currently no official statistics on the *in vitro* diagnostics market. The Company has therefore conducted its own internal analyses on the basis of reports prepared by financial analysts, studies carried out by independent specialist consultants and information published by other companies in the sector, as well as its own knowledge of the market, through its internal experts.

General description

In vitro diagnostic tests play an essential role in the clinical field in terms of treatment management, allowing physicians to detect predispositions to pathologies, perform screening on a target population, establish a diagnosis based on clinical indicators, make a treatment decision and monitor the treatment.

An *in vitro* diagnostic test is carried out by analyzing samples taken from a patient. Analysis is performed outside the patient's body. *In vitro* diagnostic tests are used to detect or identify bacteria or viruses (exogenous agents) and to detect or quantify biological constants or markers, which are substances produced by the human body in the presence of, for example, an infectious disease, cardiovascular disease or cancer.

A biological sample is taken from the patient, most often at the request of a physician, by a medical analysis laboratory, either private or part of a hospital facility, which analyzes it using the Company's products (reagents, instruments, expert systems). The results are then sent to the physician who can use them to confirm or establish a diagnosis (often in combination with other examinations such as a medical examination or imaging). In some countries, the physician or patients themselves perform certain analyses.

In the industrial market, *in vitro* diagnostic technologies are used to monitor the microbiological quality of food and veterinary products, pharmaceuticals and cosmetics. These microbiological tests (sterility of products, absence of pathogenic bacteria, etc.) are conducted throughout the production line from raw materials to the finished product, as well as in the manufacturing environment (air, water and surfaces).

Technologies

The *in vitro* diagnostics market uses several types of technologies, three of which constitute the Company's core business:

– microbiology: culture of biological samples in a medium allowing any bacteria present to multiply, and then to be identified and tested for sensitivity to antibiotics;

– immunoassays: detection and measurement of infectious agents (such as bacteria, viruses and parasites) and of pathological markers through an antigen-antibody reaction; and

– molecular biology: technology based on the detection of genetic sequences of DNA or RNA that are characteristic of a bacterium, virus, protein or cell. In the field of infectious diseases, the process consists of extracting nucleic acids (extraction), multiplying (amplifying) them, marking the resulting copies of this amplification and detecting a signal, in order to determine the presence and quantity of infectious agents in the original sample.

In addition to these three technologies, the *in vitro* diagnostics market includes biochemistry (the most widely demanded technology, particularly tests related to diabetes), hematology and hemostasis.

The table below shows an estimated breakdown by technology of the world market for clinical *in vitro* diagnostics.

	2013 *(in billions of euros)*
Clinical biochemistry	11.0
of which blood glucose monitoring: €6.6 billion	
Immunoassays	10.8
Molecular biology	3.9
Hematology and flow cytometry	3.2
Microbiology	1.9
Histology and cytology	1.8
Hemostasis	1.3
Other technologies[(a)]	3.4
TOTAL	**37.3**

[(a)] This item includes analysis of blood gases and electrolytes, capillary electrophoresis, etc.

Sources: bioMérieux estimates based on financial research, internal analysis and analyses by independent consultants

In vitro diagnostic techniques were traditionally performed manually but have progressively been automated, making it possible for laboratories to standardize the process, which gives more reliable results in a shorter time period, ensures the traceability of analyses and increases the number of examinations that can be carried out simultaneously. The degree of automation is not consistent from one laboratory to another, however. The Company considers that microbiology laboratories are now less automated than other laboratories, and that the automation needs expressed by this kind of laboratory represent a source of growth on this market.

Molecular biology has added a new dimension to *in vitro* diagnostic techniques. It most often complements diagnostics by identifying pathologies that traditional techniques are not sufficiently sensitive or rapid to detect. Molecular biology has cleared the way for a new approach to infectious diseases: the syndromic approach. This approach is based on analyzing a syndrome (i.e. a set of symptoms) and, with a single reagent, identifying the disease-causing organisms responsible for this syndrome, whether they are viruses or bacteria. Molecular biology has also paved the way for a new medical approach to cancer, genetic predisposition, genetic pathologies and the individual adaptation of patient treatment. Furthermore, it is only through molecular biology that viral load (the number of viral copies in one milliliter of blood) can be measured. Viral load has become indispensable, particularly in monitoring HIV-positive patients. However, molecular testing is more expensive than traditional methods and still often requires the use of highly-skilled technicians.

New techniques are emerging, moreover, especially in ultrasensitive multiplex immunoassays, which improve healthcare by providing earlier detection of disease, allowing clinicians to take the appropriate therapeutic decisions much faster.

Point-of-care analyses have also developed as instruments are miniaturized. For example, diagnostic tests are now available at some physicians' or nurses' offices and from the emergency services.

IVD tests have evolved. In addition to traditional tests, high medical value tests are now of major clinical importance. These tests can be integrated at every level of care for patients, to improve or confirm a diagnosis, enhance treatment strategy, monitor the effects of prescribed treatments and, often, avoid costly complications.

Over the medium- to long-term, the "theranostics" market, combining a diagnostic test and treatment, is likely to grow:

– through a better targeted approach, theranostics allows the best treatment to be prescribed for each patient, the most appropriate dose to be defined, and better control of side effects;

– by identifying non-responsive patients, or those who respond inadequately to treatment, and patients at risk, who are likely to experience undesirable side effects, theranostics reduces the number of unnecessary prescriptions, ensuring a better risk-benefit ratio and cost optimization.

Driven by new technologies, the medical value of diagnostics is increasingly recognized, and IVD tests now play a decisive role, with over 60% of medical decisions based on *in vitro* diagnostic test results[(6)]. By providing earlier diagnosis and better monitoring of therapeutic response, these tests improve the quality of care and reduce healthcare costs.

6.1.2 DESCRIPTION OF THE COMPANY'S BUSINESS

6.1.2.1 Core areas of expertise

The following table sets out the key technological areas of expertise in the four sectors targeted by the Company:

	Microbiology	Immunoassays	Molecular biology
Infectious diseases	✓	✓	✓
Cardiovascular diseases		✓	✓
Cancers		✓	✓
Industrial applications	✓	✓	✓

Given the current market, the Company believes that it is important to master these complementary techniques and have a solid commercial base in order to successfully compete in the targeted areas.

In the clinical market (79% of bioMérieux's sales), the group's historical and priority business is focused on the diagnosis of infectious diseases, including bacterial (such as staphylococcus), parasitic (such as toxoplasmosis) and viral infections (such as HIV). In 2013, the infectious diseases field generated around 85% of clinical applications sales.

For several years, the Group has been using its technological expertise to extend its range of products to the detection and therapeutic monitoring of certain cardiovascular diseases and certain cancers. In 2013, these applications accounted for 8% of clinical sales, particularly:

– in the diagnosis of cardiovascular diseases (including thrombosis), the Company markets high medical value tests (see section 6.1.3);

– in cancer detection, for which the new molecular biology technologies are best suited, the Company is developing high medical value tests in order to diagnose cancers and improve patient care. bioMérieux and GSK are working together under the terms of a partnership agreement signed in May 2010. bioMérieux has developed a molecular theranostics test to detect mutations of the BRAF V600 gene (V600E and V600K), that are found in some cancers, including melanoma. This CE-marked and FDA-cleared test is used for patients with metastatic melanoma to help oncologists identify the best treatment.

The Group has also broadened the application of its expertise by taking up a pioneering position in industrial applications, a developing field which accounted for 21% of sales in 2013. Industrial applications mainly concern the food, pharmaceutical and cosmetics industries. In 2012, the Company also launched the veterinary diagnostics business with the aim of developing solutions to combat epizootics and zoonoses and encourage the appropriate use of antibiotics in veterinary medicine.

6.1.2.2 Key strengths

The Group's principal strengths are:

– a high level of expertise in the diagnosis of infectious diseases, based on 50 years of experience in biology, which is also relevant for new areas, including industrial applications, cardiac diseases and some cancers;

(6) Source: www.edma-ivd.eu

- over 70% of its sales generated in two sectors where it holds the leading position: clinical microbiology and industrial applications;

- a leading position in clinical microbiology, and a range of Full Microbiology Laboratory Automation (FMLA®) focused on introducing new automation and developing innovative IT solutions for microbiology laboratories and unique expertise in bacterial resistance mechanisms;

- a pioneering and leading position in industrial applications, where the Company has the widest product range, strengthened by the acquisition of AES, and strong market positions promising substantial growth potential;

- comprehensive product ranges known for their reliability and durability, integrating all conventional technologies (microbiology and immunoassays) as well as the development of a range of high medical value tests;

- expertise in molecular biology, particularly in automated nucleic acid extraction, in virological tests for transplant patients using the Argene® range, and in the syndromic approach to the diagnosis of infectious diseases with the unique FilmArray® system from U.S. company BioFire;

- a balanced geographic breakdown of its business supported by a global distribution network and a longstanding presence in emerging countries, enabling the Group to seize market growth opportunities;

- an installed base of approximately 74,000 instruments, primarily composed of closed systems, which only use reagents developed specifically for these instruments and sold by bioMérieux;

- an innovation drive behind the medical value of diagnostics and laboratory organization, backed by heavy investment in research and development amounting to around 12% of Group sales, which is more than that of its competitors. This dynamic leads to the regular release of new and innovative products, with the current and upcoming launches of new differentiating systems, and allows bioMérieux to select the most promising new technologies;

- a genuine capacity to make targeted acquisitions and establish strategic partnerships;

- expertise in integrating acquired companies and forming commercial and operational synergies;

- in theranostics, complete independence from the global pharmaceutical groups;

- considerable financial solidity and a structural ability to generate significant cash flow and successfully implement its strategy;

- a family majority shareholder, whose scientific, industrial and commercial vision has translated into continuous sales growth and consistently satisfactory results, while successfully positioning the Company in the technologies of the future.

6.1.2.3 Strategy

Given the difficult economic climate, the Company feels that clinical and industrial *in vitro* diagnostics will benefit from dynamic growth drivers, as it becomes essential for medical decisions and for ensuring the safety of consumers. It also offers savings to healthcare systems and a major development opportunity in emerging countries.

In clinical microbiology especially, bioMérieux considers that there are both significant barriers to new entrants and attractive growth opportunities: according to its estimates, average annual growth on the market could reach around 5% between 2011 and 2017, driven largely by laboratories' need for automation to optimize workflow, standardize processes and shorten leadtimes.

Backed by the mastery of its complementary technologies, its balanced global footprint, extensive installed base and robust financial health, bioMérieux aims to:

- consolidate its leadership in clinical and industrial microbiology, allowing it to continue innovating in these fields. In order to meet market expectations, bioMérieux will round out its current ranges with new automation solutions. It also intends to supplement its modular, flexible FMLA® range (Full Microbiology Laboratory Automation), by developing new instruments, adding new functions to its MYLA® middleware and expanding its service offer;

- optimize its position in immunoassays, where it is a focused player. It intends to leverage its VIDAS® franchise, using its expertise in high medical value parameters, and the agreement with American company Quanterix (see section 5.1.5) covering ultrasensitive multiplex immunoassays. The new-generation VIDAS® 3 is particularly adapted to emerging countries;

- grow its molecular biology business: with the FilmArray® system, it will primarily target the syndromic approach to infectious diseases, particularly in hospital laboratories. In central laboratories, its development will be based on its comprehensive automation solution, which will comprise three modules, from processing samples to issuing results: the easyMAG® sample purification platform (for which a new generation is soon to be launched), Life Technologies' Applied Biosystems® real-time PCR thermocyclers, and NucliSentral®, middleware for connection to all platforms (see section 5.1.5). It will also continue to work towards increasingly personalized medicine.

bioMérieux will also pursue its ambitious international development and will continue to promote innovation all over the world. With its global outlook, the Company wants to continue to grow in emerging countries which, despite heightened price-sensitivity involving the temporary weakening of reagent demand, and the threat of significant currency devaluation, are seeing rapid growth, driven both by ambitious government actions and by strong demand among end consumers both in the clinical market and in industrial applications. bioMérieux will also continue to adapt its sales policy to economic conditions in developed countries, especially North America, the world's largest market.

On the strength of its competitiveness and high-quality network, bioMérieux is aiming to conduct around 35% of its business in emerging countries by 2015. It estimates that the three systems released in 2013 and 2014 (and their reagents) could generate around 5% of sales within two years of their launch. To secure the success of its business expansion and the launch of innovative, technologically complex platforms, the Group will continue its research and development investment and sales action plans in 2014.

It has defined a 2012-2015 roadmap with the following priorities:

- driving growth in its key markets: bioMérieux wants to consolidate its leadership positions in clinical and industrial microbiology and strengthen its franchises in high medical value tests and in molecular biology extraction;

- anchoring its growth even more solidly in the launch of innovative solutions: bioMérieux intends to bring new platforms to market, each one helping to improve the medical value of diagnostics, testing processes or laboratory workflow. The Company will select, among emerging technologies, those which seem the most promising for its business, choose high value added biomarkers, and introduce new tests;

- seizing every opportunity for targeted acquisitions and partnerships, while maintaining the Company's solid financial structure. Opportunities will be selected for their strong strategic fit and potential for creating value;

- strictly controlling operating costs, despite the launch of new systems, while undertaking the operating and organizational initiatives needed to meet its strategic objectives.

The roadmap was implemented in 2012 and 2013:

- in 2012, bioMérieux China became the Group's third-ranking sales company;

- VIDAS® 3, the new generation VIDAS®, was CE-marked in June 2013;

- the acquisition of the U.S. company BioFire, specialized in molecular biology, consolidates bioMérieux's position as a major player in infectious disease diagnostics;

– various strategic agreements were signed (see section 5.1.5) including:

- the acquisition of 60% of the Indian company RAS,
- a strategic agreement on ultrasensitive immunoassays with the American company Quanterix,
- a research partnership with Veolia Environnement to develop technology for the continuous monitoring of the microbiological quality of drinking water,
- an exclusive agreement in personalized medicine with the biopharmaceutical company Gilead Sciences Inc.,
- a sales agreement with Life Technologies under which its Applied Biosystems® 7500, 7500 Fast and 7500 Fast Dx instrument range became bioMérieux's preferred thermocyclers.

6.1.2.4 Business development

bioMérieux has a Business Development department, with international teams based in Marcy l'Etoile (France) and Cambridge (Massachusetts, U.S.) who work closely with the technological units, the Legal department, Industrial Property and Finance.

According to bioMérieux's 2012-2015 roadmap, this department is responsible for targeted acquisitions and strategic partnerships that contribute to three main objectives – expanding the Group's product portfolio, widening its technological offering and promoting its international expansion – while protecting its financial solidity.

Since 2011, its activities have resulted in three major acquisitions and strategic agreements for systems development, access to innovative biomarkers and distribution of products that round out existing ranges (see section 5.1.5).

6.1.3 GROUP PRODUCTS

The Group offers its clinical customers a large number of products for the detection, diagnosis, and treatment monitoring of pathologies it has targeted as business priorities. Some specific product and service ranges are designed to ensure manufacturing quality control in the food, cosmetics and pharmaceutical industries as well as in veterinary diagnostic laboratories.

The Company has implemented a global marketing strategy specialized by technology unit. Its various systems are marketed under identical trademarks worldwide and the product offering is adapted to regional and local requirements.

The Company's ten leading products accounted for 25% of sales in 2013, of which over 5% was generated by the Company's top-selling product.

6.1.3.1 Breakdown of the Group's product range

The Group's product range consists of diagnostic systems presented in section 6.1.1.

Most of the Group's sales come from reagents which accounted for 81% of its sales in 2013. Instruments are either sold (12% of sales in 2013), or provided to customers for use on their sites under an agreement to purchase a minimum volume of reagents and consumables, on terms designed to cover the depreciation and the financing of the instrument. If the customer fails to fulfill its obligations, the Company is contractually entitled to repossess the instrument. In some markets, especially the United States, instruments can also be leased to customers. Any required systems management software is provided with the instruments and updated regularly.

The vast majority of instruments developed and installed by the Company are closed systems, which can only be used with reagents developed specifically for these instruments and sold by bioMérieux. At December 31, 2013, the installed base amounted to approximately 74,000 instruments. 73% of reagent sales in 2013 were related to closed systems; the rest related to manual products and open systems.

Instruments that are sold or provided to customers are accompanied by services which include the installation and maintenance of the instrument, as well as user training. The Company will continue to grow this business by focusing on the training of technicians, laboratory accreditation support and workflow optimization. Some of the services provided by the Company are billed to customers. Including R&D-related revenue of €7 million, billable services accounted for more than 7% of the Company's sales in 2013.

6.1.3.2 Main products

The main products marketed by the Group and their applications are described below by technology.

6.1.3.2.1. Microbiology

This technology involves culturing biological samples in a medium allowing any bacteria present to multiply in order to identify the bacteria and test their sensitivity to antibiotics.

Culture media

The Group offers an extensive range of culture media, with more than 100 bioMérieux references available in various forms such as Petri dishes, tubes and bottles. With 50 years' experience in the industrial manufacture of culture media, the Company is the European leader in the production of conventional and chromogenic pre-poured media (PPM).

In this market, the Company is focusing its efforts on developing the chromID® line of chromogenic media, which requires specific expertise. By introducing chromogenic substrates, these media allow simultaneous isolation and identification of the target microorganisms, which reduces the time required to obtain results. The Company focuses in particular on the development of a line of culture media aimed at screening patients carrying multi-resistant bacteria, so as to reduce healthcare-associated infections by applying appropriate containment and hygiene measures. Furthermore, the Company successively marketed the chromID® MRSA medium for the screening of methicillin-resistant Staphylococcus aureus bacteria (2005), the chromID® ESBL medium for the detection of extended-spectrum beta-lactamase-producing enterobacteria (2007), and the chromID® VRE medium for the detection of vancomycin-resistant enterococci (2007). The marketing of these three culture media is part of the Company's strategy of combatting healthcare-associated infections. The Company obtained FDA approval for chromID® MRSA and chromID® VRE and can now market these products in the United States. In 2011, the Company launched chromID® C. difficile, the first chromogenic culture medium for the isolation and identification of Clostridium difficile in just 24 hours. C. difficile is a bacterium responsible for epidemics of healthcare-associated infections, some of which are very serious and associated with high mortality rates.

In 2012, the Company launched chromID® CARBA agar, a new chromogenic medium for the screening of carbapenemase-producing enterobacteria (CPE), which are particularly resistant and cause healthcare-associated infections and hospital epidemics. Detecting CPE carriers is especially important in the prevention and epidemiological tracking of these infections. chromID® CARBA agar is part of a complete range of chromogenic media for the detection and screening of the most frequently encountered resistance mechanisms. Alongside its range of chromogenic media, the Company has also launched the chromID® ESBL agar/chromID® VRE agar biplate medium.

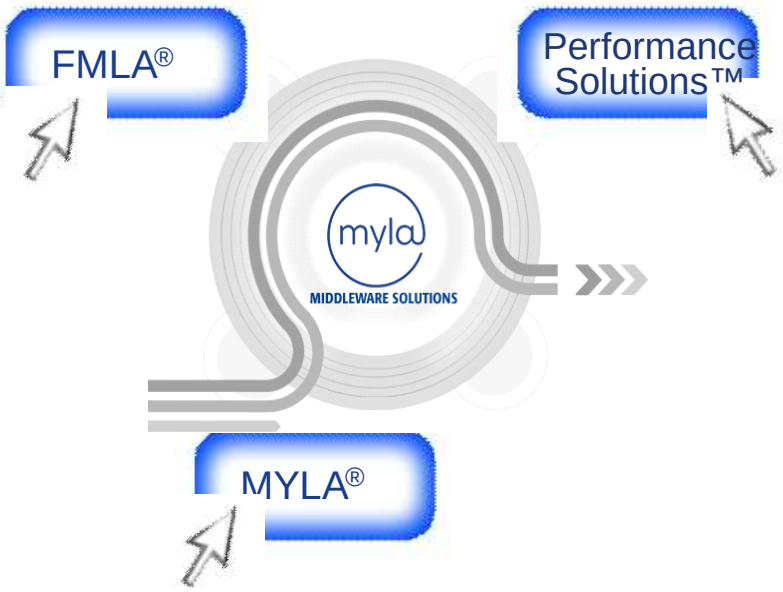
In industrial applications, the Company develops and markets various specific media – such as the chromID®line – for the culture, detection, identification and quantification of microorganisms in food, pharmaceutical and cosmetic products and in the manufacturing environment (air, surface, water, etc.). In both of these areas, bioMérieux develops innovative analytical solutions to rapidly identify any bacterial infection during the manufacturing process. bioMérieux sells ALOA, a culture medium designed for the detection of Listeria spp and Listeria monocytogenes and the quantification of Listeria monocytogenes in food and environmental samples. ALOA is the medium recommended for use in the standard method (EN ISO 11290-1 and ISO 11290-2). The ALOA One Day, ALOA Count and ALOA Confirmation methods, for the detection, quantification and confirmation of Listeria spp and Listeria monocytogenes, are AFNOR ISO 16140 approved. In the food industry, moreover, 2012 saw the market launch of chromID® EHEC, a culture medium for the detection of enterohemorrhagic Escherichia coli.

bioMérieux Industrie also offers a comprehensive range of products for the veterinary (microbiological and immunological) diagnosis of livestock and domestic animals aimed at detecting, identifying and conducting antibiotic susceptibility tests on microorganisms that cause infections.

In 2011, bioMérieux was honored with the prestigious Black Pearl Award by the IAFP (International Association for Food Protection) for its excellence and commitment to food quality and safety.

Automated *in vitro* diagnostics solutions

Microbiology



Full Microbiology Lab Automation (FMLA®)

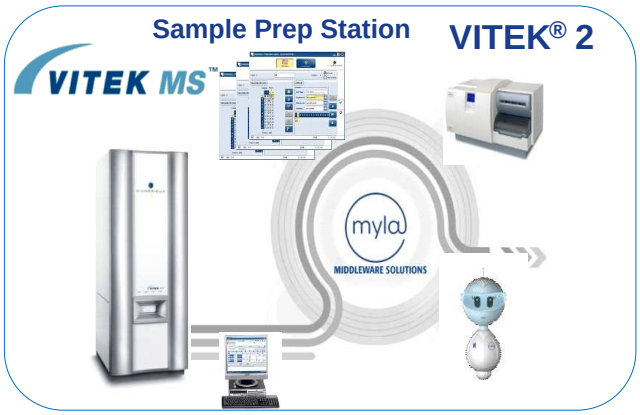
PREVI™Isola

BacT/ALERT®

Blood culture bottles

VITEK®2

VITEK® 2 Cards



VITEK®MS system

Immunoassays

VIDAS®, mini VIDAS® and VIDAS® 3

VIDAS® strip and SPR

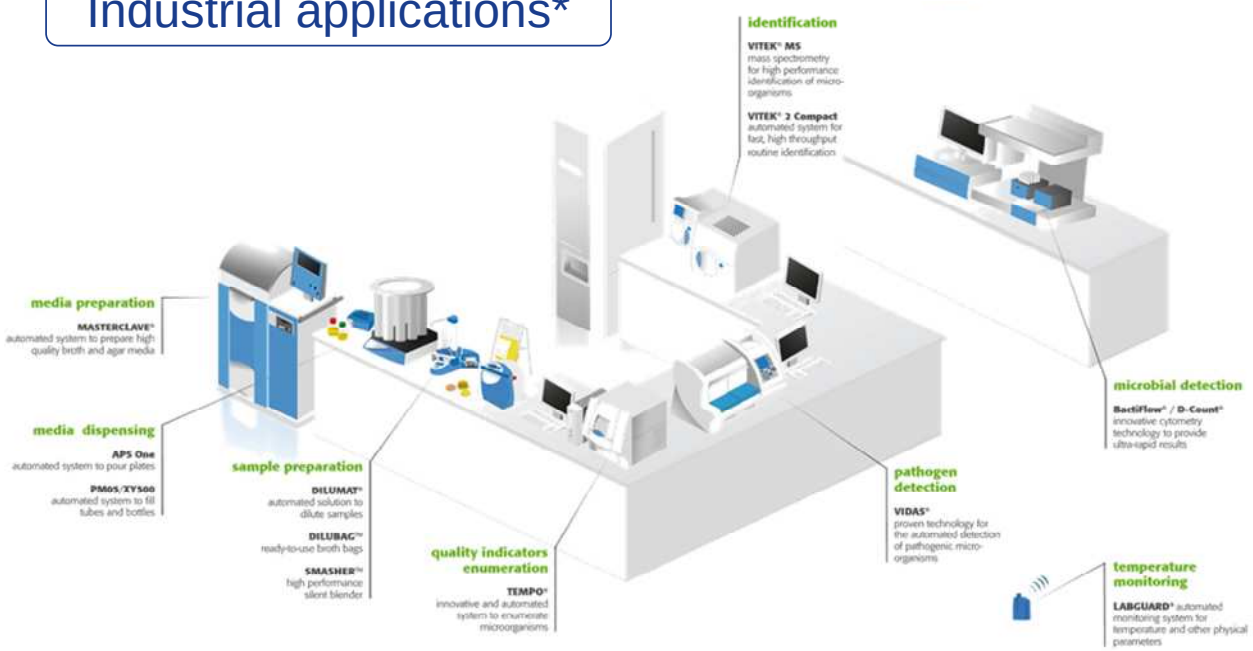
Molecular biology

NucliSENS® easyMAG®

Extraction reagents

Disposables (aspirator and sample vessel)

Industrial applications*



* Including automation of quality control laboratories in the food sector.

Manual bacterial identification and antibiotic susceptibility testing: API® and ATB™ product lines™

The Company markets API® test strips, which are recognized as the leading product worldwide for bacterial identification, with 16 API® strips covering almost all of the most common bacterial groups (around 800 bacteria and yeasts). The API® database is the reference database for the interpretation of identification strips and is also available online (APIWEB™).

The Company also markets the ATB™ line with ten strips for manual antibiotic susceptibility testing that comply with EUCAST (European Committee on Antimicrobial Susceptibility Testing) and CLSI standards.

Based on its API® and ATB™ product lines, the Company has adapted the semi-automated ATB™ New, an instrument designed for use in emerging countries which includes identification and antibiotic susceptibility test strips as well as software for analyzing results.

The API® line is also used by industrial customers in the food, biopharmaceutical, cosmetics and veterinary sectors, to identify any pathogenic agents present in products or in the production environment, or responsible for infections in animals.

Manual measurement of an antibiotic's minimum inhibitory concentration (MIC): the Etest® product line

Etest® is an agar diffusion technique used to measure an antibiotic's minimum inhibitory concentration. Etest® is useful as guidance for antibiotic therapy by determining bacterial sensitivity to antibiotics and by detecting resistance mechanisms. This technique is perfectly suited to bacteria that are rare or difficult to grow and complements the VITEK® range by allowing for the quantitative measurement of the sensitivity of newly-released antibiotics prior to their integration into the VITEK® cards, or for the testing of a particular antibiotic for which more precise information is needed, etc.

Automated bacterial identification and antibiotic susceptibility testing: the VITEK® product line

In addition to the manual and semi-automated products described above, the Group has a leading market position in automated antibiotic susceptibility testing and identification products with its VITEK® product line.

Launched in 1997, the automated VITEK® 2 system, the second generation of the VITEK® line, provides more rapid identification and antibiotic susceptibility test results, using an original and miniaturized consumable, the VITEK® card, which offers a broader analysis menu. After pioneering expert systems for resistance interpretation, bioMérieux has incorporated into its VITEK® 2 system the Advanced Expert System (AES™), which is a reference in this field.

The Company subsequently launched:

- in 2004, VITEK® 2 Compact, an instrument featuring a new colorimetric reading mode and new expert system, which, due to its smaller size, is aimed at small and mid-sized laboratories, running between 30 and 60 tests per day;
- in 2007, VITEK® 2 Compact 15, for laboratories running 15 to 30 tests per day;
- in 2008, two operating software improvements to integrate new antibiotics and to update more rapidly and frequently regulatory interpretation tables, as well as to allow the use of the new ANC card to identify anaerobic microorganisms and corynebacteria;
- in 2009, VILINK™, an IT solution allowing VITEK® 2 users to benefit from remote assistance for incident resolution and maintenance through a fast and secure connection.

The VITEK® 2, AES™ and Etest® product lines meet the needs of clinicians by assisting them in antibiotic prescription. Meanwhile, the epidemiological surveillance software VigiGuard™ allows for the study and monitoring of the evolution of resistance in every clinical department, and proposes antibiotic therapy protocols that are adapted to microbial ecology.

The VITEK® range is also used by industrial customers in the food, pharmaceutical and cosmetics sectors, in order to identify any pathogenic agents present in products or in the production environment.

VITEK® MS: the MALDI-TOF mass spectrometry solution

Mass spectrometry is a technique used to identify and determine the chemical structure of multiple molecules simultaneously, analyzing the mass and charge of their ions. The molecular "signatures" that are obtained can be used to rapidly identify isolated colonies of bacteria. This bacteria identification technique is appropriate for laboratories that handle large volumes of samples as a quick and cost-effective solution to obtain results. However, MALDI-TOF mass spectrometry cannot test sensitivity to antibiotics.

In 2011, the Company introduced a CE-marked version of its VITEK® MS mass spectrometry solution for bacterial identification in microbiology laboratories. The MYLA® middleware enables seamless integration between this solution and the VITEK® platform. It is the fruit of the partnership between Shimadzu and its instrument supplier subsidiary, Kratos Analytical Ltd., and the acquisition of the AnagnosTec database.

In 2012, the Company also brought to market VITEK® MS Plus, which enables VITEK® MS customers to extend their use of mass spectrometry beyond routine identification, for conducting research or building a proprietary database.

2012 also saw the launch of a specialist version for industrial customers. It complies with Title 21 CFR Part 11 of the American Code of Federal Regulations on traceability, and includes a specific database developed by bioMérieux. It is mainly designed for large pharmaceutical laboratories.

In 2013, VITEK® was granted 510(k) *de novo* clearance by the FDA, becoming the only mass spectrometry system cleared by the FDA for the routine detection of a comprehensive database of disease-causing microorganisms (Gram +, Gram - and certain yeasts) in clinical microbiology laboratories.

Blood culture: the BacT/ALERT® product line

The BacT/ALERT® 3D instrument provides rapid and automated detection of positive blood cultures to diagnose sepsis or septic episodes. Furthermore, BacT/ALERT® 3D also allows for the detection of positive cultures for mycobacteria, using specific media, to diagnose diseases such as pulmonary tuberculosis. The flexibility, ease of use and modular design of BacT/ALERT® 3D mean that laboratories of all sizes can use the same instrument to run their blood culture and mycobacterial analyses. The use of unbreakable plastic bottles improves safety for technicians.

A new blood culture bottle that neutralizes antibiotics more effectively and promotes bacterial growth received CE marking in December 2011.

From mid-2014, the Company will gradually roll out its new Virtuo™ automated blood culture instrument, whose improved thermal stability allows it to offer faster results, and immediate notification of positive results.

Industrial applications of the BacT/ALERT® 3D systems line include monitoring the sterility of biopharmaceutical products.

The Company is encountering difficulties in its blood culture reagent production operations (see section 4.1.1.11.1).

Full Microbiology Laboratory Automation (FMLA®)

Automation levels remain low in microbiology laboratories. The Lab Quality Confab Survey revealed in 2012 that 80% of laboratories surveyed had a heavy daily workload and over 90% considered their efficiency to be unsatisfactory. The Company believes that microbiology laboratory automation will drive growth in the clinical microbiology market.

It introduced the concept of modular Full Microbiology Laboratory Automation in 2008 aiming to provide clinicians with even faster, more standardized results for optimal quality of service and increased traceability, and to improve the medical value of *in vitro* diagnostic tests.

In addition to its “traditional” offer in automated microbiology systems, the Company has three new platforms:

– PREVI™ Color Gram, an automated Gram staining system (distribution agreement with Wescor, an ELITech Group company);

- UF-1000i/500i, an automated urinary screening system based on fluorescence flow cytometry (distribution agreement with the Japanese company Sysmex); and

- PREVI™ Isola, an automated Petri dish streaker (in partnership with the Australian company Labtech). PREVI™ Isola won the 2010 "Medical Design Excellence Award" for contributions and advances in the design of medical products.

In 2011, the Company signed an agreement with Labor Berlin to set up a center of excellence devoted to microbiology and laboratory automation.

In 2014, the Company intends to launch an incubator with embedded imaging technologies, which will digitalize the reading of ready-to-use media using an imaging system that should lead to faster detection of bacterial colonies of interest.

MYLA® a new IT solution for microbiology laboratories

The innovative microbiological MYLA® middleware, launched in 2010, provides a consolidated interface, optimized workflow and information management. This software is based on a browser with a single interface for the laboratory's information system, and consolidates data generated by microbial identification and antibiotic susceptibility tests (ID/AST) and blood cultures. Using a single interface to manage information helps to optimize the care and monitoring of patients in healthcare units. Network connectivity allows users to access MYLA® remotely.

The third version of MYLA® was released in 2012. It offers important new features for clinical laboratories, especially for blood culture testing. MYLA® may also be used in industrial applications.

Enumeration of microorganisms (quality indicators): TEMPO®

In 2005, the Company introduced TEMPO®, the first automated microbiological control system designed specifically for industrial applications. TEMPO® is a system that quantifies the bacterial flora present in food. This system is targeted at the control laboratories of industrial food groups and independent industrial laboratories. TEMPO® can be used to control a wide variety of food products.

In 2006, the Company extended its TEMPO® system menu, with the marketing of TEMPO® EB, for the counting of enterobacteria in food products. In 2008 and 2009, the TEMPO® menu was further expanded with the launch of three new parameters: TEMPO® YM, TEMPO® STA and TEMPO® LAB, for the respective enumeration of yeasts and molds, Staphylococcus aureus (S. aureus) and lactic bacteria in food products.

In 2008, a connection software was launched to enable information to be exchanged between the VIDAS® and TEMPO® platforms and the information system of food laboratories. This system enables analyses to be traced from the initial sample until the final result is communicated to the manufacturing site.

In 2013, bioMérieux introduced the TEMPO® Aerobic Count (TEMPO® AC) test that enumerates total bacterial flora in food and environmental samples in as little as 24 hours. This latest generation test, which has obtained AOAC RI (Research Institute) validation, is faster and less sensitive to the highly varied characteristics of food samples.

Instruments for preparing samples and culture media, and instruments for fast, automated microbial detection for industrial quality control laboratories

AES brought bioMérieux a range of instruments for preparing samples and culture media, especially for the food industry, helping to optimize laboratory standardization and productivity. This range is now fully integrated in bioMérieux's offering, and includes the following product lines:

- Dilumat™ S for dilution;

- Smasher™ for grinding food samples;

- MasterClave® for the fully automated preparation of agar.

The bioMérieux AES offering includes the LabGuard® system for the surveillance of temperatures and environmental parameters in the laboratory.

Flow and laser scanning cytometry instruments

This technology is used for real-time microbial detection and sterility monitoring in raw materials, intermediate products and finished products, enabling the faster release of production batches for the food, pharmaceutical and cosmetics industries. This range includes D Count®, Scan RDI® and BactiFlow® ALS instruments.

6.1.3.2.2. Immunoassays

This technology, based on an antigen-antibody reaction, detects and measures infectious agents, such as bacteria, viruses, and parasites, and measures the specific biomarkers of various pathologies (metabolic, hormonal, infectious, etc.).

The VIDAS® product line

VIDAS® is a multi-parameter instrument using ELFA (enzyme-linked fluorescent assay) technology and that is based on the single test concept. The system can automatically perform every step of biological analyses to identify and/or quantify (i) antigens or toxins, which are evidence of viral or bacterial infection; (ii) antibodies measuring the immune response to infection; and (iii) various markers for pathologies such as cancer, metabolic diseases and hormonal dysfunction. Analyses may be run as a series or a customizable test, and it is possible to reach a rate of up to 50 tests per hour. Mini VIDAS® is a compact version of VIDAS® and VIDAS® 3, launched in 2013, features greater automation and heightened traceability.

Launched in 1991, VIDAS® has been very successful. It is recognized for its quality and reliability. In its June 2009 study[7] of automated immunoassay analyzers, the College of American Pathologists concluded that VIDAS® has the world's largest installed base in immunoassay laboratories. At December 31, 2013, approximately 32,000 VIDAS®, mini VIDAS® and VIDAS® 3 systems had been installed, including 28,000 in clinical laboratories.

VIDAS® 3, the new generation VIDAS®, was added to the VIDAS® product line in 2013 and was CE-marked in June of that year. It offers important new functions, increased automation and heightened traceability. VIDAS® 3 can carry out up to 36 tests per hour and uses the same reagents as the other VIDAS® instruments.

In December 2013, VIDAS® 3 was commercially available in 35 countries across Europe, North Africa, the Middle East, Asia-Pacific and Latin America, and bioMérieux continues to work towards obtaining regulatory approval for sale in other countries, particularly the U.S. and China.

The VIDAS® menu includes 100 clinical parameters covering a wide range of human pathologies. For example, the HIV Duo Ultra and Quick tests, launched in 2004, are ready-to-use automated HIV infection detection tests which detect both antigens and antibodies, reducing the diagnosis timeframe (period between infection and detection of the virus or antibodies). Similarly, the VIDAS® C. difficile Toxin A&B[8], which was launched in 2007, enables faster medical decisions and patient isolation measures. The Company continues to add new reagents to VIDAS®, with VIDAS® Lyme IgM and VIDAS® Lyme IgG in 2010, for the diagnosis of Lyme disease, VIDAS® Anti-TPO and Anti-Tg in 2011, for the VIDAS® Thyroid panel, and VIDAS® Anti-HCV in 2012, for the diagnosis of hepatitis C, in the VIDAS® Hepatitis menu.

Two new tests have recently been added to the menu. The Company launched VIDAS® 25 OH Vitamin D TOTAL, which makes it possible to measure total vitamin D (D2 and D3) levels in human serum and plasma and helps to diagnose vitamin D deficiency. It also launched VIDAS® C. difficile GDH for the automated detection of GDH, a specific enzyme produced by C. difficile. Clostridium difficile is a bacterium recognized as the chief infectious cause of healthcare and antibiotic-associated diarrhea, mainly in elderly patients. This innovative, qualitative assay will be used as an aid in the diagnosis and treatment of C. difficile infections in complement to other C. difficile assays. The combination of tests based on GDH, then toxin detection, is

(7) College of American Pathologists : automated immunoassay analyzers (June 2009)
(8) Clostridium difficile is a type of bacteria responsible for fatal healthcare-associated infections in Canada, the United States and, more recently, in Europe.

recommended by leading international experts as the most valuable C. difficile diagnosis solution. VIDAS® C. difficile GDH is CE-marked and FDA-approved and forms part of the Company's efforts to combat healthcare-associated infections.

The Company positions VIDAS® on emerging markets and high medical value tests. Following the marketing of the VIDAS® D-Dimer Exclusion™ tests to exclude the diagnoses of deep vein thrombosis and pulmonary embolism, a new version of which obtained FDA approval in 2012, and the VIDAS® Troponin I Ultra test to diagnose acute coronary syndrome, the Company launched the VIDAS® B.R.A.H.M.S PCT and VIDAS® NT-proBNP tests in 2007.

– VIDAS® B.R.A.H.M.S PCT is a test to measure procalcitonin (PCT), a biological marker recognized as the leading test for the early detection of sepsis among seriously ill patients. In Europe, this test helps doctors to determine quickly whether they are dealing with a viral or bacterial infection and provides information on the severity of the patient's condition, for appropriate decision-making. It was approved by the American FDA in 2007 and is used on patient admission to intensive care. Alongside other laboratory diagnostics and clinical tests, it allows doctors to assess the risk of development of severe sepsis and septic shock. The test sales are growing incredibly fast (see section 4.1.1.3).

– The VIDAS® NT-proBNP test is a quantitative marker of cardiac function. It provides objective information which proves useful in the differential diagnosis of heart failure (respiratory diseases or pulmonary embolism, for example). It was approved by the FDA in the United States in 2008. In 2013, the Company developed a second generation VIDAS® NT-proBNP II test.

In 2009, the Company launched VIDAS® EBV, designed to detect the Epstein-Barr (EBV) virus, responsible for 80% of cases of infectious mononucleosis (IM). Designed by bioMérieux's research and development teams using proprietary technology, this test is especially useful due to the non-specific symptoms of IM (similarity with strep throat, toxoplasmosis, rubella, etc.) The diagnosis of IM prevents the inappropriate prescription of antibiotics.

In 2012, the Company extended its VIDAS® menu for cardiovascular disease with the CE-marking of the VIDAS® Galectin-3 test for the monitoring of chronic heart failure.

In industrial applications, the VIDAS® menu offers 16 tests for the detection of pathogenic agents. It includes reagents based on recombinant phage protein developed by the biotech company Hyglos GmbH, a technology with unrivaled specificity and sensitivity for pathogen detection on the VIDAS® platform. In 2008, the Company launched the VIDAS® UP reagent, for the detection of Escherichia coli (E. coli) O157:H7, bacteria responsible for numerous foodborne illnesses which in some cases may be fatal. In 2011, a new test was launched based on this technology, VIDAS® SPT, used to detect Salmonella bacteria in food. In 2012, the Company launched VIDAS® UP Listeria for the detection of Listeria, bacteria responsible for many foodborne infections.

Most VIDAS® tests have been validated by official bodies such as the AFNOR Certification, in accordance with ISO or AOAC International standards. In 2013, certain tests were granted AOAC International approvals. The VIDAS® UP Salmonella (SPT) test was granted Official Methods of Analysis approval for a wide variety of food products and environmental samples while VIDAS® UP Listeria (LPT) and VIDAS® Listeria monocytogenes Xpress (LMX) were simultaneously awarded Official Methods of Analysis (OMA) approval, attesting to the reliability and significance of this complete screening solution for Listeria.

Microplate immunoassay tests

Microplates are primarily used by blood banks to test donated blood and by major laboratories for specific analyses, such as tests to confirm the presence of HIV. In this field, the Company markets two platforms (the DA VINCI® platform range and a more compact version, DA VINCI® QUATTRO™). However, the microplates are open reagents which can be used with other instruments. They are marketed worldwide, excluding the North American market. This product line is not of strategic importance for the Group.

Rapid tests

Rapid tests are manual tests based on antigen-antibody reactions. The low cost and ease of use of these tests make them particularly suitable for users without access to laboratory infrastructure such as in emerging countries, mass screening programs funded by governments or non-governmental organizations. This range also offers a solution for rapid diagnosis at patients' point of care (emergency services, physicians' office laboratories, etc.).

In 2010, bioMérieux acquired Meikang Biotech – renamed bioMérieux Shanghai Biotech – a rapid test manufacturer based in Shanghai. This acquisition bolsters the Company's position in the point-of-care diagnosis and rapid test markets in both emerging and developed countries (see section 5.1.5). bioMérieux has also developed its bioNexia® product line, which adds to the VIKIA® tests already available commercially.

In 2013, bioMérieux launched bioNexia® Strep A, a CE-marked test which helps diagnose group A Streptococcal, the bacteria responsible for illnesses such as tonsillitis and pharyngitis. BioNexia® Strep A rapid tests allow clinicians to detect the presence or absence of the bacteria in five minutes and therefore prescribe antibiotics only when necessary, minimizing the spread of infection and the risks of complications.

In addition, the VIKIA® HIV-1/2 assay for the detection of HIV 1 and 2 antibodies in the case of AIDS-related infections was prequalified by the WHO in December. Prequalification guarantees users that VIKIA® HIV-1/2 complies with effective public health standards, notably in limited resource settings, and gives the rapid test access to the international tender market.

6.1.3.2.3. Molecular biology

This technology is based on the detection of genetic sequences of DNA or RNA that are characteristic of a bacterium, virus, protein or cell. It comprises three steps: (i) the extraction of the genetic sequences (preparation of the sample), (ii) the amplification (or multiplication) of the number of sequences, and (iii) their detection.

The extraction range

For DNA and RNA extraction, the Company's products use the BOOM® technology established as the preferred method for all molecular biology tests. The extraction range includes the semi-manual NucliSENS® miniMAG® solution and the NucliSENS® easyMAG® automated system. bioMérieux is a major player in automated extraction, and its NucliSENS® easyMAG® system can carry out 24 high-purity extractions in 40 minutes, and offers a great degree of extraction flexibility.

The amplification and detection ranges

bioMérieux's ranges include the NucliSENS EasyQ® and ARGENE product lines.

NucliSENS EasyQ® is an automated system that amplifies and detects molecular targets in real time using NASBA™ technology, which targets RNA (and also DNA) allows amplification to take place at a constant temperature. The menu offers a great many different tests, including AIDS, papillomavirus (HPV), MRSA (methicillin-resistant Staphylococcus aureus) and respiratory viruses, etc.

The tests offered by the ARGENE range are used to screen and monitor immunocompromised patients on transplant waiting lists. They use PCR (Polymerase Chain Reaction) technology to detect cytomegalovirus, Epstein Barr virus, adenovirus, enterovirus, infectious respiratory pathogens and the herpes virus. This product line was extended in 2013. The Company notably received FDA clearance for the U.S. market launch of the Adenovirus R-gene™ test, which enables the qualitative detection of adenovirus DNA by PCR in real time. Adenoviruses can cause respiratory, ocular or gastrointestinal diseases and are recognized as significant viral pathogens with high morbidity and mortality among immunocompromised patients. The Company also launched Parvovirus B19 R-gene®, a new CE-marked Argene assay based on real-time PCR technology that allows for detection and quantification of the three Parvovirus B19 genotypes. Primo-infection can lead to a mild infantile rash also called *erythema infectiosum*, or “fifth disease”. Parvovirus B19 infection can also lead to serious syndromes in immunocompromised patients.

Furthermore, in the fourth quarter of 2013, the Company unveiled its commercial offer for centralized molecular biology laboratories. Today, it wants to offer these labs a comprehensive, modular, flexible automation solution that will allow them to add new modules gradually as needed, use their own "home brew" kits and perform *à la carte* multiplexing tests. As part of this solution, bioMérieux has selected Life Technologies' 7500 range (see section 5.1.5) as its preferred thermocyclers.

In industrial applications, following the acquisition of AES in 2011, bioMérieux marketed the Schmallenberg Virus PCR ADIAVET kit, which completes its offering in the detection of veterinary pathogens. The kit was developed by the bioMérieux Group's company ADIAVET in close collaboration with the French Agency for Food Safety, ANSES, based in Maison Alfort near Paris, France, and the Directorate General for Food (*Direction Générale de l'Alimentation* – DGAL) has authorized its use in French public veterinary laboratories.

The syndromic approach

In January 2014, bioMérieux acquired all outstanding shares of BioFire Diagnostics Inc., a privately held U.S. company specialized in molecular biology. BioFire has developed FilmArray®, a CE-marked, FDA-cleared integrated multiplex PCR molecular biology system (see section 5.1.5).

Other lines

The Company is also the exclusive distributor in certain territories of Gen-Probe's molecular biology manual reagents, especially tests for the detection of mycobacteria (including the tuberculosis infectious agent).

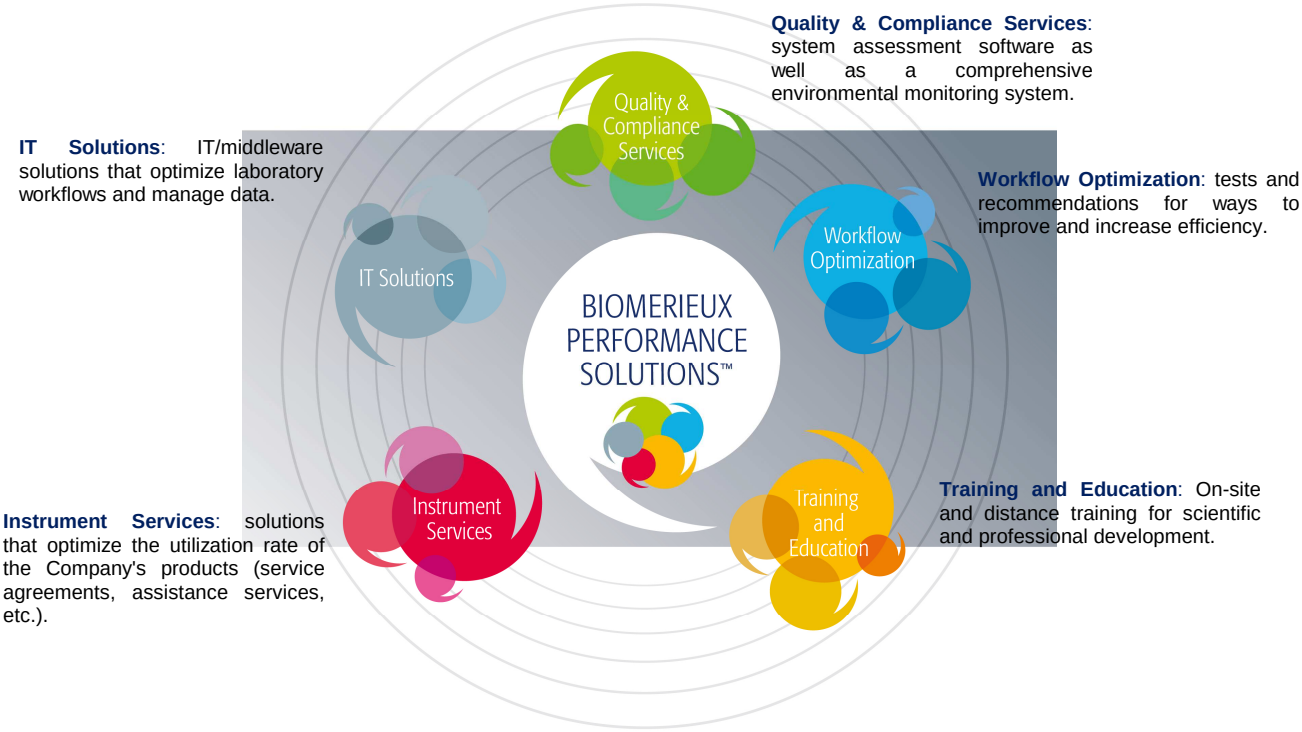
6.1.3.2.4. Companion diagnostics

In cancer detection, for which the new molecular biology technologies are best suited, the Company is developing high medical value tests in order to diagnose cancers and improve patient care.

Since May 2010, bioMérieux and GSK have been working together under the terms of a partnership agreement to develop a THxID™-BRAF molecular biology test intended for the qualitative and simultaneous detection of both BRAF V600E and V600K mutations in late stage metastatic melanoma samples (see section 6.1.2.1). This companion diagnostic test helps clinicians choose an appropriate treatment for advanced melanoma. In May 2013, the Company announced that this test had received pre-market approval from the FDA for commercialization in the U.S.

6.1.3.2.5. Services and solutions

In line with its strategy, bioMérieux continues to develop services in addition to its products in order to help clinical and industrial laboratories tackle their current and future challenges. These training services are aimed at laboratory technicians and managers.



Optimizing laboratory workflows

The Company offers consultancy services based on LeanSix Sigma methodology to identify and recommend ways to improve organizational structure and laboratory processes.

Training and education

bioMérieux offers a comprehensive range of training modules for technicians and biologists with the aim of developing their skills in the routine and expert use of its products, various scientific issues and professional development. These training modules may be classroom-based or taught via the Company's e-learning platform, which was launched in France in 2013 (www.increaseyourperformance.com).

Quality and compliance (accreditation assistance)

In order to support laboratories in the quality and accreditation process, bioMérieux offers method evaluation solutions to validate its products for routine use. With the same aim in mind, the Company continues to extend LabGuard® – its environment surveillance solution to monitor temperatures and environmental parameters in the laboratory – to new regions.

6.1.3.3 Other Group products

The Group is also continuing its mature clinical chemistry business, a "commodity" market for the Company which no longer requires significant capital expenditure.

6.1.3.4 New products and services

In line with its strategy (section 6.1.2.3), the Company plans to market:

- two new platforms in 2014: Virtuo™, a new blood culture instrument, and an innovative incubator incorporating imaging technology;
- new reagents, in particular those with high medical value;
- new services (see section 6.1.3.1) to build on its current range and extend it to new markets.

6.2 PRINCIPAL MARKETS

6.2.1 MARKET OVERVIEW

In vitro diagnostics is part of the healthcare sector but is distinct from the pharmaceutical market. It benefits from a more flexible regulatory environment than that applicable to pharmaceutical products, although becoming more and more stringent, as well as from a more stable customer base, principally due to the significant costs (investments and training costs and the costs of connecting platforms to laboratories' information management systems) incurred by diagnostics customers. The *in vitro* diagnostics market also has more stable sales growth mainly due to:

- the significant proportion of *in vitro* diagnostics sales accounted for by reagent sales, because of the "closed" nature of most systems, which function only with reagents developed and marketed by the manufacturers of these systems (captive market);
- the obligation to offer customers a wide selection of reagents per instrument, which leads to a distribution of the *in vitro* diagnostics companies' activities across a large number of products, in contrast to pharmaceutical groups that are often dependent on "blockbusters";
- relatively steady changes in demand in the diagnostics market, in contrast with the sales of drugs, which can experience wide variations, due, in particular, to changes in the regulatory environment and competition from generics.

For approximately twenty years, most clinical diagnostic techniques have also been used to control the microbiological quality and composition of food, pharmaceuticals and cosmetics.

The breakdown of the Company's sales by region and by technology is presented in section 9.1.

6.2.1.1 Size of the *in vitro* diagnostics market and recent developments

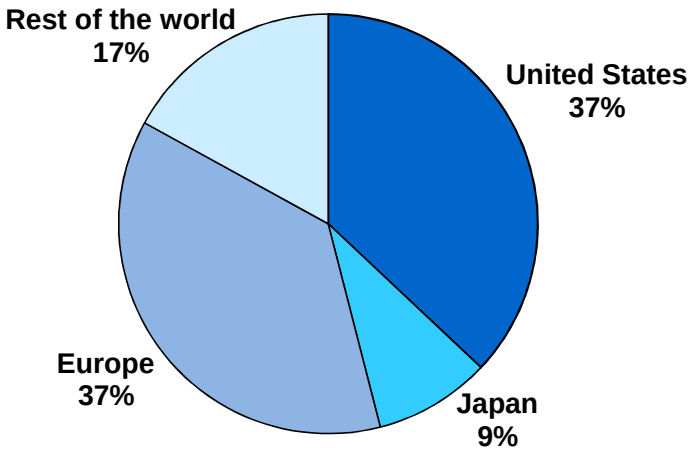
The global market for *in vitro* diagnostics was estimated in 2013 at €37.3 billion (USD 49.7 billion) for clinical applications and approximately €1.6 billion (USD 2.1 billion) for industrial applications. Approximately 80% of the worldwide *in vitro* diagnostics market for clinical and industrial applications is concentrated in mature countries (mainly North America, Europe and Japan).

Clinical applications

Since the end of the 1990s, the clinical *in vitro* diagnostics market has experienced a period of growth due to the increased recognition of the role of diagnosis in the definition and monitoring of treatments and in the reduction of healthcare expenditure, the emergence of new pathogens, major technological advances opening the way to new applications, and the geographical expansion of the market. The *in vitro* diagnostics market, which amounted to €6 billion in 1980, has since increased six-fold.

The Company's main strategic focus is the diagnosis of infectious diseases (see section 6.1.2.1). This field of activity represents around 25% of the entire *in vitro* diagnostics market.

A 2013 estimate of the geographical breakdown of the clinical *in vitro* diagnostics market:



Source: Internal estimates

Industrial applications

The industrial market is newer and more fragmented than the clinical market. Its main applications are the control of the microbiological quality of food, pharmaceuticals, cosmetics, and veterinary laboratories.

6.2.1.2 Market trends and growth prospects

Several structural factors explain growth in the *in vitro* diagnostics market:

Lifestyles

– Aging populations which entail an increase in chronic diseases and age-related disorders, such as cardiovascular diseases, neurodegenerative diseases, and cancers and, as a consequence, an increasing need to diagnose those disorders as quickly as possible in order to ensure more effective treatment.

– The prevalence of illnesses caused by lifestyle and eating habits, such as obesity and food allergies.

The emergence of new microorganisms

- The emergence of new pathogens which require new diagnostic capabilities.
- The development of antibiotic-resistant bacteria (e.g., NDM-1 bacteria) and viruses resistant to antiviral agents, which create a need for a better management of therapies.
- The proliferation of healthcare-associated infections, leading to the need to detect carriers of multi-resistant bacteria before they become self-contaminating or infect other patients.

New markets

- A considerable increase in demand from emerging countries as a result of factors including growth in population, organization of health systems, new infrastructure, rising living standards, etc.
- Healthcare reform in the United States which should lead to medical coverage for an additional 40 million people, who do not currently have adequate healthcare coverage. The number of doctors' visits and the prescription of diagnostic tests should therefore rise. Faced with this increased activity, laboratories may have to increase automation in order to optimize their organization and productivity.

The need to reduce health expenses

- Diagnosis, which accounts for only about 2% of health spending and is used in most treatment decisions, and provides better care for patients and health spending optimization.
- Reimbursement for medical care is increasingly organized by pathology and not by examination. In this context, hospitals bear the cost of patient treatment and monitoring, which constitutes an incentive to conduct diagnostic tests to select the most appropriate treatment and avoid hospitalization wherever possible.

The medical importance of *in vitro* diagnostics

- Progress in medical know-how leading to the discovery of innovative new biomarkers which can result in the development of IVD tests improving patient care.
- The emergence of theranostics allowing for the association of individualized treatment decisions with a particular diagnostic test.
- Technological developments, especially those relating to analysis techniques for proteins and genetic sequences, which extend the scope of *in vitro* diagnostics to cardiac diseases, cancers, and autoimmune and neurodegenerative diseases.

Structure of laboratories

- The automation of laboratories and higher service requirements (training, maintenance, accreditation assistance, optimizing laboratory productivity, etc.), due to a growing shortage of qualified personnel, the need to standardize analyses, attempts to improve operational efficiency and the greater consolidation of laboratories.
- The development of molecular biology leading to faster and more accurate new diagnoses (see section 6.1.1). The management thereof has resulted in the development of easier to use integrated platforms.
- Increasing demand in hospitals, particularly in the emergency and intensive care departments, for diagnostic solutions leading to the faster selection of treatment for patients and resulting in point-of-care tests.

Growing demand in industrial applications

- The growing impact of quality control obligations in food, pharmaceutical and cosmetics applications.
- Food, pharmaceutical and cosmetics corporations looking to protect their trademark and reputation.
- Veterinary laboratories are increasingly having to deal with microbial resistance in animals and diagnose infertility and emerging animal diseases in livestock.
- Emerging countries wanting to protect their consumers and export their own food production. China has made food safety a national priority.
- End consumers demanding increasingly higher standards when it comes to the quality of the food, pharmaceuticals and cosmetics that they buy.

Conversely, some economic factors may impact growth in the market

- Though it has improved slightly, the economic situation in Southern Europe could continue to pose structural problems.
- Chronic deficits, excessive debt levels of healthcare systems, and economic and monetary crises are leading to austerity measures (lower reimbursements, reduced investments, streamlining of the management of reagent inventories, etc.) and limiting users' ability to increase consumption.
- Given increased demand for diagnostic tests, the U.S. healthcare reform could put downward pressure on the prices paid by medical laboratories for their reagents; in addition, its implementation could take longer than initially planned.
- In emerging countries demand for equipment is high, and demand for reagents is, for the moment, low. These countries are also becoming more price-sensitive.

Growth on the *in vitro* diagnostics market, excluding blood sugar tests, remained between 4% and 5% in 2013, at constant exchange rates, but the Company remains confident that it will continue to rise in the medium term.

This outlook is presented for illustrative purposes and is likely to vary significantly for the reasons indicated in section 4.1 on risk factors.

6.2.2 PRINCIPAL PLAYERS

Increasing R&D costs related to innovation, the consolidation of the customer base, the need for broader product lines, as well as critical mass considerations are encouraging continued consolidation on the *in vitro* diagnostics market. In addition, IVD has attracted several new players.
Several mergers and acquisitions took place in 2013. Danaher pursued its acquisitions policy by buying Iris HemoCue, specialized in measuring blood glucose, while the Spanish company Grifols acquired Novartis' blood transfusion diagnostics business.

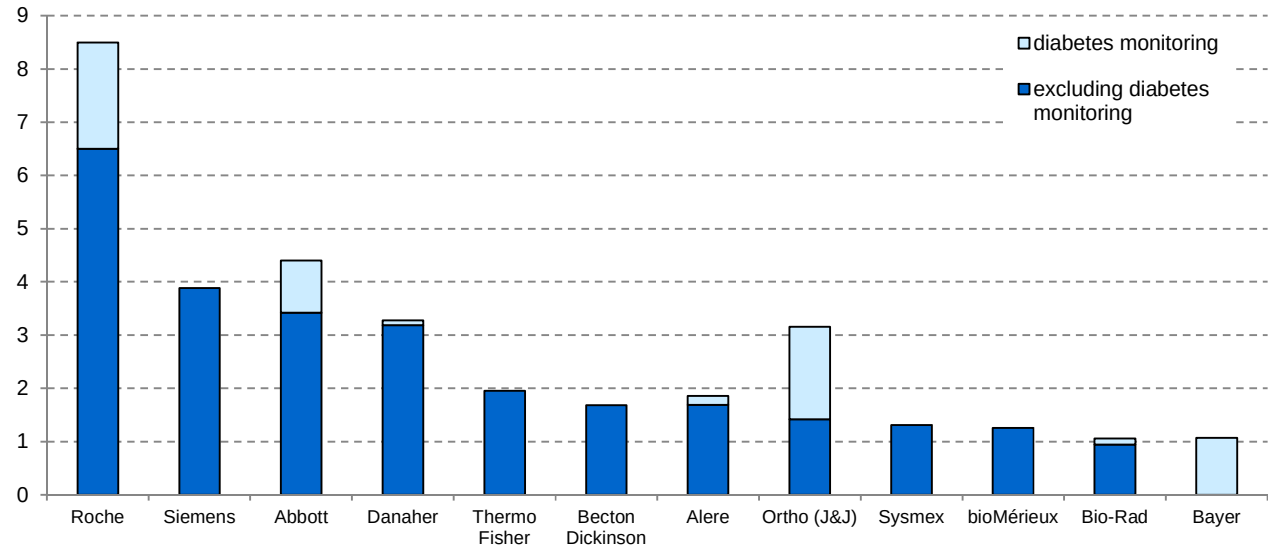
Further mergers and acquisitions are currently underway. In September 2013, bioMérieux announced it had acquired the U.S. company BioFire, specialized in molecular biology (see section 5.1.5). This transaction was finalized in January 2014. Thermo Fisher announced its intention to acquire Life Technologies, specialized in life sciences and, in particular, molecular biology and sequencing. U.S. private investment fund Carlyle expressed an interest in acquiring Johnson & Johnson's Ortho Clinical Diagnostics business.

This development has intensified competition in the market.

The Company believes that the world's top twelve *in vitro* diagnostics companies account for almost 90% of total worldwide sales. The *in vitro* diagnostics industry consists of either large pharmaceutical or diversified groups, such as Roche, Siemens, Abbott and Danaher, or specialized companies (bioMérieux, Alere, Bio-Rad and Sysmex).

Based on its 2013 sales, the Company ranks itself in tenth place in the *in vitro* diagnostics market, as in 2012. This ranking reflects its specialized positioning: it is not present in diabetes testing and has little activity in clinical chemistry testing.

In clinical applications, the table below is solely based on the companies' 2013 *in vitro* diagnostics sales, including flow cytometry (Becton Dickinson) and excluding sales in other sectors such as life sciences (Sysmex, Danaher and Bio-Rad), pre-analytical (Becton Dickinson and Thermo Fisher), health management (Alere) and other business (Sysmex).



Source: annual financial statements of the companies, transposed on the 2013 calendar year where applicable.

6.2.3 GROUP CUSTOMERS

In clinical applications, the organization of the *in vitro* diagnostics sector varies largely from country to country, depending on the structure of the healthcare system itself. Essentially, it may be part of the public or the private sector, or combine them both. The Group mainly sells its products to hospital and commercial laboratories. The Company estimates that these two types of customers represent approximately two-thirds of the *in vitro* diagnostics market, with hospital laboratories alone accounting for approximately half the market. To a lesser extent, the Group's customers include distributors, blood banks, the point-of-care market (including hospital emergency rooms) and physicians (physician office laboratories or POLs). The Group does not sell products directly to patients, as the customer base would require too large a sales network.

In France, which accounted for 13% of the Group's sales in 2013, there is a mixed private/public healthcare structure. As a guide, private laboratories, which accounted for 38% of sales in 2013, usually place orders, whereas public hospitals, which accounted for 29% of the Company's sales, operate through tendering procedures. Industrial customers (30% of sales in 2013) also place direct orders.

In the United States, which is the Group's largest market, public and private hospitals accounted for 56% of sales in 2013 and commercial laboratories accounted for 15%. In addition, 6% of sales were generated by other customers in the clinical field, including POLs. Industrial customers accounted for 23% of sales.

For several years, the market trend has been towards the consolidation of medical laboratories, whether in hospitals or commercial laboratories.

The consolidation trend has moved at different speeds in each country. Consolidation of medical laboratories is already highly advanced in North America and, to a lesser extent, in Europe. In France, the Bachelot legislative order, published in January 2010, made it mandatory for medical laboratories to hold accreditation, and encourages their consolidation and the establishment of technical platforms.

This consolidation, which strengthens customers' bargaining power, speeds up the development of laboratory automation and increases the laboratories' need for higher-throughput systems and their capacity to invest in new platforms. The Company's clinical microbiology offer includes all-capacity systems and is based on the concept of Full Microbiology Laboratory Automation (FMLA®). It is therefore perfectly in line with this shift towards consolidation. However, in immunoassays, VIDAS® is a low throughput platform and is not suited to routine testing in large laboratories.

At the same time, the need for decentralized tests has grown considerably. These tests require results to be delivered rapidly and are performed at the point of care, such as in emergency situations or in intensive care units.

In industrial applications, Group customers are the quality control laboratories of large industrial food, pharmaceutical and cosmetics groups, independent laboratories to which such industrial quality control is outsourced, or veterinary laboratories. In addition, with the development of the fight against healthcare-associated diseases, the Company is beginning to target hospitals as industrial customers for the installation of disinfection and monitoring systems. Similarly, blood banks have, in some cases, become industrial customers with the development of bacteriological sterility monitoring of platelets.

The Group's ten leading customers accounted for around 8% of its sales in 2013. The largest customer accounted for approximately 2% of sales.

6.2.4 DISTRIBUTION NETWORK

The Company markets its products in over 160 countries through a network of international subsidiaries and distributors. The Company has established a Global Sales Department, to optimize the effectiveness of its sales network and encourage synergies between its sales and marketing teams.

6.2.4.1 An extensive distribution network

The distribution of products primarily relies on a network of 41 commercial subsidiaries, which are dedicated to the sale, promotion and maintenance of the Group’s products.

Group subsidiaries have specialized sales and marketing forces for clinical and industrial customers. In the most developed and mature markets, such as the United States, most of the European markets and Japan, sales forces in clinical applications are specialized by product line. Likewise, the industrial applications sales forces are becoming increasingly specialized in the pharmaceuticals and food sectors. Conversely, in smaller countries, sales forces are not specialized. At the end of 2013, the Group's sales, marketing and customer service personnel (in full-time equivalents) totaled 2,824 people, including 1,462 in Europe, the Middle East and Africa, 610 in North America, 508 in Asia-Pacific and 244 in Latin America.

Some sales subsidiaries may rely on local sub-distributors where justified by market conditions.

6.2.4.2 Numerous independent distributors

In addition to its subsidiaries, the Company possesses a strong presence on all continents through independent distributors. The Company's determination to achieve strong product recognition, along with legal requirements regarding traceability and customer support services (technical personnel, training, availability of spare parts) direct the choice of local partners. These distributors are usually leading players in the healthcare sector of their countries and are usually exclusive in the diagnostics field. They are also selected by the Company on the basis of their knowledge of local healthcare market players, and their material and human resources. The Company ensures that its distributors have adequate financial resources to fund the instruments provided to end-customers.

6.2.5 COMPETITION

6.2.5.1 Clinical market

In infectious diseases, which accounts for approximately 25% of the *in vitro* diagnostics market and 85% of the Group's clinical sales, the Company is one of the few firms to possess the full range of technologies (microbiology, immunoassays and molecular biology). As a result, it faces different competitors depending on the technology used. The Company believes that its expertise in all complementary technologies gives it a significant competitive advantage.

- In clinical microbiology, as estimated internally and by a major independent consultant specialized in *in vitro* diagnostics, the Company's market share is around 42%, putting it in the leading position (as in 2012). This market represents an estimated €1.9 billion and enjoys annual growth of 3% to 4%. Other significant players in this market include Becton Dickinson, Siemens and Thermo Fisher. In automated microbiology, new technologies are emerging, such as mass spectometry, which is also marketed by Bruker, and competition has heightened since Becton Dickinson's takeover of Kiestra.

- In immunoassays, the major pharmaceutical groups and diversified companies (Roche, Abbott, Siemens and Danaher) are dominant. Among specialized players, the main competitors include Alere, Bio-Rad and DiaSorin. According to internal estimates, the Company is a focused player in this market with around 3.5% market share. It plans to develop further through the launch of its new generation VIDAS® instrument VIDAS® 3, its offer of high medical value tests and its positioning in emerging countries.

- In molecular biology, the market leader is Roche. The other significant players in the market are Hologic, Qiagen, Becton Dickinson, Grifols, Cepheid, Abbott and Siemens, with bioMérieux holding around 2% of this market. The Company made a major strategic move on this market with the acquisition of the U.S. company BioFire, whose FilmArray® system sets a new standard in the diagnosis of infectious diseases (see section 5.1.5). As well as also holding a major position in extraction, in December the Company announced it had launched a comprehensive automation solution for centralized and reference laboratories (see section 5.1.5).

6.2.5.2 Industrial market

In the industrial market, which remains relatively fragmented, the Company is world number one (as in 2012), with market share of around 21% in 2013. The other big players are Becton Dickinson, Thermo Fisher and Merck.

6.3 QUALITY SYSTEMS AND APPLICABLE REGULATIONS

6.3.1 QUALITY ASSURANCE SYSTEMS, MONITORING SYSTEMS AND AUDITS

The Company is particularly attentive to compliance with quality standards and regulatory questions, and has set up a department responsible for the Quality Management System and a department responsible for Regulatory Affairs, which are described in the Chairman's report in Appendix 1. The departments are assisted by a quality assurance interface in each production and distribution site.

Most distribution subsidiaries have ISO 9001 certification.

The Group's main manufacturing sites that produce *in vitro* diagnostics systems are certified as ISO 13485 compliant. This is recognized as the quality standard in the industry for this type of activity and as providing a presumption of conformity with certain regulatory requirements. This certification is issued within a regulatory framework either by a certifying body acting under the auspices of regulatory authorities, or where such recourse is not required, by an outside certifying body, as part of a voluntary procedure on the part of the Company.

6.3.2 REGULATORY REQUIREMENTS

Specific regulations apply to each category of products: products for clinical customers (medical laboratories, whether private or in hospitals) and industrial customers (pharmaceutical, veterinary, cosmetics and food industries).

Medical *in vitro* diagnostics systems used for humans are subject to specific national or international regulations (e.g., European Union, United States, Japan, Canada and China). These regulations address the efficacy, performance and safety of systems.

Reagents used for microbiological testing intended for industrial customers must comply with standards that vary depending on the nature of controls and the specific requirements of users (pharmacopoeia, AFNOR-type standards, ISO, etc.). Regulations applicable to these products are part of the regulations governing industrial and consumer products and primarily concern product safety.

6.3.3 CLINICAL *IN VITRO* DIAGNOSTICS

Clinical *in vitro* diagnostics are subject to national or international regulations. Countries fall into one of two categories: countries with their own regulatory regimes, or that use other countries' existing regimes, and countries without specific regulatory regimes.

In vitro diagnostics are primarily governed by the following bodies of legislation:

- Directive 98/79/EC for the European Union;
- FDA regulations for the United States (Code of Federal Regulations – Title 21);
- "Pharmaceutical Affairs Law" for Japan;
- Medical Devices Regulations in Canada; and
- CFDA regulations in China.

All classify devices on the basis of end-applications and risk assessment, and are becoming increasingly complex.

The regulatory procedures to be followed prior to the marketing of these products differ based on the risk category of the product.

European Union

Within the European Union, the regulatory environment is based on Directive 98/79/EC of October 27, 1998, which applies to all medical devices for *in vitro* diagnostics. The directive was transposed into French law by the order issued on March 1, 2001, supplemented by decree no. 2004-802 of July 29, 2004, inserting articles L.5221-1 *et seq.* in the French Public Health Code (*Code de la santé publique*), and the decrees of November 9, 2004, February 25, 2005 and July 1, 2005. European regulations harmonize the European *in vitro* diagnostics market by standardizing the marketing procedures used by manufacturers of *in vitro* diagnostics products. A revision of this directive is currently being prepared: its implementation as an immediately enforceable EU regulation will result in more stringent regulatory procedures.

Based on the risk level and the alternative options offered under the regulation, a manufacturer chooses the appropriate procedure to follow. Currently, 95% of the Company's products are marketed under the sole manufacturer's responsibility following self-evaluation to determine whether they are compliant (CE marking). As a result, there is no regulatory certification period following this declaration.

For the remaining 5% of products that carry a higher level of risk, certifications must be obtained attesting to regulatory compliance before the marketing of products. All certifications have been obtained and renewed for CE markings for all *in vitro* diagnostics products currently marketed in the European Union.

For high-risk or medium-risk products, the level of regulatory intervention is proportional to the risk. This ranges from certifying the quality control system, when reviewing the product file (design file), to the inspection of each batch prior to sale. Generally, the time period required for obtaining the necessary certifications is less than six months.

In accordance with this procedure, the Regulatory Affairs Department prepares a dossier prior to the launch of any new product including all information necessary to determine whether the product meets the requirements set forth in the regulations. The dossier is then submitted for approval to one of the Group's Regulatory Affairs managers. The Marketing Committee verifies that the approved dossier is available.

United States

In the United States, the level of FDA intervention is, likewise, proportional to the level of risk. Some products in the microbiology product line are exempt from registration and are under the responsibility of the manufacturers.

Medium-risk products are subject to 510(k) clearance which can take over six months. A limited number of products deemed to be high-risk products is subject to pre-market approval (PMA); the registration period, in these cases, is approximately two years.

Japan

In Japan, products are subject to a registration procedure which is similar to that of the United States.

Canada

In Canada, with the exception of products considered as exhibiting the lowest level of risk, products require a license issued by the health authorities ("Health Canada"). A license is issued after the approval of an application, the content of which depends on the risk category ascribed to the product. These licenses are renewed annually; the time required to obtain these licenses ranges from two to twelve months depending on the product category.

China

In China, products require registration with the CFDA. This process may be long and complex and includes the following stages:

- quality control tests on three reagent batches performed by the National Institute for the Control of Pharmaceutical and Biological Products;
- a performance study carried out in China;
- an administrative review of the application; and
- a technical review of the application including areas such as production, product performance, quality control tests and the report on the performance study carried out in China.

A growing number of countries have their own procedures for releasing *in vitro* diagnostics products on the market. Some countries accept gradual compliance for products already available for sale, while others require full and immediate compliance with their new market launch procedures.

6.3.4 MONITORING

Applicable laws and regulations, which may contain specific procedures in different countries, impose an additional monitoring system, which requires manufacturers and users to notify the relevant regulatory body of any incidents or risks that could have harmful effects on human health.

A product recall procedure, based on full traceability of relevant product batches and their destination as well as the implementation of corrective actions, is also part of the system.

6.3.5 AUDITS

The Company's sites are subject to audits and inspections by regulatory authorities (FDA, ANSM), by bodies acting on behalf of regulatory authorities, and by certifying bodies that, as discussed above, the Company voluntarily appoints to verify compliance with ISO 9001 and ISO 13485 standards. Customers, especially in industrial applications, also perform other audits or inspections to ascertain that Group products and procedures comply with existing regulatory standards, as well as their own standards, and to benefit from guaranteed quality of service.

The Company also conducts internal audits at global, regional and local level in order to identify opportunities to continuously improve its organization.

The ability to manage manufacturing processes is guaranteed by the validation of production methods and controls performed during the course of production. In addition, each batch of finished products is not released until it has been tested for conformity with the relevant specifications.

The sites at Marcy l'Etoile and Craponne were inspected by the ANSM in October 2012, which did not record any particular observations.

The FDA inspected the sites at Marcy l'Etoile and Craponne in November 2010, Saint Louis in November 2011 and January 2013, Durham in January and February 2012 and June 2013, Grenoble in October 2012 and La Balme in November 2013. The inspections carried out at Marcy l'Etoile, Craponne, Grenoble and La Balme did not give rise to any particular observations. The inspection of the Durham site in 2012 resulted in a Warning Letter. The more recent inspection in June 2013 aimed to ensure that the Company's action plan, which set out to address the observations contained in the previous warning letter and conduct new audits of the quality control system, had been implemented. The Company is committed to resolving the issues mentioned.

Following the inspection of the Marcy l'Etoile site in September 2013, the VIKIA® HIV 1/2 rapid test was pre-qualified (see section 6.1.3.2.2).

Other regulatory inspections chiefly consisted of a Korean inspection in Grenoble in November 2013 and an ANVISA (Brazilian National Health Surveillance Agency) inspection of the Jacarepagua site (Brazil).

6.3.6 INDUSTRIAL MICROBIOLOGICAL CONTROL

The Company's quality system applies not only to clinical diagnostics products, but also to industrial microbiological control.

In the field of industrial applications, regulations applicable to manufacturers of industrial microbiological control products are still limited to their safety aspects. However, to meet the needs of its customers, the Company complies with the standards applicable to its customers (standards based on product use: pharmacopoeia, AFNOR, ISO, etc.). Recent crises in the food industry (Listeria, Escherichia coli, salmonella, etc.) may lead to more stringent regulations being applied. Moreover, in the United States, for example, authorities may impose supplementary security measures as part of the fight against bioterrorism.

6.3.7 MANAGEMENT AND MONITORING OF CUSTOMER COMPLAINTS

The Company has a procedure for the management and monitoring of customer complaints that involves several departments.

Complaint processing

Complaints are processed on three levels.

Most complaints are handled locally, by subsidiaries and distributors (first level).

Approximately 10% of complaints are transferred to Global Customer Service (second level) where they are handled by a specialized team that carries out investigations and consolidates results.

The third level is reserved for a few complaints that require a thorough investigation involving manufacturing sites and, sometimes, the R&D teams.

Global Customer Service

Global Customer Service is responsible for providing information concerning technical complaints to the teams in subsidiaries and distributors responsible for contacting the customers concerned.

Collecting information in order to identify the origin of complaints and improve the quality of products is as important as resolving every individual complaint.

Group Quality Assurance

The Quality Assurance department is managed by the Quality Management System and is responsible for implementing indicators (monthly statistics on the number of complaints by product, country, type of problem identified, time required to resolve the complaint, etc.). These indicators are provided monthly to General Management.

Each bioMérieux entity has its own Quality unit, which is part of the Quality Management System. The size and organizational structure of these units varies depending on quality standards and local regulations.

Regulatory and Quality Compliance

The Regulatory and Quality Compliance department expanded its scope of responsibility in 2013 to include global quality audits and helping to improve the Quality Management Systems in place at bioMérieux's different sites.

This department is responsible for the "Post Market Surveillance" procedure, described in Appendix 1 to the Chairman of the Board of Directors' Report on Internal Control.

Any actions concerning a product recall or withdrawal, including issuing instructions to be followed on the ground, fall under the remit of the Regulatory Compliance department.

This department manages incident reports in France and the U.S. and oversees the management of incident reports filed in other bioMérieux subsidiaries.

6.4 DEPENDENCE ON PATENTS, LICENSES AND OTHER FACTORS

Dependence on patents and licenses

The Company holds a number of licenses which are listed below, the loss of which could have a significant impact on the Company's sales:

- PCT license granted by ThermoFisher along with the supply of raw materials, to develop and sell VIDAS® tests for the screening of procalcitonin as a marker of severe bacterial infections (renewed in October 2012 for the duration of all B.R.A.H.M.S. PCT patents);
- NT-proBNP license granted by Roche Diagnostics to develop and market VIDAS® tests for the detection of NT-proBNP, a marker of congestive heart failure and acute coronary syndrome (basic patents expire between 2013 and 2015 and patents concerning raw materials in 2024);
- license granted by Spectral to develop and market, in particular VIDAS® Troponine I Ultra tests (patents expire in 2018);
- license granted by Sigris for the marketing of the easyMAG® product line (license expires end-2016);
- molecular marker license granted by PHRI Properties, Inc. to develop and sell the NucliSENS EasyQ® and ADIAFOOD® product lines (patents expire in 2024 at the latest);
- PCR technology licenses granted by F. Hoffmann-La Roche Ltd. and Roche Molecular Systems, Inc. to develop and sell the Argene® test and the Adiavet™ product lines (patents covering the technology currently in use or being developed, expiring in 2017 at the latest).

The Company also receives income from its patent portfolio described in section 11.5.3.

Other factors of dependence

The Company depends on certain partners (section 4.1.1.8), senior executives (section 4.1.1.9) and suppliers (section 4.1.1.10).

6.5 SOURCES

There are currently no official statistics on the *in vitro* diagnostics market. The Company has therefore conducted its own internal analyses on the basis of reports prepared by financial analysts, studies carried out by independent specialist consultants and information published by other companies in the sector, as well as its own knowledge of the market, through its internal experts.

The sources used to estimate the market (size, growth and split), as well as the position of the Company and its competitors were mentioned in the corresponding paragraphs.

7 ORGANIZATIONAL STRUCTURE

7.1 BRIEF DESCRIPTION OF THE GROUP

History of changes in the Company's ownership

When it was incorporated in 1963, B-D Mérieux (as the Company was formerly named) was owned by Institut Mérieux (49.95%) and Becton-Dickinson France (49.96%), with other individuals and legal entities holding the remaining 0.09% of its shares.

In 1968, Alain Mérieux acquired the B-D Mérieux shares held by Institut Mérieux, bringing his ownership interest in B-D Mérieux to 49.96% and making B-D Mérieux independent from Institut Mérieux.

In 1974, Alain Mérieux purchased 200 shares of the Company from Becton-Dickinson France and became the majority shareholder of B-D Mérieux. That same year, the Company changed its name to bioMérieux SA.

On March 31, 1987, bioMérieux was merged into API SA after that company had been acquired. Following this merger, API SA changed its name to bioMérieux.

At the Ordinary and Extraordinary Shareholders' Meeting of December 28, 1988, Wendel Investissement (named CGIP at the time) joined with the Mérieux family to form bio Participations, an indirect holding entity of bioMérieux. Wendel Investment held nearly 33% of the capital of bio Participations and Mérieux Alliance (holding company of the Mérieux family) nearly 67%.

In 1994, Becton-Dickinson sold all the shares that it held in the bioMérieux Group to bio Participations.

In December 2000, bio Participations, which had changed its name to bioMérieux Alliance on February 25, 1995, was merged with the Pierre Fabre group. As the merger of the bioMérieux Group with the Pierre Fabre group failed to achieve the companies' intended goals, they decided to "demerge" and to cancel the transfers carried out in 2000 and 2001.

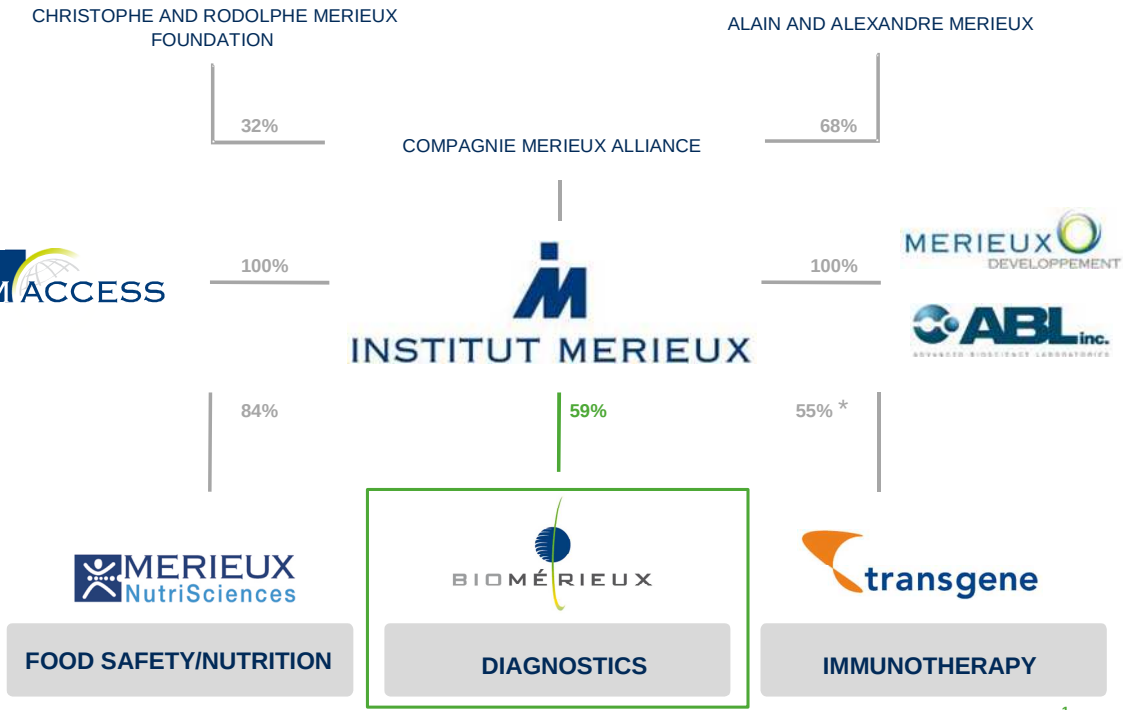
In 2003, the group of companies held by Mérieux Alliance was restructured in order to separate bioMérieux's diagnostics business from Transgène's immunotherapy business.

In January 2004, Mérieux Alliance directly held 59.7% of the Company's capital, Wendel Investissement held 34.5% and Groupe Industriel Marcel Dassault held 5.1%.

Most of the Company's shares held by Wendel Investissement were floated in connection with the initial public offering of July 6, 2004 on the Eurolist market of Euronext Paris.

Institut Mérieux (the new name of Mérieux Alliance since December 7, 2009) also holds:

- 100% of the capital of SGH, the holding entity of Mérieux NutriSciences, an American company which specializes in testing and consulting services in the field of food safety and quality;
- 100% of the capital of TSGH, the holding entity of Transgène SA, an immunotherapy company traded on NYSE Euronext Paris, and of Advanced Bioscience Laboratories Inc. (ABL), an American research laboratory doing work on behalf of research institutes and business corporations;
- 100% of the capital of Mérieux Développement, which invests in companies; and
- 100% of the capital of Imaccess, a simplified joint stock corporation (*société par actions simplifiée*), created in October 2010, which develops and markets diagnostic tests for emerging countries.

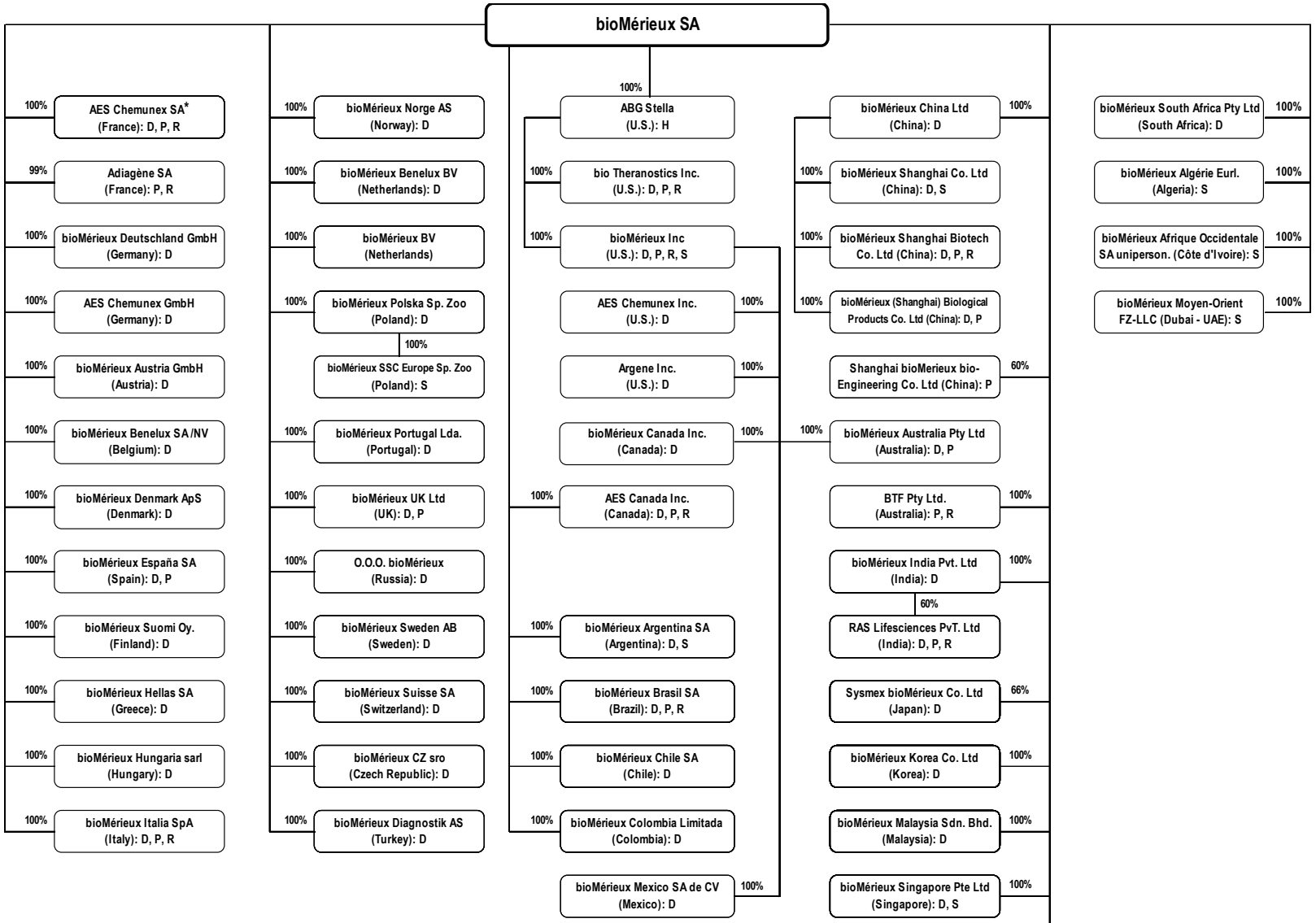


* Since end-March 2014, this has increased to 52%

7.2 SUBSIDIARIES OF THE ISSUER

7.2.1 LEGAL ORGANIZATIONAL STRUCTURE OF THE BIOMÉRIEUX GROUP AT DECEMBER 31, 2013

The chart below shows the relationship between the Company's principal subsidiaries (as a percentage of capital held). bioMérieux SA is part of the Institut Mérieux group as set forth in section 7.1 above. The contractual relationships between those entities are explained in Chapter 19. Most of the subsidiaries shown below are distribution entities (see section 6.2.4.1); some also carry out research and development (R&D) activities (see Chapter 11) and/or have manufacturing operations (see section 8.1.2.1).



D: Distribution/H: Holding/P: Production/R: Research & Development/S: Support (regional)

*AES Chemunex was merged into bioMérieux SA on December 31, 2013.

7.2.2 OTHER INFORMATION CONCERNING SUBSIDIARIES AND ACQUISITIONS OF EQUITY INTERESTS

7.2.2.1 Acquisitions of equity interests during 2013

Investments in consolidated companies

bioMérieux made no investments or sales in 2013.

7.2.2.2 New subsidiaries

bioMérieux did not set up any subsidiaries in 2013.

The table of subsidiaries and investments is presented in Note 5.1 to the 2013 parent company financial statements.

7.2.2.3 Investments in listed companies

The portfolio of listed assets held by the Company is presented in Note 8 to the consolidated financial statements for the year ended December 31, 2013 (see section 20.1.1) and is not material.

8 PROPERTY, PLANT AND EQUIPMENT

8.1 MATERIAL ITEMS OF PROPERTY, PLANT AND EQUIPMENT

8.1.1 REAL ESTATE

Historically based in the Lyon region of France, the Company has expanded its geographical presence over the years by acquiring foreign companies, particularly in the United States, and by forming subsidiaries of its own.

The Company fully owns its main production, logistics and R&D sites (including in particular Marcy l'Etoile, Craponne, La Balme, Grenoble, Combourg, Saint Louis, Durham, Madrid, Florence, Jacarepagua/Rio de Janeiro and Pudong/Shanghai).

8.1.2 MAIN SITES' ACTIVITIES

8.1.2.1 Production

Manufacturing processes play a critical role in the *in vitro* diagnostics industry due to constraints related to the nature of the products. At end-2013, the Group operated 18 manufacturing sites organized by product line. As of January 2014, there were 19 manufacturing sites, including BioFire at Salt Lake City (United States), where the FilmArray® platform and reagents are produced.

Manufacturing activities are organized by the Group based on the principle of "one site-one product line" (see section 4.1.1.11.1), partly due to the technical nature of products, which require a high degree of know-how, specialized teams and nearby R&D teams, and partly due to productivity gains that may be generated through economies of scale achieved by concentrating production. Petri dishes are the only exception to this principle. Due to their limited shelf life and barriers to imports of animal-based products in certain countries, they must be manufactured close to the customer at the Brisbane (Australia), Rio de Janeiro (Brazil), Shanghai/Pudong (China), Combourg (France), Madrid (Spain), and Lombard, Illinois (U.S.) facilities, as well as at the main production site in Craponne (France).

The Company's manufacturing policy primarily focuses on the following:

– continued streamlining of production sites;

– the implementation of a plan to improve industrial practices (2BP: bioMérieux Best Practices) and Lean Six Sigma methodology, aimed at achieving productivity gains and reducing cycle times by optimizing capacity and industrial asset utilization.

In addition, the Company is working on implementing rigorous quality control at the production stage (see section 6.3.1).

The main production and logistics sites are as follows:

France

- **Marcy l'Etoile**
  Located near Lyon, the Marcy l'Etoile site has housed the Group's headquarters since the beginning. The property, which is fully owned by the Company, covers a total area of 115,000 sq.m (including 48,000 sq.m of built usable floor space) and accommodates reagent manufacturing units (VIDAS® reagent immunoassays, clinical biochemistry) and R&D teams. Approximately 1,360 employees work in General Management, central and support functions, training, manufacturing and R&D.

  Land was bought at Marcy l'Etoile in late 2013 in order to expand the site.

- **Craponne**
  Located near Lyon, the Craponne site covers an area of 80,000 sq.m, owned by the Company (including 23,000 sq.m of built usable floor space). It currently houses manufacturing centers for culture media (Petri dishes, tubes and bottles, dehydrated media), sales administration, the French sales department, support and central functions and an R&D center. Nearly 950 people work at the site.

- **La Balme**
  Located between Grenoble and Lyon, the La Balme site covers an area of 119,000 sq.m, of which the Company fully owns 19,000 sq.m of built usable floor space. The site employs 390 people in R&D in microbiology, instruments and software and the manufacturing of API®, ATB™, TEMPO®, Etest® and LyfoCult® reagent lines.

- **Saint-Vulbas**
  The Saint-Vulbas site, known as the "IDC site" (International Distribution Center), employs 75 people. The Company has full ownership of the site, which functions as the center for the international distribution of bioMérieux products. The IDC site is located on a plot of land with an area of 71,000 sq.m, where it occupies 9,500 sq.m of floor space in a high-rise building.

- **Grenoble**
  Some of the Group's research and manufacturing operations in the molecular biology market (excluding instrument production) are located at this fully-owned site. The buildings, constructed on a land parcel of more than 31,500 sq.m, located in the Grenoble Polygone Scientifique research district opposite the headquarters of the French Atomic Energy Commission ("CEA"), consist of 9,300 sq.m of usable floor space. The site currently employs 185 people.

- **Combourg**
  Located in Brittany, the Combourg site covers a total area of 43,000 sq.m (including 12,000 sq.m of built usable floor space). The site specializes in food applications and includes reagent manufacturing units (culture media and cytometry reagents), control laboratories, equipment manufacturing (laboratory automation systems, cytometry and EviSENSE®), the culture media R&D laboratory, the supply chain and support functions (IS, reagent hotline). Around 200 people work at the site.

- **Verniolle**
  Located in Ariège in the Midi-Pyrenees region, the Verniolle site covers 9,500 sq.m and includes 1,800 sq.m of usable floor space, of which roughly 1,000 sq.m is dedicated to the production of virological molecular diagnostic reagents. The site employs 60 people in R&D activities, manufacturing, sales and marketing, as well as administrative functions.

Europe

- **Florence (Italy)**
  All of bioMérieux's activities in Italy have been consolidated on this site, which is fully owned by the Company. bioMérieux Italy employs 219 people, whose duties are the marketing of bioMérieux's products in Italy and the development and manufacture of VIDAS® (immunoassay), NucliSENS® easyMAG® (molecular biology) and TEMPO® (industry) instruments for all bioMérieux subsidiaries. This activity carried out at the Florence site makes it the Group's second largest instrumentation center. The site covers 10,000 sq.m, including 7,000 sq.m of built usable floor space on several levels.

- **Madrid (Spain)**
  This fully-owned site employs 69 people in the manufacture of microbiology products (Petri dishes).

North America

- **Durham**
  The Durham facility is located in North Carolina (United States) on 579,000 sq.m of land fully owned by the Company, with 21,000 sq.m of built usable floor space. The Group also leases premises nearby with nearly 10,000 sq.m of floor space. The site is currently home to bioMérieux Inc.'s headquarters and employs some 900 people in research, the manufacture of microbiology reagents (BacT/ALERT®) and customer services.

  Since mid-2012, the Durham teams have been actively working to restore satisfactory production conditions, meet delivery commitments and enhance the site's quality control system, even as demand from the customer base continues to rise. The wide-ranging action plan deployed in 2013 will be pursued in 2014, when the related costs could reach USD 30 million for the year. The Company also plans to invest around USD 20 million in 2014 to increase the site's production capacity (see section 4.1.1.11.1).

- **Saint Louis**
  The Saint Louis (Missouri, United States) site, which is fully owned by the Company, covers a surface area of 98,000 sq.m and includes 46,000 sq.m of built usable floor space. Operations at this site are currently centered on R&D and the manufacture of microbiology instruments (VITEK®, BacT/ALERT® and PREV™ Isola product lines) and reagents (VITEK® cards). A total of 635 people work there.

- **Lombard**
  The Lombard site, located near Chicago (Illinois, United States), houses facilities for the manufacture and sale of culture media for U.S. industrial customers. The 5,850 sq.m site is leased and employs 90 people.

China

- **Shanghai bioMérieux Kehua Bio-engineering**
  Shanghai bioMérieux Kehua Bio-engineering Co. Ltd obtained from Kehua Bio-engineering Co. Ltd the right to operate a production site having an area of nearly 1,800 sq.m, located in Shanghai, for the entire term of the joint venture. The site produces microplates and employs around 75 people.

- **bioMérieux (Shanghai) Biotech Co. Ltd**
  The Pudong (Shanghai) site is specialized in the manufacture of rapid culture media tests. The site extends over two hectares, including 9,000 sq.m of production facilities and employs 170 people. Since end-2012, the site has accommodated the production of culture media which were previously produced at the bioMérieux (Shanghai) Biological Products Co. Ltd site. The site houses other company functions (marketing, R&D, etc.) as well the Chinese entity's headquarters.

Other countries

- **Jacarepagua (Rio de Janeiro) in Brazil**
  This site covers an area of 42,000 sq.m including 5,400 sq.m of built usable floor space. It is fully owned by the Company and employs nearly 170 people in the production of reagents for immunology and ready-to-use culture media for microbiology and industrial applications, as well as in sales, distribution and R&D. The site also houses other company functions (marketing, administrative, etc.).

- **Australia**

– The Brisbane facility is located on leased property covering 2,300 sq.m. It employs around 90 people for the manufacture and sale of culture media.

– The BTF site in Sydney, which is a leased facility covering 1,400 sq.m and employing 38 people, is used for the manufacture and sale of microbiology testing reagents (BioBall®, EasyStain™, ColorSeed™, EasySeed™).

- **Hyderabad in India**
  This site, a result of bioMérieux's acquisition of a 60% interest in India's RAS Lifesciences Pvt. Ltd, covers 850 sq.m and employs some 30 people in the production of molecular biology tests.

8.1.2.2 Logistics

Given the dispersion and specialization of manufacturing facilities, as well as the large number of products and their specific nature (reagents, instruments and spare parts), logistics/the supply chain play an essential role in the Group.

Some 230 people are employed in logistics/supply chain activities in the following areas:

– forecast management and demand planning;

– supply and storage of materials and components necessary for production; and

– storage, transport and distribution of finished products;

so as to optimize the conditions of supply to customers and inventory management.

Product distribution is handled by:

– global platforms (in Europe and the United States) where finished products are stored and from which they are shipped to subsidiaries and distributors; and

– local centers located within subsidiaries, which handle customer orders and shipments.

Among the global platforms, the IDC logistics center at Saint-Vulbas in France is the largest, and covers the distribution of all instruments and reagents produced in Europe and in the United States, to distributors and certain subsidiaries.

bioMérieux has initiated a project to outsource and consolidate reagent distribution in the United States. The new organization concerns the product storage and reagent order preparation and shipping activities currently conducted at the Durham (North Carolina), Saint Louis (Missouri), and Lombard (Illinois) facilities. This project has been in effect since mid-2013 for the distribution of reagents manufactured or managed by the Saint Louis site.

The logistics division manages the cold chain through the various stages of the distribution process and ensures product traceability (in particular through the use of barcodes on packaging).

In most countries, reagents are delivered to customers the day after their order is placed. Each subsidiary is responsible for managing its inventory levels of reagents and instruments, under policy guidelines set by the Group which optimizes the coordination of flows and the balance between customer service and inventory levels.

8.1.2.3 Purchasing policy

In order to adapt the procurement of raw materials and various components in line with the specific requirements of each product line and reagent range, the Group has set up an overall system that encourages:

– early involvement of purchasing in new projects;

– globalization of initiatives and volumes; and

– greater responsiveness.

In this context, bioMérieux aims to diversify its supplier base in order to foster both security and competitiveness. Producing certain raw materials in-house and entering into partnerships with various suppliers have resulted in both technical and economic benefits.

Faced with product complexity which is not always consistent with procurement flexibility, the Company endeavors to secure the majority of its supplies. Such security can take the form of supply agreements, diversified sourcing, backup stocks and the development of in-house production, or the assumption by the Company of liability for the regulatory compliance of certain specific components manufactured by a supplier.

Given the significant portion of the Company's activity devoted to manufacturing, bioMérieux could be impacted in the event of a disagreement with suppliers, or if suppliers fail to meet their obligations (see section 4.1.1.10), as well as by fluctuations in the price of the raw materials it uses directly or indirectly (see section 4.1.4.7).

bioMérieux seeks to involve its suppliers in a sustainable growth strategy. It has adopted a responsible purchasing policy by proposing that its suppliers adhere to an Ethical Purchasing and Sustainable Development Charter (see section 5.2.3.3).

8.2 HEALTH, SAFETY AND ENVIRONMENTAL INFORMATION

The Company’s Health, Safety and Environmental policy and its performance in these areas are described in section 5.2 of the Registration Document.

9 OPERATING AND FINANCIAL REVIEW

9.1 SALES

Sales for the year ended December 31, 2013 amounted to €1,588 million, representing a 4.6% year-on-year increase at constant exchange rates and scope of consolidation. On a reported basis, it stood at 1.2%, reflecting the significant decline in the U.S. dollar, Japanese yen, Brazilian real, Indian rupee, Turkish lira and other currencies against the euro. Excluding the €7 million from R&D-related revenue, organic growth would have come to 4.1% for the year.

Analysis of sales *In millions of euros*		% change
Sales - Twelve months ended December 31, 2012	**1,570**	
Currency effect[(a)]	-54	-3.4%
Organic growth (at constant exchange rates and scope of consolidation)	+72	**+4.6%**
Sales - Twelve months ended December 31, 2013	**1,588**	+1.2%

[(a)] Of which €12 million from the U.S. dollar and €42 million from other currencies

During the year, the emerging countries continued to deliver very attractive market dynamics, driven by the implementation of healthcare system reforms and the rising purchasing power of the middle classes. In all, they accounted for 31% of consolidated sales, with organic growth of more than 12% impelled by reagent sales. In addition, the Company carefully tracks developments in their currency environment and strives to adjust its sales strategy accordingly.

Fourth-quarter sales amounted to €444 million, representing a very robust 6.5% organic gain, over the 2012 fourth-quarter which already reported strong growth.

At constant exchange rates and scope of consolidation, 2013 sales may be analyzed by region as follows:

Sales by region *In millions of euros*	**Twelve months ended December 31, 2013**	**Twelve months ended December 31, 2012**	% change as reported	**% change** at constant exch. rates and scope of consolidation
Europe[(a)]	**806**	807	-0.1%	**+0.9%**
North America	**349**	345	+1.1%	**+4.8%**
Asia-Pacific	**295**	283	+4.0%	**+11.6%**
Latin America	**131**	135	-2.6%	**+6.2%**
Total per region	**1,581**	1,570	+0.7%	**+4.1%**
R&D-related revenue	**7**			
TOTAL	**1,588**	1,570	+1.2%	**+4.6%**

[(a)] Including the Middle East and Africa.

– Boosted by the 3% growth in the fourth quarter, sales in Europe - Middle East - Africa (51% of the consolidated total) rose slightly for the year.

  - In a still uncertain economic environment, sales in Western Europe (42% of the consolidated total) firmed up over the last two quarters, but ended the year down somewhat. While business in Germany, the United Kingdom and Austria turned in a good performance, the ongoing consolidation of laboratories in France continued to dampen consolidated sales. Sales in Southern Europe showed encouraging, positive signs, with the decline slowing to around 3% year-on-year.

  - Sales in the Turkey, Russia, Eastern Europe, Middle East and Africa area rose by 11% over the year, despite the tense economic and political situation in Turkey, the region's largest subsidiary. In Russia, sales showed excellent growth following reorganization of the local distributor network.

– Sales in North America (22% of the consolidated total) rose by nearly 5% compared with a challenging 2012. In clinical applications, sales of reagents increased by a robust 6%, with in particular faster growth in VIDAS® B.R.A.H.M.S. PCT™ sales, spurred both by demand from the existing customer base and the gain of new hospital and reference laboratory customers. On the downside, instrument sales were dampened by the uncertainties surrounding implementation of the healthcare reform act. Nevertheless, VITEK® MS, the only mass spectrometry system cleared by the U.S. Food and Drug Administration (FDA) for the routine detection of a comprehensive database of disease-causing microorganisms and the first system in the VITEK® line to enable detection in minutes, enjoyed a promising launch in clinical microbiology laboratories.

  Industrial applications saw a robust 9% increase in revenue, lifted by sales both of reagents and of TEMPO®, VITEK® and AES Blue Line™ instruments. In addition, the specialized VITEK® MS version designed for industrial applications was selected in the service laboratories of EMSL Analytical, a leading U.S. provider of microbiology testing specialized in rapid pathogen detection.

– With organic growth of 11.6%, the Asia-Pacific region (19% of the consolidated total) was the primary contributor to growth in consolidated sales. This performance was primarily led by the strong growth in China, where an acceleration in the fourth quarter enabled local sales to end the year up 25%. The VITEK® and VIDAS® lines, as well as the industrial applications, showed fast growth. In addition, the distributor network was further extended. Sales growth was also solid in India (up 17%) and Japan (up 3%).

  In clinical applications, growth was driven by sales of reagents in the three strategic lines (microbiology, VIDAS® and molecular biology). Thanks to very brisk instrument sales (VITEK®, AES Blue Line™ and TEMPO® in particular), industrial applications turned in robust 15% growth for the year.

– Sales in Latin America (8% of the consolidated total) increased by more than 6%, with subsidiaries in Mexico and Colombia delivering fast growth of 14% and 8% respectively. Sales rose by more than 4% in Brazil, led by the solid gains in industrial applications.

  Sales across the region benefited from the increase in reagent sales, up 7%.

2013 sales at constant exchange rates and scope of consolidation may be analyzed by technology as follows:

Sales by technology *In millions of euros*	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012	% change as reported	% change at constant exch. rates and scope of consolidation
Clinical applications	**1,251**	1,251	+0.0%	**+3.5%**
Microbiology	**793**	801	-0.9%	**+2.9%**
Immunoassays[(a)]	**364**	362	+0.6%	**+3.5%**
Molecular Biology	**78**	73	+6.5%	**+9.0%**
Other Lines	**16**	15	+2.2%	**+3.5%**
Industrial applications	**330**	319	+3.3%	**+6.8%**
Total per technology	**1,581**	1,570	+0.7%	**+4.1%**
R&D-related revenue	**7**			
TOTAL	**1,588**	1,570	+1.2 %	**+4.6%**

[(a)] Including VIDAS®: up 5.8%.

– Sales of clinical applications increased by 3.5% over the year.

  Microbiology (50% of the consolidated total) saw a nearly 3% gain. Reagent sales rose by 4.5%, with the VITEK® cards and reagents used in the more recent FMLA® solutions for complete lab automation confirming their success. Despite the production difficulties encountered at the Durham, NC plant, sales of BacT/ALERT® blood culture bottles also increased, attesting to the effectiveness of the sales teams in managing the rising demand from existing customers. In these unusual conditions, and following high instrument sales in 2012 in emerging countries, instrument sales were modest for the year.

  In line with the 2012 - 2015 roadmap, the Company continued to prepare for the launch of its new platforms. It confirms that the new Virtuo™ automated blood culture instrument will be gradually commercially available in mid-2014. In addition, the design of the incubator incorporating imaging technologies was finalized in fourth-quarter 2013. Development of the new instrument is continuing with the Company's European laboratory partner, with initial installations projected for second-half 2014.

  Immunoassay sales rose by 3.5% over the year. Thanks to its successful repositioning in emerging markets and in high medical-value assays, whose sales rose 25%, the VIDAS® line enjoyed strong demand, gaining nearly 6% on the back of both reagent and instrument sales. This more than offset the decline in the non-strategic microplate line and the slow start-up in rapid test sales. In particular, the VIDAS® B.R.A.H.M.S PCT™ assay, recognized in emergency rooms for its valuable support in monitoring and determining the prognosis of severe bacterial infections and in optimizing antibiotic therapy, continued to show successful sales. In addition, VIDAS® 3 got off to a promising start with close to 200 instruments installed in just six months since it was CE marked.

  Molecular biology sales ended the year up 9%, lifted in particular by the strong commercial synergies with the ARGENE® range acquired in July 2011, whose sales rose by 31% in 2013.

– Sales of industrial applications climbed nearly 7%, led by instrument sales (particularly in the VITEK®, TEMPO® and AES Blue Line™ ranges). Growth was especially robust in the emerging markets, up 22%, and North America. The successful integration of AES, which means that bioMérieux now offers the market's broadest product portfolio across its entire customer base, has given the Group a critical competitive advantage in growing this business.

– Sales of reagents and services, which accounted for 88% of total sales, drove growth in consolidated sales, with organic gains of 4.2% and 15.8% respectively.

9.2 FINANCIAL POSITION

Audited consolidated data *In millions of euros*	2013	2012	% change as reported
Sales	**1,588**	1,570	+1.2%
Gross profit	**825**	814	+1.3%
Operating income before non-recurring items	**262**	260	+0.8%
Operating income	**257**	235[a]	+9.6%
Net income of consolidated companies	**165**	134[a]	+22.7%
Net income per share *(in €)*	**4.16**	3.41[a]	+22.0%
EBITDA[b]	**353**	355	-0.6%
Free cash flow[c]	**109**	134	-18.7%

(a) after non-recurring items primarily concerning bioTheranostics
(b) Operating income before non-recurring items, depreciation and amortization.
(c) Before financial investments and dividends
2012: payment of past due receivables by Spanish and Portuguese authorities (€35 million)

9.2.1 CONSOLIDATED INCOME STATEMENT

Gross profit amounted to €825 million for the year, representing 51.9% of total sales, a ratio that was unchanged from 2012. At current exchange rates, gross profit increased by 1.3%. It benefited from the increase in reagent and services sales, which contribute more to gross profit than instruments, the recognition of R&D-related revenue and the revision of certain pension plans. However, the total was held back by unfavorable currency effects, as well as by additional production-related costs of around USD 30 million at the Durham site and sharply higher shipping costs due to the increasing weight of emerging countries in the consolidated sales mix.

Benefiting from currency effects, selling, general and administrative expenses amounted to €405 million, or 25.4% of sales, compared with €409 million, or 26.1% of sales in 2012. At constant exchange rates, these expenses would have been only slightly higher, attesting to the ongoing commitment to strict selling cost discipline and the revision of certain pension plans in 2013.

Representing nearly 12% of sales, research and development expenses stood at €186 million for the year. They were up by close to 10% year-on-year at constant exchange rates and scope of consolidation, reflecting the ramp-up in preparations to launch new platforms.

Research tax credits came to more than €19 million, up slightly compared with 2012.

Operating income before non-recurring items[(9)] in line with the objective set a year ago. At €262 million, or 16.5% of sales, the amount was virtually stable compared with the €260-million figure recorded in 2012. Although the currency effect sharply reduced sales, the impact on operating income before non-recurring items was largely attenuated during the year, primarily by the hedges set up in second-half 2012 as part of the Group's currency risk management strategy.

Other non-recurring income and expenses represented a net expense of €4.9 million. This included the €6 million write-down of Biocartis technology rights, a €1.9 million portion of the BioFire transaction expenses and, on the up side, the €5.5 million reversal of a provision for impairment of Greek public-sector receivables, following a satisfactory level of payments collected in 2013.

(9) Operating income before “material, extraordinary and non-recurring items”, which are included in “other non-recurring operating income and expenses”

In 2012, other non-recurring income and expenses represented a net expense of €25.4 million. A €21 million impairment loss was recognized on bioTheranostics. bioMérieux continues to actively seek new external partners to provide bioTheranostics with additional funding to pursue and accelerate its development, while giving bioMérieux the opportunity to focus even more on the infectious disease diagnostics.

After these non-recurring operating items, operating income came in at €257 million, versus €235 million the year before.

Net financial expense amounted to €14 million, including the €3.9-million cost of net debt and €10.1 million in other financial expense. The figure was €2.7 million higher than in 2012. Considering the Company's complete debt repayment, the change reflected the cost of the fourth-quarter 2013 bond issue, the write-down of certain equity interests and the increase in currency hedging costs.

Income tax expense amounted to €78.4 million, versus €89.4 million in the previous year. The Group's effective tax rate stood at 32.2%, versus 40% in 2012. The change reflected the year-on-year growth and improvement in pretax income achieved by certain Group subsidiaries. In addition, the 2012 effective tax rate had been impacted by the impairment loss on bioTheranostics goodwill and the depreciation of certain equity interests, which were not tax deductible.

Net income rose by close to 23% to €165 million, compared with €134 million in 2012. Earnings per share amounted to €4.16, versus €3.41 in 2012.

9.2.2 CONSOLIDATED CASH FLOW STATEMENT

EBITDA[(10)] was virtually unchanged from 2012 at €353 million.

Operating working capital requirement rose by €40 million, outpacing the €26 million increase in 2012.

This was mainly due to the €35 million in payments collected on past-due public-sector receivables in Spain and Portugal in June and July 2012. The comparison with 2012 masks the improvements made by the Group in managing the collection of receivables, with average DSO brought down to 97 days at the Group level.

In light of the above, operating working capital expressed as a percentage of sales ended the year virtually unchanged, at 24.8%, compared with 24.7% at December 31, 2012.

Capital expenditure totaled €127 million for the year, of which €97 million was industrial capital expenditure, compared with, respectively, €131 million and €98 million in 2012 (excluding the impact of the change in “payables to suppliers of fixed assets”). Industrial capital expenditure primarily concerned production capacity and output improvements, land acquisitions, and the construction and extension of industrial and R&D buildings. The Global ERP project also continued during the year. In all, capital expenditure amounted to 8% of sales for the year.

Based on the above, free cash flow before acquisitions of equity interests and dividends amounted to €109 million, versus €134 million in 2012. Excluding the one-time payment received in 2012 for past-due public-sector receivables in Spain and Portugal, free cash flow would have been 10% higher year-on-year.

As in 2012, a total of €38.7 million (€0.98 per share) was paid out in dividends in 2013.

Given that BioFire was acquired on January 16, 2014, the payment of the final purchase price had no impact on 2013 cash flow. In 2012, acquisitions of equity interests (primarily in Quanterix and RAS) amounted to €12 million.

Net cash amounted to €25 million at December 31, 2013, representing a sharp improvement on a year earlier, when the Company had net debt of €48 million.

The BioFire acquisition resulted in a cash outflow of €355 million on January 16, 2014. This transaction was partly financed by the seven-year bond issue placed by the Company in October 2013. In addition, the Company has a €350-million syndicated line of credit expiring in March 2017.

(10) Operating income before non-recurring items, depreciation and amortization.

9.2.3 OTHER INFORMATION

Human resources

As of December 31, 2013, the Company had 7,723 full-time-equivalent employees. There were 7,413 employees at December 31, 2012, based on the same method of calculation.

Installed base

The installed base comprised around 74,000 instruments at December 31, 2013, an increase of 4,600 new instruments over the year.

9.2.4 OPERATING HIGHLIGHTS

Acquisition and initial integration of BioFire, a U.S.-based company specialized in molecular biology

bioMérieux acquired all outstanding shares of BioFire Diagnostics Inc., a privately held U.S. company specialized in molecular biology. BioFire has developed FilmArray®, a CE-marked, FDA-cleared integrated multiplex PCR molecular biology system. By introducing the syndromic approach[11] to the molecular diagnosis of infectious diseases, FilmArray® has set a new market standard, combining in a single assay such critical benefits as speed, accuracy, ease of use and exhaustiveness. The FilmArray® menu currently comprises two panels, the respiratory panel and the sepsis panel, both of which are CE-marked and FDA-cleared.

The two companies present strong strategic synergies, especially in marketing, manufacturing and innovation. The unique FilmArray® system is a key differentiating asset in the development of bioMérieux's franchise in infectious disease diagnostics, its primary area of expertise.

This transaction was completed on January 16, 2014. The transaction includes the USD 450 million acquisition price and the company's net financial debt (around USD 35 million), for a total consideration of €355 million.

BioFire has been consolidated from this date. In 2014, the recognition of BioFire's revenue should increase the Group's sales by around €60 million. BioFire's rapid development will subsequently act as a key growth driver for the Group whose ambition is to increase bioMérieux's organic sales growth by 100 to 200 basis points over the 2015-2017 period. In light of an ambitious plan to stimulate the development of this new line, the acquisition is expected to have a dilutive effect on operating margin before non-recurring items in 2014 and 2015.

The Company is currently allocating the BioFire acquisition price, which could result in an annual expense of about €20 million, with no impact on its ability to generate cash. In addition, the operating non-recurring BioFire acquisition and integration costs should amount to €9 million in 2014.

As soon as the transaction was completed, bioMérieux and BioFire began the integration process.

In early February 2014, BioFire submitted its FilmArray® Gastrointestinal (GI) Panel to the FDA for 510(k) clearance for commercialization in the United States. This panel is under development and medical expectations are extremely high, as was the case with BioFire's FDA-approved and very successful respiratory panel.

In February 2014, the U.S. Department of Defense (DoD) awarded BioFire Defense, LLC the Next Generation Diagnostic System (NGDS) Technology Development contract. This eight-year biodefense contract has a price tag of €240 million (see section 12.1).

Bond issue

In early October 2013, bioMérieux made its first bond issue, placing €300 million worth of seven-year bonds with institutional investors. The bonds mature on October 14, 2020 and pay interest at an annual rate of 2.875%. The issue was more than four times over-subscribed.

(11) This new medical approach is based on analyzing a syndrome (i.e., a set of symptoms) and, with a single reagent, identifying the disease-causing organisms responsible for this syndrome, whether they are viruses or bacteria

The bond issue has allowed bioMérieux to extend the average maturity of its debt under favorable financial conditions, diversify its sources of financing beyond existing syndicated lines of credit and contribute to the funding of the BioFire acquisition.

Commercial offer

In 2013, bioMérieux introduced 18 new products and continued to enhance its commercial offer, particularly in:

– Clinical microbiology: MALDI-TOF mass spectrometry range for the identification of bacteria and yeast.

  In August 2013, bioMérieux was granted 510(k) *de novo* clearance by the FDA for its VITEK® MS platform. The only mass spectrometry system cleared by the FDA for the routine detection of a comprehensive database of disease-causing microorganisms and the first system in the VITEK® line to enable detection in minutes, VITEK® MS enjoyed a promising launch in clinical microbiology laboratories.

– Immunoassays

  - VIDAS® 3, the new generation VIDAS®, was CE-marked in late June 2013. Featuring enhanced automation, improved traceability and new software capabilities, as well as a quality control program in compliance with laboratory certification standards, the instrument is now commercially available in Europe and the countries that recognize the CE-marking. Close to 200 instruments were installed by end-2013, just six months after the CE-marking, thereby attesting to the new platform's market success. The Company expects to gradually obtain regulatory approval for sale in other countries, particularly the United States and China.

  - VIDAS® 25 OH Vitamin D TOTAL was also CE-marked and bioMérieux proceeded with its European launch. This test, which is designed to be used on the VIDAS®, mini VIDAS® and VIDAS® 3 automated immunoassay platforms, makes it possible to measure total vitamin D levels in human serum and plasma. It provides extremely precise and rapid results, within 40 minutes.

  - At the same time, bioMérieux pursued the start-up of its rapid test range. In particular, it launched VIKIA® Malaria Ag Pf/Pan, the first test in a tropical disease panel currently being developed. In addition, the VIKIA® HIV-1/2 rapid test for the detection of HIV 1 and 2 antibodies in the case of AIDS-related infections was prequalified by the WHO in December, allowing this test to participate in international tenders.

– Molecular biology

  - The ARGENE® range was enhanced during the year. The Company notably received FDA clearance for the U.S. market launch of the Adenovirus R-gene® test, which enables the qualitative detection of adenovirus DNA by PCR in real time. Adenoviruses can cause respiratory, ocular or gastrointestinal diseases and are recognized as significant viral pathogens with high morbidity and mortality among immunocompromised patients. The Company also launched Parvovirus B19 R-gene®, a new CE-marked ARGENE® assay based on real-time PCR technology that allows for detection and quantification of the three Parvovirus B19 genotypes. Primo-infection can lead to a mild infantile rash also called *erythema infectiosum*, or “fifth disease”. Parvovirus B19 infection can also lead to serious syndromes in immunocompromised patients.

  - In addition, bioMérieux's new THxID™-BRAF real-time PCR molecular test received pre-market approval (PMA) from the FDA for commercialization in the United States. This companion diagnostic test helps clinicians choose an appropriate treatment for advanced melanoma. It is intended for patients whose tumors carry the BRAF V600E mutation for possible treatment with GlaxoSmithKline’s (GSK) Tafinlar® (dabrafenib), as well as patients whose tumors carry the BRAF V600E or V600K mutation for possible treatment with Mekinist® (trametinib).

  - Lastly, in late 2013, the Company unveiled its commercial offer for centralized molecular biology laboratories. bioMérieux already serves these laboratories with its easyMAG® sample purification platform, whose extensive installed base makes it one of the market's leading instruments. Today, it wants to offer these labs a comprehensive, modular, flexible automation solution that will allow them to add new modules gradually as needed, use their own “home brew” kits and perform *à la carte*

multiplexing tests. As part of this solution, bioMérieux has selected Life Technologies' 7500 range (Applied Biosystems® 7500, 7500 Fast and 7500 Fast Dx instruments) as its preferred thermocyclers. These instruments make it possible to automate the PCR amplification and detection reaction. Most bioMérieux PCR assays, including the ARGENE® range and the THxID™-BRAF companion diagnostic, are validated on Life Technologies' Applied Biosystems® 7500 instruments.

– Industrial applications

  - bioMérieux introduced the TEMPO® Aerobic Count (TEMPO® AC) test that enumerates total bacterial flora in food and environmental samples in as little as 24 hours. This latest generation test, which has obtained AOAC RI (Research Institute) validation, is faster and less sensitive to the highly varied characteristics of food samples.

  - In addition, certain tests were granted AOAC International approvals. The VIDAS® UP Salmonella (SPT) test was granted Official Methods of Analysis approval for a wide variety of food products and environmental samples. Salmonella is a bacteria that causes salmonellosis, one of the most common intestinal infections worldwide. VIDAS® UP Listeria (LPT) and VIDAS® Listeria monocytogenes Xpress (LMX) were simultaneously awarded Official Methods of Analysis (OMA) approval, attesting to the reliability and significance of this complete screening solution for Listeria, a pathogenic bacteria that is widespread in the environment and can be found in food products.

– Services: In France, the Company launched its e-learning platform for technicians and biologists, with modules on product use, scientific issues and professional skills development. The solution has also been cleared for commercialization in Germany and Switzerland.

Innovation

As part of its 2012 - 2015 roadmap, the Company has decided to anchor its growth even more fully in the launch of innovative solutions.

– In 2013, the Company continued to prepare the launch of its new platforms. It confirms that the new Virtuo™ automated blood culture instrument will be gradually commercially available in mid-2014. In addition, the Company is continuing to develop its incubator incorporating imaging technologies with the European laboratory partner on this project, with initial installations projected for second-half 2014.

– Strategic partnerships

  - In March, Veolia Environnement and bioMérieux announced their commitment to undertaking a research partnership aimed at developing an innovative technology for the continuous monitoring of the microbiological quality of drinking water.

  - In October, bioMérieux signed an exclusive agreement with Gilead Sciences Inc., a biopharmaceutical company focusing on innovative therapeutics for unmet medical needs, to co-develop an assay that may be a potential companion diagnostic of a Gilead drug candidate, currently under development.

  - Furthermore, in November, bioMérieux announced the end of its collaboration with Biocartis for the development and commercialization of an integrated molecular biology system. After returning its rights to use Biocartis technology, especially in microbiology molecular diagnostics, bioMérieux nevertheless remains a Biocartis shareholder.

Operational initiatives

– Since mid-2012, the Durham, NC teams in the United States have been actively working to restore satisfactory blood culture bottle production conditions, meet delivery commitments and enhance the site's quality system, even as demand from the customer base continues to rise. The wide-ranging action plan deployed in 2013 will be pursued in 2014.

– The Global ERP system continued to be deployed during the year, and was up and running in 24 subsidiaries by the end of 2013.

10 CAPITAL RESOURCES

10.1 SHARE CAPITAL

See statement of changes in consolidated equity and Note 13 of section 20.1.1.

10.2 SOURCES AND AMOUNTS OF CASH FLOWS

Net cash amounted to €25 million at December 31, 2013, as against net debt of €48 million a year earlier.

Further information relating to cash flow is presented in section 9.2.2.

The consolidated cash flow statement is presented in section 20.1.1.

10.3 BORROWING CONDITIONS AND FINANCING STRUCTURE

The Company has €300 million in bonds maturing in October 2020 and a €350-million syndicated line of credit expiring in March 2017. The details and terms and conditions of these items are provided in Note 17 to the 2013 consolidated financial statements (see section 20.1.1).

10.4 RESTRICTIONS ON THE USE OF THE SHARE CAPITAL

See Note 17.3 of section 20.1.1.

10.5 EXPECTED FINANCING SOURCES

Investments are generally financed by the Company's equity (see the consolidated statement of cash flows in section 20.1.1).

11 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

11.1 STRATEGY AND INVESTMENT POLICY

The Company's research and development investments, which amounted to €186 million or almost 12% of sales in 2013, are based on technologies that are developed internally or in partnership with other companies or academic research institutes, or under licenses acquired by the Company.

Research and development activities aim to enhance both a laboratory's efficiency and the medical value of diagnostic tests.

The Company's allocation of capital expenditure for research and development focuses on developing platforms and expanding product ranges in the fields of infectious diseases and certain cancers and cardiovascular diseases.

11.2 RESEARCH AND DEVELOPMENT PROJECTS

The research and development teams are focusing on the development of new platforms and test menus (see section 6.1.3.4).

The main strategic focuses of research and development in clinical and industrial applications are described below.

11.2.1 CLINICAL APPLICATIONS

In microbiology:

- development of Virtuo™, a new blood culture platform with an increased level of automation which ensures faster detection of sepsis;
- expansion of the Full Microbiology Laboratory Automation (FMLA®) range with the development of new modular instruments such as an incubator incorporating new imaging techniques, presented at the ECCMID in Berlin at the end of April 2013, and expansion of the MYLA® middleware menu (see section 6.1.3.2.1);
- development of new chromogenic culture media for the direct identification of bacteria (chromID®);
- development of new test cards to enhance the VITEK® 2 menu;
- updating of specialized software on an ongoing basis;
- development of rapid detection and identification methods (Rapid Microbiology) based on new imaging and mass spectrometry techniques, in liaison with the French alternative energies and atomic energy commission (*Commissariat à l'énergie atomique et aux énergies alternatives* – CEA) and the Bioaster Technology Research Institute in Lyon;
- assessment of the suitability of sequencing for the diagnosis of infectious diseases.

In immunoassays:

- ongoing assistance with the launch of VIDAS® 3, the new generation of the VIDAS® automated platform, and the development of new VIDAS® tests with high medical value;
- operational launch of the collaboration with Quanterix for the development of specialized ultrasensitive and/or multiplex tests using Simoa™ technology; the first focus will be tests for infectious diseases;
- expansion of the manual rapid test offering (BIONEXIA® and VIKIA® product lines), used mainly for tropical diseases.

In molecular biology:

- expansion of the ARGENE® test range, particularly for immunocompromised patients;
- the new generation easyMAG® extraction system;
- development of new markers for the ADNA (*Avancées Diagnostiques pour de Nouvelles Approches thérapeutiques*) program (see section 11.4);
- menu customization of RAS Life Sciences Pvt Ltd, a 60% interest in which was acquired in 2012 by bioMérieux in order to commercialize a menu of molecular biology tests, primarily in India, and in emerging countries in the medium-term (see section 5.1.5);
- development of new panels for the FilmArray® platform (see section 5.1.5).

In personalized medicine:

- research and development focusing on infectious diseases and oncology, in particular within the scope of partnership arrangements with pharmaceutical groups (for a detailed description, see section 11.4);
- continued development of metastatic cancer tissue testing by bioTheranostics.

11.2.2 INDUSTRIAL APPLICATIONS

- expansion of menus for identifying pathogens in food products;
- increased automation of laboratories in the food sector and optimization of sample preparation;
- expansion of the application menu of the TEMPO® platform;
- testing of new faster techniques to provide solutions for customers in the biopharmaceuticals and food sectors. In light of new regulations for the detection of EHEC foodborne pathogens, the Company has continued to work with Hyglos GmbH (formerly Profos AG) to develop solutions using Hyglos' "phage-ligand" technology;
- continued development of a molecular biology platform;
- customization of mass spectrometry in line with industrial applications;
- continued development of flow cytometry applications;
- consolidation of the portfolio of kits dedicated to veterinary applications.

11.3 STRUCTURE OF RESEARCH AND DEVELOPMENT ACTIVITY

More than 1,000 people work in research and development in 17 different sites: United States (Durham, Saint Louis and San Diego), Canada (Laval), France (four sites located in the Rhône-Alpes region, three in Brittany, one in the Midi-Pyrénées region and one in the Paris region), Italy (Florence), Brazil (Rio de Janeiro), China (Shanghai) and India (Hyderabad). As of January 2014, there were 18 centers devoted to R&D, including BioFire in Salt Lake City (United States), which is now bioMérieux's main site for the development of its molecular biology activities.

The R&D Committee set up in 2011 under the chairmanship of Jean-Luc Belingard, is responsible for:

– identifying, assessing and coordinating innovative scientific strategies to put forward to the Executive Committee;

– optimizing operational tools, methods and exchanges to enable the research and development teams to best meet the needs of the Units.

It chooses new projects, selects project teams and allocates resources. It oversees the progress of the projects up to the marketing of the relevant product.

The research activity consists of two separate departments: Biomarkers and Innovation & Systems. The development activity comprises a number of different Units – microbiology, immunoassays, molecular biology, industrial applications and theranostics – which are responsible for coordinating the development of reagents, consumables, instruments and related software in their different domains.

The Units are responsible for validating and monitoring projects (approving schedules, human resources requirements, cost and risk). The launch and milestones of large-scale projects are subject to the approval of the Executive Committee.

The Group's policy is to locate research and development activity in the area where the related product line is (or will be) manufactured whenever this is possible. The following table breaks down the Group's research and development activity at December 31, 2013, by geographical area:

Site	Reagents	Systems	Informatics
Saint Louis (Missouri, U.S.)	Automated microbiology (VITEK®)	Microbiology (VITEK® BacT/ALERT®, VITEK® MS)	Bio-informatics Microbiology
Durham (North Carolina, U.S.)	Microbiology (blood culture) BacT/ALERT®		
Marcy, Craponne, La Balme (France)	Immunoassays (VIDAS®) Microbiology (culture media, Etest®, TEMPO®) Rapid immunoassays (raw materials) Biomarkers	New technologies	Bio-informatics Microbiology
Grenoble (France)	Molecular biology	Molecular biology Microsystems	Bio-informatics
Verniolle (France)	Immunology and molecular biology tests for immunocompromised patients		
Combourg, Saint-Brieuc, Kerr Lahn, Ivry (France)	Microbiology (culture medium) Molecular biology kits for veterinary applications	Laboratory automation/sample preparation Counting Flow cytometry	
Laval (Canada)		Molecular biology for industrial applications	
Florence (Italy)		Immunoassays (VIDAS® product line) Industrial microbiology (TEMPO®) Molecular biology (NucliSENS easyMAG®)	
Rio de Janeiro (Brazil)	Rapid immunoassays Immunology tests for tropical diseases		
Shanghai (China)	Immunoassays (rapid tests) Molecular biology (tests for early detection of cancers)		
Hyderabad (India)	Molecular biology tests		
San Diego (United States) bioTheranostics, Inc.	Molecular biology for theranostic applications (cancer)		

Innovation is a major priority for the Group and every year, bioMérieux's Patent Awards recognize the Group's inventors who have filed high-potential patents.

11.4 KEY PARTNERSHIP AGREEMENTS

Part of the Company's research activity, in particular for the development of new technologies, is based around partnership arrangements with leading French public research institutes (CNRS, INSERM, CEA, Institut Pasteur), universities, hospital research centers, laboratories, and biotechnology firms.

The agreements signed by the Company provide for the sharing of intellectual property rights as well as the payment of royalties when the products developed are actually brought to market.

In March 2013, Veolia Environnement and bioMérieux signed an agreement to enter into a research partnership aimed at developing an innovative technology for the continuous monitoring of the microbiological quality of drinking water.

In theranostics

- In October 2013, bioMérieux signed an exclusive agreement with Gilead Sciences Inc., a biopharmaceutical company focusing on innovative therapeutics for unmet medical needs, to co-develop an assay that may be a potential companion diagnostic of a Gilead drug candidate, currently under development;

- In May 2013, the THxID™-BRAF test received premarket approval from the FDA pending its launch in the United States; It is designed for patients with advanced melanoma and is used as a diagnostic test to help oncologists choose the most appropriate treatment from among a range of GlaxoSmithKline (GSK) treatments. GSK and bioMérieux are still working together to extend its field of application;

- In early 2011, Ipsen and bioMérieux signed a framework agreement to identify joint theranostic programs.

The Company has also established joint research laboratories with French and foreign academic partners:

- Two laboratories have been created with the CEA (CEA Saclay and Leti Grenoble) following the long-term strategic partnership (December 2009) for the development of new technologies to improve the treatment of infectious diseases;

  Through this partnership, bioMérieux benefits from the CEA's unique expertise in new imaging technologies, data processing and analysis, nanotechnologies and ultra-sensitive molecule detection. Research projects focus mainly on rapid bacterial detection and identification using new imaging or mass spectrometry techniques. CEA's expertise helped develop new incubators;

- Two laboratories have been set up jointly with Hospices Civils de Lyon in the fields of cancerology and infectious diseases, and another with a Chinese research laboratory specialized in biomarker research in cancerology.

As part of the Institut Mérieux Group, the Company has also carried out long-term research into infectious diseases jointly with Institut Pasteur. This project was launched in 2009.

bioMérieux is also involved in the ADNA program, coordinated by Institut Mérieux. This program seeks to identify and develop biomarkers and to foster a more personalized approach to the treatment of infectious diseases, cancer and rare genetic disorders. It brings together four partners: bioMérieux, GenoSafe, Généthon and Transgene. This program also draws upon the expertise of France's Atomic Energy Commission (CEA), the National Center for Scientific Research (CNRS), Lyon University Hospital (CHU), Hospices Civils de Lyon, STMicroelectronics and Claude Bernard University in Lyon.

It is funded by BPI, formerly OSEO (see Note 30 to the 2013 consolidated financial statements in section 20.1.1), and its terms and conditions have been approved by the European Commission.

bioMérieux will also be a partner in the diagnostics and technology platforms of Bioaster, a technological research institute focused on infectious diseases which was certified by the French government in June 2011 and which became operational in 2013.

11.5 INTELLECTUAL PROPERTY

The Company protects patents, copyrights and trademarks on its products and processes and actively defends its industrial property rights throughout the world.

11.5.1 PROPRIETARY PATENTS

Diagnostic systems, which are underpinned by a combination of instrumentation, IT and biology, are heavily reliant on the protection of intellectual property, leading sector players to seek strong patent positions.

Manufacturing know-how, installed bases and the number of menu parameters developed during the patent protection period generally mean that firms in this sector are less exposed when patents expire than pharmaceutical companies that have to deal with the arrival of generic drugs on the market.

Conversely, high medical value tests are much more sensitive to the expiration of their patent protection.

The Company continues to deploy its intellectual property policy. It actively protects its research findings via patents (between 30 and 40 new patent applications are filed each year) and monitors its competitors for any infringements of its patents. The Company intends to roll out this policy to the "Emerging 7" countries. At December 31, 2013, the Group owned 501 patent families, the majority of which are in force in Europe, the United States, and China. At the same date, the Group held 372 granted U.S. patents and 214 granted European patents.

Patent policy consists of filing a priority application (generally in France or in the United States) and applying for an extension within one year under the Patent Cooperation Treaty (PCT) which has a single procedure for filing a patent in the 148 countries that are party to the treaty (at December 31, 2013). The final choice of countries for patent extension is made at the end of the PCT procedure, i.e., about 30 months after the initial filing. As a general rule, patents are extended in countries with the largest markets, namely the United States, Europe (particularly France, Germany, the United Kingdom, Italy and Spain), Japan, China and India, but may now also be extended to Brazil, Russia, Mexico, Turkey and South Korea, depending on the strategic importance of the patented technology.

In countries where the Company seeks legally enforceable patent protection, the protection period for a product generally lasts for 20 years from the date of initial filing. The scope of protection, which may vary from country to country, will depend on the acceptance of claims which are interpreted based on the relevant national legislation in the event of a dispute.

11.5.2 LICENSES GRANTED BY THIRD PARTIES

As part of its business operations, the Company has been granted licenses by third parties to develop or market reagents or technologies (see section 6.4).

11.5.3 LICENSES GRANTED BY THE COMPANY

The Company has granted licenses to the following third parties:

- MRSA patents, covering sequences or processes for the detection of methicillin-resistant staphylococcus aureus (MRSA), which constitutes a major source of healthcare-associated infections. bioMérieux is the exclusive licensee of MRSA patents for molecular biology applications. These patents are due to expire in 2017.

- Patents covering nucleic acid mutations (Factor II and Factor V) which are critical for identifying thrombosis risk in patients. The patent for Factor II will expire in 2017 in the United States; the patents for Factor V will expire in 2020 in the United States and in 2015 elsewhere.

- Patents covering detection sequences or processes for certain viruses such as EBV[12] for which the basic patents will expire between 2013 and 2016. Three of the five patent families are currently in force and the other two have expired in all countries except the United States.

- Patents covering markers for diagnosis of rheumatoid arthritis (Filaggrine and Fibrine), for which the base patents will expire in 2016-2017.

For all technologies controlled by bioMérieux via exclusive third-party licenses with sublicensing rights, a portion of the revenue from sub-licensing agreements is paid over to the patent owner.

[12] Epstein-Barr virus, responsible for infectious mononucleosis

11.5.4 TRADEMARKS

The Company owns the "bioMérieux" institutional trademark, which is registered in most countries both as a word trademark and as a word and device trademark. The use of the name "Mérieux" is controlled by Institut Mérieux for all of the entities within its control and it has granted the Company the right to use the bioMérieux name for the purpose of carrying out its businesses.

The Company also has legal title to the trademarks of products (instruments, reagents and/or software) and services that it markets.

Trademarks are initially registered in France or the United States and registration is subsequently extended as follows:

– registration of a trademark for all European Union countries;

– registration of an international trademark (via the WIPO) and registration of separate national trademarks, in particular for the "Emerging 7" countries.

The portfolio includes more than 260 trademark families and these have been registered in most countries.

11.5.5 DOMAIN NAMES

The Company owns more than 190 recorded domain names, including those consisting of the name "bioMérieux" and 80 different extensions.

12 OVERVIEW AND CURRENT TRENDS

12.1 RECENT DEVELOPMENTS

Sales

Net sales for the period amounted to €371 million, up a reported 3.3% from €359 million in first-quarter 2013. Organic growth (at constant exchange rates and scope of consolidation) stood at 4.1%, lifted by favorable prior-year comparatives. In addition, consolidated sales included the €14 million in sales of BioFire as from January 16, driving a 7.9% increase in sales at constant exchange rates.

Analysis of sales *In millions of euros*			
Sales - Three months ended March 31, 2013	**359**		
Currency effect	-17	-4.6%	
Organic growth (at constant exchange rates and scope of consolidation)	+15	+4.1%	+7.9%
Change in the scope of consolidation - Additional sales from BioFire[(a)]	+14	+3.8%	
Sales - Three months ended March 31, 2014	**371**	+3.3%	

[(a)] BioFire has been consolidated since its acquisition closed on January 16, 2014

First-quarter 2014 sales include the first-time consolidation of BioFire sales. Based in Salt Lake City, UT in the United States, BioFire is a molecular biology specialist that has developed FilmArray®, a CE-marked, FDA-cleared multiplex PCR molecular biology system. FilmArray® introduces the syndromic approach to the diagnosis of infectious diseases: this new medical approach is based on analyzing a syndrome (i.e. a set of symptoms) and, with a single reagent, identifying the disease-causing organisms responsible for the syndrome, whether they are viruses, bacteria, fungi or parasites The fully integrated FilmArray® solution is easy to use and quickly generates accurate, comprehensive diagnostic results. The FilmArray® menu currently comprises two panels, the respiratory panel and the sepsis panel, both of which are CE-marked and FDA-cleared.

The two companies present strong strategic synergies, especially in marketing, manufacturing and innovation. As soon as the transaction closed, the bioMérieux and BioFire teams began the integration and alignment process.

In conjunction with the BioFire acquisition, a wholly owned subsidiary (BioFire Defense, LLC) was created to focus on U.S. military contracts.
In February 2014, the U.S. Department of Defense (DoD) awarded BioFire Defense the USD 240 million Next Generation Diagnostic System (NGDS) Technology Development contract. A legal protest action has been initiated by another competing company and in accordance with Federal Acquisition Regulations, a stop work order was received by BioFire Defense at the end of March.
BioFire Defense is working with government officials on this issue.

In addition, in early February 2014, BioFire submitted its FilmArray(®) Gastrointestinal (GI) Panel to the FDA for 510(k) clearance for sale in the United States.

Based on 2.5 months of consolidation in the first quarter, BioFire contributed sales of €14 million, reported in "change in the scope of consolidation" for the period. They included €12 million in sales of FilmArray (®), which continued to deliver fast growth (of around 60% year-on-year), particularly in North America.

bioMérieux's first-quarter sales performance was in line with the annual target set early in the year. Over the period, the geographic diversification of the sales base once again demonstrated its effectiveness, with business temporarily slowing to 7.3% in the emerging markets following the very strong gains in fourth-quarter 2013, but stabilizing in Western Europe and remaining robust in North America (all figures stated at constant exchange rates and scope of consolidation).

Sales by region *In millions of euros*	**Three months ended March 31, 2014**	Three months ended March 31, 2013	% change as reported	**% change** at constant exch. rates and scope of consolidation
Europe[(a)]	**193.9**	190.7	+1.6%	**+2.7%**
North America[(b)]	**95.5**	81.7	+16.8%	**+5.4%**
Asia-Pacific	**53.5**	57.1	-6.3%	**+1.9%**
Latin America	**26.2**	29.4	-10.5%	**+8.0%**
Total per region	**369.1**	358.9	+2.3%	**+3.6%**
R&D-related revenue	**1.7**			
TOTAL	**370.8**	358.9	+3.3%	**+4.1%**

[(a)] Including the Middle East and Africa
[(b)] Including €14 million in BioFire sales

– Sales in Europe - Middle East - Africa (53% of the consolidated total) rose by 2.7% in the first quarter, confirming the signs of stabilization observed in the second half of 2013.

  - In Western Europe (45% of the consolidated total), sales rose slightly for the third straight quarter. Growth was rapid in Germany and the Nordic countries. Sales stabilized in France, where they had been dampened in first-quarter 2013 by the termination of distribution of certain products previously commercialized by AES. Lastly, in Southern Europe, sales returned to growth for the first time since June 2011.

  - Growth remained strong in the Eastern Europe, Middle East and Africa region, at 11% for the period, led by the success of VITEK(®) MS, molecular biology products and industrial applications.

– In North America (26% of the consolidated total), sales climbed 5.4%. Although the U.S. market environment showed encouraging signs with, in particular, an acceleration in the number of Americans adhering to the ObamaCare program in the context of the healthcare reform ("Patient Protection and Affordable Care Act") and a more favorable reimbursement context, clinical laboratories continued to face strong financial pressure.

  The clinical business growth benefited from the Company's positioning in faster microbiology and better sepsis management. Rapid expansion of the VIDAS(®) B.R.A.H.M.S PCT™ assay drove a nearly 25% year-on-year increase in sales of the VIDAS(®) range.

  Industrial application sales rose by close to 8%, lifted by food safety diagnostic solutions, which when combined provide laboratories with actionable results in only 24 hours. In this context, the VIDAS(®) and TEMPO(®) lines enjoyed rapid sales growth.

– Sales in the Asia-Pacific region (14% of the consolidated total) rose by nearly 2%, following the fourth-quarter 2013 strong billings. Growth slowed to a more modest 5% in China in first-quarter 2014, but is expected to gain momentum over the rest of the year, notably led by deployment of healthcare reform and the broad-based operating initiatives deployed by Institut Mérieux and bioMérieux. In addition, the Company headquarters in Marcy l'Etoile hosted the President of the People's Republic of China during his state visit to France in March 2014. In India, sales growth was held to 8% by the temporary postponement to the second quarter 2014 of instrument installations, in particular for industrial applications.

  In clinical applications, sales were lifted by the growth in VIDAS(®) reagents across the region.

– In Latin America (7% of the consolidated total), sales saw double-digit growth in all of the directly distributed countries in the region, except Chile. Sales were buoyed by reagents, some of whose prices were significantly increased as the Company strived to adjust its commercial strategy to a troubled currency environment.

During the first quarter, sales growth was equally driven by the gains in both clinical and industrial applications (all figures stated at constant exchange rates and scope of consolidation).

Sales by application *In millions of euros*	**Three months ended March 31, 2014**	Three months ended March 31, 2013	% change as reported	**% change** at constant exch. rates and scope of consolidation
Clinical applications	**296.8**	286.0	+3.8%	**+3.6%**
Microbiology	**174.9**	180.2	-3.0%	**+1.7%**
Immunoassays[(a)]	**85.4**	84.2	+1.4%	**+6.1%**
Molecular biology[(b)]	**32.7**	17.7	+84.4%	**+10.8%**
Other lines	**3.8**	3.9	-2.6%	**+10.8%**
Industrial applications	**72.3**	72.9	-0.8%	**+3.5%**
Total per application	**369.1**	358.9	+2.8%	**+3.6%**
R&D-related revenue	**1.7**			
TOTAL	**370.8**	358.9	+3.3%	**+4.1%**

[(a)] Including VIDAS®: up 6.1%.
[(b)] Including €14 million in BioFire sales

– Sales of clinical applications rose by 3.6%, although growth was impacted by the difficulties encountered at the Durham, NC plant in the United States. The deployment of a vast action plan, designed to restore satisfactory blood culture bottle production conditions and strengthen the plant's quality system, has not yet enabled the Company to effectively fulfill orders from every customer. Compared with first-quarter 2013, when blood culture bottle sales rose quickly on robust demand during the serious outbreak of seasonal flu, the blood culture line sales saw a decline in first-quarter 2014.

  - In this particular environment, microbiology sales rose by 1.7%, led in particular by the solid performance of the automated ID/AST line. In 2014, the Company will broaden its commercial offering with the launch of two new, particularly innovative systems – the Virtuo™ new automated blood culture system and an incubator incorporating imaging technologies. In particular, Virtuo™ is in the final validation and verification phase and the teams are actively preparing its gradual market roll-out, starting in mid-2014.

  - Thanks to its positioning in high medical value assays and in emerging markets, the VIDAS(®) line maintained its robust growth, with a 6.1% increase led by reagents and instruments. In addition, sales were spurred by the recent market roll-out of VIDAS(®) 3, the new generation VIDAS(®) instrument that is now available in nearly 40 countries and whose installed base totaled some 270 instruments at end-March 2014. Lastly, the VIDAS(®) 25 OH Vitamin D Total test, which was CE-marked in late 2013, has enjoyed a promising start-up in both mature and emerging markets.

  - Molecular biology reported a nearly 11% year-on-year increase in sales, thanks to the fast growth in the ARGENE(®) line.

– Industrial applications, which now account for 20% of total sales after consolidation of BioFire, delivered growth of 3.5%, led by strong demand in the Eastern Europe, Middle East and Africa region and in North America. In the Asia-Pacific region, sales got off to a slower start after the strong performance in the final quarter of 2013. However, momentum is expected to pick up over the rest of the year, lifted by the robust demand in both mature and emerging markets, the breadth of bioMérieux's product line-up, and the marketing action plans to intensify deployment of flow cytometry solutions to new customers.

– Sales of reagents and services, which represented 91.1% of sales, rose by 4% on an organic basis. During the period, bioMérieux continued to expand its bioMérieux Performance Solutions™ services offer, in particular by launching its e-learning platform in Switzerland and Germany.

Other information

– Net debt

As of March 31, 2014, after payment of the €355-million consideration for the acquisition of BioFire, net debt stood at €322 million. During the quarter, the Company received the €13-million payment from the Spanish authorities settling all of the past-due public-sector receivables until December 31, 2012. At December 31, 2013, net cash amounted to €25 million.

The Company has issued €300-million in seven-year bonds, which were placed with institutional investors in October 2013. It also has a €350-million syndicated line of credit expiring in March 2017.

First-quarter operating highlights

– Commercial offer

bioMérieux is actively pursuing its innovation strategy. It has extended the marketing of VIDAS(®) 3, which is now available in nearly 40 countries, and is continuing to prepare its clinical microbiology platforms that will help to enhance the medical value of diagnostics, the analysis process or laboratory workflows.

During the quarter, it also continued to broaden its range of reagents and introduced chromID(®) CARBA SMART, a new bi-plate Petri dish whose two selective chromogenic media make it possible to screen for all carbapenemase-producing Enterobacteriacae (CPE) in 18 to 24 hours. CPE are particularly multi-resistant bacteria and cause healthcare-associated infections and hospital epidemics.

– Partnership with Philips in automated Point-of-Care

At the end of March, given the challenges that bioMérieux sees in developing troponin solutions delivering comparable performance to central laboratory analyzers, the Company decided not to pursue its collaboration with Philips aimed at developing fully automated handheld diagnostic testing solutions for hospital use that can be deployed at the point-of-care - i.e., close to the patient.

– Deployment of the Global ERP system

The Global ERP system continued to be successfully deployed during the period. Following launch in South Africa, it is now up and running in 25 subsidiaries.

Deployment of a new operating organization (see Appendix 5)

On April 15, 2014, the Company announced that a new organization has been deployed, with Alexandre Mérieux leading the Management Committee as Chief Executive Officer.

The Management Committee is in charge of implementing the strategy decided by the Board of Directors, which remains chaired by Jean-Luc Belingard. In this regard, the Committee's main missions are to define the priority action and development areas, oversee strategic projects and allocate the necessary resources to the different departments within the Group.

To continue bioMérieux’s international development and always better serve customers, three regional organizations with expanded responsibilities have been created: a Europe-Middle East-Africa region, an Americas region and an Asia-Pacific region. In parallel, two business units for bioMérieux's customer segments, a Clinical Unit and an Industry Unit, have been established.

The Business Development, Molecular Biology and Quality departments report to Jean-Luc Belingard. All other departments, including Investor Relations, report to Alexandre Mérieux.

12.2 OBJECTIVES

The Company has set itself the following objectives for 2014:

– Background: The economic and currency environment is expected to remain uneven and uncertain.

- In 2013, currency fluctuations reduced reported year-on-year sales growth of €54 million. However, the positive impacts from the currency hedges set up in late 2012 attenuated the year-on-year negative currency impact (estimated at €24 million) on 2013 operating income before non-recurring items. Consequently, currency fluctuations had only a slight impact on 2013 operating income before non-recurring items.

- In 2014, the fluctuations in certain currencies (particularly the U.S. dollar, the Brazilian real, the Indian rupee, the Argentine peso and the Turkish lira) will continue to have a significant impact on consolidated sales in euros. The Company considers that this currency effect could reduce year-on-year sales growth in euros by about €50 million.

- In addition, currency fluctuations should impact the Group's operating income before non-recurring items much more significantly than in 2013, as the currency hedges set up in late 2013, in the current market conditions, are unlikely to attenuate the year-on-year currency impact to the same extent as in 2013. Based on currently observed exchange rates, the Company expects this negative currency effect to come to at least €25 million in 2014.

Given this context and in line with the Company's 2012 - 2015 roadmap, 2014 will be a year of consolidation and investment. In particular, bioMérieux will pursue its international expansion, step up market launches that are in progress (VIDAS® 3) or in the pipeline (new Virtuo™ automated blood culture instrument and innovative incubator incorporating imaging technologies), while at the same time demonstrating strict operating cost discipline.

BioFire, acquired on January 16, 2014, has been consolidated from this date.

Lastly, the Company will pursue its ambitious action plan at the Durham site. As previously announced, the related costs could amount to USD 30 million for the full year. The Company also plans to invest around USD 20 million in 2014 to increase the site’s production capacity.

– Organic sales growth

Building on its solid business performance in 2013, bioMérieux expects to drive sales growth of between 3% and 5% in 2014, at constant exchange rates and scope of consolidation.

BioFire is expected to generate around €60 million in sales in 2014, while its contribution to the growth in consolidated sales will be reported in "changes in the scope of consolidation" for the year.

– Operating income before non-recurring items

For its financial communication purposes, the Company will track its operating performance before non-recurring items based on:

- "contributive operating income before non-recurring items", i.e., before non-recurring BioFire acquisition and integration costs and before accounting entries for BioFire purchase price allocation;

- and its "operating income before non-recurring items", as established in accordance with IFRS.

The Company will provide data reconciling its "contributive operating income before non-recurring items" to its "operating income before non-recurring items".

bioMérieux's objective for contributive operating income before non-recurring items stands at between €220 million and €245 million for the year, at current exchange rates. This objective includes a negative currency effect of at least an estimated €25 million based on currently observed exchange rates. It also takes into account BioFire's recurring operations and operational expenses relating to the Durham site.

13 PROFIT FORECASTS

The Group does not provide profit forecasts.

14 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

14.1 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Composition of the Board of Directors

The Board of Directors is composed of at least three members and up to the maximum number permitted by law.

At December 31, 2013, the Board of Directors comprised nine members.

Jean-Luc Belingard

65 years old
Born on October 28, 1948
Nationality: French

First appointed on
September 15, 2006
Current term expires in 2014

Number of bioMérieux shares held: **50**

Main position within the Company: **Chairman and Chief Executive Officer**

Other directorships and positions held at December 31, 2013 (all companies)
Director of LabCorp of America (U.S. – listed company), Stallergenes (France – listed company), Transgène SA[(a)] (France – listed company), AES Chemunex SA[(a)] (term expired on December 31, 2013), Pierre Fabre SA, Institut Mérieux[(a)]

Directorships and positions that have expired in the past five years
Director of Applera Corp. (U.S.) (term expired in 2008), NicOx (term expired in 2011), Celera Corporation (U.S.) (term expired in 2011), AES Laboratoire Groupe SA[(a)] (term expired in 2012)
Chairman and CEO of Ipsen (term expired in 2010)

Other professional activities and past positions

Management experience and expertise
HEC Paris
MBA Cornell University (U.S.)
CEO of Roche Diagnostic and Member of the Executive Committee of Roche Group (1990 to 1999)
Member of the Management Board and CEO of bioMérieux – Pierre Fabre from 1999 to 2001
Chairman and CEO of Ipsen (2001 to 2010)

Alexandre Mérieux

40 years old
Born on January 15, 1974
Son of Alain Mérieux (director)
Nationality: French

First appointed on
April 16, 2004
Current term expires in 2014

Number of bioMérieux shares held: **20**

Main positions within the Company: **Chief Operating Officer and Corporate Vice-President, Microbiology Unit and Manufacturing and Supply Operations**

Other directorships and positions held at December 31, 2013 (all companies)
Director and Vice-President of Institut Mérieux[(a)], the Christophe and Rodolphe Mérieux Foundation, the Mérieux Foundation, bioMérieux Inc. (U.S.)[(a)], bioMérieux China Ltd. (China)[(a)], bioMérieux Shanghai Ltd[(a)], AES Chemunex SA[(a)] (term expired on December 31, 2013), Sysmex bioMérieux Ltd[(a)]
Chief Operating Officer of Institut Mérieux
President of Mérieux Développement SAS[(a)], SGH[(a)], Foncière de Montcelard (SAS)[(a)], Mérieux NutriSciences Corp. (U.S.)[(a)]
Manager of SCI Accra[(a)]

Directorships and positions that have expired in the past five years
Permanent representative of Mérieux NutriSciences Corp[(a)] (formerly Silliker Group Corp), Adriant SAS[(a)] (term expired in 2008), BTF (Australia)[(a)] (term expired in 2012), bioMérieux India Private Ltd. (India)[(a)] (term expired in 2011), bioMérieux Polska sp. z.o.o. (Poland)[(a)] (term expired in 2012), bioMérieux UK Ltd. (UK)[(a)] (term expired in 2011), bioMérieux Singapore Pte Ltd. (Singapore)[(a)] (term expired in 2011), Skiva SAS[(a)] (term expired in 2012), bioMérieux Canada[(a)] (term expired in 2012), AES Laboratoire Groupe SA[(a)] (term expired in 2012)

Other professional activities and past positions

Management experience and expertise
HEC Montreal
Marketing Director of Silliker in 2003 and 2004
Corporate Vice-President of the Industrial Applications Unit of bioMérieux from 2004 to 2011

[(a)] Company controlled, within the meaning of article L.233-16 of the French Commercial Code (*Code de commerce*), by Compagnie Mérieux Alliance SAS.

Alain Mérieux

75 years old
Born on July 10, 1938
Father of Alexandre Mérieux (director and Chief Operating Officer)
Nationality: French

First appointed on July 10, 1986
Current term expires in 2014

Number of bioMérieux shares held: **290**

Main position within the Company:
Chairman of the Human Resources, Appointment and Compensation Committee

Other directorships and positions held at December 31, 2013 (all companies)
President of Compagnie Mérieux Alliance SAS
Chairman and Chief Executive Officer of Institut Mérieux[(a)]
President and director of the Mérieux Foundation; President of Fondation pour l'Université de Lyon, BioAster Technology Research Institute
Director and Honorary Chairman of the Christophe and Rodolphe Mérieux Foundation
Director of Compagnie Plastic Omnium SA (listed company), CIC Lyonnaise de Banque, Transgene SA[(a)] (listed company), bioMérieux Italia SpA (Italy)[(a)], Mérieux NutriSciences Corp. (U.S.)[(a)], the Pierre Fabre Foundation, the Pierre Vérots Foundation

Directorships and positions that have expired in the past five years
The Synergie Lyon Cancer Foundation (cancer center) (term expired in March 2012), the Centaure Foundation (term expired in November 2012), the Edmus Foundation (term expired in November 2012)
Director of Shantha Biotechnics Ltd. (India)[(a)] (term expired in 2009)

Other professional activities and past positions

Management experience and expertise
Graduate of Harvard Business School
PhD in Pharmacy
Chairman and Chief Executive Officer of the Company (1965 to 2010)
Senior executive for more than 40 years

Michele Palladino

Independent director[(b)]

73 years old
Born on June 13, 1940
Nationality: Italian

First appointed on July 6, 2004
Current term expires in 2014

Number of bioMérieux shares held: **2,000**

Main position within the Company:
Member of the Human Resources, Appointment and Compensation Committee

Other directorships and positions held at December 31, 2013 (all companies)
N/A

Directorships and positions that have expired in the past five years
President and managing partner of Michele Palladino & C SAS (term expired in 2010)

Other professional activities and past positions

Management experience and expertise
Chief Executive Officer of bioMérieux SA until 1993

(a) Company controlled, within the meaning of article L.233-16 of the French Commercial Code, by Compagnie Mérieux Alliance SAS.
(b) Independent director, as defined in the Board of Directors' internal rules, as set out in Appendix 1 of this Registration Document.

Michel Angé

Independent director[b]

74 years old
Born on November 27, 1939
Nationality: French

First appointed on September 30, 2004
Current term expires in 2014

Number of bioMérieux shares held: **160**

Main position within the Company:
Chairman of the Audit Committee and Member of the Human Resources, Appointment and Compensation Committee

Other directorships and positions held at December 31, 2013 (all companies)
Director at Lyonnaise de Banque SA, Tessi SA (listed company), Apicil Prévoyance, Sogelym-Dixence Holding SAS, Groupe Progrès, Banque Fiducial SA.

Directorships and positions that have expired in the past five years
Director and Vice-Chairman of the Supervisory Board of Banque de Vizille SA (term expired in 2011)

Vice-Chairman and director of Fonds de Garantie des Institutions de Prévoyance (term expired in 2008)

Other professional activities and past positions

Management experience and expertise
Graduate of Institut Technique de Banque
CEO of Lyonnaise de Banque for 13 years

Georges Hibon

76 years old
Born on November 3, 1937
Nationality: French

First appointed on July 6, 2004
Current term expires in 2014

Number of bioMérieux shares held: **10**

Main position within the Company:
Member of the Audit Committee

Other directorships and positions held at December 31, 2013 (all companies)
Director of Care France (NGO)
Director of ABL[a]

Directorships and positions that have expired in the past five years
Director of BioAlliance Pharma (term expired in 2009), Transgene SA[a] (listed company, term expired in June 2013)
Chairman of the Board of Shantha Biotechnics Limited (India)[a] (term expired in 2010)

Other professional activities and past positions

Management experience and expertise
HEC Paris
Chairman of MSD Chibret France
Vice-Chairman of Merck International
Chairman and CEO of Pasteur Mérieux Connaught

Philippe Archinard

54 years old
Born on November 21, 1959
Nationality: French

First appointed on June 10, 2010
Current term expires in 2014

Number of bioMérieux shares held: **10**

Main position within the Company:
Director of the Immunotherapy division of Institut Mérieux

Other directorships and positions held at December 31, 2013 (all companies)
Chairman and Chief Executive Officer of Transgene SA[a] (listed company)
Chief Executive Officer of TSGH[a]
Chairman of the Association LyonBioPôle
Director of Erytech Pharma SA (listed company)
Permanent representative of TSGH[a], director of ABL Inc.[a]
Representative of LyonBioPôle on the Board of Directors of the FINOVI Foundation and the Synergie Lyon Cancer Foundation
Vice-Chairman of BioAster (foundation for scientific cooperation)
Director of CPE Lyon – Representative of FPUL

Directorships and positions that have expired in the past five years
N/A

Other professional activities and past positions

Management experience and expertise
Graduate of Harvard Business School
Managing Director of Innogenetics (Belgium) from 2000 to 2003
Chairman and Chief Executive Officer of Transgene[a] (listed company)

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[a] Company controlled, within the meaning of article L.233-16 of the French Commercial Code, by Compagnie Mérieux Alliance SAS.
[b] Independent director, as defined in the Board of Directors' internal rules, as set out in Appendix 1 of this Registration Document.

Marie-Hélène Habert

Independent director[b]

48 years old
Born on April 4, 1965
Nationality: French

First appointed on May 30, 2012
Current term expires in 2016

Number of bioMérieux shares held: **19**

Main position within the Company: **N/A**

Other directorships and positions held at December 31, 2013 (all companies)

Director of Communication and Patronage of Dassault Group
Member of the Strategic Committee of Dassault Développement SAS
Director of Artcurial SA, the Serge Dassault Foundation and Amis de la Fondation

Permanent representative of GIMD on the Supervisory Board of Immobilière Dassault SA

Manager of H Investissements SARL and HDH (non-trading company)

Vice-Chair and member of the Supervisory Board of Groupe Industriel Marcel Dassault SAS

Directorships and positions that have expired in the past five years

Director of Dassault Développement SA (term expired in 2011)

Other professional activities and past positions

Management experience and expertise

Graduate of Université de Paris II (business law), postgraduate diploma in Business Law and Taxation from Université de Paris I/La Sorbonne and postgraduate diploma in marketing from IEP Paris

Harold Boël

Independent director[b]

49 years old
Born on August 27, 1964
Nationality: Belgian

First appointed on May 30, 2012
Current term expires in 2016

Number of bioMérieux shares held: **50**

Main position within the Company: **Member of the Audit Committee**

Other directorships and positions held at December 31, 2013 (all companies)

Deputy director of Sofina SA (Belgium – listed company), Henex (Belgium – listed company), Suez Environnement (France – listed company), Electrabel, Société de Participations Industrielles (listed company), Domanoy.

Directorships and positions that have expired in the past five years

Director of Oberthur Technologies (term expired in 2011), François Charles Oberthur Fiduciaires (term expired in 2012), Union Financière Boël (term expired in 2011), Finasucre (term expired in 2009)

Other professional activities and past positions

Management experience and expertise

Bachelor degree in Chemistry from Brown University (U.S.) and diploma in materials science engineering from Ecole Polytechnique Fédérale de Lausanne

Various managerial positions in the steel industry within the Corus group

[a] Company controlled, within the meaning of article L.233-16 of the French Commercial Code, by Compagnie Mérieux Alliance SAS.
[b] Independent director, as defined in the Board of Directors' internal rules, as set out in Appendix 1 of this Registration Document.

Information on the composition and organization of the Board of Directors can be found in the Chairman's report in Appendix 1 of this Registration Document.

The members of the Board of Directors can be contacted at the Company's registered office in Marcy l'Etoile, France.

Limit on directorships

No director exceeds the maximum number of directorships that can be held simultaneously in accordance with the recommendation of the AFEP-MEDEF Corporate Governance Code and the Company applies the laws currently in force in this respect.

14.2 CONFLICTS OF INTEREST

To the best of the Company's knowledge:

- no member of the Board of Directors or Chief Operating Officer of the Company has been convicted of fraud in the past five years;
- no member of the Board of Directors or Chief Operating Officer of the Company has been involved, in the past five years, in any bankruptcy, court-ordered receivership or liquidation, in their capacity as member of the Company's administrative, management or supervisory bodies or as Chief Executive Officer;
- no sentence has been pronounced in the past five years against any member of the Board of Directors or a Chief Operating Officer of the Company barring them from serving on an issuer's administrative, management or supervisory body or from participating in the management or conduct of the affairs of an issuer;
- no member of the Board of Directors or Chief Operating Officer of the Company has been charged with an offense or had any official public disciplinary action taken against them by a statutory or regulatory authority (including recognized professional bodies).

To the best of the Company's knowledge, there is no potential conflict of interest between the duties to the Company of any member of the Board of Directors or a Chief Operating Officer, and their private and/or other interests. The agreements involving certain directors are subject to the procedures concerning related-party agreements and are described in Chapter 19.

To the best of the Company's knowledge, no commitments have been undertaken by members of the Board of Directors that restrict their freedom to dispose of their bioMérieux shares, other than the rules on insider trading and closed periods.

In addition, the Company has established corporate governance procedures (see Appendix 1).

Corporate officers' interests in the Company and the Group

In accordance with EC regulation 800-2004, readers are reminded that Alain Mérieux and his son, Alexandre Mérieux, are the main shareholders of Compagnie Mérieux Alliance, the holding company of Institut Mérieux, which is the main shareholder of the Company, of which they own the majority of the share capital and voting rights (see sections 18.1 and 18.2).

15 COMPENSATION AND BENEFITS

15.1 COMPENSATION AND BENEFITS IN KIND

15.1.1 DIRECTORS' COMPENSATION

Summary of directors' fees

The total fees payable to all directors are capped at €300,000 per year, in accordance with the fifth resolution of the Annual General Meeting of June 12, 2008.

Directors' fees are allocated as follows:

- for the Board of Directors: €12,000/year + €1,500 for each meeting, for each director and non-voting director;
- for the Audit Committee: €6,000/year + €1,500 for each meeting;
- for the Human Resources, Appointment and Compensation Committee: €4,000/year + €1,500 for each meeting.

Board members	Directors' fees paid in 2013 in euros	Directors' fees paid in 2012 in euros
Jean-Luc Belingard	19,500	21,000
Alain Mérieux	25,000	28,000
Alexandre Mérieux	19,500	21,000
Christian Bréchot	0	9,000
Michele Palladino	26,500	28,000
Philippe Archinard	19,500	21,000
GIMD/Benoît Habert	0	18,000
Michel Angé	41,500	43,000
Georges Hibon	34,500	36,000
Harold Boël	34,500	28,500
Marie-Hélène Habert	19,500	9,000
TOTAL	**240,000**	**262,500**

The directors did not receive any directors' fees from Group subsidiaries.

Compensation of corporate officers and directors

- **Jean-Luc Belingard**

Jean-Luc Belingard's compensation is paid by Institut Mérieux, pursuant to an employment contract, for the duties he performs within Institut Mérieux.

He receives fixed and variable compensation for his corporate office within bioMérieux. His variable compensation is based on the achievement of objectives with respect to qualitative and quantitative criteria. The two quantitative objectives, which were announced at the beginning of the year, relate to growth in sales and operating income before non-recurring items (EBIT before non-recurring items). This compensation is reviewed annually by the Human Resources, Appointment and Compensation Committee, which reports its findings to the Board of Directors.

Summary of compensation, stock options and free shares granted (in euros) to Jean-Luc Belingard – Chairman and Chief Executive Officer		
	2013	**2012**
Compensation for the year	1,905,914	1,587,228
Value of stock options granted during the year	0	0
Value of free shares granted during the year[(a)]	N/A	811,000
Total	**1,905,914**	**2,398,228**

Jean-Luc Belingard	Amounts for 2013 in euros		Amounts for 2012 in euros	
	Payable	Paid	Payable	Paid
- fixed compensation[(b)]	878,968	878,968	861,341	861,341
- variable compensation[(c)]	993,435	691,560	691,560	680,000
- extraordinary compensation	0	0	0	0
- directors' fees	19,500	19,500	21,000	21,000
- benefits in kind[(d)]	14,011	14,011	13,327	13,327
Total	**1,905,914**	**1,604,039**	**1,587,228**	**1,575,668**
Value of stock options granted during the year	N/A		N/A	
Value of free shares granted during the year[(a)]	N/A		811,000	

(a) Institut Mérieux shares granted by Institut Mérieux. This value corresponds to the value of free shares measured at the date they are granted as provided for under IFRS 2, after taking into account in particular any discount related to performance criteria and the probability of the individual's continued presence in the company at the end of the vesting period, but before the recognition in accordance with IFRS 2 of the expense over the vesting period.

(b) Compensation paid by Institut Mérieux (€175,668) and bioMérieux (€703,300).

(c) Compensation paid by bioMérieux.

(d) Company car and accommodation provided by Institut Mérieux.

Jean-Luc Belingard is also entitled to two conditional long-term bonuses:

– Target 2016 bonus of €1,200,000 which will be paid in April 2016 subject to the condition that he is still present in the Company as Chairman and Chief Executive Officer on March 31, 2014. The payment of this bonus is also conditional on the achievement of quantitative objectives (achievement of sales and EBIT growth objectives over four years) and qualitative objectives (development of the Company's strategy).

– Target 2017 bonus of €1,200,000 which will be paid in April 2017 subject to the condition that he is still present in the Company as Chairman and Chief Executive Officer on March 31, 2015. The payment of this bonus is also conditional on the achievement of quantitative objectives (achievement of sales and EBIT growth objectives over four years) and qualitative objectives (development of the Company's strategy).

- **Alexandre Mérieux**

Alexandre Mérieux's compensation is paid by Institut Mérieux and is rebilled in part to bioMérieux. His gross variable compensation is based on three criteria: financial performance indicators which apply to all of the Company's employees (growth in sales and operating income before non-recurring items), and his individual performance within the Company assessed against objectives set at the beginning of the year, and is paid the following year. This compensation is reviewed annually by the Human Resources, Appointment and Compensation Committee. He also receives variable compensation for his overall performance at the level of the Institut Mérieux group.

Alexandre Mérieux is covered by the collective (defined contribution) pension plan available to Institut Mérieux Group senior executives.

Summary of compensation, stock options and free shares granted (in euros) to Alexandre Mérieux – Chief Operating Officer		
	2013	**2012**
Compensation for the year	571,883	441,505
Value of stock options granted during the year	N/A	N/A
Value of performance shares granted during the year	N/A	N/A
Total	**571,883**	**441,505**

Alexandre Mérieux	Amounts for 2013 in euros		Amounts for 2012 in euros	
	Payable	Paid	Payable	Paid
- fixed compensation[(a)]	291,771	291,771	263,929	263,929
- variable compensation[(a)]	253,120	200,000	150,000	150,000
- extraordinary compensation	N/A	N/A	N/A	N/A
- directors' fees	19,500	19,500	21,000	21,000
- benefits in kind[(b)]	7,492	7,492	6,576	6,576
Total	**571,883**	**518,763**	**441,505**	**441,505**
Value of stock options granted during the year	N/A		N/A	
Value of performance shares granted during the year	N/A		N/A	

(a) Compensation paid by Institut Mérieux.
(b) Company car provided by Institut Mérieux.

- **Alain Mérieux**

Alain Mérieux receives a fixed salary which is determined and paid by Institut Mérieux, and rebilled in part to bioMérieux.

Summary of compensation, stock options and free shares granted (in euros) to Alain Mérieux – Director		
Alain Mérieux	**Amounts paid for 2013 in euros**	**Amounts paid for 2012 in euros**
- fixed compensation[(a)]	362,385	355,500
- variable compensation	N/A	N/A
- extraordinary compensation	N/A	N/A
- directors' fees	25,000	28,000
- benefits in kind	N/A	N/A
Total	**387,385**	**383,500**
Value of stock options granted during the year	N/A	N/A
Value of performance shares granted during the year	N/A	N/A

(a) Compensation paid by Institut Mérieux.

- **Philippe Archinard**

Philippe Archinard's compensation is paid by Institut Mérieux pursuant to an employment contract. As Director of the Immunotherapy division of Institut Mérieux, a portion of his activities is rebilled to bioMérieux under the service agreement between the two companies. His gross variable compensation is based on his individual performance assessed against objectives set at the beginning of the year and is paid the following year.

Summary of compensation, stock options and free shares granted (in euros) to Philippe Archinard – Director		
Philippe Archinard	**Amounts paid for 2013 in euros**	**Amounts paid for 2012 in euros**
- fixed compensation[(a)]	435,000	435,000
- variable compensation[(a)]	450,000	450,000
- extraordinary compensation	N/A	N/A
- directors' fees	19,500	21,000
- benefits in kind[(a)]	8,880	9,696
Total	**913,380**	**915,696**
Value of stock options granted during the year	N/A	N/A
Value of performance shares granted during the year	N/A	N/A

(a) Compensation paid by Institut Mérieux.

Summary of the information presented above (table 10)

Executive corporate officers	Employment contract[a]		Supplementary pension plan[b]		Indemnities or benefits due or likely to be due as a result of a termination or change of office		Benefits relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Jean-Luc Belingard Chairman and Chief Executive Officer since January 1, 2011 First appointment as director: September 15, 2006 Term expires: at the end of the 2014 AGM		✓		✓	✓			✓
Alexandre Mérieux Chief Operating Officer since December 19, 2008 First appointment as director: April 16, 2004 Term expires: at the end of the 2014 AGM		✓		✓		✓		✓

(a) Jean-Luc Belingard has an employment contract with Institut Mérieux in respect of his duties within that company. He does not have an employment contract with bioMérieux for his compensation as executive corporate officer.

Alexandre Mérieux receives compensation paid by Institut Mérieux, a portion of which is rebilled to bioMérieux. He does not have an employment contract with bioMérieux for his compensation as executive corporate officer.

(b) In respect of their employment contracts with Institut Mérieux, Jean-Luc Belingard and Alexandre Mérieux benefit from a supplementary pension plan with the following characteristics: in accordance with article 83, defined contribution pension to which the company contributes up to salary bracket C.

Other tables referred to in AMF recommendation 2009-16 that are not included in this document

The information required in table 3 (Directors' fees and other compensation received by non-executive directors) is set out in full in the summary table of directors' fees at the beginning of section 15.1.1.

The information required in table 4 (Subscription or purchase options awarded during the financial year to each executive director by the issuer and by any company of the group) and table 6 (Performance shares awarded during the financial year to each executive director by the issuer and by any company of the group) is set out in full in the tables presenting the compensation of corporate officers and directors in section 15.1.1.

Table 5 (Subscription or purchase options exercised during the financial year by each executive director) and table 7 (Performance shares that have become available during the financial year for each executive director) are not required as no stock options have been exercised by executive corporate officers and no performance shares became available during the year.

Table 8 (Past awards of subscription or purchase options) and table 9 (Past awards of performance shares) are not required as no stock options or performance shares have been granted by the Company.

Commitments made in favor of corporate officers

In 2013, the Company made no commitments whatsoever to its corporate officers, regarding compensation, indemnities or benefits due or likely to be due in connection with their appointment, termination or change of office or subsequent thereto.

In 2010, the Board of Directors set termination benefits for Jean-Luc Belingard equal to 24 months of his total fixed and variable compensation.

The termination benefits will be payable only in the event of a forced departure resulting from a change of strategy or control. In addition, they will be payable based on the achievement of sales growth and recurring operating income objectives announced the year preceding the year of Jean-Luc Belingard's departure.

The termination benefits will be payable only after the Board of Directors' official recording of the achievement of the above-mentioned performance conditions.

They will not be payable in the case of resignation, retirement or a change of position within the Group.

No preferred shares have been allocated to corporate officers for 2013.

Loans and securities granted to corporate officers

None.

Consultation of shareholders on the components of compensation of executive corporate officers

- **Jean-Luc Belingard**

Components of compensation due or granted in respect of 2013	Amounts or accounting value subject to vote	Presentation
Fixed compensation	€878,968	Total gross fixed compensation of €878,968 in respect of 2013. This fixed compensation was paid by Institut Mérieux (€175,668) and bioMérieux (€703,300).
Annual variable compensation	€993,435	On December 17, 2010, the Board of Directors set the variable compensation based on qualitative and quantitative criteria. This compensation is paid by bioMérieux and is reviewed annually by the Human Resources, Appointment and Compensation Committee, which reports its findings to the Board of Directors. – The pre-set quantitative criteria are based on the achievement of objectives of: sales growth and operating income before non-recurring items (EBIT before non-recurring items), as per the market guidance announced at the beginning of the year. – The pre-set qualitative criteria are based on the individual performance within the Company of Jean-Luc Belingard. The qualitative criteria represent 50% of Jean-Luc Belingard's annual variable compensation. Accordingly, the gross variable compensation awarded in respect of 2013 to Jean-Luc Belingard as Chairman and Chief Executive Officer was set at €993,435, i.e., approximately 113% of his annual fixed compensation in respect of 2013.
Deferred variable compensation	€1,200,000	2016 bonus: On March 13, 2012, the Board of Directors set the variable compensation based on qualitative and quantitative criteria, as well as the continued presence of Jean-Luc Belingard as Chairman and Chief Executive Office of the Company at March 31, 2014. The target variable compensation was set at €1,200,000. – The pre-set quantitative criteria are based on the achievement of sales and EBIT growth objectives over four years. – The pre-set qualitative criteria are based on the development of the Company's strategy, and represent 50% of Jean-Luc Belingard's deferred variable compensation.
Deferred variable compensation	€1,200,000	2017 bonus: On March 12, 2013, the Board of Directors set the variable compensation based on qualitative and quantitative criteria, as well as the continued presence of Jean-Luc Belingard as Chairman and Chief Executive Office of the Company at March 31, 2015. The target variable compensation was set at €1,200,000. – The pre-set quantitative criteria are based on the achievement of sales and EBIT growth objectives over four years. – The pre-set qualitative criteria are based on the development of the Company's strategy, and represent 50% of Jean-Luc Belingard's deferred variable compensation.
Multi-year variable compensation	N/A	Jean-Luc Belingard does not receive any multi-year variable compensation.
Extraordinary compensation	N/A	Jean-Luc Belingard does not receive any extraordinary compensation.
Stock options, performance shares and other long-term compensation	Stock options = N/A Performance shares = N/A Other long-term compensation = N/A	No stock options were granted during 2013. Jean-Luc Belingard does not receive any performance shares.

Components of compensation due or granted in respect of 2013	Amounts or accounting value subject to vote	Presentation
Directors' fees	€19,500	Jean-Luc Belingard received directors' fees in accordance with the terms and conditions set by the Board of Directors.
Value of benefits in kind	€14,011	Jean-Luc Belingard has the use of a company car and accommodation provided by Institut Mérieux.
Termination benefits	24 months of total fixed and variable compensation	On December 17, 2010, the Board of Directors set termination benefits for Jean-Luc Belingard equal to 24 months of his total fixed and variable compensation. The fixed salary retained for the calculation will be the last basic annual salary. These termination benefits will only be payable after the fulfillment of the pre-set conditions set out below has been established. The termination benefits will be payable only in the event of a forced departure resulting from a change of strategy or control. They will not be payable in the case of resignation, retirement or a change of position within the Group. In addition, they will be payable based on the achievement of sales growth and recurring operating income objectives as per the market guidance for the year preceding the year of Jean-Luc Belingard's departure. The Annual General Meeting of June 15, 2011 approved this related-party agreement (fourth resolution).
Benefits in connection with a non-compete clause	N/A	Jean-Luc Belingard does not receive any benefits in connection with a non-compete clause.
Supplementary pension plan	€1,896	In respect of his employment contract with Institut Mérieux, Jean-Luc Belingard benefits from a supplementary pension plan with the following characteristics: in accordance with article 83, defined contribution pension to which the Company contributes up to salary bracket C.

- **Alexandre Mérieux**

Components of compensation due or granted in respect of 2013	Amounts or accounting value subject to vote	Presentation
Fixed compensation	€291,771	Total gross fixed compensation of €291,771 in respect of 2013. This fixed compensation was paid by Institut Mérieux.
Annual variable compensation	€253,120	A portion of this compensation is reviewed annually by the Human Resources, Appointment and Compensation Committee. – The pre-set quantitative criteria are based on the achievement of financial performance indicators which apply to all of the Company's employees (growth in sales and operating income before non-recurring items [recurring EBIT]) – The pre-set qualitative criteria are based on the individual performance within the Company of Alexandre Mérieux. He also receives variable compensation for his overall performance at the level of the Institut Mérieux group. The qualitative criteria represent 50% of Alexandre Mérieux's annual variable compensation. The gross variable compensation for a given year is paid in whole during the following year by Institut Mérieux. Accordingly, the gross variable compensation awarded in respect of 2013 to Alexandre Mérieux as Chief Operating Officer was set at €253,120, i.e., approximately 87% of his annual fixed compensation in respect of 2013.
Deferred variable compensation	N/A	Alexandre Mérieux does not receive any deferred variable compensation.
Multi-year variable compensation	N/A	Alexandre Mérieux does not receive any multi-year variable compensation.
Extraordinary compensation	N/A	Alexandre Mérieux does not receive any extraordinary compensation.
Stock options, performance shares and other long-term compensation	Stock options = N/A Performance shares = N/A Other long-term compensation = N/A	No stock options were granted during 2013. Alexandre Mérieux does not receive any performance shares.
Directors' fees	€19,500	Alexandre Mérieux received directors' fees in accordance with the terms and conditions set by the Board of Directors.
Value of benefits in kind	€7,492	Alexandre Mérieux has the use of a company car provided by Institut Mérieux.
Termination benefits	N/A	Alexandre Mérieux does not receive any termination benefits.
Benefits in connection with a non-compete	N/A	Alexandre Mérieux does not receive any benefits in connection with a non-compete clause.
Supplementary pension plan	€18,960.37	In respect of his employment contract with Institut Mérieux, Alexandre Mérieux benefits from a supplementary pension plan with the following characteristics: in accordance with article 83, defined contribution pension to which the company contributes up to salary bracket C.

15.2 PENSIONS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

bioMérieux SA's commitment with respect to the defined benefit pension plan amounted to €1.9 million at December 31, 2013.

16 BOARD PRACTICES

16.1 BOARD OF DIRECTORS AND TERMS OF OFFICE

The Board of Directors' duties

The Board of Directors is responsible for defining and implementing the Company's strategies. It has powers to act on all questions concerning the smooth running of the Company and settles all matters affecting the Company by its deliberations, within the limits of the corporate purpose and subject to the powers expressly granted to Shareholders' Meetings. The Board of Directors carries out all controls and procedures that it deems appropriate.

The Board of Directors' internal rules provide that the Board of Directors must decide on (i) the approval of the strategic plans of the Company and its subsidiaries, (ii) the approval of the annual budget and, on a quarterly basis, its implementation, and (iii) the authorization of all key transactions (acquisitions, exchanges, transactions, granting of security interests, financing by any means, etc.) of more than €30 million not provided for in the strategic plan or the budget.

The internal rules also provide that the Board of Directors must be notified of any significant event affecting the operation of the Company and more specifically its financial and cash position and commitments.

The Board of Directors' work

The Chairman organizes and oversees the Board's work and reports thereon to the Shareholders' Meeting.

He ensures that the Company's management bodies operate effectively and that the directors are able to perform their duties.

Information on the duties and work of the Board of Directors can be found in the Chairman's report in Appendix 1 of this Registration Document.

Directors' terms of office

The list of directorships as well as the appointment and expiration dates are provided in Chapter 14 of this Registration Document.

16.2 SERVICE AGREEMENTS

None of the members of the administrative, management or supervisory bodies has a service agreement with the Company or one of its subsidiaries providing for the payment of benefits.

16.3 AUDIT COMMITTEE AND HUMAN RESOURCES, APPOINTMENT AND COMPENSATION COMMITTEE

Committees of the Board of Directors

The Board of Directors' internal rules provide that the Board of Directors may set up one or more permanent or temporary committees to help it accomplish its work and contribute to the preparation of its decisions.

The committees are in charge of examining issues assigned to them by the Board of Directors or the Chairman of the Board, preparing the Board of Directors' work on these issues, and reporting their findings to the Board of Directors in the form of reports, proposals, communications or recommendations.
The committees act in a consultative capacity. The Board of Directors determines at its own discretion how to follow up on the findings reported by the committees. The directors remain free to vote as they choose and are not bound by the committees' studies, investigations or reports, nor by any recommendations they may issue.

The skills and competencies of the members of the Audit Committee are described in the Chairman's Report in Appendix 1.

At the date this Registration Document was filed, the Company's Board of Directors had set up two committees: the Audit Committee and the Human Resources, Appointment and Compensation Committee. Information on the composition and operation of these committees can be found in the Chairman's report in Appendix 1 of this Registration Document.

16.4 COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Legal framework of corporate governance

The Company complies with applicable corporate governance requirements. It refers to the AFEP-MEDEF Corporate Governance Code which summarizes current corporate governance principles. This code may be viewed online on the MEDEF website (http://www.medef.com/fileadmin/www.medef.fr/documents/AFEP-MEDEF/Code_de_gouvernement_d_entreprise_des_societes_cotees_juin_2013_EN.pdf). The provisions of the code that have not been applied and the reasons for such non-compliance are set out in the following table.

Directors' terms of office *Staggering of directors' terms of office*	In light of the renewal in 2010 of seven of the current nine directors, the staggering of directors' terms of office is difficult to apply. Accordingly, at the Annual General Meeting to approve the financial statements for the year ended December 31, 2013, shareholders will be asked to reappoint seven of the nine directors.
Board of Directors' assessment of General Management *The Board of Directors assesses and evaluates the performance of General Management independently and collectively*	Given that (i) the general management is exercised by the Chairman, in his capacity as Chief Executive Officer, who is present at Board of Directors' meetings, and (ii) Alexandre Mérieux in his capacity as director and Chief Operating Officer is also present at Board meetings, the performance of General Management is assessed by the Board of Directors in the presence of General Management. The report on the conditions governing the preparation and organization of the Board of Directors' work and internal control and risk management procedures implemented by the Company can be found in Appendix 1 of this Registration Document and rounds out information provided in this Chapter.

17 EMPLOYEES

17.1 NUMBER OF EMPLOYEES

Information on the Group's workforce, human resources policy and labor relations is provided in section 5.2 of this Registration Document.

17.2 FREE SHARE GRANTS

Currently the Company does not have any stock option plans. No stock options were granted to corporate officers or employees by the Company or Group companies in 2013. At the date of this report, no stock options may be exercised.

The Board of Directors granted 41,700 free shares in 2013 under performance share plans set up by the Board – after consulting with the Human Resources, Appointment and Compensation Committee – pursuant to the authority granted to it by the Ordinary and Extraordinary Shareholders' Meeting of May 29, 2013.

The table below shows the number of free shares granted to beneficiaries other than corporate officers, and not fully vested at end-2013:

Grant date	Number of shares granted	Share price *(in euros)*
May 29, 2013	13,700	75.03
August 30, 2013	14,000	75.90
December 17, 2013	14,000	73.30

No free shares were granted to corporate officers.

17.2.1 VESTING PERIOD

Based on the share grant plans, a two- or four-year vesting period applies from the date of the decision to grant the shares before the beneficiary becomes the owner of the shares granted.

17.2.2 ELIGIBILITY AND PERFORMANCE CONDITIONS

In 2013, upon the recommendation of the Human Resources, Appointment and Compensation Committee, the Board of Directors decided to grant free shares that will vest provided that performance and presence conditions are met. Performance conditions relating to collective plans include sales growth and recurring operating margin objectives. In certain other cases, performance conditions are related to objectives defined as part of business plans specific to the beneficiary's field of activity.

17.2.3 DELIVERY OF SHARES

At the end of the vesting period and provided that the conditions set by the Board of Directors are met, the Company will transfer to the beneficiary the number of free shares granted by the Board of Directors. The beneficiaries will become shareholders but they must hold their shares during the lock-up period set under the plan.

17.2.4 LOCK-UP PERIOD

According to French law, the beneficiaries undertake to hold their shares for a lock-up period of two years from the expiration of the vesting period, as defined above.

17.2.5 BENEFICIARIES' RIGHTS

Even though the shares will not be transferable, like any other shareholder, the beneficiaries of vested shares are entitled to exercise all other rights attached to such shares during the lock-up period, including:

- pre-emptive subscription rights;
- right to information;
- right to attend shareholders' meetings;
- right to vote;
- right to dividends and, if applicable, distributed reserves.

Shares granted in 2011 vested at the end of the two-year vesting period in 2013. The corresponding 1,025 shares were remitted to the beneficiaries within the scope of the Global Leaders plans. The Company only granted existing shares.

During the year, 4,976 shares were remitted under the Opus 2009 and 2011 plans.

17.3 SHARES AND STOCK OPTIONS HELD BY CORPORATE OFFICERS

No free shares or stock options were granted to corporate officers.

17.4 EMPLOYEE PROFIT SHARING

The employee profit sharing agreement is described in section 5.2 of the Registration Document.

18 MAIN SHAREHOLDERS

18.1 MAIN SHAREHOLDERS

Changes in the ownership structure over the past three years

The table below shows the Company's ownership structure on the dates indicated.

Shareholders[a]	December 31, 2013				December 31, 2012				December 31, 2011			
	Number of shares	% of capital	Number of voting rights[f]	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights
Institut Mérieux[b]	23,240,090	58.90	46,480,180	71.56	23,240,090	58.90	46,480,180	71.56	23,240,090	58.90	46,480,180	71.18
GIMD[c]	2,013,470	5.10	4,026,940	6.20	2,013,470	5.10	4,026,940	6.20	2,013,470	5.10	4,026,940	6.17
Employees[d]	217,010	0.55	353,460	0.54	244,095	0.62	375,790	0.58	358,027	0.91	496,841	0.76
Treasury stock[e]	10,613	0.03	0	0.00	12,314	0.03	0	0.00	27,588	0.07	0	0.00
Private investors	13,972,557	35.42	14,102,506	21.70	13,943,771	35.35	14,070,963	21.66	13,814,565	35.02	14,295,554	21.89
Total	39,453,740	100	64,962,373	100	39,453,740	100	64,953,873	100	39,453,740	100	65,299,515	100

(a) Only the shareholders representing more than 5% of the capital are named in this table. All other shareholders are included under "Private investors".
(b) Institut Mérieux is the holding company of the Mérieux family.
(c) Groupe Industriel Marcel Dassault.
(d) This line includes employee share ownership through the corporate mutual fund ("FCPE"). For 2011, in addition to employee share ownership through the FCPE, this line included shares held by employees in registered form and within the framework of the Opus plans.
(e) The shares are held pursuant to the liquidity agreement with Kepler Cheuvreux and an agency agreement with Natixis.
(f) Theoretical voting rights are identical to actual voting rights.

Employee share ownership has not changed materially and the two main shareholders have not increased or decreased their interest in the Company's share capital since December 31, 2013.

Differences between the number of shares and the number of voting rights reflect the existence of double voting rights (see section 18.2).

Disclosure thresholds

On June 12, 2013, UK-based company UBS Investment Bank (Wealth Management and Corporate Center) reported that it had increased its interest to above the 1% disclosure threshold.

On June 14, 2013, UK-based company UBS Investment Bank (Wealth Management and Corporate Center) reported that it had decreased its interest to below the 1% disclosure threshold.

On September 24, 2013, UK-based company Baillie Gifford & Co reported that it had decreased its interest to below the 1% disclosure threshold.

On December 4, 2013, Covéa Finance reported that it had decreased its interest to below the 2% disclosure threshold for the accounts managed by Covéa Finance and OPCVM Covéa Finance.

Employee share ownership

As of December 31, 2013, employees held:

– 217,010 shares under the Opus Classic mutual fund;

– 80,432 registered shares.

No stock options were granted to corporate officers or employees by the Company or Group companies in 2013. At December 31, 2013, there were no exercisable stock options.

In 2013, the Company granted free shares, as described in the special report drawn up for this purpose (see section 17.2).

No free shares were granted to the Company's corporate officers.

18.2 VOTING RIGHTS

As described in section 21.2.3 of the Registration Document, all paid-up shares, irrespective of their class, which have been held in registered form by the same shareholder for five years or more, are entitled to double voting rights. Accordingly, as of the date of this Registration Document, all shares held by Institut Mérieux and GIMD have double voting rights.

18.3 CONTROL OF THE ISSUER

Institut Mérieux, which is the holding company owned by the Mérieux family, through Compagnie Mérieux Alliance, held 58.90% of the share capital and 71.56% of the voting rights of the Company at December 31, 2013. Therefore, Institut Mérieux is able to adopt all the resolutions submitted for the approval of shareholders at Shareholders' Meetings.

Despite Institut Mérieux's position as the majority shareholder, the Company, which is managed by a Board of Directors, four of whose nine members are independent and which has assessed its own performance to be satisfactory (see Appendix 1), considers that there is no risk that control be exercised in an abusive manner.

18.4 CHANGE OF CONTROL

To the best of the Company’s knowledge, there are no shareholders’ agreements, parties acting in concert and/or other joint actions, nor any other agreement whose implementation could result in a change of control of the Company.

19 RELATED-PARTY TRANSACTIONS

The Statutory Auditors' special report on related-party agreements for the year ended December 31, 2012 and the description of the transactions with related parties are presented in Chapter 19 and section 20.1.1 respectively (Note 29 to the consolidated financial statements for the year ended December 31, 2012) and in section 20.1.2 (Note 20.7 to the parent company financial statements for the year ended December 31, 2012) of the 2012 Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on May 17, 2013.

For 2013, transactions with related parties are described in section 20.1.1. (Note 31 to the consolidated financial statements for the year ended December 31, 2013) and in section 20.1.2 (Note 20.6 to the parent company financial statements for the year ended December 31, 2013) of this Registration Document. The Statutory Auditors' special report on related-party agreements for the year ended December 31, 2013 is presented below.

All the agreements and commitments authorized by the Board of Directors and submitted to the shareholders for approval were approved in accordance with the provisions of articles L.235-38 of the French Commercial Code (*Code de commerce*).

Statutory Auditors' special report on related-party agreements and commitments

This is a free translation into English of the Statutory Auditors' special report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of bioMérieux, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the principal terms and conditions of the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements and commitments. Under article R.225-31 of the French Commercial Code, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France. These procedures consisted in verifying that the information provided to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements and commitments authorized during the year

Pursuant to article L.225-40 of the French Commercial Code, we were informed of the following agreements and commitments that have been authorized by the Board of Directors.

With SCI de l'Etoile

Person concerned: Alexandre Mérieux

Acquisition of land in Marcy L'Etoile

Nature and purpose: Pursuant to a deed dated December 27, 2013, the Company purchased a plot of land with a surface area of 6.3 hectares in Pierres Rouges, Marcy L'Etoile, from SCI de L'Etoile in order to construct administrative buildings.

Terms and conditions: The purchase price was €6,052,400.

With bioMérieux Inc.

Person concerned: Alexandre Mérieux

Term credit facility agreement

Nature and purpose: On January 15, 2014, the Company entered into a term credit facility agreement with bioMérieux Inc. to finance the acquisition by bioMérieux Inc. of BioFire Diagnostics Inc. The availability period of the funds under the credit facility, which amounted to USD 470,000,000, ran from September 5, 2013 to January 15, 2014, when the facility entered into effect.

Terms and conditions: The credit facility has been granted by the Company for seven years (until October 14, 2020) and is repayable in 14 six-monthly installments. Interest accrues at the 7-year mid swap rate, plus an annual mark-up of 2.45%, and is payable on a six-monthly basis.

The agreement provides for an arrangement fee equal to 0.35% of the credit facility, and a commitment fee equal to 15% of the mark-up (i.e., 0.3675%) for the availability period of the funds.

For the year ended December 31, 2013, the Company recognized income of €1,610,000 in relation to the arrangement fee and the commitment fee.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments approved in previous years

a) Implemented in 2013

Pursuant to article R.225-30 of the French Commercial Code, we were informed of the following agreements and commitments approved in prior years, which were implemented in 2013.

With the Mérieux Foundation

Persons concerned: Alain Mérieux and Alexandre Mérieux.

Sponsorship arrangement – specific projects

Nature and purpose: On March 8, 2011, the Company entered into a sponsorship agreement covering all types of donations for the purpose of specific projects.

Terms and conditions: This agreement was entered into for a period of two years and may be renewed annually by tacit agreement.

For the year ended December 31, 2013:

- the Company recognized an expense of €100,000 in relation to the anti-tuberculosis project in China;
- the Company recognized an expense of €330,000 in relation to the MRSA project in China.

Service agreement

Nature and purpose: On March 8, 2011, the Company entered into a service agreement with retroactive effect from January 1, 2011, aimed at setting out the compensation due for administrative and technical services, and training provided by the Company to the Mérieux Foundation.

Terms and conditions: This agreement was entered into for a period of one year and may be renewed annually by tacit agreement.

For the year ended December 31, 2013, the Company recognized income of €318,413 in relation to the agreement.

With Institut Mérieux

Persons concerned: Alain Mérieux and Alexandre Mérieux.

Service agreement

Nature and purpose: The Company entered into a service agreement with Institut Mérieux effective as of January 1, 2002 (amended by two addenda in 2007).

Terms and conditions:

– Under the first addendum, compensation is based on services provided by Institut Mérieux (personnel costs and contributions, plus 8%) and is allocated between the companies of the Institut Mérieux Group according to three allocation keys based on the weighting of fixed assets, sales and payroll costs.

– The second addendum governs the allocation of the cost of free share grants when the beneficiary employee has been transferred within the Institut Mérieux Group during the vesting period. The companies of the Institut Mérieux Group granting free shares charge back the costs related to the free shares, without any profit margin, on a prorated basis to reflect time spent by the employee concerned within each of the companies during the vesting period.

For the year ended December 31, 2013, the Company recognized an expense of €4,172,000 in relation to the agreement.

With the Christophe and Rodolphe Mérieux Foundation

Persons concerned: Alain Mérieux and Alexandre Mérieux.

Humanitarian projects

Nature and purpose: The Company has entered into a sponsorship agreement with the Christophe and Rodolphe Mérieux Foundation. The amount of annual contributions is submitted each year to the Board of Directors for approval.

Terms and conditions: For the year ended December 31, 2013, the Company recognized an expense of €1,325,000 in relation to the agreement.

With Jean-Luc Belingard, Chairman and Chief Executive Officer

Termination benefits

At its meeting of December 17, 2010, in accordance with the provisions of article L.225-42-1 of the French Commercial Code, the Board of Directors authorized the payment of termination benefits to Jean-Luc Belingard, Chairman and Chief Executive Officer of bioMérieux as of January 1, 2011.

These termination benefits, which are equal to 24 months of his salary, will only be paid once the Board of Directors has ensured that certain conditions have been met.

They will not be payable in the case of resignation, retirement or a change of position within the Group.

b) Not implemented in 2013

In addition, we were informed of the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, which were not implemented in 2013.

With Institut Mérieux, Mérieux NutriSciences Corp. and Transgene

Persons concerned: Alain Mérieux, Alexandre Mérieux, Georges Hibon and Philippe Archinard.

Agreement concerning the allocation of costs related to the termination of the employment contract of a Group employee

Nature and purpose: Allocation of the financial consequences of the possible termination of employment contracts of employees who have worked for several Institut Mérieux Group entities.

Terms and conditions: The dismissed employee will receive a severance payment from the entity initiating the dismissal, which will be allocated among the other entities prorata to the compensation paid by each company since the beginning of the employee's career with the Group.

This agreement had no impact on the year ended December 31, 2013.

Lyon, March 25, 2014

The Statutory Auditors

Diagnostic Révision Conseil	**ERNST & YOUNG et Autres**
Hubert de Rocquigny du Fayel	Marc-André Audisio

20 FINANCIAL INFORMATION

20.1 HISTORICAL FINANCIAL INFORMATION

20.1.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2013

The consolidated financial statements for the years ended December 31, 2012 and December 31, 2011 are respectively presented in section 20.1.1 of the Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on May 17, 2013 under number D13-05421 and section 20.1.1 of the Registration Document filed on April 26, 2012 under number D12-0421.

CONSOLIDATED INCOME STATEMENT

In millions of euros	Notes	2013	2012
Sales		**1,587.9**	**1,569.8**
Cost of sales		(763.3)	(755.6)
Gross profit		**824.6**	**814.2**
Other operating income[(a)]	20	28.2	26.1
Selling and marketing expenses		(283.2)	(294.7)
General and administrative expenses		(121.4)	(114.3)
Research and development expenses[(a)]		(185.8)	(171.0)
Total operating expenses		**(590.4)**	**(580.0)**
Operating income before non-recurring items		**262.4**	**260.4**
Non-recurring income and expenses from operations, net	25	(4.9)	(25.4)
Operating income		**257.5**	**235.0**
Cost of net debt	24.1	(3.9)	(6.4)
Other financial income and expenses, net	24.2	(10.1)	(4.9)
Income tax expense	26	(78.4)	(89.4)
Share in earnings (losses) of associates		(0.4)	0.0
Net income for the year[(b)]		**164.7**	**134.2**
Attributable to non-controlling interests		0.4	(0.1)
Attributable to owners of the parent		**164.3**	**134.4**
Basic earnings per share		€4.16	€3.41
Diluted earnings per share		€4.16	€3.41

(a) In order to maintain consistent accounting presentation between periods, research grants received by bioMérieux are now recorded with research tax credits under "Other operating income". Research grants were previously presented as a deduction from research and development expenditure. The amount reclassified at December 31, 2013 was €2.4 million. In order to facilitate year-on-year comparisons, the data published in 2012 have been adjusted by €2.3 million.

(b) As the amended IAS 19 did not have a material impact on the published consolidated income statement for the year ended December 31, 2012, the data for that period have not been restated (see Note 3).

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Notes	2013	2012[a]
Net income for the year		**164.7**	**134.2**
Items to be reclassified to income		**(32.1)**	**3.7**
Fair value gains (losses) on financial instruments	(b)	(2.9)	10.1
Tax effect		1.6	(3.7)
Movements in cumulative translation adjustments	(c)	(30.8)	(2.7)
Items not to be reclassified to income		**13.0**	**(12.9)**
Remeasurement of employee benefits	(d)	20.1	(19.6)
Tax effect		(7.2)	6.7
Total other comprehensive expense		**(19.1)**	**(9.2)**
Total comprehensive income		**145.5**	**125.0**
Attributable to non-controlling interests		0.1	(0.4)
Attributable to owners of the parent		**145.4**	**125.4**

(a) Restated to reflect the application of the amended IAS 19. A reconciliation with the published version of the financial statements is presented in Note 3.
(b) Including gains and losses on the effective portion of hedging instruments.
(c) Movements in translation adjustments in 2013 are chiefly related to the U.S. dollar.
(d) See Note 15.2.

CONSOLIDATED BALANCE SHEET

Further to the change in accounting method resulting from the application of the amended IAS 19 (see Note 3), the consolidated balance sheet and related explanatory notes are presented for three years.

Assets *In millions of euros*	**Notes**	**Dec. 31, 2013**	**Dec. 31, 2012**[(a)]	**Dec. 31, 2011**[(a)]
. Intangible assets	5	149.7	157.0	184.4
. Goodwill	6	305.0	313.1	334.3
. Property, plant and equipment	7	404.8	386.7	367.0
. Non-current financial assets	8	31.9	34.7	26.9
. Investments in associates		0.4	0.0	0.0
. Other non-current assets		24.5	29.6	31.5
. Deferred tax assets	16	33.9	42.2	42.7
Non-current assets		**950.1**	**963.4**	**986.7**
. Inventories and work-in-progress	9	261.7	245.9	217.1
. Trade receivables	10	420.5	433.4	447.1
. Other operating receivables	11	67.5	71.2	50.4
. Current tax receivables	11	7.7	20.7	19.6
. Non-operating receivables	11	10.9	8.4	1.0
. Cash and cash equivalents	12	428.0	65.6	42.7
Current assets		**1,196.2**	**845.4**	**777.9**
. Assets held for sale	4	**50.3**	**45.7**	**12.0**
TOTAL ASSETS		***2,196.6***	***1,854.4***	***1,776.6***

Equity and liabilities *In millions of euros*		**Dec. 31, 2013**	**Dec. 31, 2012**[(a)]	**Dec. 31, 2011**[(a)]
. Share capital	13	12.0	12.0	12.0
. Additional paid-in capital and reserves		1,084.5	1,007.0	898.0
. Net income for the year attributable to owners of the parent		164.3	134.4	158.2
Equity attributable to owners of the parent		**1,260.8**	**1,153.4**	**1,068.3**
Non-controlling interests		**6.5**	**6.8**	**8.1**
Total equity		**1,267.3**	**1,160.2**	**1,076.3**
. Long-term borrowings and debt	17	304.6	9.8	12.6
. Deferred tax liabilities	16	35.6	46.3	41.2
. Provisions	15	73.3	103.0	74.7
Non-current liabilities		**413.4**	**159.1**	**128.5**
. Short-term borrowings and debt	17	98.5	104.2	161.3
. Provisions	15	10.2	11.0	14.0
. Trade payables	18	132.3	145.1	142.6
. Other operating payables	18	222.8	217.9	198.9
. Current tax payables	18	19.7	20.2	27.3
. Non-operating payables	18	19.6	23.8	27.7
Current liabilities		**503.2**	**522.2**	**571.8**
. Liabilities related to assets held for sale	4	**12.7**	**13.0**	**0.0**
TOTAL EQUITY AND LIABILITIES		***2,196.6***	***1,854.4***	***1,776.6***

[(a)] Restated to reflect the application of the amended IAS 19. A reconciliation with the published version of the financial statements is presented in Note 3.

CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of euros	2013	2012
Net income for the year	164.7	134.2
Adjustments for:		
- Share in earnings (losses) of associates	0.4	0.0
- Cost of net debt	3.9	6.4
- Other financial income and expenses, net	10.0	4.9
- Current income tax expense	78.4	89.4
- Net additions to depreciation and amortization of operating items – provisions and other	90.9	94.4
- Non-recurring income and expenses, net	4.9	25.4
EBITDA (before non-recurring items)	**353.3**	**354.8**
Other non-recurring income and expenses from operations *(excluding net additions to non-recurring provisions and capital gains or losses on disposals of non-current assets)*	1.7	(2.9)
Other financial income and expenses *(excluding provisions and disposals of non-current financial assets)*	(7.6)	(0.5)
Net additions to operating provisions for contingencies and losses	(6.2)	8.0
Fair value gains (losses) on financial instruments	4.1	(0.4)
Share-based payment	0.8	(2.5)
Elimination of other non-cash/non-operating income and expenses	**(7.2)**	**1.7**
Change in inventories	(26.3)	(32.0)
Change in trade receivables	(9.5)	6.5
Change in trade payables	(9.6)	6.0
Change in other operating working capital	5.3	(6.7)
Increase in operating working capital	**(40.1)**	**(26.2)**
Other non-operating working capital	(0.3)	3.0
Change in non-current non-financial assets and liabilities	3.7	1.4
Total increase in working capital requirement	**(36.7)**	**(21.8)**
Income tax paid	**(68.9)**	**(76.2)**
Net cash from operating activities	**240.5**	**258.5**
Purchases of property, plant and equipment and intangible assets	(131.1)	(127.4)
Proceeds from disposals of property, plant and equipment and intangible assets	4.6	8.2
Purchases of/proceeds from disposals of non-current financial assets, net	(1.7)	(12.9)
Impact of changes in Group structure	(0.4)	1.7
Net cash used in investing activities	**(128.6)**	**(130.4)**
Cash capital increase	0.2	0.0
Purchases and sales of treasury shares	(0.3)	0.8
Dividends paid to owners	(38.7)	(38.7)
Dividends paid to non-controlling interests	0.0	(0.5)
Cost of net debt	(3.9)	(6.4)
Change in committed debt	293.3	(11.4)
Net cash from (used in) financing activities	**250.6**	**(56.2)**
Net change in cash and cash equivalents	**362.5**	**71.9**
Net cash and cash equivalents at beginning of year	52.5	(19.2)
Impact of changes in exchange rates on net cash and cash equivalents	(0.1)	(0.2)
Net cash and cash equivalents at end of the year	**414.9**	**52.5**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Attributable to owners of the parent										Non-controlling interests
In millions of euros	**Share capital**	Additional paid-in capital and consolidated reserves[a]	Cumulative translation adjustments	Fair value gains and losses on financial instruments[b]	Amended IAS 19[h]	Treasury shares	Share-based payment	**Total additional paid-in capital and reserves**	**Net income for the year**	**Total**	**Total**
Equity at December 31, 2011 – published	**12.0**	918.7	6.2	(2.6)		(1.9)	4.7	**925.1**	**158.2**	**1,095.4**	**8.1**
Amended IAS 19					(27.1)			**(27.1)**		**(27.1)**	**0.0**
Equity at January 1, 2012 – restated[j]	**12.0**	918.7	6.2	(2.6)	(27.1)	(1.9)	4.7	**898.0**	**158.2**	**1,068.3**	**8.1**
Total comprehensive income for the year			(2.4)	6.4	(12.9)			**(8.9)**	**134.4**	**125.4**	**(0.4)**
Appropriation of 2011 net income		158.2						**158.2**	**(158.2)**	**0.0**	
Dividends paid[c]		(38.7)						**(38.7)**		**(38.7)**	**(0.5)**
Treasury shares		0.2				1.0		**1.2**		**1.2** [d]	
Share-based payment[e]		0.3 [f]					(2.8)	**(2.5)**		**(2.5)**	
Changes in ownership interest		(0.3)						**(0.3)**		**(0.3)**	**(0.3)** [g]
Equity at December 31, 2012 – restated[j]	**12.0**	1,038.5	3.7	3.8	(40.0)	(0.9)	1.9	**1,007.0**	**134.4**	**1,153.4**	**6.8**
Total comprehensive income for the year			(30.5)	(1.3)	13.0			**(18.8)**	**164.3**	**145.5**	**0.1**
Appropriation of 2012 net income		134.4						**134.4**	**(134.4)**	**0.0**	
Dividends paid[c]		(38.7)						**(38.7)**		**(38.7)**	**0.0**
Treasury shares		(0.3)				0.1		**(0.2)**		**(0.2)** [d]	
Share-based payment[e]		0.1 [f]					0.7	**0.8**		**0.8**	
Changes in ownership interest								**0.0**		**0.0**	**(0.4)** [g]
Equity at December 31, 2013	**12.0**	1,134.0 [i]	(26.8) [j]	2.5	(27.0)	(0.8)	2.5	**1,084.5**	**164.3**	**1,260.8**	**6.5**

[a] Including €63.7 million in additional paid-in capital.
[b] Including changes in the fair value of Labtech shares and hedging instruments.
[c] Dividend per share: €0.98 in both 2013 and 2012.
[d] Pre-tax amount: €0.4 million in 2013 and €0.7 million in 2012.
[e] The cost of benefits under share grants are being recognized over the vesting period.
[f] Free shares vested and delivered to beneficiaries.
[g] Non-controlling interests in AES Adiagène.
[h] Restated to reflect the application of the amended IAS 19. A reconciliation with the published data is presented in Note 3.
[i] Including €777 million in bioMérieux SA reserves available for distribution.
[j] See Note 14.

bioMérieux is a leading international diagnostics group that specializes in the field of *in vitro* diagnostics for clinical and industrial applications. The Group designs, develops, manufactures and markets diagnostic systems, i.e., reagents, instruments and software. bioMérieux is present in more than 150 countries through 41 subsidiaries and a large network of distributors.

The consolidated financial statements were approved by the Board of Directors on March 18, 2014 but will only be considered definitive after approval by the Company's shareholders at the Annual General Meeting on May 28, 2014.

The consolidated financial statements are presented in millions of euros.

1. Significant events and changes in the scope of consolidation in 2013

1.1 Significant events in 2013

1.1.1 Agreement to acquire BioFire Diagnostics Inc.

In early September 2013, bioMérieux announced that it had completed an agreement to acquire the entire share capital of BioFire Diagnostics Inc., a privately held U.S.-based company specialized in molecular biology. BioFire has developed FilmArray®, a simple and rapid integrated multiplex PCR molecular biology system that is CE-marked and FDA approved. By introducing a syndromic approach to the molecular diagnosis of infectious diseases, FilmArray® has set a new market standard, identifying the disease-causing organisms responsible for the syndrome.

As the transaction did not close in 2013, BioFire was not included in the consolidated financial statements for the year ended December 31, 2013 (see Note 32).

In 2013, the Group recognized €1.9 million in transaction costs within non-recurring operating items.

1.1.2 Biocartis

Further to the announcement of the acquisition of U.S.-based company BioFire Diagnostics Inc., on November 28, 2013, bioMérieux announced the termination of the alliance with Biocartis for the development and commercialization of an integrated molecular biology system. After giving up its rights to use Biocartis technology, bioMérieux wrote down its net book value and recognized €6 million in non-recurring expenses in 2013.

1.1.3 Bond issue

In early October 2013, bioMérieux carried out its first bond issue, placing €300 million worth of seven-year bonds with institutional investors. The bonds mature on October 14, 2020 and pay interest at an annual rate of 2.875%. The issue was more than four times over-subscribed.

The bond issue will allow bioMérieux to extend the average maturity of its debt under favorable financial conditions, diversify its sources of financing beyond existing syndicated lines of credit and contribute to the funding of the acquisition of U.S.-based BioFire.

At December 31, 2013, the bond issue was recognized at amortized cost using the effective interest method. Directly attributable transaction costs and issue premiums are included in the calculation of the effective interest rate (see Note 17.1).

1.1.4 Durham site

Following an inspection in 2012 at the Durham site, bioMérieux put in place action plans to strengthen quality management for its BacT/ALERT® blood culture bottle production lines and to restore supplies. The associated costs amounted to approximately USD 30 million in 2013.

1.1.5 Changes to the bioMérieux Inc. pension plan

In October 2013, bioMérieux Inc. made the first changes to the existing defined benefit plan aimed at improving its appeal on the labor market. The proposal put to employees was accepted in November 2013. Employees over the age of 50 and with at least 10 years' seniority retain their pension rights under the previous plan. Rights accrued under the previous plan were frozen for all other employees, who were transferred to a new improved 401K-style defined contribution plan.

At December 31, 2013, the impact of the curtailment of the U.S. pension plan was a €12.5 million reversal of provisions recognized in operating income.

1.2 Summary of significant events in 2012

1.2.1 Impairment loss on bioTheranostics (assets held for sale)

In 2012, the Group launched a sale process for its interest in bioTheranostics. The related assets and liabilities were reclassified in the consolidated balance sheet within items held for sale with effect from December 31, 2012 (see Note 4).

Despite significant advances in the research and marketing of its tests, bioTheranostics does not envisage reaching financial break-even in the medium term and requires major fresh investment to boost its growth. In this context, the Group decided to seek outside partners in 2012. This new strategic impetus will allow bioTheranostics to use new financing to accelerate its development, while at the same time enabling bioMérieux to focus even more sharply on infectious disease diagnostics.

In accordance with IFRS 5, the Group recognized a €21 million impairment loss at December 31, 2012, to reflect the estimated value of bioTheranostics in view of the planned new ownership structure and resulting loss of control, net of estimated costs to sell. There was no change in this situation in 2013, during which the Group pressed ahead with its search for commercial partners.

1.2.2 Public-sector receivables in Southern Europe

Net public-sector receivables in respect of Southern Europe totaled €69 million at December 31, 2013, versus €75 million at end-2012.

Greece

Net receivables due from the Greek State fell to €1.9 million at end-2013 versus €5.5 million at December 31, 2012. In view of the significant payments collected during the year in settlement of receivables prior to 2010, in 2013 the Group reversed impairment allowances in the amount of €5.5 million through non-recurring income and expense from operations. bioMérieux is continuing its efforts to recover outstanding past due public-sector receivables via litigation proceedings.

Other Southern European sovereigns

In June 2012, Spanish provinces made a one-off payment of €28.5 million to settle substantially all receivables prior to 2012. After the end of the reporting period, the Group received an additional payment of €13.1 million in respect of past due receivables up to May 31, 2013 (see Note 32).

1.3 Changes in the scope of consolidation

bioMérieux SA acquired a 17% non-controlling interest in Adiagène, raising the Group's total ownership interest in that company to 99%.

In 2013, the Group's 40% stake in Mérieux Université was included in the consolidated financial statements for the first time and accounted for using the equity method.

A number of internal mergers were carried out during 2013, with no impact on the consolidated financial statements:

- On December 31, 2013, AES Chemunex merged with bioMérieux SA, effective retroactively from January 1, 2013.
- AES Spain was merged into bioMérieux Spain, effective retroactively from January 1, 2013.
- AES Italy was merged into bioMérieux Italy, effective retroactively from January 1, 2013.
- PML merged with bioMérieux Inc. on December 31, 2013.

2. Summary of significant accounting policies

Standards and interpretations

The 2013 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), including all standards, amendments and interpretations adopted by the European Union at December 31, 2013. The standards, amendments and interpretations adopted by the European Union can be consulted on the European Commission's website at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The standards, amendments and interpretations applicable to accounting periods beginning on or after January 1, 2013 (in particular IFRS 13 "Fair Value Measurement" and IFRS 7 " Offsetting Financial Assets and Financial Liabilities"), and the annual improvements to IFRS, did not have a material impact on the Group's consolidated financial statements, with the exception of the amended IAS 19 "Employee Benefits". In accordance with the amendment to IAS 1, applicable as of 2013, other comprehensive income was classified into items that may or may not be subsequently recycled to income.

The application of the amended IAS 19 "Employee Benefits" is mandatory for accounting periods beginning on or after January 1, 2013 and has resulted in material changes mainly to the recognition of post-employment benefit obligations: actuarial gains and losses are now recognized directly in other comprehensive income; the impact of changes in benefit plans are no longer deferred; and the expected return on assets is calculated based on the discount rate used to calculate the benefit obligations (see Note 2.13.2).

In accordance with IAS 8, comparative information has been restated as though the amended IAS 19 had been applied since January 1, 2012. As a result, the consolidated balance sheet at December 31, 2011 and December 31, 2012 has been restated, along with the consolidated income statement and statement of comprehensive income for the years then ended.

The impacts of the application of the amended IAS 19 on the key financial indicators of the primary financial statements with regard to the previously published financial statements are described in Note 3.

The application of IFRS 13 on the measurement of assets and liabilities at fair value, which is mandatory for financial periods beginning on or after January 1, 2013, did not have a material impact on the consolidated financial statements for the periods presented. General disclosures are required on fair value measurement where this is used to value assets and liabilities (including an assessment of non-performance risk on assets and credit risk on liabilities in the measurement of financial instruments). It should be noted that impairment tests are mainly carried out based on value in use, except for assets held for sale (see Note 2.8).

bioMérieux has not early adopted standards, amendments and interpretations adopted by the European Union before the end of the reporting period but effective after this date. Based on the Group's current analysis, these standards, amendments and interpretations are not expected to have a material impact on consolidated equity. Accordingly, the revised consolidation standards (IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", and IFRS 12 "Disclosure of Interests in Other Entities"), whose application was deemed mandatory in 2013 by the IASB but has been deferred by the European Commission to January 1, 2014, are not expected to impact the consolidated financial statements. For information, the Company does not account for any subsidiaries using the proportional consolidation method.

bioMérieux does not expect the standards, interpretations and amendments issued by the IASB but not yet adopted by the European Union to have a material impact on its consolidated financial statements in the coming years.

The financial statements of Group companies that are prepared in accordance with local accounting policies are restated to comply with the policies used for the consolidated financial statements.

General presentation methods used for the financial statements

The balance sheet is presented based on the distinction between “current” and “non-current” assets and liabilities as defined in the revised version of IAS 1. Consequently, the short-term portion of provisions recorded in liabilities, borrowings and financial assets (due within one year) is classified as “current” and the long-term portion (due beyond one year) is classified as “non-current”.

The consolidated income statement is presented by function, in accordance with the model proposed by the French National Accounting Board (*Conseil national de la comptabilité* − CNC) in its recommendation 2009-R-03 issued on July 2, 2009.

The Group applies the indirect presentation method for the statement of cash flows, based on the format recommended by the CNC in its recommendation 2009-R-03.

2.1 Estimates and judgments

When preparing the consolidated financial statements, estimates and assumptions are made that affect the carrying amount of certain assets, liabilities, and income and expense items. They particularly concern the measurement and impairment of intangible assets (including goodwill); the measurement of employee benefit obligations; the measurement and impairment of non-current financial assets; provisions; deferred taxes; and share-based payment; as well as the disclosures provided in certain notes to the financial statements. These estimates and assumptions are reviewed on a regular basis, taking into consideration past experience and other factors deemed relevant in light of prevailing economic conditions. Changes in those conditions could therefore lead to different estimates being used for the Group's future financial statements.

The financial and economic crisis has made it more difficult to measure and estimate certain assets and liabilities and to assess the impact that unforeseen events may have on operations. As prescribed in IAS 10, estimates have been made on the basis of information available at the end of the reporting period, taking into account events occurring after the year-end.

bioMérieux did not observe a significant change during the year in the level of uncertainty with regard to estimates and assumptions.

2.2 Basis of consolidation

Companies over which bioMérieux exercises exclusive control are fully consolidated. Exclusive control is deemed to exist when the Group has the power – either directly or indirectly – to govern an entity's financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding representing more than one-half of the voting rights.

Companies over which bioMérieux exercises significant influence are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of an entity, without exercising control, and is deemed to exist when the Group holds between 20% and 50% of the voting rights either directly or indirectly.

Subsidiaries are fully consolidated from the date on which control is effectively transferred to the Group.

The list of consolidated companies is provided in Note 34.

All significant intragroup balances and transactions are eliminated in consolidation (notably dividends and internal gains on inventories and non-current assets).

2.3 Financial year-end

All Group companies have a December 31 year-end, except for the Japanese and Indian subsidiaries, for which interim accounts are drawn up and audited at the Group's balance sheet date.

2.4 Foreign currency translation

The functional currency of bioMérieux is the euro and the consolidated financial statements are presented in millions of euros.

2.4.1 Translation of the financial statements of foreign companies

The financial statements of foreign subsidiaries whose functional currency is not the euro are translated as follows:

General circumstances

The financial statements of foreign subsidiaries whose functional currency is neither the euro nor a currency of a hyperinflationary economy are translated as follows:

- Balance-sheet items (except for equity) are translated using the official year-end exchange rate.
- Income statement items are translated using the average exchange rate for the year.
- Equity items are translated using the historical rate.
- Cash flow statement items are translated using the average exchange rate for the year.

Differences resulting from the translation of subsidiaries' financial statements are recognized in a separate heading in the statement of changes in consolidated equity – Cumulative translation adjustments – and movements during the year are presented in a separate line within the statement of comprehensive income.

When a foreign subsidiary is sold and the sale leads to a loss of control, translation differences previously recognized in other comprehensive income relating to that company are recognized in net income for the year proportionate to the percentage interest sold. If shares in a subsidiary are sold without any loss of control over the subsidiary, the translation differences are reclassified between non-controlling interests and translation adjustments attributable to owners of the parent.

The main exchange rates used for 2013 were as follows:

Average rates				
1 EURO =	**USD**	**JPY**	**GBP**	**BRL**
2013	1.33	130	0.85	2.87
2012	1.29	103	0.81	2.51
2011	1.39	111	0.87	2.33

Year-end rates				
1 EURO =	**USD**	**JPY**	**GBP**	**BRL**
2013	1.38	145	0.83	3.23
2012	1.32	114	0.82	2.7
2011	1.29	100	0.84	2.43

Specific circumstances

The financial statements of subsidiaries whose functional currency is not the local currency are translated into the functional currency as follows:

- Non-monetary items are translated at the historical rate.

– Monetary items in the balance sheet are translated at the year-end exchange rate, while those in the income statement are translated at the average rate for the year.

– Differences resulting from the translation of these subsidiaries' financial statements are recognized immediately in the income statement.

If this functional currency is not the euro, the financial statements are then translated into euros as shown under "General circumstances".

2.4.2 Translation of transactions in foreign currencies

As prescribed by IAS 21 "The Effect of Changes in Foreign Exchange Rates", each Group entity translates foreign currency transactions into its functional currency at the exchange rate prevailing on the transaction date. Exchange-rate gains or losses resulting from differences in rates between the transaction date and the payment date are recognized under the corresponding lines in the income statement (sales and purchases for commercial transactions).

Foreign currency payables and receivables are translated at the year-end exchange rate and the resulting currency translation gain or loss is recognized in the income statement at the end of the reporting period.

Derivatives are recognized and measured in accordance with the general principles described in Note 2.19 "Recognition and measurement of financial instruments". Foreign exchange derivatives are recognized in the balance sheet at their fair value at the end of each reporting period.

When the Group first adopted IFRS, it used the option available under IFRS 1 and transferred the cumulative translation differences existing at January 1, 2004 to consolidated reserves.

2.5 Intangible assets

2.5.1 Research and development expenses (excluding software development costs)

In accordance with IAS 38 "Intangible Assets", research expenses are not capitalized.

Under IAS 38, development expenses must be recognized as intangible assets whenever specific conditions are met, related to technical feasibility and marketing and profitability prospects. Given the high level of uncertainty attached to development projects undertaken by the Group, these recognition criteria are not met until the regulatory procedures required for the sale of the products concerned have been finalized. As most costs are incurred before that stage, development expenses are recognized in the income statement in the period during which they are incurred.

Research and development expenses acquired within the scope of a business combination are recognized at the fair value of projects identified in the acquisition balance sheet, in accordance with the revised version of IFRS 3, and are amortized from the date the corresponding product lines are marketed, on a straight-line basis over their expected useful life.

Research and development expenses related to projects ongoing at the acquisition date continue to be capitalized until the date the corresponding product lines are marketed.

Research and development expenses incurred after the business combination date in relation to new projects are recognized in accordance with IAS 38 as described previously. However, in practice, all subsequent costs have been expensed.

2.5.2 Other intangible assets

Other intangible assets mainly include patents, licenses and computer software. They all have finite useful lives and are initially recognized as follows:

– If purchased: at their purchase price.

– In the case of business combinations: at fair value, generally based on the price paid (where the price of the intangible asset is identified), or based on the discounted value of estimated future cash flows.

– If produced in-house: at the production cost incurred by the Group.

Significant costs directly attributable to the creation or improvement of software developed in-house are capitalized if it is considered probable that they will generate future economic benefits. Other development costs are expensed as incurred. In the case of software, only in-house and outsourced development costs related to organic analyses, programming, tests, trials and user documentation are capitalized.

Intangible assets are amortized in accordance with the expected pattern of consumption of future economic benefits embodied in the asset concerned, generally on a straight-line basis over periods of five to twenty years in the case of patents and licenses, ten years for major integrated management software (such as ERP systems), and three to six years for other computer software. Software is brought into service when it comes into operational effect in each subsidiary. This may be on a phased basis.

Intangible assets are carried at their initial cost less accumulated amortization and any accumulated impairment losses. Amortization is recognized in the income statement based on the assets' function. Impairment losses are recognized under "Other non-recurring income and expenses from operations " if they meet the applicable definition (see Note 2.18.2). For ERP-type management software, any termination of a project or batch constitutes an indication that the asset is impaired.

2.6 Goodwill

In accordance with the option available under IFRS 1 “First-time Adoption of IFRS”, the carrying amount of goodwill was not restated in the opening IFRS balance sheet at January 1, 2004 and accumulated amortization in the balance sheet at that date was deducted from the gross value of the goodwill recognized.

The Group has applied the revised version of IFRS 3 “Business Combinations” on a prospective basis to business combinations occurring after January 1, 2010.

The principles presented below are those set out in the revised version of IFRS 3.

Goodwill represents the excess of the cost of a business combination (excluding acquisition-related costs) over the fair value of the Group's share of the acquiree’s identifiable assets, liabilities and contingent liabilities on the acquisition date. Goodwill is measured in the acquiree’s functional currency. Provisional values may be assigned to fair values and goodwill during a "measurement period" which may not exceed one year from the acquisition date. Any changes made to provisional values after the end of the measurement period are recognized in income, including those concerning deferred tax assets.

The purchase price of a business combination includes the estimated impact of any contingent consideration. This consideration is measured by applying the criteria included in the acquisition agreement, such as sales or earnings targets, to forecasts that are deemed to be highly probable. It is then re-measured at the end of each reporting period, and any changes are recorded in income after the acquisition date (including during the measurement period). The amount of contingent consideration is discounted if the impact is material and any discounting adjustments to the carrying amount of the liability are recognized in “Cost of net debt".

The Group has decided, on an exceptional basis, to use the previously applicable accounting treatment for contingent consideration related to equity interests held in the acquiree prior to first-time adoption of the revised versions of IFRS 3 and IAS 27, i.e., with changes in contingent consideration recognized in goodwill.

For business combinations in which the Group holds less than 100% of the equity interest in the acquiree at the acquisition date, the non-controlling interest in the acquiree is measured on an acquisition-by-acquisition basis, either at fair value (full goodwill method) or at the non-controlling interest’s proportionate share of the acquiree's net assets (partial goodwill method).

When the Group purchases an additional interest in an acquired entity after the acquisition date, the difference between the consideration paid and the Group's share in the acquiree's net assets is recognized directly in consolidated reserves. Similarly, if the Group sells an interest in an acquired entity without losing control the resulting impact is also recognized directly in consolidated reserves.

Goodwill is recognized on a separate line of the balance sheet at cost less any accumulated impairment losses. Any negative goodwill is recognized directly in income during the year in which the controlling interest was acquired.

In compliance with IFRS 3 "Business Combinations", goodwill is not amortized. Instead, it is tested at least once a year for impairment and whenever there is an indication it may be impaired (see Note 2.8). These impairment tests are carried out at the level of cash-generating units (CGUs) to which the goodwill is allocated at the acquisition date based on synergies expected to be derived by the Group. The methods used for performing the tests and recognizing any identified impairment losses are described in Note 2.8 below, "Impairment of non-current assets".

2.7 Property, plant and equipment

As prescribed by IAS 16 "Property, Plant and Equipment", items of property, plant and equipment are initially recognized at their purchase or production cost or at their acquisition-date fair value if acquired as part of a business combination. They are not revalued and any revaluations carried out by Group companies in their individual accounts are eliminated when preparing the consolidated financial statements.

Property, plant and equipment is recorded using the component approach, under which each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life to that of the asset as a whole is recognized and depreciated separately. The only Group assets to which this method is applied are buildings.

The Group's application of IAS 23 "Borrowing Costs" did not lead to the capitalization of material borrowing costs as the Group does not have a material level of debt related to the acquisition of property, plant and equipment.

Routine maintenance and repair costs of property, plant and equipment are expensed as incurred. Other subsequent expenses are capitalized only if they satisfy the applicable recognition criteria such as for replacing an identified component.

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Items of property, plant and equipment are depreciated using the straight-line method, with their depreciable value corresponding to cost as they are not considered to have any material residual value.

The assets are depreciated over their useful lives as follows:

- Machinery and equipment: 3-10 years
- Instruments: 3-5 years
- Shell: 30-40 years
- Finishing work, fixtures and fittings: 10-20 years

Depreciation periods in respect of buildings are calculated separately for each component:

The useful lives of items of property, plant and equipment are reviewed periodically and the impact of any adjustments is accounted for prospectively as a change in accounting estimates.

Impairment tests are carried out for property, plant and equipment whenever events or market developments indicate that an asset may have suffered an impairment. If an asset's recoverable amount (see Note 2.8) is less than its carrying amount, either its useful life is adjusted or an impairment loss is recorded in "Other non-recurring income and expenses from operations ", if the applicable definition is met (see Note 2.18.2).

Capital gains on intra-group sales of property, plant and equipment (mainly instruments) are eliminated in consolidation. The impact of this elimination (€9.9 million at December 31, 2013) is not deducted from property, plant and equipment but is included in "Deferred income".

Finance leases

As lessee: leases are classified as finance leases whenever they transfer to the lessee substantially all the risks and rewards incidental to ownership. Leases qualify as finance leases based on the substance of each contract, and notably when:

- ownership of the leased asset is transferred to the lessee at the end of the lease term;
- the lessee has the option to purchase the asset at a preferential price;
- the lease term covers the major part of the leased asset's economic life;
- the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset; and
- the leased assets are of such a specialized nature that only the lessee can use them without making major modifications.

Whenever the Group leases property under an agreement classified as a finance lease, the fair value of the asset concerned or, if lower, the present value of the minimum lease payments, is capitalized and depreciated over the asset's useful life. A corresponding liability is recognized in the balance sheet. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

Other leases are classified as operating leases and the lease payments are expensed on a straight-line basis over the term of the lease.

As lessor: when the Group leases assets to third parties on terms equivalent to a sale, the assets are recorded as though they had been sold, as prescribed by IAS 17 "Leases". The long-term portion of the lease payments due is recorded under "Other non-current assets" and the short-term portion is recognized under "Trade receivables". The corresponding financial income is recognized in the income statement during the period in which it is received, under "Other financial income and expenses, net".

2.8 Impairment of non-current assets

The Group systematically carries out annual impairment tests on goodwill and other intangible assets with an indefinite useful life (the Group did not have any such assets in the years presented in these financial statements).

Property, plant and equipment and intangible assets with a finite useful life are tested for impairment whenever there is an indication that they may be impaired.

A cash-generating unit (CGU) corresponds either to a legal entity or to a product line (a group of property, plant and equipment [mainly production plants] and intangible assets [essentially technologies] which generate cash flows as a result of products based on the same technology).

bioMérieux no longer has any goodwill for which impairment tests are carried out at Group level.

Impairment testing is used to determine the recoverable amount of a CGU or group of CGUs, which is measured at the higher of their value in use and fair value less costs to sell.

In practice, the value in use of a CGU or group of CGUs is determined primarily on the basis of discounted cash flow projections covering a period of five years and based on the most recent business plans, and a terminal value. However, the projection time horizon may be extended depending on the maturity of the businesses being reviewed and the discount rate may be adjusted to factor in specific risks. The business plan for the Molecular biology CGU was allocated a 14-year projection period in 2013 (15-year period in 2012) in order to take into account the particular circumstances of this evolving market.

Exceptionally, the recoverable amount of the bioTheranostics CGU was determined based on an estimate of fair value less costs to sell (see Note 6) to reflect the ongoing search for new financial partners which is expected to lead to a loss of control in that company.

Growth assumptions used to calculate value in use for the business plan projection time horizon are consistent with available market information and conservative assumptions have been used for determining the terminal value, including a perpetuity growth rate typically corresponding to 2% and a maximum in 2013 of 2.5% (see Note 6).

Cash flow projections do not include any expansion investments or restructurings that have not already commenced.

The discount rate applied to cash flows corresponds to the weighted average cost of capital (WACC), calculated using a risk-free rate (French government OAT bond rate), the equity market risk premium and the beta ratio (which adjusts the overall equity market risk in relation to the specific industry risk). In certain cases, a specific risk premium is included, chiefly to reflect technology risk. The WACC determined by the Group is compared with the figure calculated by analysts who track the Company's stock. The discount rates calculated for the main CGUs (technology product lines) range from 9% to 12% for 2013, and from 9.3% to 13% in 2012. These rates are net of tax, although applying a pre-tax WACC to pre-tax cash flows would give an identical result.

Tests were performed to assess the sensitivity of the recoverable amounts to changes in certain actuarial and operating assumptions (see Note 6).

The Group recognizes an impairment loss where the value in use of these CGUs falls below the carrying amount. The impairment loss is allocated first to reduce the carrying amount of any goodwill, with the residual amount allocated to the other assets of the unit, except if this reduces the carrying amount below its fair value.

Impairment losses are recognized under "Other non-recurring income and expenses from operations" if they meet the applicable definition (see Note 2.18.2). Impairment losses against goodwill in respect of fully consolidated entities may not be reversed unless the asset is sold.

2.9 Non-current financial assets

Non-current financial assets include investments in non-consolidated companies, loans and receivables maturing in more than one year – including pension plan assets whenever these have not been definitively allocated to cover corresponding obligations – and deposits and guarantees. They are recognized and measured in compliance with the rules described in Note 2.19. Capital gains and losses on the sale of securities are recognized in accordance with the FIFO (first-in-first-out) method.

2.10 Inventories

As required under IAS 2 "Inventories", inventories are measured at the lower of cost and net realizable value.

Inventories of raw materials, goods held for resale and consumables are measured at their purchase price plus related expenses using the FIFO method. Work-in-progress and finished products are measured at their actual production cost, including direct and indirect costs.

The application of IAS 23 "Borrowing Costs" did not result in any borrowing costs being included in the cost of inventories.

Inventories are written down where necessary, taking into account selling prices, obsolescence, residual shelf life, product condition, sale prospects and, in the case of spare parts, changes in the corresponding instruments' installed base.

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash and short-term highly liquid investments denominated in euros and subject to an insignificant risk of changes in value and counterparty default.

Investments meeting these criteria are measured at the end of the reporting period at their realizable value, with fair value gains or losses recognized in income (see Note 2.19).

None of the Group's investments are pledged or subject to material restrictions.

2.12 Treasury shares

The Company has entered into a liquidity agreement with an investment firm, specifically for market-making purposes. It therefore sometimes holds a small number of its own shares in connection with this agreement. It also purchases treasury shares for the purpose of allocation under the share grant plans described in Note 19.

Treasury shares held under the liquidity agreement or for the purpose of allocation under share grant plans are recorded as a deduction from equity and the impact of all corresponding transactions are also recognized directly in equity (disposal gains and losses, impairment etc.).

2.13 Employee benefits

In 2013, the Group retrospectively applied the amended IAS 19, which only had an impact on post-employment benefits (see below).

2.13.1 Short-term employee benefits

Short-term employee benefits include wages, salaries and payroll taxes as well as paid vacation and performance-related bonuses. They are expensed during the period in which employees perform the corresponding services. Outstanding payments at the end of the reporting period are included in "Other operating payables".

As the Group's liability relating to the statutory training entitlement (*Droit Individuel de Formation* – DIF) applicable in French companies is not material, it is accounted for as an off-balance sheet commitment.

2.13.2 Post-employment benefits

These benefits notably correspond to pensions, contractual retirement payments and post-employment health insurance. They are covered either by defined contribution plans or defined benefit plans.

Defined contribution plans: Where required under local laws and practices, the Group pays salary-based contributions to pension and social security organizations. The Group's obligation is limited to paying the contributions, which are expensed in the period in which employees perform the corresponding services. Outstanding payments at the end of the reporting period are included in "Other operating payables".

Defined benefit plans correspond to all plans other than defined contribution plans. They concern:

- regular or supplementary pension plans paid in the form of annuities (primarily in the U.S., France and Germany) and contractual retirement payments (primarily in France and Japan);
- health insurance for retired employees.

The Group's defined benefit pension obligation is estimated by actuaries, in accordance with the amended IAS 19, as presented hereafter.

Post-employment benefit obligations are calculated in accordance with the projected unit credit method, taking into consideration actuarial assumptions such as discount rates, the rate of future salary increases, employee turnover and mortality rates. The main assumptions used are set out in Note 15.2.1.

For the purpose of determining the discount rate, the Group analyzed various market rates and, as prescribed by the amended IAS 19, chose an estimated average of the Iboxx Corporate AA and Bloomberg indices (euro, U.S. dollar and pound sterling) at December 31, 2013, taking into account the average durations of the Group's plans where these differ from the observable maturities of the bonds used for those indices.

As explained in Note 3, the amended IAS 19 was applied retrospectively in 2013. The general principles of the amended standard are presented below.

Post-employment benefit obligations are presented in the balance sheet for their total amount less the fair value of plan assets. The calculation of the benefit obligation and the fair value of plan assets is identical to the calculation method used before the application of the amended standard (see Note 15.2.1).

The impact on the service cost for the year and on the interest cost net of the return on plan assets is recognized in operating income before non-recurring items.

Impacts of changes in actuarial gains and losses arising on benefit obligations and plan assets (actuarial assumptions and experience adjustments) are immediately recognized under other non-reclassifiable comprehensive income at their net-of-tax amount and are not reclassified to income.

Impacts resulting from modifications to and curtailments of pension plans are immediately recognized in income No modifications to pension plans occurred in 2013, other than those described in Note 1.1.5.

The expected return on plan assets recognized in income is calculated using the discount rate used to estimate the total benefit obligation.

Tests are performed to measure the sensitivity of the Group's post-employment benefit obligation to changes in certain actuarial assumptions (see Note 15.2.7).

IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" is not relevant to the Group.

2.13.3 Other long-term benefits

Other long-term benefits include long-service awards and jubilee bonuses. The corresponding liabilities are recognized on an actuarial basis whenever they have a material impact. Actuarial gains and losses and past service cost are recognized immediately in the income statement.

2.14 Provisions, contingent liabilities and contingent assets

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized when the Group has a legal or constructive obligation towards a third party, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and no inflow of resources of an equivalent amount is expected in return, and when the amount of the obligation can be reliably estimated.

Provisions for restructuring costs are recognized only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed formal plan. Restructuring provisions notably cover the cost of severance payments.

Provisions are discounted when the impact is material.

Material contingent liabilities are disclosed in the notes to the financial statements, unless the probability of an outflow of resources embodying economic benefits is remote.

Material contingent assets are disclosed in the notes to the financial statements where an inflow of economic benefits is probable.

2.15 Current and deferred taxes

Deferred taxes

Deferred taxes are recognized, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. These differences arise in particular from:

- timing differences between the recognition of certain income and expense items for financial reporting and tax purposes (e.g., non-deductible provisions, employee profit-sharing);
- consolidation adjustments (e.g., accelerated depreciation, provisions, elimination of internal gains included in inventories and non-current assets);
- forecast withholding tax on dividend payments planned for the following year.

Deferred taxes are determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. They are not discounted.

Deferred tax assets arising on temporary differences, consolidation adjustments and tax losses carried forward are only recognized if they can be utilized against future taxable temporary differences, or where there is a reasonable probability that they can be realized or recovered against future taxable income. In practice, and notably in the case of tax loss carryforwards, this rule is applied using budget forecasts approved by general management using a prudent maximum time horizon of two years. The calculation of deferred taxes takes account of new tax provisions applicable for tax loss carryforwards (utilization ceilings, etc.).

Other taxes and tax credits

Pending guidance from France's Accounting Standards Association (*Autorité des normes comptables* – ANC), research tax credits have been classified within operating subsidies since 2010, in line with the recommendations issued by the AMF.

Pending guidance from the ANC, and in accordance with the option set out in the statement issued by the CNC on January 14, 2010, the CVAE (*Cotisation sur la Valeur Ajoutée des Entreprises*) and CFE (*Contribution Foncière des Entreprises*) contributions are classified under operating expenses rather than income tax in view of the fact that the value added generated by the Group's French operations significantly exceeds their taxable income.

The Group has opted to present tax credits for competitiveness and employment (*Crédit d'Impôt pour la Compétitivité et l'Emploi* – CICE) as a deduction from personnel costs.

Where applicable, taxes on the payment of dividends are presented as a deduction from income tax expense.

2.16 Other non-operating receivables and payables

Other non-operating receivables and payables correspond to receivables and payables that do not form part of bioMérieux's ordinary business activities. They include receivables related to the disposal of non-current assets and amounts due to suppliers of non-current assets.

2.17 Assets and liabilities held for sale

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", in 2009 the real estate assets of the Boxtel site were reclassified to "assets held for sale" in the balance sheet. This was due to the fact that a property brokerage agreement has been signed and negotiations concerning the sale of the Boxtel site were still in progress at December 31, 2013.

These assets have not been depreciated since December 31, 2009 – the date on which they were classified as "assets held for sale". They are measured at the lower of their carrying amount and fair value less costs to sell.

In view of the Group's ongoing search for new financial partners, the assets and liabilities of bioTheranostics have been shown within assets held for sale and liabilities related to assets held for sale since end-2012 (see Notes 1.2 and 4).

Impairment tests were carried out by comparing the carrying amount of the net assets to the fair value less costs to sell (see Note 2.8).

2.18 Presentation of the income statement

2.18.1 Operating income before non-recurring items

The Group's key financial performance indicator is operating income before non-recurring items, corresponding to recurring income less recurring expenses as defined below in sections 2.18.1.1 and 2.18.1.2, and excluding non-recurring income and expense from operations. Non-recurring income and expense from operations are defined in section 2.18.2.

2.18.1.1 Revenue recognition

Revenue is accounted for in accordance with IAS 18 "Revenue".

Sales

Revenue from the sale of products (reagents and instruments) and related services (technical support, training, shipping, etc.) is reported as "Sales" in the income statement.

Revenue arising from the sale of products is recognized when all of the following criteria have been satisfied:

- the significant risks and rewards of ownership have been transferred to the buyer;
- the Group no longer has effective control over the goods sold;
- the revenue and the costs incurred or to be incurred in relation to the transaction can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group.

These criteria are satisfied when reagents are delivered and when sold instruments are installed.

In the case of services (training, technical support, etc.), revenue is recognized only after the services have been rendered. However, revenue from instrument maintenance contracts is deferred and recognized on the basis of the elapsed portion of the service contract.

When the Group provides goods to third parties under leases with terms equivalent to a sale, the goods concerned are accounted for as if they had been sold, as prescribed by IAS 17 "Leases" (see Note 2.7).

Sales are measured at the fair value of consideration received or receivable, net of any discounts and rebates granted to buyers. Sales taxes and value-added taxes are not included in sales.

Other operating income

Ancillary revenue – which essentially consists of net income from royalties – is included in "Other operating income" and is recognized when earned. Since 2010, research tax credits have also been presented under "Other operating income" (see Note 2.15).

From 2013, in order to harmonize the accounting presentation with research tax credits, research grants are recognized in other operating income (€2.4 million in 2013). Research grants were previously recognized as a deduction from research expenditure. The amount reclassified in respect of 2012 was €2.3 million.

2.18.1.2 Classification of recurring expenses

Cost of sales includes the following:

- The cost of raw materials consumed, including freight, direct and indirect payroll expenses for production personnel, the depreciation of assets used in production, all external expenses related to manufacturing (utilities, maintenance, tools, etc.), as well as indirect expenses (the Group's share of expenses such as purchasing, human resources and IT). Expenses relating to areas such as quality control, production quality assurance, engineering, business processes and logistics are included in production costs.

- Royalties paid in relation to marketed products.

- Distribution expenses, including shipping and warehousing, as well as the cost of shipping finished products to distribution centers or end customers.

- Depreciation of instruments placed with or leased to customers.

- Technical support expenses, including the cost of installing and maintaining instruments placed or sold, irrespective of whether such services are billed separately. Also included under this heading are personnel expenses, travel expenses and the cost of spare parts, as well as movements in provisions for warranties granted at the time instruments are sold.

Selling and marketing expenses include expenses incurred by the strategy, marketing, sales and sales administration departments. They also include sales bonuses and commissions paid to employees in the Group's sales departments and to independent sales agents. Advertising and promotional costs are also classified as selling and marketing expenses.

General and administrative expenses comprise the cost of general management and support services (human resources, finance, IT, purchasing), excluding the portion of costs incurred by these departments that is allocated to the other departments that directly use their services. Insurance premiums are also included in general and administrative expenses.

Research and development expenses include all costs concerning in-house and outsourced research and development work on new products other than software (design costs) as well as expenses related to regulatory affairs, intellectual property, technological monitoring and research and development quality assurance. From 2013, grants received under research programs are no longer deducted from development expenses and are recognized in other operating income (see Note 2.18.1.1).

Royalty payments (fixed or proportional) are included in the cost of sales of the corresponding products. If no product is marketed or marketable in the short term, these payments are classified as research and development expenses.

Variable compensation (performance-related bonuses, commissions, incentives and profit-sharing) as well as share-based payments are included in the payroll expenses of the departments concerned.

CICE tax credits introduced in France to boost competitiveness and employment are recognized as a deduction from personnel costs.

In the context of long-term employee benefits, the current service costs and the interest cost net of the return on plan assets are recognized within operating income before non-recurring items.

Foreign exchange gains and losses are included in the income statement line corresponding to the nature of the transaction concerned (primarily sales, cost of sales and financial expenses).

2.18.2 Other non-recurring income and expenses from operations

Other non-recurring income and expenses from operations are items that are material, unusual and non-recurring. They are presented on a separate line of the income statement in order to give a clearer picture of the Group's routine business performance. They chiefly include material amounts of net proceeds from disposals of non-current assets (other than instruments), restructuring costs and certain impairment losses (see Note 2.8).

Restructuring costs (which include the cost of severance payments) correspond to the expenses recognized when the Group officially announces the closure of a facility or a scaling down of operations in the ordinary course of business, as well as subsequent adjustments made to reflect the actual costs incurred.

2.18.3 Financial income and expenses

Financial income and expenses are shown on two separate lines:

- "Cost of net debt", which includes interest expense, fees and foreign exchange gains and losses arising on borrowings, as well as income generated by cash and cash equivalents.

- "Other financial income and expenses, net", which includes interest income on instruments sold under finance lease arrangements, the impact of disposals and write-downs of investments in non-consolidated companies, late-payment interest charged to customers, discounting gains and losses, and the ineffective portion of currency hedges on commercial transactions.

2.18.4 Income tax

The income tax expense for the period comprises current and deferred tax.

Tax credits (excluding research tax credits and CICE tax credits introduced in France to boost competitiveness and employment – see Note 2.15), are presented as a deduction from income tax expense.

2.19 Recognition and measurement of financial instruments

Financial instruments include financial assets, financial liabilities and derivatives (swaps, forward contracts, etc.).

They are presented under several balance sheet headings: non-current financial assets, other non-current assets, trade receivables, other receivables and other liabilities (e.g., fair value gains and losses on derivatives), short- and long-term borrowings, trade payables, and cash and cash equivalents.

In compliance with the revised version of IAS 39 "Financial Instruments: Recognition and Measurement", financial instruments fall into five categories that do not correspond to specific balance-sheet headings. This classification is used as a basis for determining the methods used for their initial recognition and subsequent measurement at the end of each reporting period. The categories and methods are described below.

2.19.1 Held-to-maturity financial assets

Held-to-maturity financial assets consist solely of fixed-income securities that the Group has the intention of holding to maturity. The Group does not currently own any financial instruments corresponding to this definition.

2.19.2 Financial assets and liabilities at fair value through income

This category comprises financial instruments held for the purpose of short-term trading as well as financial instruments designated by the Group on initial recognition as at fair value through income under the fair value option, as permitted under IAS 39.

The assets concerned correspond to:

- equity interests in companies listed on an active market (recognized under "non-current financial assets" in the balance sheet) other than those classified as “available-for-sale financial assets” (see Note 2.19.4 below);

- "cash and cash equivalents", including marketable securities (presented in the balance sheet under the specific “cash and cash equivalents” heading).

The Group does not currently hold any financial liabilities that fall within this category.

“Financial assets and liabilities at fair value through income" are initially recognized at fair value (excluding transaction costs)and subsequently remeasured to fair value at each year-end. For equities, fair value corresponds to the quoted market price at the end of the reporting period, and for marketable securities it is the securities’ net asset value. Changes in fair value are recognized in the income statement.

2.19.3 Loans, receivables and payables

Financial assets and liabilities classified in this category are measured either at cost or amortized cost.

“Assets and liabilities measured at cost" primarily correspond to deposits paid, trade receivables and trade payables. They are initially recognized at fair value, which, in the case of the Group, corresponds to their face value. At each year-end they are measured at their original carrying amount less any impairment losses, which represents a reasonable approximation of fair value.

“Assets and liabilities measured at amortized cost" primarily comprise short- and long-term borrowings, loans, and finance lease receivables reported on the balance sheet under "Other non-current assets" or "Trade receivables". These assets and liabilities are initially recognized at fair value, which, in the case of the Group, approximates their contractual face value. Their carrying amount at the year-end corresponds to their amortized cost (calculated using the effective interest method, as described in Note 17.1) less any principal repayments and impairment losses. The year-end carrying amount of assets and liabilities at amortized cost (excluding the bond issue) represents a reasonable approximation of their fair value.

2.19.4 Available-for-sale financial assets

Financial assets and liabilities that do not belong to any of the above categories are recognized as "available-for-sale financial assets". Items in this category mainly include shares in non-consolidated entities that are either unlisted, listed on an inactive market or listed on an active market but that the Group intends to hold on a long-term basis. These investments are presented in the balance sheet under non-current financial assets.

Available-for-sale financial assets are recognized at fair value at the acquisition date, which generally approximates their purchase price. They are subsequently measured as follows:

- When the fair value of an asset can be reliably determined at the year-end, fair value changes are recognized directly within other comprehensive income. However, if a decline in the fair value of an available-for-sale financial asset provides evidence of a prolonged impairment in value, the impairment loss in excess of any fair value gains previously recorded in equity is recognized in income.

- If fair value cannot be reliably determined, available-for-sale financial assets are measured at cost and are tested for impairment. An impairment loss is recorded when this cost exceeds the asset’s estimated value at the year-end, determined based on appropriate financial criteria. Impairment losses are recognized in the income statement and can only be reversed when the shares are sold.

2.19.5 Foreign currency and interest rate derivatives

Foreign currency and interest rate derivatives include instruments such as swaps, forward contracts and options and are initially recognized at fair value. They are subsequently measured at fair value at the year-end and are recorded in the balance sheet under "Non-operating receivables" and "Non-operating payables". Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of currency derivatives is determined using standard market valuation techniques based on observable market data (interest rates, exchange rates, observable implied volatility). Accounting for changes in their fair value depends on the type of derivative concerned and whether there is a hedging relationship, and if so what type of hedge is involved:

- Fair value gains and losses on derivatives not qualifying as hedging instruments are recognized in the income statement.
- Fair value gains and losses on derivatives qualifying and used as fair value hedges (e.g., hedges of foreign currency receivables and payables) are recognized in full in the income statement on a symmetrical basis with the loss or gain on the hedged item.
- Fair value gains and losses on derivatives qualifying and used as cash flow hedges (i.e., hedges of future commercial transactions in foreign currencies) are recognized directly in other comprehensive income for the effective portion, and in the income statement for thee non-effective portion (mainly the time value of money in the case of forward currency transactions). Amounts that had been recognized under other comprehensive income are reclassified to income in the same period(s) during which the hedged forecast cash flows affect income.
- Fair value gains and losses on derivatives qualifying and used as hedges of net investments in foreign operations are recognized directly in other comprehensive income for the effective portion of the hedges, and in the income statement for their non-effective portion (mainly the time value of money in the case of forward currency transactions). Gains and losses related to the effectiveness of the hedge and recognized under other comprehensive income are reclassified from equity to income on the full or partial disposal of the foreign operation.

The foregoing rules are applied provided that the hedging relationship is clearly designated and documented at the time the hedge is set up, and that the effectiveness of the hedge can be demonstrated.

No financial assets were reclassified between the above categories in either 2013 or 2012.

Presentation of financial assets and liabilities at fair value through income

In accordance with IFRS 13, applicable to accounting periods beginning on or after January 1, 2013 and very similar to the prior treatment under the amended IFRS 7, financial instruments are presented in one of three levels (see Note 29.6) of the fair value hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – market inputs for the asset or liability that are observable either directly (e.g., adjusted level 1 quoted prices), or indirectly (e.g., inputs derived from quoted prices).
- Level 3 – unobservable inputs for the asset or liability (e.g., quoted prices in markets that are not active or valuations based on market multiples for unlisted equities).

The application of IFRS 13 did not have a material impact on the fair values of derivative financial instruments at December 31, 2013.

2.20 Share-based payment

Share-based payment concerns:

- the bioMérieux SA free share plans approved by shareholders at the Annual General Meetings of June 10, 2010, June 12, 2011, May 30, 2012 and May 29, 2013;
- the bioTheranostics stock option plan approved by that company's shareholders at its Annual General Meeting of September 24, 2008.

A summary of these plans is presented in Note 19.

In accordance with IFRS 2 "Share-based Payment", the fair value of the benefits granted is expensed over the vesting period, with a corresponding increase in equity. The expense is based on the value of the underlying shares or options at the grant date i.e., the date on which the list of beneficiaries was approved by the Board of Directors. The probability that the rights will vest is reviewed at the end of each reporting period and until the vesting date, to take account of the respect of the continuous employment and performance conditions. Any changes are taken to income.

In application of IFRS 2, the corresponding tax saving recognized in the parent company financial statements is allocated in the consolidated financial statements to the year during which the share-based payment expense is recognized.

2.21 Earnings per share

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

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

2.22 Consolidated statement of cash flows

The consolidated statement of cash flows is broadly presented in accordance with recommendation 2009-R-03 issued by the CNC on July 2, 2009.

It lists separately:

– cash flows from operating activities;

– cash flows from investing activities;

– cash flows from financing activities.

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

Net cash and cash equivalents correspond to the Group's net debit and credit cash positions.

The consolidated statement of cash flows shows the Group's EBITDA. EBITDA is not defined under IFRS and may be calculated differently by different companies. EBITDA as presented by bioMérieux is equal to the sum of operating income before non-recurring items and net additions to depreciation and amortization.

In millions of euros	**2013**	**2012**
Additive method		
- Net income for the period	164.7	134.2
- Non-recurring income and expenses	4.9	25.4
- Cost of net debt	3.9	6.4
- Other financial income and expenses	10.0	4.9
- Current income tax expense	78.4	89.4
- Investments in associates	0.4	0.0
- Net additions to amortization and depreciation	90.9	94.4
EBITDA	**353.3**	**354.8**
Simplified additive method		
- Operating income before non-recurring items	262.4	260.4
- Depreciation and amortization expense	90.9	94.4
EBITDA	**353.3**	**354.8**

2.23 Segment information

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

In accordance with IFRS 8, in Note 27 the Group discloses information on sales and non-current assets broken down by geographic area which has been prepared using the same accounting policies as those applied to prepare the consolidated financial statements.

3. Restatement of 2012 and 2011 published financial information

The amended IAS 19 on employee benefits has been applied for accounting periods beginning on or after January 1, 2013. Under the amended standard, the "corridor" method has been discontinued and actuarial gains and losses are recognized immediately in other comprehensive income. In addition, deferred actuarial gains and losses are added to the post-employment benefit obligation or deducted from consolidated equity, respectively, after taking into account the deferred tax effect. The calculation of the expected return on assets is now based on the discount rate used to calculate the benefit obligation.

In accordance with IAS 8, comparative information has been restated as though the amended IAS 19 had been applied since January 1, 2012. As a result, the comparative financial statements have been restated.

The table below shows the impacts of the application of the amended IAS 19 on the main financial indicators:

In millions of euros	Dec. 31, 2012			Dec. 31, 2011		
	Published	Adjustment for amended IAS 19	Restated	Published	Adjustment for amended IAS 19	Restated
Opening equity	1,103.4	(27.1)	1,076.3	976.1		976.1
Other comprehensive income (expense)	3.7	(12.9)	(9.2)	4.9	(27.1)	(22.2)
Net income for the year[(a)]	134.2		134.2	160.5		160.5
Total comprehensive income	**137.9**	**(12.9)**	**125.0**	**165.4**	**(27.1)**	**138.3**
Closing equity	**1,200.2**	**(40.0)**	**1,160.2**	**1,103.4**	**(27.1)**	**1,076.3**
Balance sheet total at year-end	1,833.2	21.2	1,854.4	1,762.2	14.5	1,776.6
Long- and short-term provisions	53.2	60.7	114.0	47.2	41.6	88.8
Other operating payables	217.5	0.4	217.9	198.9		198.9
Deferred tax assets	21.0	21.2	42.2	28.2	14.5	42.7

(a) The impact on income of the application of the amended IAS 19 in 2012 is not presented in the consolidated income statement as it was not material (€0.6 million).

The application of the amended IAS 19 had no impact on the consolidated statement of cash flows or on earnings per share.

4. Assets and liabilities held for sale

In millions of euros	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Assets held for sale	**50.3**	**45.7**	**12**
o/w Boxtel site	9.2	10.2	12
o/w bioTheranostics	41.1	35.5	0
Liabilities related to assets held for sale[(a)]	**12.7**	**13**	**-**

(a) bioTheranostics

At December 31, 2013, the Group is committed to a sale process for all or part of the Boxtel site and its interest in bioTheranostics. The related assets and liabilities have been classified within assets held for sale and liabilities related to assets held for sale.

Boxtel site

In 2012, the Group signed a purchase offer for the Boxtel site for a net selling price of €10.2 million, leading to the recognition of a €1.8 million impairment loss. At end-2012, accumulated impairment related to this site amounted to €21.1 million.

This offer did not lead to a definitive sale in 2013. Based on an appraisal of the property carried out in September 2013 valuing the site at €9.2 million net of €0.3 million in selling costs, the Group recognized an additional €1 million impairment loss during the year within other non-recurring income and expenses from operations. At end-2013, accumulated impairment related to this site amounted to €22.1 million. Fresh negotiations are under way which justify the continued classification within assets held for sale.

bioTheranostics

In the context of the strategic reorientation of bioTheranostics (see Note 1.2.1), in 2012 the Group reclassified its net assets within "assets held for sale" in an amount of €35.5 million. In accordance with IFRS 5, the Group recognized a €21 million impairment loss at December 31, 2012, to reflect the estimated value of bioTheranostics in view of the planned new ownership structure and resulting loss of control, less costs to sell. At December 31, 2012, impairment and liabilities related to bioTheranostics amounted to €22 million and €13 million, respectively.

In 2013, the Group pressed ahead with the search for new partners to accelerate the development of bioTheranostics. Accordingly, and in view of the planned divestment, bioTheranostics' intangible assets and property, plant and equipment were maintained at their end-2012 fair value within assets held for sale. At December 31, 2013, bioTheranostics' assets amounted to €41.1 million (including €21.1 million in impairment) and its liabilities stood at €12.7 million.

5. Intangible assets

Gross value *In millions of euros*	Patents Technologies	Software	Other	Total
December 31, 2011	**181.4**	**83.2**	**24.4**	**289.0**
Translation adjustments	(1.5)	(0.7)	(0.1)	(2.3)
Acquisitions/Increases	9.0	11.1	9.4	29.5
Changes in Group structure	0.0	0.0	0.1	0.1
Disposals/Decreases	(0.4)	(2.3)	(0.4)	(3.1)
Reclassifications	(35.8) (a)	7.6	(10.0)	(38.2)
December 31, 2012	**152.7**	**98.9**	**23.4**	**275.0**
Translation adjustments	(4.1)	(2.6)	(0.8)	(7.5)
Acquisitions/Increases	3.7	3.8	12.7	20.2
Disposals/Decreases	(7.2) (b)	(0.6)	(2.1)	(9.9)
Reclassifications	(1.3)	7.2	(5.9)	0.0
December 31, 2013	**143.8**	**106.7**	**27.3**	**277.8**
Amortization and impairment *In millions of euros*	Patents Technologies	Software	Other	Total
December 31, 2011	**54.6**	**46.6**	**3.4**	**104.6**
Translation adjustments	(0.7)	(0.3)	0.0	(1.0)
Additions	9.2	8.7	0.7	18.6
Reversals/Disposals	(0.4)	(2.3)	(0.4)	(3.1)
Reclassifications	(0.6)	0.1	(0.6)	(1.1)
December 31, 2012	**62.1**	**52.8**	**3.1**	**118.0**
Translation adjustments	(2.2)	(1.0)	(0.2)	(3.4)
Additions	13.9 (c)	9.7	0.5	24.1
Reversals/Disposals	(7.3) (b)	(0.6)	(2.0)	(9.9)
Reclassifications	(0.6)	0.0	(0.1)	(0.7)
December 31, 2013	**65.9**	**60.9**	**1.3**	**128.1**
Carrying amount *In millions of euros*	Patents Technologies	Software	Other	Total
December 31, 2011	**126.8**	**36.6**	**21.0**	**184.4**
December 31, 2012	**90.6**	**46.1**	**20.3**	**157.0**
December 31, 2013	**77.9**	**45.8**	**26.0**	**149.7**

(a) Including the reclassification of bioTheranostics to "assets held for sale", accounting for a decrease of €35.5 million (see Note 4).
(b) Relates mainly to the derecognition of Biocartis technology.
(c) Including impairment taken against Biocartis technology for €6 million.

6. Goodwill

In millions of euros	CGU	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
AES	Industrial applications	126.1	126.1	125.8
AB bioMérieux (Sweden)	Bacteriology	69.7	71.9	69.3
Organon Teknika	Bacteriology	50.2	51.3	51.1
Argène	Molecular biology	19.3	19.3	19.3
PML (U.S.)	Industrial applications	11.8	12.4	12.6
Bacterial Barcodes (U.S.)	Bacteriology	7.1	7.4	7.9
BTF (Australia)	Industrial applications	5.7	7.0	7.0
Biotrol	Biochemistry	4.8	4.8	4.8
bioMérieux Inc (Vitek)	Bacteriology	2.5	2.6	2.7
MDI (U.S.)	Bacteriology	1.9	2.0	1.9
Meikang	Rapid tests	1.8	1.8	1.6
bioMérieux Spain	Bacteriology	1.8	1.8	1.8
bioMérieux Poland	bioMérieux Poland	1.7	1.8	1.8
bioMérieux Greece	bioMérieux Greece	1.7	1.7	1.7
Micro Diagnostics (Australia)	Bacteriology	1.6	2.0	2.0
bioMérieux South Africa	bioMérieux South Africa	1.4	1.8	2.0
bioMérieux Biological Products	Bacteriology	1.3	1.4	1.4
RAS Lifesciences	Molecular biology	0.4	0.5	
bioMérieux Brazil	bioMérieux Brazil	0.4	0.4	0.5
bioTheranostics (U.S.)	bioTheranostics			17.0
Dima	Rapid tests			3.5
Gross value		**311.1**	**317.7**	**335.3**
Impairment of goodwill recognized on Biotrol	Biochemistry	(3.9)	(2.8)	(1.0)
Impairment of goodwill recognized on Meikang	Rapid tests	(1.8)	(1.8)	
Impairment of goodwill recognized on Brazil	bioMérieux Brazil	(0.4)		
Carrying amount		**305.0**	**313.1**	**334.3**

Movements in this caption can be analyzed as follows:

In millions of euros		Carrying amount
December 31, 2011		**334.3**
Translation adjustments		1.7
Changes in Group structure	(a)	(2.7)
Impairment		(3.6)
Reclassifications	(b)	(16.6)
December 31, 2012		**313.1**
Translation adjustments		(6.6)
Impairment		(1.5)
December 31, 2013		**305.0**

(a) Including the sale of Dima (representing a decrease of €3.5 million) and the acquisition of RAS Lifesciences (increase of €0.5 million).
(b) Reflects the reclassification of bioTheranostics goodwill to "assets held for sale" (see Note 4).

Further to the impairment tests performed in accordance with the rules set out in Note 2.8, the Group recognized impairment losses against the following items in 2013:

- the full amount of bioMérieux Brazil goodwill (tested on an individual basis at the level of bioMérieux Brazil), representing €0.4 million. The tests did not lead to the recognition of impairment losses on the CGU's other assets; and

- Biotrol goodwill for €1.1 million, representing cumulative impairment losses of €3.9 million. The net residual value of this goodwill was €0.9 million at December 31, 2013.

Further to the impairment tests carried out in 2012, the Group recognized impairment losses against the following items (excluding bioTheranostics goodwill):

- the full amount of Meikang goodwill (associated with the Rapid Tests CGU), representing €1.8 million. The tests did not lead to the recognition of impairment losses on the CGU's other assets; and

- Biotrol goodwill for €1.8 million, representing cumulative impairment losses of €2.8 million at end-2012.

Except in the case of bioTheranostics, the impairment losses were recognized in operating income before non-recurring items.

The inputs used in the impairment tests carried out on the Group's main CGUs are set out below:

CGU	2013			2012		
	Carrying amount (a)	Discount rate	Perpetuity growth rate	Carrying amount (a)	Discount rate	Perpetuity growth rate
Industrial applications	143.7	9.0%	2.0%	145.4	9.3%	2.0%
Bacteriology	136.0	9.0%	2.0%	140.3	9.3%	2.0%
Biochemistry	0.9	9.0%	-	2.0	9.3%	-
Molecular biology	19.7	12.0%	2.5%	19.7	13.0%	3.5%

(a) Net amount of goodwill allocated to the CGU.

A lower discount rate was used for the Molecular Biology CGU in 2013 (12% versus 13% previously), due to the decrease in the specific risk relating to this business. The lower risk is linked to the end of the alliance between bioMérieux and Biocartis to develop and sell the integrated molecular biology system Apollo, further to the agreement signed in September 2013 to acquire BioFire, the U.S. private-sector company specializing in molecular biology. This acquisition was finalized in January 2014.

In accordance with IAS 1 “Presentation of Financial Statements”, the notes to the financial statements were adapted and only present the impairment tests resulting in material impairment losses for the Group. The explanatory notes do not therefore include the inputs used to test bioMérieux Poland, bioMérieux Greece, bioMérieux South Africa and bioMérieux Brazil goodwill for impairment, or the analysis of their sensitivity to changes in assumptions.

An analysis was carried out to assess the sensitivity of the impairment tests to changes in discount rates (adverse change of 50 basis points), perpetuity growth rates (adverse change of 50 basis points) and the operating margin (fall of 400 basis points in the ratio of operating income before non-recurring items to terminal value). As a result of this analysis, no additional impairment losses were recognized against the Industrial Applications and Clinical Bacteriology CGUs.

However, the Group analyzed those factors that would lead it to recognize impairment against the CGUs that proved most sensitive to the aforementioned changes in assumptions. The business plan was prepared using estimates and assumptions deemed most probable. For the Molecular Biology CGU, no reasonably probable scenario would result in the recognition of a material impairment loss. The calculation assumptions that would bring the test margin to zero are:

- a discount rate of 12.9%; or
- a perpetuity growth rate of negative 1.3%; or
- a decrease of 596 basis points in the operating margin in the last year of the business plan used to calculate the terminal value; or
- a decrease of 158 basis points in the operating margin based on 2014 projections.

For the Biochemistry CGU, changes in the calculation assumptions showed that in order to cover the assets and for each factor taken individually:

- an increase of 1 percentage point in the discount rate would not lead to a material additional impairment loss (€0.1 million);
- a decrease of 100 basis points applied each year to sales growth assumptions and a decrease of 500 basis points applied to the operating margin based on 2014 projections would lead to the recognition of an additional impairment loss of €0.4 million.

7. Property, plant and equipment – Finance lease receivables

7.1 Analysis of movements in property, plant and equipment

Gross value *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other	Assets under construction	Total
December 31, 2011	**22.8**	**279.6**	**245.1**	**335.3**	**87.7**	**40.8**	**1,011.3**
Translation adjustments	(0.2)	(2.3)	(1.8)	(1.9)	(1.0)	(0.6)	**(7.8)**
Changes in Group structure			0.2 [(a)]				**0.2**
Acquisitions/Increases	0.4	8.2	11.3	33.4	5.7	43.2	**102.2**
Disposals/Decreases		(1.7)	(5.8)	(33.7)	(3.0)		**(44.2)**
Reclassifications[(b)]	2.2	18.2	8.9	(0.1)	5.7	(34.8)	**0.1**
December 31, 2012	**25.2**	**302.0**	**257.9**	**333.0**	**95.1**	**48.6**	**1,061.8**
Translation adjustments	(0.4)	(5.0)	(4.0)	(15.9)	(3.8)	(1.6)	**(30.7)**
Acquisitions/Increases	7.3	13.2	12.9	30.3	5.2	37.7	**106.6**
Disposals/Decreases		(0.5)	(7.9)	(37.2)	(3.5)	(0.2)	**(49.3)**
Reclassifications	1.6	8.7	14.5	0.7	4.4	(30.7)	**(0.8)**
December 31, 2013	**33.7**	**318.4**	**273.4**	**310.9**	**97.4**	**53.8**	**1,087.6**

Depreciation and impairment *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other	Assets under construction	Total
December 31, 2011	**0.8**	**140.8**	**163.3**	**270.2**	**67.6**	**1.6**	**644.3**
Translation adjustments		(0.9)	(1.0)	(2.1)	(0.8)		**(4.8)**
Changes in Group structure			0.1		0.1		**0.2**
Additions[(c)]	0.1	14.4	22.8	29.6	7.5		**74.4**
Disposals/Decreases		(1.6)	(5.8)	(26.5)	(2.7)	(1.6)	**(38.2)**
Reclassifications	0.2	0.1	(2.3)	(0.2)	1.1		**(1.1)**
December 31, 2012	**1.1**	**152.8**	**177.1**	**271.0**	**72.8**		**674.8**
Translation adjustments		(2.3)	(2.5)	(12.4)	(2.8)		**(20.0)**
Additions[(c)]	0.1	15.2	21.1	27.2	7.6		**71.2**
Disposals/Decreases		(0.5)	(7.6)	(32.3)	(3.2)		**(43.6)**
Reclassifications		0.2	(0.3)	0.5	(0.1)		**0.3**
December 31, 2013	**1.2**	**165.4**	**187.8**	**254.0**	**74.3**		**682.7**

Carrying amount *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other	Assets under construction	Total
December 31, 2011	**22.0**	**138.8**	**81.8**	**65.1**	**20.1**	**39.2**	**367.0**
December 31, 2012	**24.1**	**149.2**	**80.8**	**62.0**	**22.3**	**48.6**	**386.7**
December 31, 2013	**32.5**	**152.9**	**85.6**	**56.9**	**23.1**	**53.8**	**404.8**

(a) Acquisition of RAS Lifesciences.
(b) Including the reclassification of bioTheranostics within "assets held for sale" (representing a decrease of €1.7 million).
(c) Cumulative impairment losses totaled €2 million at December 31, 2012 and €2.5 million at December 31, 2013.

Buildings relate to bioMérieux SA for €90.7 million, bioMérieux Inc. for €30.1 million, €9.9 million and €7.4 million for bioMérieux Shanghai Biotech.

Most of the instruments are placed with customers outside the Group.

A breakdown of property, plant and equipment acquired under finance leases is provided in Note 7.2.

7.2 Property, plant and equipment acquired under finance leases

Where an asset is leased under a finance lease that transfers to the Group substantially all the risks and rewards incidental to ownership of the leased asset, the asset is accounted for as property, plant and equipment as described in Note 2.7.

Total depreciation recorded against property, plant and equipment acquired under finance leases amounted to €0.3 million in 2013 and €0.7 million in 2012.

The corresponding finance lease liability for these capitalized assets – which is included in the balance sheet under borrowings – was €3.8 million at December 31, 2013 and €4.6 million at December 31, 2012 (see Note 17.5).

In millions of euros	Land	Buildings	Machinery and equipment	Other	Total
Gross value	0.4	10.1	1.2	2.3	14.0
Accumulated depreciation	0.0	(2.7)	(0.9)	(2.1)	(5.7)
Carrying amount at December 31, 2011	**0.4**	**7.4**	**0.3**	**0.2**	**8.3**
Gross value	0.4	10.1	0.9	2.3	13.7
Accumulated depreciation	0.0	(2.9)	(0.8)	(2.3)	(6.0)
Carrying amount at December 31, 2012	**0.4**	**7.2**	**0.1**	**0.0**	**7.7**
Gross value	0.4	10.1	0.8	2.4	13.7
Accumulated depreciation	0.0	(3.2)	(0.7)	(2.2)	(6.1)
Carrying amount at December 31, 2013	**0.4**	**6.9**	**0.1**	**0.2**	**7.6**

7.3 Finance lease receivables

Certain instruments are sold under finance lease arrangements (see Note 2.7). The usual lease term is five years and the interest rate applied is around 10%.

Finance lease receivables totaled €37.8 million at December 31, 2013.

In millions of euros	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	**Total**
Gross value of finance lease receivables	15.5	26.1	0.1	**41.6**
Accrued interest	(2.0)	(1.9)	-	**(3.8)**
Present value of minimum future lease payments	13.6	24.2	0.1	**37.9**
Impairment losses	(0.1)	-	-	**(0.1)**
Net present value of minimum future lease payments	**13.5**	**24.2**	**0.1**	**37.8**

The current portion of finance lease receivables is shown in trade receivables (see Note 10), while the non-current portion is carried in other non-current assets.

Receivables past due at the year-end which had not been written down represented a non-material amount.

8. Non-current financial assets

In millions of euros	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Loans and receivables	6.9 (a)	6.8	8.4
Available-for-sale financial assets	24.9	27.7	18.3
Financial assets at fair value through income under the fair value option	0.1	0.2	0.2
Total	**31.9**	**34.7**	**26.9**

(a) Including €3 million to cover retirement benefit obligations in Germany.

In millions of euros	Gross value	Impairment and changes in fair value	Carrying amount
December 31, 2011	**43.4**	**16.5**	**26.9**
Translation adjustments	(0.2)	(0.1)	(0.1)
Acquisitions/Increases	13.5 (a)	5.7 (b)	7.8
Disposals/Decreases	(6.3) (c)	(6.5) (d)	0.2
Reclassifications	(0.1)		(0.1)
December 31, 2012	**50.3**	**15.6**	**34.7**
Translation adjustments	(0.6)	(0.1)	(0.5)
Acquisitions/Increases	1.6	2.7 (e)	(1.1)
Disposals/Decreases	(0.2)	(0.2)	(0.0)
Reclassifications	(1.2) (f)		(1.2)
December 31, 2013	**49.9**	**18.0**	**31.9**

(a) Including acquisitions by bioMérieux SA of equity interests in Quanterix (€11.8 million).
(b) Including impairment of Knome shares (€5 million).
(c) Including exchange of Greek sovereign bonds within the scope of the PSI debt swap (negative €3.3 million), and the sale of the new bonds (negative €2.8 million).
(d) Including the reversal of provisions in respect of Greek sovereign bonds (negative €4.6 million) and Relia shares (negative €1.7 million).
(e) Including impairment of Knome shares (€2.3 million).
(f) Including changes in the fair value of Labtech shares recognized in other comprehensive income (negative €0.8 million).

In millions of euros	**Carrying amount**	**Statutory data**		
		% ownership	Equity excl. net income	Net income/(loss) for the year
Quanterix	11.8	14.0%	(21.9) (a)	(11.6) (a)
Biocartis	9.0	3.9%	81.4 (a)	(58.6) (a)
Virgin Instruments	1.8	17.2%	1.4 (c)	(0.0) (c)
ReLia	1.7	7.0%	(3.7) (a)	(0.9) (a)
Labtech	0.5	9.8%	8.7 (b)	0.4 (b)
ATI	0.1	3.3%	- (d)	- (d)
Dynavax Technologies	0.1	0.04%	140.0 (a)	(54.4) (a)
Total	**25.0**			

(a) Most recent available data: year ended December 31, 2012.
(b) Most recent available data: year ended June 30, 2013.
(c) Most recent available data: year ended December 31, 2013.
(d) First reporting period in 2013.

All equity interests are classified as available-for-sale financial assets, with the exception of shares in Dynavax Technologies, classified as at fair value through income (see Note 2.19).

9. Inventories and work-in-progress

In millions of euros	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Raw materials	85.5	84.7	79.0
Work-in-progress	41.2	37.8	37.6
Finished products and goods held for resale	156.3	142.0	122.0
Gross value	**283.1**	**264.5**	**238.6**
Raw materials	(5.5)	(4.7)	(5.6)
Work-in-progress	(3.4)	(2.5)	(2.8)
Finished products and goods held for resale	(12.4)	(11.3)	(13.1)
Provisions	**(21.4)**	**(18.5)**	**(21.5)**
Raw materials	80.0	80.1	73.5
Work-in-progress	37.8	35.2	34.8
Finished products and goods held for resale	143.9	130.6	108.9
Carrying amount	**261.7**	**245.9**	**217.1**

Inventories relating to instruments account for 29% of the gross value of this caption.

No pledges of inventories had been granted at December 31, 2013.

10. Trade receivables

In millions of euros	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Gross trade receivables	439.6	458.2	470.3
Impairment losses	(19.0)	(24.8)	(23.2)
Carrying amount	**420.5**	**433.4**	**447.1**

Of the Group's trade receivables, 31.2% are due from government agencies and may be paid later than the date shown on the invoice.

Impairment is recognized on a case-by-case basis by reference to various criteria including disputes, arrears, and so on.

The original maturities of the majority of these receivables are less than six months. They include the short-term portion of finance lease receivables (see Note 7.3). Net past-due receivables owed by private-sector companies represented 18.9% of total outstanding trade receivables at end-2013, versus 18.1% at end-2012.

At December 31, 2013, receivables owed by the Italian State (€38 million), the Spanish State (€23.8 million), the Portuguese State (€9.5 million) and the Greek State (€4.3 million) have been written down respectively by €1.5 million, €0.1 million, €2.6 million and €2.4 million. Outstanding receivables fell significantly after Southern European government agencies resumed a sustained level of repayments.

At December 31, 2012, receivables owed by the Italian State (€49.4 million), the Spanish State (€16.9 million), the Greek State (€13.4 million) and the Portuguese State (€9 million) were written down respectively by €1.7 million, €1.3 million, €7.9 million and €2.4 million.

11. Other receivables

In millions of euros	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Advances and downpayments	2.8	4.9	3.3
Pre-paid expenses	7.3	8.2	6.0
Other	57.5	58.2	41.2
Impairment losses	(0.1)	(0.1)	(0.1)
Carrying amount of other operating receivables	**67.5**	**71.2**	**50.4**
Current tax receivable	**7.7**	**20.7**	**19.6**
Carrying amount of non-operating receivables	**10.9**	**8.4**	**1.0**

Other operating receivables chiefly comprise research tax credit receivables (€36.3 million at December 31, 2013 versus €29.7 million at end-2012 and €13.5 million at end-2011), and other tax-related receivables. The receivable relating to the CICE tax credit amounted to €2.1 million at December 31, 2013.

Non-operating receivables relate mainly to the fair value of derivative instruments.

The majority of operating receivables fall due within one year.

12. Cash and cash equivalents

Cash and cash equivalents includes available cash and short-term investments meeting the definition set out in Note 2.11. They broke down as follows for the periods presented:

In millions of euros	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Cash at bank and in hand	138.1	49.5	42.3
Cash pool[(a)]	27.0	15.0	-
Short-term investments	262.9	1.1	0.4
Total	**428.0**	**65.6**	**42.7**

(a) Pooled with Institut Mérieux.

At the end of 2013, cash proceeds from the bonds issued to fund the acquisition of BioFire in the U.S. were invested in term accounts or in various monetary funds for €200 million.

Other cash equivalents were invested in SICAV money-market funds for €2.9 million at end-2013 versus €1.1 million at end-2012.

The sums are placed with leading credit institutions. No adjustments were recognized in respect of the risk of non-collection associated with these financial assets following the analysis carried out pursuant to IFRS 13 (see Note 29.2).

Cash investments in SICAV money-market funds are as follows:

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Investment	3-month SICAV CA AM	3-month SICAV CA AM	3-month SICAV CA AM
Amount	€2.9 million	€1.1 million	€0.4 million
Type	Short-term money-market fund	Short-term money-market fund	Short-term money-market fund
ISIN code	FR0000296881	FR0000296881	FR0000296881

The Group regularly reviews the investments made by each “SICAV” euro money-market fund as well as their past performance in order to ensure that they qualify as “cash and cash equivalents” in accordance with the recognition criteria in IAS 7.

13. Share capital

The Company's share capital amounted to €12,029,370 at December 31, 2013 and was divided into 39,453,740 shares, of which 25,519,246 shares carried double voting rights. Following a decision taken by shareholders at the Shareholders' Meeting of March 19, 2001, the Company’s bylaws no longer refer to a par value for its shares. No rights or securities with a dilutive impact on capital were outstanding at December 31, 2013.

There were no changes in the number of outstanding shares in 2013.

At December 31, 2013, the parent company held 9,900 of its own shares in connection with a liquidity agreement entered into with an independent investment firm for market-making purposes (see Note 2.12). During the year, the Company purchased 65,443 of its own shares and sold 64,143 in connection with the liquidity agreement.

At December 31, 2013, it also held 713 shares in treasury for allocation under the share grant plans authorized at various Annual General Meetings. During 2013, the Company definitively allocated 6,001 free shares to employees (see Note 19).

The Company is not subject to any specific regulatory or contractual obligations in terms of its share capital.

The Group does not have any specific policy concerning capital financing. Decisions on whether to use debt or equity financing are made on a case-by-case basis for each proposed transaction. The equity used by the Group for its own operations corresponds to its consolidated equity.

14. Cumulative translation adjustments

In millions of euros	**Dec. 31, 2013**	**Dec. 31, 2012**	**Dec. 31, 2011**
Dollar[(a)]	(20.8)	(9.4)	(3.6)
Latin America	(1.5)	1.8	2.3
Europe - Middle East - Africa	(7.5)	1.1	(2.9)
Other countries	2.0	9.4	9.8
Total	**(27.8)**	**2.8**	**5.6**

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

In 2013, changes in cumulative translation adjustments result from the translation of income and expenses at the average exchange rate for the year (negative impact of €7.3 million versus a negative impact of €5.8 million in 2012) and from the translation of net opening equity and dividend payouts at the year-end exchange rate (negative impact of €23.4 million versus a positive impact of €3 million in 2012).

15. Provisions – Contingent assets and liabilities

15.1 Movements in provisions

In millions of euros	Pension and other employee benefit obligations	Product warranties	Restructuring	Other provisions for contingencies and losses	Total
December 31, 2011 – published	**31.4**	**3.9**	**2.4**	**9.5**	**47.2**
Amended IAS 19	41.6				41.6
January 1, 2012 – restated	**73.0**	**3.9**	**2.4**	**9.5**	**88.8**
Additions	17.7	4.4	0.6	5.8	28.5
Reversals (utilizations)	(9.1)	(4.1)	(1.8)	(5.3)	(20.2)
Reversals (surplus)	(0.3)	(0.7)	(0.3)	(0.8)	(2.1)
Changes in Group structure	0.4	-	-	(0.1)	0.3
Amended IAS 19	19.2	-	-		19.2
Translation adjustments	(0.2)	-	-	(0.3)	(0.5)
December 31, 2012 – restated	**100.7**	**3.4**	**1.0** (a)	**8.9** (b)	**114.0**
Additions	2.8	3.4	-	3.6	9.8
Reversals (utilizations)	(9.4)	(2.9)	(0.3)	(0.9)	(13.5)
Reversals (surplus)	(0.4)	(0.7)	(0.5)	(1.8)	(3.4)
Amended IAS 19	(20.2)	-	-		(20.2)
Translation adjustments	(2.3)	(0.2)	-	(0.5)	(3.0)
Other changes	-	-	-	(0.3)	(0.3)
December 31, 2013	**71.3**	**3.0**	**0.2** (a)	**9.0** (b)	**83.5**

(a) See Note 15.3.2.
(b) Of which provisions for litigation (see Note 15.3.1).

Provisions at December 31, 2011 and December 31, 2012 are shown including the impact of the amended IAS 19. A reconciliation with the published version of the financial statements is presented in Note 3.

Provisions for product warranties are recognized based on an estimate of the costs relating to the contractual warranty for instruments sold over the remaining period under warranty.

Short-term provisions represented €10.2 million at December 31, 2013, €11 million at December 31, 2012 and €14 million at December 31, 2011.

Net additions in 2013 primarily affect operating income before non-recurring items (negative impact of €6.1 million) and other non-recurring income and expenses from operations (negative impact of €0.8 million).

Reversals of utilized provisions mainly concern contributions to the plan assets of U.S. companies.

15.2 Pension and other long-term benefit obligations

15.2.1 Assumptions used

Pension and other benefit obligations are covered by provisions as described in Note 2.13 and essentially concern the U.S. and France. These obligations are calculated by actuaries using several different assumptions.

The main assumptions used at December 31, 2012 and 2013 were as follows:

	U.S.		France	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Salary increase rate	3.50%	3.50%	3.00%	3.00%
Discount rate	4.75%	3.90%	3.00%	3.00%
Employee mobility rate[(a)]	-	-	0% to 10%	0% to 10%
Average service	18.6	18.4	14.6	14.6

(a) Depending on age and status of the employee (managerial/non-managerial grade).

15.2.2 Breakdown of provisions for employee benefits

In millions of euros	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Post-employment benefits[(a)]	61.0	91.0	65.9
Long-service awards	10.2	9.7	7.1
Total	**71.3**	**100.7**	**73.0**

(a) Under the amended IAS 19.

15.2.3 Change in provisions for post-employment benefit obligations

In millions of euros	Present value of obligation	Fair value of plan assets[(a)]	**Provisions for pensions – defined benefit plans**	Other provisions for pensions and miscellaneous	Post-employment health insurance	**Total provisions for post-employment benefits**
December 31, 2012[(b)]	**185.4**	**(100.4)**	**85.0**	**4.2**	**1.8**	**91.0**
Current service cost	10.0		**10.0**	0.2	0.0	**10.3**
Interest cost	6.6	(3.5)	**3.1**	0.1	0.1	**3.3**
Retirements	(5.5)	1.8	**(3.6)**	(0.4)	(0.1)	**(4.1)**
Plan modifications	(12.5)		**(12.5)**			**(12.5)**
Contributions		(7.6)	**(7.6)**			**(7.6)**
Impact on operating income	**(1.4)**	**(9.3)**	**(10.6)**	**(0.0)**	**0.0**	**(10.6)**
Impact on other comprehensive income (actuarial differences)	**(18.3)**	**(1.7)**	**(20.0)**		(0.2)	**(20.2)**
Exchange rate effects and other	(6.3)	7.2	**0.9**	(0.1)		**0.9**
December 31, 2013	**159.5**	**(104.2)**	**55.3**	**4.1**	**1.6**	**61.0**

(a) Plan assets and scheduled payments.
(b) Under the amended IAS 19.

Changes in actuarial gains and losses result mainly from the U.S. pension plan.

In millions of euros	Present value of obligation	Fair value of plan assets[(a)]	**Provisions for pensions – defined benefit plans**	Other provisions for pensions and miscellaneous	Post-employment health insurance	**Total provisions for post-employment benefits**
January 1, 2012[(b)]	**149.9**	**(89.8)**	**60.1**	**3.6**	**2.2**	**65.9**
Current service cost	10.2		**10.2**	0.2	0.0	**10.4**
Interest cost	6.9	(4.1)	**2.9**	0.2	0.1	**3.1**
Retirements	(2.5)	1.7	**(0.8)**	(0.4)	(0.1)	**(1.2)**
Plan modifications	0.0		**0.0**			**0.0**
Contributions		(7.1)	**(7.1)**			**(7.1)**
Impact on operating income	**14.6**	**(9.5)**	**5.2**	**0.0**	**0.0**	**5.2**
Impact on other comprehensive income (actuarial differences)	**22.4**	**(2.7)**	**19.7**		(0.4)	**19.2**
Exchange rate effects and other	(1.5)	1.6	**0.1**	0.6		**0.7**
December 31, 2012[(b)]	**185.4**	**(100.4)**	**85.0**	**4.2**	**1.8**	**91.0**

(a) Plan assets or scheduled payments.
(b) Under the amended IAS 19.

Changes in actuarial gains and losses result mainly from the U.S. pension plan.

15.2.4 Net post-employment benefit expense for the year

In millions of euros	**Dec. 31, 2013**	**ec. 31, 2012 [(a)]**
Current service cost	10.3	10.4
Return on plan assets	(3.5)	(4.1)
Interest cost on obligation	6.8	7.2
Plan curtailments and modifications	(12.5)	0.0
Total	**1.2**	**13.5**

(a) Under the amended IAS 19.

Year-on-year changes in this expense relate primarily to the curtailment of a pension plan in the U.S. This plan generated a gain of €12.5 million in 2013, which is shown in operating income (see Note 1.1.5).

15.2.5 Breakdown of net obligation by country

In millions of euros	December 31, 2013			
	U.S.	**France**	**Other countries**	**Total**
Present value of obligation	121.7	25.0	12.8	**159.5**
Fair value of plan assets[a]	(86.2)	(14.7)	(3.3)	**(104.2)**
Provisions for pensions – defined benefit plans	**35.5**	**10.3**	**9.4**	**55.3**
Post-employment health insurance	1.5	0.1		**1.6**
Other pension and long-term benefit obligations			4.1	**4.1**
Total post-employment benefits	**37.0**	**10.4**	**13.6**	**61.0**
Long-service awards		10.2		**10.2**
Total provisions for pensions and other long-term benefits	**37.0**	**20.7**	**13.6**	**71.3**

(a) Plan assets or scheduled payments.

In millions of euros	December 31, 2012[b]			
	U.S.	**France**	**Other countries**	**Total**
Present value of obligation	149.9	23.4	12.1	**185.4**
Fair value of plan assets[a]	(83.9)	(13.4)	(3.1)	**(100.4)**
Provisions for pensions – defined benefit plans	**66.0**	**10.0**	**9.0**	**85.0**
Post-employment health insurance	1.8	0.1		**1.8**
Other pension and long-term benefit obligations			4.2	**4.2**
Total post-employment benefits	**67.7**	**10.1**	**13.2**	**91.0**
Long-service awards		9.7		**9.7**
Total provisions for pensions and other long-term benefits	**67.7**	**19.7**	**13.2**	**100.7**

(a) Plan assets or scheduled payments.
(b) Under the amended IAS 19.

15.2.6 Information on plan assets

15.2.6.1 Allocation of plan assets

In millions of euros	Dec. 31, 2013		Dec. 31, 2012	
	France	**U.S.**	**France**	**U.S.**
Equities	1.0	31.0	0.9	33.8
Bonds	11.7	47.6	10.7	34.6
Other	1.3	1.1	1.2	8.5
Total	**14.0** [a]	**79.7** [b]	**12.8** [a]	**76.9** [b]

(a) Excluding AES.
(b) Excluding scheduled payments.

Plan assets in France and in the U.S. are placed with insurance companies.

15.2.6.2 Actual return on plan assets

In %	**Dec. 31, 2013**	**Dec. 31, 2012**
France	2.2%	4.3%
U.S.	5.9%	8.4%

There was no change in accounting policy regarding the calculation of the actual return on plan assets in 2013.

15.2.7 Other information

The timing of future benefit payments at December 31, 2013 is as follows:

In %	**Future benefit payments (as a % of net obligation)**
Less than 1 year	5%
1-5 years	30%
Beyond 5 years	65%

A portion of these payments will be funded by the plan assets. Contributions will be decided on a yearly basis.

Changes in actuarial gains and losses in 2013 mainly reflect the rise in the discount rate applied to pension obligations in the U.S. In 2012, changes in actuarial gains and losses had been affected by the decrease in discount rates to record low levels (the discount rates applied in the ten years up to 2012 had generally been between 4% and 4.5%).

A 0.5-point increase in the discount rate would have had a positive 8.3% impact (€13.2 million) on the Group's defined benefit obligations.

15.3 Other provisions

15.3.1 Provision for claims and litigation

The Company is involved in a certain number of claims arising in the ordinary course of business, the most significant of which are described below. Based on available information, the Company considers that these claims will not have a materially adverse impact on its ability to continue as a going concern. When a risk is identified, a provision is recognized as soon as the risk can be reliably measured. The provision for claims and litigation covers all disputes in which the Company is involved and amounted to €7.5 million at December 31, 2013 and €6.8 million at December 31, 2012.

In particular, the Company is involved in a dispute with a distributor over the termination of its distribution contract. There were no developments in this dispute in 2013. A provision has been set aside for the probable amounts that the Company will have to pay based on the plaintiff's claims. The provision totaled €3.8 million at December 31, 2013 and €4 million at December 31, 2012.

15.3.2 Restructuring provisions

The initial €1.8 million restructuring provision relating to the Portland site in the U.S. (PML), which was definitively closed in June 2012, was written back in an amount of €1.7 million in 2012 and 2013, representing the costs incurred.

The initial €0.6 million restructuring provision relating to the Basingstoke site, which was definitively closed in 2013, was written back in an amount of €0.5 million in 2013, representing the costs incurred.

15.4 Contingent assets and liabilities

Contingent assets

No material contingent assets were identified at December 31, 2013.

Contingent liabilities

Following a tax audit carried out on the Group's operations in Italy, the transfer prices applied to the Italian subsidiary and the portion of shared costs allocated to it were challenged by the tax authorities. Based on available information, the Company and its legal advisors are of the opinion that there are no valid grounds for this challenge and intend to strongly contest the findings of the tax authorities. The Company will use all possible means of recourse to defend its position. The duration and outcome of this dispute cannot be anticipated at this stage of the proceedings. An amicable resolution procedure in relation to this tax dispute is currently under way with the relevant French and Italian authorities. There were no developments in this dispute in 2013.

Following a tax audit carried out on the Group's operations in Spain, the tax authorities challenged the transfer pricing arrangements. The case is in progress before the Spanish Administrative Court and arbitration proceedings should be launched.

As part of the agreements with IMAccess to develop rapid tests, the Group could make staggered payments totaling €1 million contingent on the success of the development phases and the sale of three tests, as well as an additional payment of €1 million indexed to a sales target.

No other material contingent liabilities were identified at December 31, 2013.

16. Deferred tax

In millions of euros	Deferred tax assets	Deferred tax liabilities
December 31, 2011 – published	**28.2**	**41.2**
Amended IAS 19	14.5	
January 1, 2012 – restated	**42.7**	**41.2**
Translation adjustments	(0.5)	(0.2)
Movements recognized in income	1.9	21.4
Other comprehensive income[(a)]	3.4	(0.0)
Other movements	(5.4)	(16.1)
December 31, 2012 – restated	**42.2**	**46.3**
Translation adjustments	(1.6)	(0.2)
Movements recognized in income	(0.7)	(10.2)
Other comprehensive income[(a)]	(5.6)	
Other movements	(0.4)	(0.3)
December 31, 2013	**33.9**	**35.6**

(a) Including a negative impact of €7 million in 2013 and a positive impact of €6.6 million in 2012 relating to the application of the amended IAS 19.

Deferred tax assets were restated at December 31, 2011 and 2012 to reflect the impact of applying the amended IAS 19 (€14.5 million at end-2011 and €21.1 million at end-2012) (see Note 3).

The majority of the Group's deferred tax assets were generated in the U.S., due to temporary tax differences arising as a result of certain provisions being non-deductible and the elimination of internal gains on inventories.

Deferred taxes on other comprehensive income items relate to fair value adjustments to financial instruments and deferred taxes relating to treasury shares.

There were no deferred taxes arising on tax loss carryforwards at December 31, 2013.

At December 31, 2013, unrecognized deferred tax assets amounted to €43.3 million (including €30.1 million in respect of unrecognized tax loss carryforwards), representing a potential tax saving of €12.5 million (including €8.5 million in respect of unrecognized tax loss carryforwards).

At December 31, 2012, unrecognized deferred tax assets amounted to €30.5 million (including €21.5 million in respect of unrecognized tax loss carryforwards), representing a potential tax saving of €8.6 million (including €6 million in respect of unrecognized tax loss carryforwards).

Deferred tax liabilities primarily relate to the fair value recognition of the non-current assets acquired as part of the business combinations with AES (€7.3 million), Argene (merged with bioMérieux SA: €6.6 million), bioMérieux Spain (merged with Biomedics: €2.5 million) and BTF (€2.2 million). At December 31, 2013, deferred tax liabilities result from consolidation adjustments recorded for €10 million and include €0.4 million in provisions for taxes in respect of dividend payouts planned for 2014.

17. Net debt/Net cash

17.1 Debt refinancing

At December 31, 2013, the Group had a net cash position of €24.9 million.

On October 14, 2013, bioMérieux SA issued €300 million worth of seven-year bonds to institutional investors, redeemable at par on maturity. The bonds pay interest at an annual rate of 2.875%.

The bond issue is shown on the balance sheet at amortized cost calculated using the effective interest rate method for an amount of €296.9 million, reflecting the issue price net of issue fees and premiums. Interest costs were calculated by applying the effective interest rate including issue fees and premiums.

bioMérieux SA also has a syndicated revolving five-year loan of €350 million repayable in full at maturity (March 2017). The facility agreement contains default clauses (see Note 17.3). No amounts were drawn down under this facility in 2013 (€60 million in 2012).

17.2 Maturities of borrowings

The maturity schedule below refers to balance sheet amounts.

In millions of euros	Dec. 31, 2011	Dec. 31, 2012	Change in statement of cash flows	Translation differences and other movements[a]	Dec. 31, 2013
Cash and cash equivalents[c]	42.8	65.6	363.6	(1.3)	428.0
Bank overdrafts and other uncommitted debt	(62.0)	(13.6)	(1.2)	0.9	(14.0)
Net cash and cash equivalents (A)	**(19.2)**	**52.0** [b]	**362.5**	**(0.4)**	**414.0** [b]
Committed debt (B)	**111.8**	**100.4**	**293.3**	**(4.6)**	**389.1**
o/w due beyond five years	3.2	1.6			298.8
o/w due in 1 to 5 years	9.3	8.2			5.8
o/w due within 1 year	99.2	90.6			85.2
Net cash and cash equivalents (net debt) (A) - (B)	**(131.2)**	**(48.4)**	**69.2**	**4.2**	**24.9**

(a) Including the reclassification of cash at bank relating to bioTheranostics within "assets held for sale" for a negative amount of €0.3 million.
(b) Excluding cash relating to bioTheranostics classified within "assets held for sale" (€0.9 million at end-2013 and €0.5 million at end-2012).
(c) See Note 12.

At December 31, 2013, borrowings maturing in over five years mainly concern the bonds issued to fund the acquisition of the BioFire in the U.S. for €296.9 million (net of issue fees and premiums calculated using the amortized cost method). Borrowings maturing between one and five years include the employee profit-sharing account for €1.1 million, and finance lease liabilities of €2.6 million. Borrowings maturing within one year mainly include commercial paper for €60 million.

At December 31, 2013, the Group had not breached any of its repayment schedules.

At end-2013 and end-2012, the Group had no liabilities in respect of borrowed securities or short sales.

No loan agreements were signed prior to December 31, 2013 concerning loans to be set up in 2014.

17.3 Debt covenants

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

The syndicated loan is subject to compliance with one financial ratio: net debt may not exceed three times EBITDA before depreciation/amortization and acquisition expenses. This covenant – which is tested twice per year – was respected at December 31, 2013.

The Group's other term borrowings at December 31, 2013 primarily corresponded to commercial paper, finance lease liabilities related to assets in Italy and the employee profit-sharing account. None of these forms of borrowings are subject to covenants.

17.4 Interest rates

Before hedging, 76.6% of the Group's borrowings are at fixed rates (€298 million) and the rest is at floating rates (€91.1 million).

Fixed-rate borrowings comprise the €296.9 million bond issue maturing in 2020 and paying a coupon of 2.875%, and the restricted current employee profit-sharing account for €1.1 million.

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

17.5 Borrowings corresponding to finance lease liabilities

17.5.1 Principal amount of the borrowings

In millions of euros	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Due within 1 year	0.9	1.0	1.0
Due in 1 to 5 years	2.8	3.5	4.6
Due beyond 5 years	0.0	0.2	0.6
Total	**3.8**	**4.6**	**6.2**

17.5.2 Future lease payments (principal and interest)

In millions of euros	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Minimum future payments	**4.1**	**5.1**	**7.0**
Due within 1 year	1.1	1.1	1.2
Due in 1 to 5 years	3.0	3.8	5.1
Due beyond 5 years	0.0	0.2	0.7
Less interest	(0.3)	(0.5)	(0.8)
Present value of future lease payments	**3.8**	**4.6**	**6.2**

17.6 Breakdown of net cash/(net debt) by currency

In millions of euros	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Euro	**45.7**	**(30.1)**	**(139.5)**
Chinese yuan	14.0	9.2	(3.3)
Swedish krona	5.6	(0.6)	4.2
Australian dollar	3.2	1.9	0.9
Russian rouble	2.6	(0.9)	(3.5)
Canadian dollar	2.4	(1.5)	(0.4)
Swiss franc	2.3	0.1	(0.1)
Pound sterling	1.4	(1.2)	(2.9)
South African rand	1.3	1.3	1.6
Indian rupee	(1.3)	(2.0)	(0.4)
Colombian peso	(1.5)	(1.4)	(1.3)
Brazilian real	(1.9)	(11.7)	(11.8)
Argentine peso	(2.3)	(2.2)	(1.8)
Japanese yen	(8.8)	(7.8)	(7.5)
U.S. dollar	(33.6)	(2.7)	28.6
Other currencies	(4.1)	1.0	6.0
Total	**24.9**	**(48.4)**	**(131.2)**

17.7 Loan guarantees

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

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

18. Trade and other payables

In millions of euros	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Trade payables	**132.3**	**145.1**	**142.6**
Advances and downpayments received	3.6	3.4	1.7
Accrued payroll and other taxes	156.5	152.4	144.7
Deferred income	47.5	44.8	37.0
Other	15.2	17.3	15.5
Other operating payables	**222.8**	**217.9**	**198.9**
Current tax payables	**19.7**	**20.2**	**27.3**
Due to suppliers of non-current assets	18.2	22.4	18.2
Other	1.4	1.4	9.5
Non-operating payables	**19.6**	**23.8**	**27.7**

Operating and non-operating payables generally fall due within one year, except for certain deferred income.

Other non-operating payables relate mainly to the fair value of derivative instruments.

19. Share-based payment

19.1 Share grant plans

Number of shares	Year in which plan opened				
	2009	2010	2011	2012	2013
Initial number of shares granted	52,256	252,851	51,567	26,000	41,700
Forfeited shares	6,659	115,098	4,999		
Number of shares remitted in 2013	4,571		1,430		
Total number of vested shares	45,597	4,253	1,463		
Number of shares to be delivered as of December 31, 2013	0	133,500	45,105	26,000	41,700

In 2009, 2010, 2011, 2012 and 2013, the Board of Directors granted free shares to certain employees and corporate officers.

Under the terms of the different plans, the shares are subject to a vesting period of two or four years.

Moreover, the free shares will only vest if certain performance conditions are met. These conditions are the same as those used to calculate the variable compensation of the Group's main senior executives and they are based either on sales and operating income or on other specific objectives. In addition to the vesting period, the free shares are subject to a two-year lock-up period. However, this may be waived for shares granted to non-French tax residents provided that the shares concerned are subject to a four-year vesting period.

In 2013, the Group recognized a net expense of €0.6 million in personnel costs in respect of share-based payment (versus net income of €3.1 million in 2012, further to the projected failure to achieve the continuous employment and performance conditions).

At December 31, 2013, bioMérieux SA held 713 of its own shares for allocation under the above-described share grant plans. The Company will have to purchase a further 245,592 shares to cover its commitments, the cost of which would be €18.7 million based on the share price at December 31, 2013. Taking into account the forecast achievement of performance conditions at that date, the Company will have to purchase 69,092 treasury shares, representing a cost of €5.3 million based on the same market price.

19.2 Stock option plans

	Stock option plans
Company	bioTheranostics
Date of Shareholders' Meeting authorizing the plan	September 24, 2008
Maximum number of options that may be granted	2,000,000
Beneficiaries	Corporate officers/employees/consultants
Vesting conditions	Continuous employment
Vesting period	Options vest over 4 years from the grant date – 25% at the end of each year (cliff
Option expiration date	10 years from the grant date
Subscription price per share	USD 2.28
Number of options granted in 2013	294,500
Total number of options granted at Dec. 31, 2013	2,807,300
Number of shares that may be subscribed at Dec. 31, 2013	1,143,550
Number of options exercised at Dec. 31, 2013	0
Number of shares subscribed at Dec. 31, 2013	10
Number of options forfeited in 2013	369,125
Total number of options forfeited at Dec. 31, 2013	1,038,365
Number of options outstanding at Dec. 31, 2013	231,065

bioTheranostics carried out a stock split in 2010. Consequently the number of stock options that may be granted pursuant to the authorization given by the Shareholders' Meeting of September 24, 2008 has been increased from 1 million to 2 million.

The related expense recognized in personnel costs in 2013 was not material.

bioTheranostics' stock option plan has no material impact on the calculation of the Group's diluted earnings per share.

20. Other operating income and expenses

In millions of euros	**2013**	**2012**
Net royalties received	6.8	6.1
Research tax credits	18.9	17.9
Research grants	2.4	2.3
Other	0.1	(0.2)
Total	**28.2**	**26.1**

21. Operating lease expenses

In millions of euros	**2013**	**2012**
Operating lease expenses	25.7	25.6

22. Personnel costs

In millions of euros	**2013**	**2012**
Wages and salaries	379.7	357.7
Payroll taxes	135.6	131.2
Incentive and employee profit-sharing plans	9.2	12.1
Total	**524.5**	**501.0**

Wages and salaries take into account the share in the fair value of share-based payment (see Note 19.1).

Payroll taxes include amounts paid into defined contribution plans for €9.4 million.

CICE tax credits introduced in France to boost competitiveness and employment was recognized as a deduction of payroll taxes (see Note 2.14).

Incentive and employee profit-sharing plans only concern bioMérieux SA and AES Chemunex. No profit-sharing was recognized in 2013.

	2013	**2012**
Average headcount	7,609	6,787
Headcount at year-end	7,724	7,285

The 2012 headcount as published was restated to reflect changes resulting from the standardization of the calculation methods used.

23. Depreciation, amortization, provisions and impairment

In millions of euros	**2013**	**2012**
Depreciation and amortization of non-current assets	97.7	117.7
Provisions	(7.1)	6.1
Impairment of current assets	(1.7)	(1.2)
Impairment of non-current financial assets	2.7	(4.0)
Total	**91.6**	**118.6**

24. Net financial expense

24.1 Cost of net debt

In millions of euros	**2013**	**2012**
Net financial expense	(3.9)	(4.7)
Foreign exchange gains (losses)		(1.7)
Total	**(3.9)**	**(6.4)**

In 2013, the cost of net debt chiefly includes interest on arranging the bond issue.

24.2 Other financial income and expenses

In millions of euros	**2013**	**2012**
Interest income on leased assets	2.7	3.5
Impairment and disposals of shares in non-consolidated companies	(2.5)	(3.9)
Derivative hedging instruments	(11.8)	(6.4)
Other	1.5	1.9
Total	**(10.1)**	**(4.9)**

24.3 Foreign exchange gains and losses

Foreign exchange gains and losses result from variations between the transaction exchange rate and the settlement rate (or the year-end rate if the payment has not yet been made). These differences only partially reflect the impact of currency fluctuations.

The transaction exchange rate is the rate prevailing on the date the transaction takes place. The settlement exchange rate is either the rate in effect on the date of payment or the hedging rate (excluding time value) if a currency hedge was set up for the transaction.

Foreign exchange gains and losses on commercial transactions are recognized under the relevant headings in the income statement. The table below shows their income statement impact in 2013 and 2012:

In millions of euros	**2013**	**2012**
Sales	(1.2)	(10.4)
Purchases	5.1	(8.7)
Financial items	0.0	(1.7)
Total	**4.0**	**(20.9)**

25. Other non-recurring income and expenses from operations

In millions of euros	**Notes**	**2013**	**2012**
Impairment of bio Theranostics	6.2		(21.0)
Impairment of Biocartis	1.0	(6.0)	
Fees related to business development expenses		(1.9)	
AbBiodisk earnout		(1.1)	
Brazilian tax dispute			(2.3)
Impairment of Boxtel site	6.2	(1.0)	(1.4)
Restructuring		(0.3)	(0.9)
Impairment of receivables owed by the Greek State	9.0	5.5	0.3
Disposal loss on Greek State bonds			(0.3)
Disposal gains (losses) on non-current assets		(0.2)	(0.3)
Other		0.1	0.5
Total		**(4.9)**	**(25.4)**

26. Income tax

26.1 Analysis of income tax expense

In millions of euros	2013		2012	
	Tax	Rate	Tax	Rate
Theoretical tax at statutory French tax rate	**92.5**	**38.0%**	**80.9**	**36.2%**
- Impact of items taxed at reduced rates and foreign tax rates	(14.9)	-6.1%	(6.8)	-3.0%
- Taxes on dividends	(0.7)	-0.3%	3.4	1.5%
- Impact of permanent differences	5.8	2.4%	10.4	4.6%
- Tax assets not recognized on tax losses carried forward	3.9	1.6%	8.3	3.7%
- Impact of new tax on the payment of dividends	1.2	0.5%		
- Impact of presenting research and CICE competitiveness/ employment tax credits in operating income	(8.1)	-3.3%	(6.1)	-2.7%
- Tax credits (other than research tax credits)	(1.0)	-0.4%	(0.7)	-0.3%
Actual income tax expense	**78.4**	**32.2%**	**89.4**	**40.0%**

The basic corporate income tax rate in France is 33.33%. Act no. 99-1140 of December 29, 1999 on social security funding introduced a surtax that raised the statutory rate by 1.1%. The amended 2011 Finance Act introduced a 5% income tax surcharge payable on earnings in 2012 and 2013, raising the income tax rate for 2011 and 2012. In 2013, the amended 2013 Finance Act increased the temporary surcharge rate from 5% to 10.7%, bringing the theoretical tax rate to 38% at December 31, 2013 (applied to income tax for the year and short-term deferred taxes).

Changes in the impact resulting from income taxed at reduced rates and foreign tax rates relate mainly to the increase in the theoretical statutory tax rate in France, which was higher than the tax rate in the U.S. in 2013.

26.2 Breakdown of income tax expense

In millions of euros	2013	2012
Income tax on operating income before non-recurring items	79.9	100.9
Income tax on other operating income and expenses	2.8	(8.6)
Income tax on net financial income/(expense)	(4.3)	(2.9)
Total	**78.4**	**89.4**
of which current income tax expense/benefit	87.3	69.9
of which net deferred income tax expense/benefit	(8.9)	19.6

27. Information by geographic area

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

December 31, 2013 *In millions of euros*	Europe	North America	Asia-Pacific	Latin America	Intra-group transactions	**Total**
Sales						
By location of end customer	**805.8**	**356.5**	**294.9**	**130.8**		**1,587.9**
Net export sales from the region	835.0	362.6	276.1	114.3		1,587.9
Inter-region sales	228.3	273.0	13.3	1.2	(515.8)	0.0
Net generated by the region	**1,063.2**	**635.6**	**289.5**	**115.5**	**(515.8)**	**1,587.9**
Non-current assets (allocated)	613.4	194.5	52.8	22.2		882.9
Non-current assets (unallocated)						65.9
Non-current assets	**613.4**	**194.5**	**52.8**	**22.2**		**948.8**

December 31, 2012 *In millions of euros*	Europe	North America	Asia-Pacific	Latin America	Intra-group transactions	**Total**
Sales						
By location of end customer	**806.7**	**345.2**	**283.5**	**134.3**		**1,569.8**
Net export sales from the region	827.9	358.5	266.3	117.2		1,569.8
Inter-region sales	213.7	269.2	14.1	2.0	(499.0)	0.0
Net generated by the region	**1,041.6**	**627.7**	**280.5**	**119.1**	**(499.0)**	**1,569.8**
Non-current assets (allocated)	604.7	196.6	57.8	27.4		886.5
Non-current assets (unallocated)						55.7
Non-current assets	**604.7**	**196.6**	**57.8**	**27.4**		**942.2**

The table below provides a breakdown of sales by technology:

In millions of euros	**2013**	**2012**
Clinical applications	**1,251**	**1,251**
Microbiology	793	801
Immunoassays	364	362
Molecular biology	78	73
Other product lines	16	15
Industrial applications	**330**	**319**
Total per application	**1,581**	**1,570**
Revenues from joint development programs	**7**	
Total	**1,588**	**1,570**

28. Auditors' fees

In thousands of euros	2013				2012			
	Ernst & Young	DRC	Other	**Total**	Ernst & Young	DRC	Other	**Total**
Audit	**1,042**	**143**	**53**	**1,239**	**1,069**	**133**	**70**	**1,272**
bioMérieux SA	160	130		290	160	130		290
Fully consolidated subsidiaries	882	3	53	885	909	3	70	982
Related assignments	29	10		**39**	3	8		**11**
Audit	**1,071**	**143**	**53**	**1,267**	**1,072**	**141**	**70**	**1,283**
Legal, tax, labor-related services				-	18			18
Other	4			4	10			10
Other services	**4**	**-**	**-**	**4**	**28**	**-**	**-**	**28**
Total	**1,075**	**143**	**53**	**1,271**	**1,100**	**141**	**70**	**1,311**

29. Risk management

29.1 Exchange rate risk

29.1.1 Group policy

Since more than half of the Group's operations are conducted outside the eurozone, its sales, earnings and assets and liabilities may be impacted by changes in exchange rates between the euro and other currencies. Sales are particularly affected by euro/U.S. dollar exchange rate fluctuations (with about 25% of sales in 2013 denominated in U.S. dollars) and, more occasionally, by fluctuations in the rate of the euro against other currencies.

However, some operating expenses, especially those incurred in the U.S., are paid for in U.S. dollars, thereby mitigating the impact of fluctuations in the U.S. dollar on sales, although it remains significant.

Other currencies represent 35% of the Company’s sales. As costs denominated in other currencies are limited, the Company is fully exposed to the risk of a fall in these currencies. This exposure is spread over approximately 20 currencies, none of which accounts for more than 5% of the Group’s sales. This exposure thus becomes significant if several of the currencies concerned fluctuate against the euro in the same direction, without any set-off.

The Group's current policy is to seek to hedge the impact of exchange rate fluctuations on budgeted net income. It uses hedging instruments, when they are available at a reasonable cost, in order to mitigate risks relating to currency fluctuations. Its current practice is to put in place global hedges covering similar risks. Hedging contracts are purchased to cover transactions included in the budget and not for speculative purposes.

Distribution subsidiaries are currently billed in their local currencies by manufacturing subsidiaries (except where prohibited by law), so that currency risks can be managed at corporate level for manufacturing entities.

Whenever possible, the Group hedges currency risks arising on debt denominated in currencies other than those of the country in which operations are located, so as to offset any foreign currency translation risks.

In addition to having an impact on the Company's earnings, exchange rate fluctuations can affect its equity. Due to its worldwide presence, many of the Group’s assets and liabilities are recorded in dollars or in other currencies. To date, the Company does not hedge exchange rate risks on its net assets.

Besides the options strategies put in place in connection with the BioFire acquisition, the bulk of hedging transactions consists of forward currency purchases and sales (maturing within 18 months at December 31, 2013) and currency options. Detailed information on hedging transactions is provided in Note 29.1.3.

29.1.2 Exposure to exchange rate risk

Sales

The table below shows the currencies in which sales are generated by Group entities:

In millions of euros	Dec. 31, 2013		Dec. 31, 2012	
Euro	**586**	**37%**	**595**	**38%**
Other currencies				
Dollar[(a)]	453	29%	434	28%
Chinese yuan	81	5%	54	3%
Japanese yen	45	3%	55	3%
Brazilian real	45	3%	49	3%
Pound sterling	45	3%	46	3%
Canadian dollar	37	2%	38	2%
Australian dollar	30	2%	36	2%
South Korean won	29	2%	28	2%
Other currencies	236	15%	235	15%
Sub-total	**1,002**	**63%**	**975**	**62%**
Total	**1,588**	**100%**	**1,570**	**100%**
Sensitivity	**-10**		**-10**	

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

The sensitivity analyzed above shows the impact on sales of a 1% increase in the euro exchange rate against all currencies.

Consolidated equity

A 5% increase in the euro exchange rate against all currencies would have had the following effect:

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Net income for the year	(5.4)	(0.8)
Equity[(a)]	(23.1)	(5.1)

(a) Translated at the year-end rate.

Exposure of assets and liabilities

The table below shows the five main currencies to which the Group is exposed at December 31, 2013:

Currencies	**USD**	**BRL**	**KRW**	**JPY**	**MXN**
In millions of currency units					
Assets denominated in foreign currencies	39.5	32.4	12,188	932	99.0
Liabilities denominated in foreign currencies	(23.9)	0.0	0	(58)	(0.9)
Net exchange exposure before hedging	**15.6**	**32.4**	**12,188**	**874**	**98.0**
Impact of hedging	9.0	(28.3)	(11,960)	(656)	(69.0)
Net exchange exposure after hedging	**24.6**	**4.1**	**228**	**218**	**29.0**
In millions of euros					
Net exchange exposure after hedging	17.9	1.3	0.2	1.5	1.6
Sensitivity	**(0.9)**	**(0.1)**	**0.0**	**(0.1)**	**(0.1)**

The sensitivity analyzed above shows the impact of a 5% increase in the exchange rate on the net foreign exchange exposure at December 31, 2013, taking into account fair value hedges.

Exposure of borrowings

The Group's borrowings with third parties are primarily denominated in euros and contracted by bioMérieux SA. Its policy is to prefer inter-company financing in the subsidiary's currency: these loans are generally hedged by currency swaps. When the Group cannot grant loans to its foreign subsidiaries, the subsidiaries borrow from leading banks in their local currency.

29.1.3 Currency hedging instruments

The table below shows currency hedging instruments in effect at December 31, 2013 that were set up as part of the currency hedging policy described in Note 29.1.1:

December 31, 2013 *In millions of euros*	Hedged amounts			Market value[(a)]
	Due within 1 year	Due in 1 to 5 years	Total	
Hedges of commercial transactions (currency forward contracts)	**112.6**	**-**	**112.6**	**1.3**
Hedges of future commercial transactions	**170.0**	**0.1**	**170.1**	**3.2**
Currency forward contracts	144.7	0.1	144.8	2.6
Options	25.3	-	25.3	0.6
Hedges related to acquisition of BioFire (options)	**536.0**	**-**	**536.0**	**1.0**

(a) Difference between the hedging rate and the market rate at December 31, 2013, including premiums paid/received.

Currency hedges in effect at December 31, 2012 were as follows:

December 31, 2012 *In millions of euros*	Hedged amounts			Market value[(a)]
	Due within 1 year	Due in 1 to 5 years	Total	
Hedges of existing commercial transactions	**55.3**	-	**55.3**	**(0.1)**
Currency forward contracts	54.7	-	54.7	(0.1)
Options	0.6	-	0.6	0.0
Hedges of future commercial transactions	**208.5**	**37.1**	**245.6**	**4.5**
Currency forward contracts	177.1	37.1	214.2	3.5
Options	31.4	-	31.4	1.0
Hedges of net investments in foreign operations (currency forward contracts)	**30.9**	-	**30.9**	**0.5**

(a) Difference between the hedging rate and the market rate at December 31, 2012, including premiums paid/received.

All of the currency forward contracts and options outstanding at December 31, 2013 and December 31, 2012 had maturities of less than 18 months.

As part of the acquisition of BioFire in the U.S., the Group set up a currency hedging program in 2013 using options against the risk of a fall in the value of the euro against the U.S. dollar, in order to limit the debt incurred as a result of this acquisition. Changes in the fair value of these currency hedges at December 31, 2013 were recognized in income for the year in an amount of €1 million.

The positive €3.2 million market value of hedges of future commercial transactions recorded in the balance sheet at December 31, 2013 included €4.1 million in fair value gains recognized in other comprehensive income and €0.9 million in fair value losses recognized in income. At December 31, 2012, the positive €4.5 million market value included €5.6 million in fair value gains recognized in other comprehensive income and €1.1 million in fair value losses recognized in income.

There were no net investment hedges of foreign operations at December 31, 2013. At December 31, 2012, the market value of hedges of net investments in foreign operations was €0.5 million and corresponded to fair value gains recognized under other comprehensive income.

The effective portion of gains and losses on cash flow hedges reclassified to operating income before non-recurring items from other comprehensive income amounted to a negative €6.1 million in 2013 versus a negative €3.8 million in 2012.

29.2 Credit risk

The Group is not exposed to significant credit risk. The carrying amount of its receivables reflects the fair value of the expected net cash flows to be collected. However, at December 31, 2013 the Group is exposed to counterparty risk on €69 million worth of receivables it holds with Southern European sovereigns experiencing economic difficulties (Portugal, Italy, Spain and Greece). The impact of the related impairment losses taken in 2013 and the Group's net exposure to receivables owed by the Greek State are disclosed in Note 1.2 to the consolidated financial statements, "Significant events in 2013". None of the Group's customers represents more than 10% of consolidated sales.

The cash proceeds of the bond issue maturing in 2020 were invested with leading credit institutions rated above A- according to S&P's, between October 14, 2013 and the closing date of the acquisition of BioFire. At December 31, 2013, the proceeds were invested solely in short-term instruments for which a daily net asset value is calculated daily.

No IFRS 13 adjustments were therefore applied to financial assets in respect of the risk of non-collection.

29.3 Liquidity risk

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

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

Accordingly, the only maturity schedule disclosed pertains to net debt (see Note 17.2).

The table below shows projected cash flows from the bond issue and the hedges related to contractual redemption of the principal at par and to contractual interest payments at December 31, 2013:

In millions of euros	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bonds[(a)]	(8.6)	(34.5)	(317.3)
Option strategies[(b)]	-	1.7	-
Interest rate swaps[(b)]	1.4	2.0	(3.2)

(a) Contractual flows of principal and interest.
(b) Based on the IRS yield curve at December 31, 2013.

29.4 Interest rate risk

29.4.1 Exposure to interest rate risk

As part of its interest rate risk management policy aimed primarily at managing the risk of an increase in interest rates, the Group splits its debt between fixed and floating interest rates.

After taking account of interest rate derivatives, the bond issue breaks down as €150 million at fixed rates and €150 million at floating rates (capped at 3.3%).

Exposure to interest rate risk on other borrowings is not material and is not subject to hedging.

29.4.2 Hedging instruments and sensitivity

At December 31, 2013, the interest rate risk hedging portfolio comprised interest rate swaps for €150 million and options for €150 million.

The market value of these instruments amounted to €2.6 million.

Sensitivity of net income to changes in net debt attributable to fluctuations in short-term interest rates

The impact on the cost of debt (calculated on a full-year basis) resulting from changes in net debt at year-end attributable to fluctuations in short-term interest rates is shown in the table below including the impact of interest rate hedging at December 31, 2013:

In millions of euros	Net income for the year
50-bp increase	0.1
50-bp decrease	(0.4)

Sensitivity of equity and net income to changes in the fair value of interest rate derivatives

Changes in the fair value of interest rate derivatives attributable to changes in the interest rate curve adopted at year-end would have the following impact on the Group's equity and net income:

– The impacts recognized in equity relate to the effective portion of the instruments classified as cash flow hedges.

– The impacts recognized in income relate to the ineffective portion of instruments classified as cash flow hedges, and to the impact of changes in the fair value of instruments that do not qualify for hedge accounting.

A change of 50 basis points applied to the entire yield curve at year-end and to transactions in effect at December 31, 2013 would lead to an increase (decrease) in equity and net income for the following amounts (based on constant exchange rates and volatility):

In millions of euros	Equity excl. net income	Net income for the year
50-bp increase	0.0	(3.1)
50-bp decrease	0.0	3.0

29.5 Counterparty risk

The Company's financial transactions (credit facilities, financial market transactions, financial investments, etc.) are with leading banks and are spread among all of its banking partners in order to limit counterparty risk.

In accordance with IFRS 13, an analysis was carried out to assess credit risk in light of the fair value of financial instruments. Counterparty risk was not considered material given the short-term maturity (less than one year) of the Group's currency hedges, the fair value of interest rate derivatives at December 31, 2013 and the rating of bioMérieux's banking counterparties.

29.6 Financial instruments: financial assets and liabilities

The table below provides a breakdown by category of financial assets and liabilities (excluding accrued and receivable payroll and other taxes), as prescribed by IAS 39 "Financial Instruments: Recognition and Measurement" (see Note 2.19), and a comparison between their carrying amount and fair value:

December 31, 2013 *In millions of euros*	**Financial assets at fair value through income (excl. derivatives)**	**Available-for-sale financial assets**	**Receivables and borrowings at amortized cost**	**Derivative instruments**	**Carrying amount**	**Fair value**	**Level**
Financial assets							
Other shares in non-consolidated companies	0.1	24.9			25.0	25.0	1-3
Other non-current financial assets			6.8		6.8	6.8	-
Other non-current assets			24.5		24.5	24.5	
Derivative instruments (positive fair value)				9.9	9.9	9.9	2
Trade receivables			420.5		420.5	420.5	-
Other receivables			2.8		2.8	2.8	-
Cash and cash equivalents	428.0				428.0	428.0	1
Total financial assets	428.1	24.9	454.6	9.9	917.5	917.5	
Financial liabilities							
Bonds[(a)]			296.9		296.9	303.9	1
Other financing facilities			7.7		7.7	7.7	2
Derivative instruments (negative fair value)				1.3	1.3	1.3	2
Borrowings – current portion[(b)]			98.5		98.5	98.5	2
Trade payables			132.3		132.3	132.3	-
Other current liabilities			37.0		37.0	37.0	-
Total financial liabilities	-	-	572.4	1.3	573.7	580.7	

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

Levels 1 to 3 correspond to the fair value hierarchy as defined by IFRS 13 (see Note 2.19).

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

No level in the fair value hierarchy is shown when the carrying amount approximates fair value.

bioMérieux enters into derivative instruments as part of master agreements that provide for offsetting in the event of counterparty default. The impact of these master netting agreements on the fair value of derivative instruments at December 31, 2013 was a net exposure of €8.6 million (€5 million at end-2012).

No inter-category reclassifications were carried out in 2013. None of the Group’s financial assets have been pledged as collateral.

Impairment losses recorded against financial assets in 2013 primarily corresponded to write-downs of trade receivables (see Note 10) and non-current financial assets (see Note 8).

December 31, 2012 *In millions of euros*	Financial assets at fair value through income (excl. derivatives)	Available-for-sale financial assets	Receivables and borrowings at amortized cost	Derivative instruments	Carrying amount	Fair value	Level
Financial assets							
Other shares in non-consolidated companies	0.2	27.7			27.9	27.9	1-3
Other non-current financial assets			6.8		6.8	6.8	-
Other non-current assets			29.6		29.6	29.6	
Derivative instruments (positive fair value)				6.8	6.8	6.8	2
Trade receivables			418.0		418.0	418.0	-
Other receivables			20.3		20.3	20.3	-
Cash and cash equivalents	65.6				65.6	65.6	1
Total financial assets	65.8	27.7	474.7	6.8	575.0	575.0	
Financial liabilities							
Financing facilities			9.8		9.8	9.8	2
Derivative instruments (negative fair value)				1.8	1.8	1.8	2
Borrowings – current portion[(b)]			104.2		104.2	104.2	2
Trade payables			145.1		145.1	145.1	-
Other current liabilities			43.1		43.1	43.1	-
Total financial liabilities	-	-	302.2	1.8	304.0	304.0	

Movements in financial instruments whose fair value was determined using Level 3 inputs were as follows in 2012 and 2013 (see Note 2.19):

In millions of euros	Carrying amount
December 31, 2011	**18.3**
Gains and losses recognized in income	(3.7)
Gains and losses recognized in equity	
Acquisitions	13.3
Disposals	(0.1)
December 31, 2012	**27.7**
Gains and losses recognized in income	(2.3)
Gains and losses recognized in equity	(0.8)
Acquisitions	0.8
Changes in Group structure, translation adjustments and other	(0.5)
December 31, 2013	**24.9**

In 2013, changes in the fair value of available-for-sale securities were recognized in income, since the impairment recognized against the shares concerned was considered other-than-temporary, except that relating to Labtech shares, which was recognized through equity in an amount of €0.8 million.

30. Off-balance sheet commitments

Outstanding commitments given or received at December 31, 2013 are described below:

30.1 Off-balance sheet commitments relating to Group companies

– When AES Laboratoire group sold its controlling stake in Agro Bio to Qualtech on May 17, 2011, it granted a vendor warranty for an amount of €1.6 million valid through March 31, 2014. The amount of this warranty declines by one-third every 12 months. Following the merger between AES Laboratoire group and bioMérieux SA, bioMérieux SA is liable for the warranty commitment, which represented a residual amount of €0.5 million at December 31, 2013.

– When the Group acquired CEA-Industrie's interest in Apibio in December 2004, bioMérieux SA agreed to an incentive clause with CEA-Industrie covering the period from 2010 to 2014, under which it would pay CEA-Industrie 3.5% of any revenue generated by products based on the Apibio technology (primarily MICAM and OLISA). This incentive mechanism is capped at €1.1 million. As bioMérieux did not generate any revenue from products featuring this technology in 2013, no incentive payment was due for the year.

– The Company is subject to a number of earn-out clauses relating to acquisitions and disposals. At end-2013, it was not deemed probable that these clauses would be triggered, or the amount involved could not be reliably estimated.

30.2 Off-balance sheet commitments relating to the Company's financing

– Commitments related to borrowings are described in Note 17.3.

– Commitments related to derivative instruments are described in Note 29.1.3.

30.2.1 Commitments given

– Bank guarantees given by the Group in connection with bids submitted totaled €77.7 million at December 31, 2013.

30.2.2 Commitments received

– bioMérieux SA has a syndicated credit facility for an amount of €350 million, repayable in full at maturity in 2017 (see Note 17.1).

30.3 Off-balance sheet commitments relating to the Company's operating activities

30.3.1 Commitments given

– bioMérieux SA participates in a research program coordinated by Institut Mérieux, together with bioMérieux, Transgène, Genosafe and the Genethon association. The aim of this program is to develop a new generation of diagnoses and therapies focusing on cancers, infectious diseases and genetic disorders. Known under the acronym "ADNA" (for "Advanced Diagnostics for New Therapeutic Approaches"), the program receives financing from the French government's Industrial Innovation Agency (*Agence de l'Innovation Industrielle*), which merged with OSEO ANVAR in 2007 (renamed Bpifrance in July 2013). The public financing agreement was approved by the European authorities on October 22, 2008. In this setting, and in light of the supplemental agreements modifying the initial research program, bioMérieux SA agreed to undertake research and development for an estimated amount of €67.5 million between 2007 and 2017. In return, bioMérieux SA will receive subsidies and repayable grants of up to €16.1 million and €8.9 million, respectively. If a project is successful, bioMérieux SA will have to pay back the grants according to a payment schedule based on sales generated, and then pay 3.4% of sales until 2029.

– bioMérieux Inc. and bioMérieux SA are parties to various agreements that provide for payments based on progress in corresponding research projects or a minimum volume of sales (€24.8 million).

– Real estate rent commitments given by Group companies amounted to €17.9 million at December 31, 2013, of which €11.8 million was payable beyond one year.

– In 2012, bioMérieux acquired an €11.8 million interest in Quanterix and committed to acquiring a further interest of USD 10 million (€7.3 million) within two years, subject to validation of the platform.

– In the event that all of the shares allocated under share grant plans approved by the Board of Directors ultimately vested, bioMérieux SA would have to purchase 260,367 shares to cover its commitments, in addition to the 713 of its own shares already held in treasury, the cost of which would be €19.9 million based on the share price at December 31, 2013.

– bioMérieux SA entered into a ten-year partnership with Bioaster, a technological research institute in Lyon specialized in infectious diseases. The cost of its contribution to research activities, which is being put in place through partnership agreements with Bioaster, is estimated at €4 million over the 2012-2015 period. This amount does not include the cost of internal bioMérieux resources which are used in joint projects.

– Other commitments given (endorsements and guarantees other than real estate rent obligations) amounted to €4 million.

– In 2013, bioMérieux acquired shares in Amorçage Technologique Investissement in an amount of €0.1 million and committed to providing additional funds of up to €0.9 million.

– At December 31, 2013, the Group's obligations to its employees in terms of the statutory training entitlement provided for under French law (*Droit Individuel à la Formation* – DIF) were estimated to represent a maximum of 308,587 hours (bioMérieux SA: 280,324 hours, AES Chemunex: 28,263 hours).

30.3.2 Commitments received

– Other commitments received amounted to €4.9 million.

31. Transactions with related parties

31.1 Directors' and officers' compensation

The Company's directors and members of the Executive Committee were allocated an aggregate €9.2 million in compensation in 2013. This amount was expensed during the year and can be broken down as follows:

Compensation allocated to senior executives	2013	2012
Fixed compensation	3.8	3.2
Variable compensation	4.4	2.5
Benefits in kind	0.1	0.1
Free shares	0.2	0.1
Directors' fees	0.2	0.3
Termination benefits	0.5	
Total	**9.2**	**6.1**

31.2 Other transactions with non-consolidated affiliates

– bioMérieux Japan – which is 34%-owned by Sysmex under a joint venture agreement – paid Sysmex €7.7 million in commission on sales generated in 2013. In addition, bioMérieux Japan provided Sysmex with €5.9 million worth of instruments and reagents during the year.

– Institut Mérieux, which held 58.9% of bioMérieux SA's shares at December 31, 2013, provided consultancy and support services to bioMérieux SA and bioMérieux Inc. valued at €7.5 million for the year. Conversely, bioMérieux SA billed Institut Mérieux €0.5 million for expenses incurred on its behalf.

– bioMérieux SA acquired land located at Marcy l'Etoile for €6.1 million from SCI de l'Etoile, which is indirectly held by Institut Mérieux.

– During 2013, the Group supplied €5.6 million worth of reagents and instruments to entities of the Mérieux NutriScience Corp. group, in which Institut Mérieux holds a majority interest.

– Théra Conseil, which is 98.24%-owned by Institut Mérieux, billed bioMérieux SA €2.4 million for services in 2013.

– Also during the year, bioMérieux SA contributed €1.3 million to the Christophe and Rodolphe Mérieux Foundation and €0.5 million to the Mérieux Foundation for humanitarian projects.

- bioMérieux SA signed a licensing agreement for certain diagnostic tests developed by IMAccess, a wholly-owned subsidiary of Institut Mérieux, under which it made an initial payment of €1 million. In 2013, bioMérieux SA also acquired raw materials from IMAccess for €0.1 million, and billed IMAccess a total of €0.2 million for services provided.

- ABL – which is wholly-owned by TSGH, itself 98.66%-controlled by Institut Mérieux – is a bioMérieux Inc. subcontractor and billed a total of €0.3 million in 2013 in relation to services rendered. bioMérieux Inc. also provided services to ABL, which were valued at €0.1 million for the year.

- bioMérieux SA billed €0.3 million worth of services in 2013 to Mérieux Université, in which it holds 40% of the share capital. The remaining 60% is held by Institut Mérieux (40%) and Mérieux NutriSciences (20%).

- A cash pooling system has been put in place for which bioMérieux and Institut Mérieux set up cash borrowing and lending facilities during the year. This mutual fund generated a surplus in 2012 and paid €0.2 million to bioMérieux SA in 2013.

- bioMérieux SA billed €0.2 million worth of services in 2013 to Geneuro, in which it holds 9.7% of the share capital.

- bioMérieux SA has entered into a number of research and development agreements with Transgène (in which Institut Mérieux holds a 54.9% equity interest through TSGH) under which the Company received €0.1 million in fees for 2013.

32. Subsequent events

The BioFire Diagnostics Inc. acquisition was finalized on January 16, 2014. The transaction includes the USD 450 million acquisition price and the Company's net debt (around USD 35 million), for a total consideration of €355 million. Acquisition fees will represent €6 million (including €1.9 million recognized in 2013), and will be recorded in non-recurring items from operations.

For information, BioFire Diagnostics Inc. had sales of around USD 70 million in the period ended September 30, 2013.

A preliminary purchase price allocation will be completed in the first half of 2014 based on the acquisition price paid and the net book assets contributed by BioFire.

On February 21, 2014, the amount owed by the Spanish State dating back to before May 31, 2013 was settled in an amount of €13.1 million.

To the best of the Group's knowledge, no events have occurred since the reporting date that are likely to have a material impact on the consolidated financial statements for the year ended December 31, 2013.

33. Consolidation

bioMérieux is a fully consolidated entity of Compagnie Mérieux Alliance (17 Rue Bourgelat, 69002 Lyon, France).

34. List of consolidated companies at December 31, 2013

Changes of control that took place in 2013 are described in Note 1.3.

		2013 (a)	2012 (a)	2011 (a)
bioMérieux SA	69280 Marcy l'Étoile – France Trade and Companies Registry of Lyon, no. B 673 620 399	Parent company		
AB bioMérieux	Dalvägen 10 169 56 Solna, Stockholm – Sweden	100%	100%	100%
AB Service SARL	Parc Technologique Delta Sud 09340 Verniolle – France			100%
ABG Stella	1409 Foulk Road, Suite 102, P.O.Box 7108 Wilmington, DE 19803-0108 – U.S.	100%	100%	100%
Adiagene SA	38 Rue de Paris 35170 Bruz – France	99%	82%	56%
AES Canada Inc.	500 boul. Cartier Ouest, suite 262 H7V 5B7 Laval, QC - Canada	100%	100%	100%
AES Chemunex GmbH	Zeiloch 20 - 76646 Bruschal – Germany	100%	100%	100%
AES Chemunex Inc.	Eight-A Corporate Ctr.1 Corporate Dr. Cranbury NJ08512 – U.S.	100%	100%	100%
AES Chemunex SA	Route de Dol 35270 Combourg – France		100%	100%
AES Laboratoire Group SAS	Route de Dol 35270 Combourg – France			100%
AES Laboratoire Italia SRL	Via Pana, 56/b 35027 Noventa padovana – Italy		100%	100%
AES Chemunex Espana SA	Pol. Ind. Santa Margarida II – C/ A. Einstein 08223 Terrassa – Spain		100%	100%
Argène	Parc Technologique Delta Sud 09340 Verniolle – France			100%
Argène SARL	Rue P.-E Brandt 4 2502 Bienne – Switzerland			100%
Argène SRL	via Maurizio Gonzaga n. 7 20123 Milan – Italy			100%
Argène Inc.	45 Ramsey Road Shirley, NY 11967 – U.S.	100%	100%	100%
Bacterial Barcodes Inc.	425 River Road – Athens – GA 30602 – U.S.	100%	100%	100%
Biolease SARL	Route de Dol 35270 Combourg – France			100%
bioMérieux South Africa	7 Malibongwe Dr, Cnr Aimee St. Fontainebleau, Randburg, PO Box 2316 Randburg 2125 – South Africa	100%	100%	100%
bioMérieux West Africa	Avenue Joseph Blohorn - 08 BP 2634 - Abidjan 08 – Côte d'Ivoire	100%	100%	100%
bioMérieux Algeria	Bois des cars 2 - Lot 11 1er étage - 16302 Dely Ibrahim Algiers – Algeria	100%	100%	100%
bioMérieux Germany	Weberstrasse 8 – D 72622 Nürtingen – Germany	100%	100%	100%
bioMérieux Argentina	Edificio Intecons - Arias 3751 3er piso - C1430CRG Buenos Aires – Argentina	100%	100%	100%
bioMérieux Australia	Unit 25, Parkview Business Centre – 1 Maitland Place Baulkham Hills NSW 2153 – Australia	100%	100%	100%
bioMérieux Austria	Eduard-Kittenberger-Gasse 95-B, A-1230 Vienna – Austria	100%	100%	100%
bioMérieux Belgium	Media Square – 18-19 Place des Carabiniers – 1030 Brussels – Belgium	100%	100%	100%
bioMérieux Benelux BV	Hogeweg 5 (2nd floor) - 5301 LB zaltbommel - Postbus 2104 5300 CC Zaltbommel – Netherlands	100%	100%	100%
bioMérieux Brazil	Estrada Do Mapuá, 491 Jacarepaguá - CEP 22710 261 Rio de Janeiro - RJ – Brazil	100%	100%	100%
bioMérieux BV	Boseind 15 – PO Box 84 – 5281 RM Boxtel – Netherlands	100%	100%	100%
bioMérieux Canada	7815 boulevard Henri Bourassa – West – H4S 1P7 Saint Laurent (Quebec) – Canada	100%	100%	100%
bioMérieux Chile	Seminario 131 – Providencia – Santiago – Chile	100%	100%	100%

		2013 (a)	2012 (a)	2011 (a)
bioMérieux China	17/Floor, Yen Sheng Center 64 Hoi Yuen Road, Kwun Tong – Kowloon – Hong Kong – China	100%	100%	100%
bioMérieux Colombia	Carrera 7 no. 127–48 – Oficina 806 – Bogota DC – Colombia	100%	100%	100%
bioMérieux Korea	1st and 2nd floor Yoo Sung Building #830-67, Yeoksam-dong, Kangnam ku – Seoul – South Korea	100%	100%	100%
bioMérieux CZ	Hvezdova 1716/2b – Prague 4 – 140 78 – Czech Republic	100%	100%	100%
bioMérieux Denmark	Smedeholm 13C – 2730 Herlev – Denmark	100%	100%	100%
bioMérieux Spain	Manuel Tovar 45-47 – 28034 Madrid – Spain	100%	100%	100%
bioMérieux Finland	Konalantie 47 C - FI-00390 Helsinki – Finland	100%	100%	100%
bioMérieux Greece	Papanikoli 70 – 15232 Halandri – Athens – Greece	100%	100%	100%
bioMérieux Hong Kong Investment	17/Floor, Yen Sheng Center 64 Hoi Yuen Road, Kwun Tong – Kowloon – Hong Kong – China	100%	100%	100%
bioMérieux Hungary	Vaci ut 175 - 1138 Budapest – Hungary	100%	100%	100%
bioMérieux Inc.	100 Rodolphe Street – Durham NC 27712 – U.S.	100%	100%	100%
bioMérieux India	A–32, MohanCo-operative Ind. Estate – New Delhi 110 044 – India	100%	100%	100%
bioMérieux International SAS (formerly Stella SAS)	69280 Marcy l'Étoile – France	100%	100%	100%
bioMérieux Italy	Via di Campigliano, 58 – 50126 Ponte a Ema – Florence – Italy	100%	100%	100%
bioMérieux Malaysia	Menara Prima Avenue, Jalan PJU 1/39, Dataran Prima 47301 Petaling Jaya, Selangor darul Ehsan – Malaysia	100%	100%	
bioMérieux Mexico	Chihuahua 88, col. Progreso – Mexico 01080, DF – Mexico	100%	100%	100%
bioMérieux Middle East	DHCC Al Baker Building 26 - Office 107 - PO Box 505 201 Dubai – United Arab Emirates	100%	100%	100%
bioMérieux Norway	Økernveien 145 – N-0513 Oslo – Norway	100%	100%	100%
bioMérieux Poland	ul. Zeromskiego 17 – Warsaw 01-882 – Poland	100%	100%	100%
bioMérieux Portugal	Av. 25 de Abril de 1974, no. 23-3°– 2795-197 Linda a Velha – Portugal	100%	100%	100%
bioMérieux United Kingdom	Grafton Way, Basingstoke – Hampshire RG22 6HY – United Kingdom	100%	100%	100%
bioMérieux Russia	Derbenevskaya ul. 20, str. 11 – Moscow 115 114 – Russia	100%	100%	100%
bioMérieux Singapore	11 – Biopolis Way – Helios blk – # 10-04 – Singapore 138667	100%	100%	100%
bioMérieux Sweden	Hantverksvagen 15 – 43633 Askim – Sweden	100%	100%	100%
bioMérieux Switzerland	51 Avenue Blanc – Case Postale 2150 – 1202 Geneva – Switzerland	100%	100%	100%
bioMérieux Thailand	3195/9 Vibulthani Tower, 4th floor – Rama IV Road – Klongton – Klongtoey – Bangkok 10110 – Thailand	100%	100%	100%
bioMérieux Turkey	Isiklar Cad. N0 29, Atasehir - 34750 Istanbul – Turkey	100%	100%	100%
bioMérieux Vietnam	Meconimex Building, no. 4, Vu Ngoc Phan Street, Lang Ha Ward Dong Da District, Hanoi – Vietnam	100%	100%	
bioTheranostics	9640 Towne Centre Dr., Ste 200 - San Diego CA 92121 – U.S.	100%	100%	100%
BTF Pty Limited	PO Box 599 - North Ryde BC - NSW 1670 – Australia	100%	100%	100%
Dima Gesellschaft für Diagnostika mbH	Robert-Bosch-Breite 23 37079 Goettingen – Germany			100%
Mérieux Université	113 Route de Paris – 69160 Tassin-La-Demi-Lune – France	40%		
PML Microbiologicals	27120 SW 95th Avenue – Wilsonville, OR 97070 – U.S.		100%	100%

		2013 (a)	2012 (a)	2011 (a)
RAS Lifesciences	Plot no. 13, 4-7-18/13/2, Raghavendra Nagar, Nacharam, Hyderabad – 500 076 – India	60%	60%	
Shangai bioMérieux Bio-engineering	Unit 02 to 05, 28/F, Hai Tong Securities Tower – 689 Guang Dong Road – Huangpu District – Shangai 200001 – China	60%	60%	60%
Skiva SAS	9 avenue Matignon 75008 Paris – France			100%
SSC Europe	ul. Zeromskiego 17 – Warsaw 01-882 – Poland	100%	100%	100%
Sysmex bioMérieux (formerly bioMérieux Japan)	Central Tower 8th – 1 2 2 Osaki Shinagawa–ku – Tokyo 141–0032 – Japan	66%	66%	66%
bioMérieux Shanghai Biotech Co. Ltd (formerly Meikang)	No. 4633 Pusan Road, Kangqiao Industrial Park – Pudong New District – Shanghai – 200335 – China	100%	100%	100%
bioMérieux Shangai Company Ltd	No. 4633 Pusan Road, Kangqiao Industrial Park – Pudong New District – Shanghai – 200335 – China	100%	100%	100%
bioMérieux (Shanghai) Biological Products Co. Ltd (formerly Zenka)	4/F Block 1 no. 74 – Qingchi Road – Changning District 200335 Shanghai – China	100%	100%	100%

(a) Percentage control is identical to percentage interest.

20.1.2 PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2013

The parent company financial statements for the years ended December 31, 2012 and December 31, 2011 are respectively presented in section 20.1.2 of the Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on May 17, 2013 under number D13-0542 and section 20.1.2 of the Registration Document filed on April 26, 2012 under number D12-0421.

INCOME STATEMENT

In millions of euros	**2013**	**2012**
Sales of goods and finished products	790.3	699.4
Other income	90.7	83.2
Sales, net (Note 21)	**881.0**	**782.6**
Production included in inventories (work-in-progress and finished products)	15.1	2.1
Capitalized production	4.6	4.2
Total production	**900.7**	**788.9**
Cost of material supplies and other external charges	(319.8)	(284.8)
Change in raw material and instrument inventories	(7.4)	3.2
External charges	(207.4)	(189.4)
Added value	**366.1**	**317.9**
Taxes other than income tax	(16.4)	(12.8)
Payroll and benefits (Note 22)	(246.5)	(215.9)
Gross operating income	**103.2**	**89.2**
Depreciation, amortization and provisions	(38.6)	(34.5)
Other operating income/(expense)	(30.1)	(36.4)
Operating income	**34.6**	**18.3**
Net financial expense (Note 25)	(2.8)	(3.5)
Net investment income	75.4	137.4
Net income before non-recurring items and tax	**107.3**	**152.2**
Net non-recurring expense (Note 27)	(4.1)	(3.2)
Employee profit sharing	0.0	0.0
Income tax (Note 28)	6.6	13.2
Net income for the year	**109.7**	**162.2**
Earnings per share[(a)]	**2.78**	**4.11**

[(a)] As the Company has not issued any dilutive instruments, diluted earnings per share is identical to basic earnings per share.

BALANCE SHEET

Assets *In millions of euros*	Net Dec. 31, 2013	Net Dec. 31, 2012
Fixed assets		
. Intangible assets (Note 3)	198.3	239.2
. Property, plant and equipment (Note 4)	186.9	161.4
. Investments and related receivables (Note 5)	223.7	278.5
. Other non-current financial assets (Note 5)	10.4	2.3
Total fixed assets	**619.3**	**681.4**
Current assets		
. Inventories and work-in-progress (Note 6)	125.3	109.2
. Trade receivables (Note 7)	238.6	229.4
. Other operating receivables (Note 8)	17.9	23.7
. Non-operating receivables (Note 8)	43.9	35.5
. Cash and cash pooling (Note 10)	464.5	67.9
Total current assets	**890.2**	**465.7**
Deferred charges	0.9	
Bond redemption premiums	2.3	
Unrealized foreign exchange losses (Note 12)	9.2	4.8
Total assets	***1,521.9***	***1,151.9***

Shareholders' equity and liabilities	Dec. 31, 2013	Dec. 31, 2012
Shareholders' equity (Note 13.2)		
. Share capital (Note 13.1)	12.0	12.0
. Additional paid-in capital	63.5	63.5
. Retained earnings	611.9	499.4
. Statutory provisions and grants (Note 14)	38.4	35.8
. Net income for the year	109.7	162.2
Total shareholders' equity	**835.6**	**772.9**
Provisions (Note 15)	**34.6**	**17.4**
Liabilities		
. Borrowings (Note 16)	402.7	113.1
. Trade payables (Note 17)	125.0	127.7
. Other operating payables (Note 17)	106.0	98.2
. Non-operating payables (Note 17)	16.4	21.9
Total liabilities	**605.1**	**360.9**
Unrealized foreign exchange gains (Note 18)	1.6	0.7
Total shareholders' equity and liabilities	***1,521.9***	***1,151.9***

STATEMENT OF CHANGES IN NET DEBT

In millions of euros	**2013**		**2012**	
Net income for the year	109.7		162.2	
Depreciation, amortization and provisions, net	51.6		46.5	
Gains and losses on corporate actions	0.3		(0.5)	
Merger loss	0.0		(0.1)	
Cash flow from operating activities	**161.6**		**208.1**	
Increase in inventories	(7.8)		(5.4)	
Net change in trade receivables	11.3		6.3	
Net change in trade payables and other operating working capital	(8.7)		(0.4)	
Operating working capital requirement	**(5.2)**		**0.5**	
Increase in receivables, net of tax	(7.9)		(9.8)	
Other non-operating working capital	1.3		(1.4)	
Total change in working capital requirement	**(11.8)**		**(10.7)**	
Net cash generated from operating activities	**149.7**		**197.4**	
Capital expenditures	(56.7)		(43.6)	
Disposals of property, plant and equipment	2.8		5.8	
Change in payables on fixed assets	(6.2)		6.1	
Investments	(1.9)	(a)	(33.3)	(b)
Change in other non-current financial assets	32.9	(c)	(36.0)	(d)
Net cash used in investing activities	**(29.2)**		**(101.0)**	
Dividends paid	(38.6)	(e)	(38.6)	
Net cash used in shareholders' equity	**(38.6)**		**(38.6)**	
Change in net debt (excluding exchange rate impact)	**81.9**		**57.8**	
Breakdown of change in net debt				
Net debt at beginning of year	45.2		83.2	
Net debt from mergers	(28.7)		16.4	
Impact of changes in exchange rates on net debt	2.2		0.8	
Change in net debt:	**(80.5)**		**(55.2)**	
- Committed debt	*291.7*		*7.2*	
- Cash and bank overdrafts	*(373.6)*		*(65.0)*	
- Cash pooling impairment	*1.4*		*2.6*	
Net debt at end of year (Note 16.2)	**(61.8)**		**45.2**	

(a) Including contingent consideration relating to AB Biodisk (€1 million).
(b) Including the bioMérieux Chine capital increase (€20 million) and acquisitions of interests in Quanterix (€11.8 million) and Adiagène (€0.9 million).
(c) Including change in ABG Stella dividends receivable (€30.9 million).
(d) Including ABG Stella dividends receivable (€30.9 million) and long-term loan in Brazil (€9.9 million).
(e) Dividend approved by the Shareholders' Meeting of May 29, 2013.

1. Highlights of the year

1.1. Investments and other non-current financial assets

In 2013, bioMérieux SA paid up the final 75% of the share capital of Mérieux Université for an amount of €0.3 million. In December 2013, bioMérieux SA subscribed to the capital increase of Mérieux Université in an amount of €0.4 million, of which €0.2 million was outstanding at end-2013. Further to these transactions, bioMérieux SA held an €0.8 million investment in Mérieux Université, representing 40% of the share capital.

The Mérieux Université shares were written down for an amount of €0.4 million in order to reflect the €1 million loss recorded by that company for 2013.

The Company purchased Adiagène shares from non-controlling shareholders. This transaction, which included the purchase of 2,880 shares for €0.4 million, gave the Company 16,297 shares or 99.4% of Adiagène's share capital.

In November 2013, bioMérieux's Spanish subsidiary acquired AES Chemunex Spain whose shares were held by bioMérieux SA. This transaction had no impact on bioMérieux SA's income statement.

The bioMérieux Argentine shares recognized in an amount of €5.4 million in the financial statements were written down by an additional €1.9 million in 2013. At December 31, 2013, the accumulated impairment on these shares amounted to €2.6 million.

The €4.1 million impairment loss recognized against bioMérieux Greece shares at end-2012 was reversed in full during 2013 in view of the subsidiary's improved financial position.

The Company recognized €2.3 million in additional impairment losses against Knome shares at December 31, 2013. These shares are now written down in full in bioMérieux's financial statements.

Within the scope of a dispute concerning the earnout clause, the Company paid a €1 million indemnity for the acquisition of shares in AB bioMérieux. These shares were initially valued at €69.7 million in the financial statements. In 2013, the Company recognized an additional €3 million impairment loss against the shares, bringing their value to €48.2 million.

The Company made a cash contribution of €0.1 million to Amorçage Technologique Investissement (ATI) in respect of its capital subscription within the framework of ATI's incorporation. In addition, the Company has committed to providing additional funds of up to €0.9 million. ATI is a fund that finances companies in priority technology sectors, as defined by the French State's research and innovation strategy, during their incorporation and early developmental stages.

1.2. Financing

In order to fund the acquisition of U.S.-based company BioFire by its subsidiary bioMérieux Inc., bioMérieux SA issued €300 million worth of seven-year bonds with an issue premium of €2.3 million, paying annual interest at 2.875%. The bond issue generated €0.9 million in transaction costs which will be amortized over the term of the bonds.

In parallel with the bond issue, a number hedges were put in place between July 2013 and December 2013. This resulted in the payment of two premiums: (i) a €5.6 million premium that will only be recognized in expenses when the conversion option is exercised, representing the premium on the currency option hedging the loan to bioMérieux Inc. in January 2014; and (ii) a €2.2 million premium recognized over five years as part of the €150 million floor and cap hedging strategy to cover the risk relating to the bond issue, after taking account of interest rate derivatives.

Independently of the acquisition of BioFire, in July 2013 the Company set up a new syndicated line of credit for an amount of €150 million. This facility, which was canceled at the end of 2013, led to the payment of €0.3 million in bank commissions.

1.3. Mergers

AES Chemunex was merged into bioMérieux SA further to a simplified merger procedure dated December 31, 2013, effective retroactively for tax and accounting purposes from January 1, 2013.

This transaction led to the reversal of the technical merger losses recognized at the time of the merger of Skiva and AES Laboratoire group for €10.1 million and €168.2 million, respectively, and the recognition of a technical merger loss in the amount of €128.9 million, recorded in intangible assets.

The merger loss is primarily related to unrealized capital gains on:

- acquired goodwill for €111 million;
- technology for €12.5 million;
- customer portfolio for €5.4 million.

The merger loss was subsequently written down in the amount of €1.5 million to take account of the amortization of the underlying assets (industrial property and customer portfolio).

1.4. Miscellaneous

The 2013 financial year was characterized by supply issues, mainly on the BacT/ALERT® and VIDAS® product lines, as well as on certain pre-poured media (PPM). Despite taking all possible measures to minimize "back order" problems, these issues had a negative impact on business levels and led to higher distribution expenses.

However, the establishment of a customs warehouse at the end of August 2013 at the IDC site (International Distribution Center) will significantly reduce the cost of imported BacT/ALERT® to be shipped outside the European Union. The latest BacT/ALERT® products were switched to the customs warehouse in September 2013, and the benefit observed during the last four months of the year amounted to approximately €0.1 million.

In addition, VIDAS® 3 got off to a promising start with close to 200 instruments installed in just six months since it was CE marked. In all, 39 instruments were installed and 160 instruments were sold including 105 to subsidiaries.

On November 28, 2013, bioMérieux announced the termination of the alliance with Biocartis for the development and commercialization of an integrated molecular biology system. After giving up its rights to use Biocartis technology, especially in molecular biology, the Company wrote down the net book value and recognized a €2.3 million non-cash, non-recurring expense in the 2013 parent company financial statements. However, bioMérieux will remain a Biocartis shareholder.

Certain sites, in particular Marcy l'Etoile and Craponne, are nearing full capacity. In order to accompany bioMérieux's expansion, two new facilities are being constructed in the immediate vicinity of the Marcy l'Etoile site. The expansion of the Marcy l'Etoile site is intended to host bioMérieux's new global headquarters. The first facility is scheduled for completion during the first half of 2016. In this respect, an amount of €6.1 million was recognized in property, plant and equipment in 2013 for the purchase of additional land for the Marcy l'Etoile site.

In view of the improved financial position of bioMérieux Greece in 2013, the Company reversed impairment allowances on trade receivables in the amount of €5 million. However, further to the worsening financial situation in Argentina and a sharp increase in past-due receivables recorded by bioMérieux Argentine, the Company recognized an impairment allowance against trade receivables in an amount of €3.2 million.

2. Notes to the financial statements and summary of significant accounting policies

The financial statements have been prepared in accordance with Regulation no. 99-03 of the French Accounting Standards Board (*Comité de la réglementation comptable* – CRC) of April 29, 1999.

2.1. Investment grants

Investment grants are recognized in equity. The Company has elected to spread an investment grant in respect of an amortizable fixed asset over several periods. The investment grant is reversed over the same period and in the same pattern as the value of the asset acquired or created as a result of the grant.

2.2. Intangible assets

Intangible assets consist of patents and licenses, most of which are amortized over a period of five years, as well as software which is amortized over three to six years depending on its expected useful life (with the exception of the ERP system, which is amortized over a period of ten years).

These assets are measured at cost (purchase price and incidental costs, excluding acquisition expenses).

Intangible assets acquired in exchange for the payment of indexed royalties are measured at the time of acquisition on the basis of estimated future royalties to be paid over the term of the contract. These estimates are subsequently adjusted based on royalties effectively paid.

Technical merger losses in respect of full asset transfers and merger transactions are recognized in intangible assets. They are tested for impairment annually based on the valuation of the underlying assets to which they are allocated. An impairment loss is recognized when the present value of one or more underlying assets falls below their carrying amount, including the allocated share of the merger loss.

2.3. Property, plant and equipment

Property, plant and equipment is shown on the balance sheet at purchase or production cost.

In accordance with rules concerning the recognition of assets in effect since January 1, 2005, components are separately recognized and depreciated whenever their cost represents a significant portion of the total cost of the asset of which they form a part and their useful life is not the same as that of the main asset.

The only Company assets to which this method is applied are buildings.

Items of property, plant and equipment are depreciated using the straight-line method over their useful lives as follows:

Machinery and equipment	3-10 years
Instruments*	3-5 years

* *Instruments either installed at third-party sites or used in-house.*

In the case of buildings, depreciation is calculated separately for each component as follows:

Shell	30-40 years
Finishing work, fixtures and fittings	10-20 years

Impairment tests are carried out for property, plant and equipment whenever events or market developments indicate that an asset may have suffered an impairment. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized to reduce the assets to their market value.

Certain depreciation methods used by AES Chemunex, which was merged with bioMérieux SA during the year, may be different from those used by the Company. However, this did not give rise to any additional depreciation expense in view of the small amounts concerned.

2.4. Non-current financial assets

Long-term investments are recognized at their purchase price.

An impairment loss is recognized against investments whenever their value in use falls below their acquisition cost. Value in use is generally estimated by taking into account sales, borrowings and any technology and real estate assets owned by the entity concerned. Non-controlling interests in unlisted companies are measured using a multi-criteria method including the economic outlook and net financial position.

Other investments are written down whenever their market value falls below cost. The market value of listed securities corresponds to the average trading price during the last month of the year.

Other financial assets include treasury shares purchased under a liquidity agreement entered into with an investment firm for the specific purpose of maintaining an orderly market in the Company's shares. Own shares held are measured at their average trading price during the last month of the year.

2.5. Inventories

Inventories are measured at the lower of cost and net market value.

Inventories of raw materials and consumables are measured at their purchase price plus related expenses using the FIFO method. Work-in-progress and finished products are measured at their actual production cost.

2.6. Receivables

Receivables are recognized at face value. An impairment loss is recognized when the receivables present a risk of non-recovery.

2.7. Cash pool

Changes in the cash pool are valued at the average monthly exchange rate. At the end of the month, cash pool accounts are remeasured at the closing rate with an offsetting entry to unrealized foreign exchange gains or losses. A provision for financial risk is set aside for any unrealized losses.

2.8. Cash and cash equivalents

Cash and cash equivalents includes available cash and short-term investments.

Short-term investments include 713 treasury shares purchased in connection with a share grant plan. As prescribed by the French National Accounting Board (*Commission des normes comptables* – CNC) in its November 6, 2008 notice, treasury shares allocated to existing plans are not written down to reflect market prices.

2.9. Provisions

Contingency and loss provisions are recognized in accordance with French accounting rules applicable to liabilities (CRC notice 2000-06).

2.10. Post-employment benefits

In order to enhance financial disclosures and harmonize accounting policies with AES Chemunex, which was merged with bioMérieux SA during the year, in 2013 the Company decided to adopt the "recommended method" for determining provisions for pensions.

The impact in this change of method is described in Note 15.1 to the financial statements.

With effect from 2013, the Group applies recommendation no. 2013-02 of November 7, 2013 issued by the French accounting standard setter (*Autorité des normes comptables* – ANC) and has adopted the principles of IAS 19 as amended in 2011 for its statutory financial statements, with the exception of the option to recognize actuarial gains and losses in equity.

2.11. Income tax

The Company has opted to present CICE tax credits introduced in France to boost competitiveness and employment (*crédit d'impôt pour la compétitivité et l'emploi* – CICE) as a deduction from personnel costs.

Taxes on dividends are recognized in income tax expense.

2.12. Translation adjustments

Income and expenses in foreign currencies are recognized at their value in euros on the transaction date based on the average monthly exchange rate. Exchange rate gains or losses on commercial transactions resulting from differences in rates between the transaction date and payment date are recognized under the corresponding line in the income statement (sales and purchases).

Receivables and payables denominated in foreign currency are translated at the closing rate or at the hedging rate, where applicable. Any differences resulting from this valuation are recognized under unrealized foreign exchange gains and losses. Provisions are set aside for unrealized foreign exchange losses and are recognized in income (sales and purchases) whenever the receivable or payable is related to a commercial transaction.

Unrealized foreign exchange gains and losses are offset insofar as they concern the same currency and third party, and have similar maturities.

2.13. Sales

Revenue from the sale of products (reagents and instruments) and related services (technical support, training, shipping, etc.) is reported as "Sales" in the income statement.

Revenue arising from the sale of products is recognized when all of the following criteria have been satisfied:

- the significant risks and rewards of ownership have been transferred to the buyer;
- the Company no longer has a continuing involvement in the effective control over the goods sold;
- the revenue and the costs incurred or to be incurred in relation to the transaction can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company.

These criteria are satisfied when reagents are delivered and when sold instruments are installed.

In the case of services (training, technical support, etc.), revenue is recognized only after the services have been rendered. Revenue from instrument maintenance contracts is deferred and recognized on the basis of the elapsed portion of the service contract.

Sales are measured at the fair value of consideration received or receivable, net of any discounts and rebates granted to buyers. Sales taxes and value-added taxes are not included in sales.

2.14. Dividends received

Dividends received are recognized net of withholding taxes applicable in the country of origin.

2.15. Expense transfers

When an expense is not considered as definitive on recognition, the expense transfer accounts are used to subsequently reclassify the expense based on the appropriate economic nature.

2.16. Research and development expenses

Research and development expenses are recognized in the year in which they are incurred.

In order to harmonize its accounting rules and methods, AES Chemunex, which was merged with bioMérieux SA during the year, has discontinued the capitalization of research and development expenses, which amounted to €4 million in 2013.

2.17. Earnings per share

Basic earnings per share is calculated by dividing net income for the period by the weighted average number of shares outstanding during the period.

2.18. Financial instruments

The Company only uses financial instruments for hedging purposes, in order to limit risks stemming from changes in exchange rates and interest rates, whether related to assets and liabilities at the end of the period or to future transactions.

2.19. Statement of changes in net debt

The statement of changes in net debt includes all changes in borrowings and debt, regardless of maturity, net of cash and short-term bank borrowings.

It lists separately:

– cash flow relating to operating activities;

– cash flow relating to investing activities;

– cash flow relating to shareholders' equity.

Cash flow from operating activities corresponds to the aggregate of net income, depreciation and amortization, net additions to provisions (impairment and contingencies and losses), less capital gains or losses on disposals of fixed assets.

2.20. Consolidated financial statements

The Company prepares consolidated financial statements which include the annual financial statements of its subsidiaries based on the full consolidation method whenever bioMérieux has effective control over those subsidiaries, or based on the equity method when the Company exercises significant influence over the entities concerned.

The Company is a fully consolidated subsidiary of Compagnie Mérieux Alliance SAS, whose registered office is located at 17 rue Bourgelat, 69002 Lyon, France.

2.21. Tax consolidation

Since January 1, 2005, bioMérieux SA has been the head of a tax consolidation group comprising bioMérieux SA and bioMérieux International SAS (formerly Stella).

3. Intangible assets

BREAKDOWN *In millions of euros*	**Gross value**	**Amortization and impairment**	**Carrying amount Dec. 31, 2013**	**Carrying amount Dec. 31, 2012**
R&D expenses	13.7	9.0	4.6	
Software	38.0	32.3	5.6	5.7
Acquired goodwill	174.3	6.5	167.8	221.2
Advances and downpayments	17.5		17.5	6.0
Other	35.0	32.3	2.8	6.3
Total	**278.5**	**80.1**	**198.3**	**239.2**

MOVEMENTS *In millions of euros*	**Gross value**	**Amortization and impairment**	**Carrying amount**
December 31, 2011	**84.9**	**57.9**	**26.9**
Merger gain	2.0	0.9	1.0
Merger loss	211.3	1.7	209.6
Acquisitions/Increases	8.3	4.5	3.8
Disposals/Decreases	(2.2)		(2.2)
December 31, 2012	**304.3**	**65.1**	**239.2**
Merger gain	23.0	8.8	14.2
Merger loss	(49.4)	2.4	(51.9)
Acquisitions/Increases	8.3	9.1	(0.8)
Disposals/Decreases	(7.6)	(5.3)	(2.3)
December 31, 2013	**278.5**	**80.1**	**198.3**

Technical merger losses included in "Acquired goodwill" are allocated as follows:

ALLOCATION OF MERGER GAINS AND LOSSES *In millions of euros*	**AES Chemunex**	**Argene**	**Impairment**	**Total**
Acquired goodwill	111.0	19.4		130.4
Technology	12.5	12.8	(3.0)	22.3
Inventories		0.7	(0.7)	
Customer relationships	5.4		(0.4)	5.0
Total	**128.9**	**32.9**	**(4.1)**	**157.7**

4. Property, plant and equipment

BREAKDOWN *In millions of euros*	**Gross value**	**Depreciation and impairment**	**Carrying amount Dec. 31, 2013**	**Carrying amount Dec. 31, 2012**
Land	18.3	0.6	17.7	9.4
Buildings	194.7	104.8	89.9	80.9
Machinery and equipment	168.3	120.2	48.1	40.9
Capitalized instruments	38.3	32.0	6.3 [(a)]	6.3 [(a)]
Other fixed assets	37.6	27.0	10.6	6.1
Fixed assets in progress	13.5		13.5	17.8
Advances and downpayments	0.9		0.9	
Total	**471.5**	**284.6**	**186.9**	**161.4**

[(a)] Most instruments are installed at customers' sites.

MOVEMENTS *In millions of euros*	**Gross value**	**Depreciation and impairment**	**Carrying amount**
December 31, 2011	**387.6**	**237.6**	**150.0**
Merger gain	3.7	2.1	1.7
Acquisitions/Increases	35.5	27.1	8.4
Disposals/Decreases	(10.2)	(11.5)	1.3
December 31, 2012	**416.7**	**255.3**	**161.4**
Merger gain	13.4	8.0	5.4
Acquisitions/Increases	49.1	27.9	21.2
Disposals/Decreases	(7.7)	(6.6)	(1.2)
December 31, 2013	**471.5**	**284.6**	**186.9**

5. Non-current financial assets

BREAKDOWN *In millions of euros*	Gross value	Provisions	Carrying amount Dec. 31, 2013	Carrying amount Dec. 31, 2012
Investments	336.7	120.9	215.9	238.3
Other non-current financial assets	14.7	5.6	9.2	0.1
Related receivables	7.8		7.8	40.2
Other	1.4 [(a)]	0.1	1.3	2.2
Total	**360.6**	**126.5**	**234.1**	**280.8**

[(a)] Including 9,900 treasury shares with a value of €0.7 million (see Note 2.4).

MOVEMENTS *In millions of euros*	Gross value	Provisions	Carrying amount
December 31, 2011	**544.1**	**114.1**	**429.9**
Merger gain	138.4	0.1	138.3
Cancelation of shares following merger	(344.4)		(344.4)
Acquisitions/Increases	75.4	10.7	64.6
Disposals/Decreases	(9.7)	(2.0)	(7.7)
December 31, 2012	**403.7**	**122.9**	**280.8**
Merger gain	0.4	0.1	0.3
Cancelation of shares following merger	(11.7)		(11.7)
Acquisitions/Increases	3.0 [(a)]	7.8 [(c)]	(4.8)
Disposals/Decreases	(34.7) [(b)]	(4.2) [(d)]	(30.5)
December 31, 2013	**360.6**	**126.5**	**234.1**

[(a)] Including acquisitions of investments (€2 million).
[(b)] Including reversal of ABG Stella dividends receivable for 2012 (€30.9 million).
[(c)] Including impairment of shares in AB bioMérieux (€3 million), Knome (€2.3 million) and bioMérieux Argentine (€1.9 million).
[(d)] Including reversal of impairment of bioMérieux Greece shares (€4.1 million).

5.1. Subsidiaries and investments at December 31, 2013

See table overleaf.

	Share capital (in millions of currency units)		Net equity excl. share capital (in millions of currency units)	Percentage ownership	Carrying amount of shares held before impairment (in millions of euros)	Carrying amount of shares held after impairment (in millions of euros)	Outstanding loans and advances granted by the Company (in millions of euros)	Prior year sales (in millions of currency units)	Prior year net income or loss (in millions of currency units)	Dividends received by the Company during the year (in millions of euros)	Notes
A – SUBSIDIARIES (more than 50%-owned by bioMérieux):											
. AB bioMérieux	SEK	0.2	95.9	100.0%	69.7	21.5			10.0		1/1/13 - 12/31/13
. ABG Stella	USD		521.5	100.0%	55.5	55.5			90.0	99.4	1/1/13 - 12/31/13
. Adiagène	EUR	0.3	2.5	99.4%	1.5	1.5		1.1	0.1		1/1/13 - 12/31/13
. AES Canada	CAD		(0.1)	100.0%	0	0	0.4	1.3	0.1		1/1/13 - 12/31/13
. AES GmbH (Germany)	EUR		0.4	100.0%	0.9	0.9					1/1/13 - 12/31/13
. bioMérieux West Africa	CFA	50.0	66.7	100.0%	0.1	0.1		253.2	(21.1)		1/1/12 - 12/31/12
. bioMérieux Algeria	DZD	58.0	(1.4)	100.0%	0.6	0.6			2.4		1/1/13 - 12/31/13
. bioMérieux Germany	EUR	3.5	9.8	100.0%	3.8	3.8		82.2	2.8		1/1/13 - 12/31/13
. bioMérieux Argentina	ARS	0.5	24.5	99.1%	5.4	2.8		99.7	(1.5)		1/1/13 - 12/31/13
. bioMérieux Austria	EUR	0.1	1.9	100.0%	0.1	0.1		18.4	1.0	0.5	1/1/13 - 12/31/13
. bioMérieux Belgium	EUR	0.3	0.9	100.0%	0.3	0.3	2.5	25.9	0.5	1.0	1/1/13 - 12/31/13
. bioMérieux Benelux BV	EUR		2.4	100.0%	0.1	0.1	1.8	37.0	1.6	0.7	1/1/13 - 12/31/13
. bioMérieux Brazil	BRL	48.8	(33.9)	100.0%	24.0	24.0	7.8	136.5	(13.3)		1/1/13 - 12/31/13
. bioMérieux BV	EUR	22.7	(25.6)	100.0%	53.3	0	12.7		(0.5)		1/1/13 - 12/31/13
. bioMérieux Chile	CLP	1,686.6	2,633.1	100.0%	3.1	3.1		9,955.9	536.0		1/1/13 - 12/31/13
. bioMérieux China	HKD	193.0	147.7	100.0%	24.6	24.6	17.4	596.2	49.2		1/1/13 - 12/31/13
. bioMérieux Colombia	COP	0.5	11.0	100.0%	2.2	2.2		44.0	(1.0)		1/1/13 - 12/31/13
. bioMérieux Korea	KRW	1,000.0	4,223.4	100.0%	0.7	0.7		42,343.8	1,197.8	0.5	1/1/13 - 12/31/13
. bioMérieux Denmark	DKK	0.5	6.7	100.0%	0.5	0.5		52.9	4.1	0.3	1/1/13 - 12/31/13
. bioMérieux Spain	EUR	0.2	29.4	100.0%	0.6	0.6	6.7	70.0	2.3		1/1/13 - 12/31/13
. bioMérieux Finland	EUR		0.3	100.0%	0.1	0.1	0.4	5.6	0.2	0.3	1/1/13 - 12/31/13
. bioMérieux Greece	EUR	2.0	(0.9)	100.0%	4.1	4.1		10.3	2.1		1/1/13 - 12/31/13
. bioMérieux HK Investment Ltd	HKD	68.8	(5.5)	100.0%	6.1	6.1			(0.3)		1/1/13 - 12/31/13
. bioMérieux Hungary	HUF	3.0	74.4	96.7%	0	0	0.5	1,135.1	72.1		1/1/13 - 12/31/13
. bioMérieux India	INR	60.8	310.0	100.0%	1.4	1.4		2,192.2	121.2		1/1/13 - 12/31/13
. bioMérieux International SAS	EUR		1.0	100.0%	0	0					1/1/13 - 12/31/13
. bioMérieux Italy	EUR	9.0	53.3	100.0%	12.8	12.8		111.0	7.4		1/1/13 - 12/31/13
. bioMérieux Japan	JPY	0.5	(0.5)	66.0%	3.9	3.9		5.8	0.1		1/1/13 - 12/31/13
. bioMérieux Malaysia	MYR	0.1		100.0%	0	0	0.1	0.1			1/1/13 - 12/31/13
. bioMérieux Middle East	AED	0.1	0.9	100.0%	0	0	0.8		0.6		1/1/13 - 12/31/13
. bioMérieux Norway	NOK	2.8	2.6	100.0%	0.3	0.3		47.1	2.4	0.4	1/1/13 - 12/31/13
. bioMérieux Poland	PLN	0.4	29.2	100.0%	1.5	1.5	1.9	114.9	5.7	1.5	1/1/13 - 12/31/13
. bioMérieux Portugal	EUR	1.6	10.0	100.0%	2.0	2.0	1.3	15.3	1.2		1/1/13 - 12/31/13
. bioMérieux Russia	RUB	55.7	15.0	100.0%	1.3	1.3		819.6	79.3		1/1/13 - 12/31/13
. bioMérieux Russia Old	RUB	0.3	(1.9)	100.0%	0.2	0					1/1/13 - 12/31/13
. bioMérieux Singapore	SGD	0.1	2.3	100.0%	0.1	0.1		4.9	0.7	0.1	1/1/13 - 12/31/13
. bioMérieux South Africa	ZAR	50.0	37.9	100.0%	5.4	5.4		182.0	14.3	0.7	1/1/13 - 12/31/13
. bioMérieux Sweden	SEK	0.5	5.3	100.0%	0.2	0.2		163.2	2.6	0.4	1/1/13 - 12/31/13
. bioMérieux Switzerland	CHF	0.4	3.0	100.0%	0.6	0.6		28.0	1.8	1.0	1/1/13 - 12/31/13
. bioMérieux Czech Republic	CZK	0.2	26.8	100.0%	0	0	0.8	96.1	5.0		1/1/13 - 12/31/13
. bioMérieux Thailand	THB	35.0	45.6	100.0%	0.9	0.9		255.3	17.6	0.9	1/1/13 - 12/31/13
. bioMérieux Turkey	TRY	3.3	38.5	100.0%	2.7	2.7		57.9	3.4		1/1/13 - 12/31/13
. bioMérieux UK	GBP		8.7	100.0%	1.2	1.2		44.3	2.0		1/1/13 - 12/31/13
. bioMérieux Vietnam	VND	6.3	0.1	100.0%	0.2	0.2			0.1		1/1/13 - 12/31/13
. BTF	AUD	4.1	4.4	100.0%	13.6	13.6		11.7	4.2	3.5	1/1/13 - 12/31/13
TOTAL SUBSIDIARIES					**305.8**	**201.5**					

	Share capital (in millions of currency units)		Retained earnings before appropriation of profit (in millions of currency units)	Percentage ownership	Carrying amount of shares held before impairment (in millions of euros)	Carrying amount of shares held after impairment (in millions of euros)	Outstanding loans and advances granted by the Company (in millions of euros)	Prior year sales (in millions of currency units)	Prior year net income or loss (in millions of currency units)	Dividends received by the Company during the year (in millions of euros)	Notes
B – INVESTMENTS (5%-50%-owned by bioMérieux)											
. GeNeuro	CHF	0.5	(2.3)	8.2%	0.1	0.0		0.2	(4.0)		1/1/12 - 12/31/12
. Inodiag	EUR			0.6%	0.9	0.0					In liquidation
. Knome	USD	16.8	(19.7)	6.4%	7.3	0.0		2.2	(11.5)		2012 – unaudited
. Labtech Ltd	AUD	11.3	1.6	9.8%	1.3	0.5		4.3	0.5		7/1/12 - 6/30/13
. Mérieux Université	EUR	2.0	(1.0)	40.0%	0.8	0.4		0.2	(1.0)		11/16/12 - 12/31/13
. Quanterix	USD	4.5	(48.3)	14.0%	11.8	11.8			(14.9)		1/1/12 - 12/31/12
. Relia Diagnostic Systems Inc.	USD	11.2	(21.1)	7.0%	6.8	1.7		0.2	(4.4)		1/1/12 - 12/31/12
. Théra Conseil	EUR	0.3	0.1	1.8%	0	0		1.3	(0.1)		1/1/12 - 12/31/12
. Europroteome AG	EUR			8.8%	2.0	0					In liquidation
TOTAL INVESTMENTS					**31.0**	**14.4**					
C – OTHER SECURITIES											
. Avesthagen	INR	75.9	(391.2)	3.6%	1.4	0.0		25.2	(151.7)		4/1/12 - 3/31/13
. Biocartis	CHF	193.3	(165.6)	3.9%	9.0	9.0		1.9	(70.6)		1/1/12 - 12/31/12
. Dynavax	USD	114.8	0	0.1%	0.7	0.1		4.6	(69.9)		1/1/12 - 12/31/12
. Amorçage Technologie Invest.	EUR			3.3%	0.1	0.1					First reporting period in 2013
. Oscient Pharma	USD			0.2%	3.5	0					In liquidation
TOTAL OTHER SECURITIES					**14.7**	**9.2**					
GRAND TOTAL					**351.5**	**225.0**					

6. Inventories and work-in-progress

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Raw materials	34.0	28.7
Work-in-progress	28.6	28.2
Finished products and goods held for resale	72.9	59.6
Total gross value	**135.5** [(a)]	**116.5**
Impairment losses	(10.2)	(7.2)
Total carrying amount	**125.3**	**109.2**

[(a)] 23.3% of which relating to instruments.

7. Trade receivables

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Gross trade receivables	243.3	236.1
Impairment losses	(4.7) [(a)]	(6.7)
Carrying amount	**238.6**	**229.4**

[(a)] Impairment of receivables of bioMérieux Argentine (€3.3 million) and bioMérieux Russia (€0.8 million).

7.1. Receivables recognized in more than one asset item

Receivables represented by bills of exchange *In millions of euros*	Dec. 31, 2013	Dec. 31, 2012
Trade receivables	**0.3**	**0.1**

8. Other receivables

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Advances and downpayments	1.1	1.6
Pre-paid expenses	1.9	2.2
Other operating receivables	15.0	19.9
Total gross value	**17.9**	**23.7**
Impairment losses		
Carrying amount of operating receivables	**17.9**	**23.7**
Other non-operating receivables	43.9 [(a)]	35.5
Total gross value	**43.9**	**35.5**
Carrying amount of non-operating receivables	**43.9**	**35.5**

[(a)] Including receivables in respect of research tax credits in the amount of €28.7 million.

8.1. Breakdown of pre-paid expenses

In millions of euros	**Dec. 31, 2013**	**Dec. 31, 2012**
Relating to purchases	1.3	1.1
Relating to external services and other	0.3	0.4
Relating to other operating expenses	0.2	0.7
Total	**1.9**	**2.2**

9. Maturities of trade and other receivables

Carrying amount (in millions of euros)	**Dec. 31, 2013**	**Dec. 31, 2012**
Trade receivables	**238.6**	**229.4**
- Due in less than 1 year	238.2	228.8
- Due in more than 1 year	0.3	0.5
Other operating receivables	**17.9**	**23.7**
- Due in less than 1 year	14.4	23.2
- Due in more than 1 year	3.5	0.5
Non-operating receivables	**43.9**	**35.5**
- Due in less than 1 year	43.9	35.5

10. Cash and cash equivalents

Cash and cash equivalents includes available cash and short-term investments.

In millions of euros	**Dec. 31, 2013**	**Dec. 31, 2012**
Short-term investments	262.9	0.3
Cash pooling	107.0	65.4
Cash pooling impairment[(a)]	(4.0)	(2.6)
Cash at bank and financial instruments	98.7	4.8
Total	**464.5**	**67.9**

[(a)] Of which bioMérieux BV for €4 million.

At end-2013, the cash proceeds from the bond issue undertaken to finance the acquisition by bioMérieux Inc. of U.S.-based company BioFire, was invested in (i) short-term euro-denominated term accounts paying fixed or progressive interest for €190 million, and (ii) in negotiable medium-term notes for €70 million.

Other short-term investments break down as follows:

	2013	2012
Investment	713 treasury shares	3,714 treasury shares
Net amount	€0.1 million	€0.3 million
Type	Equities	Equities
ISIN code	FR0010096479	FR0010096479
Investment	Amundi Treso Eonia money-market fund	
Net amount	€2.8 million	
Type	Euro money-market fund	
ISIN code	FR0007435920	

10.1. Share grant plan

The following table presents all of the Company's share grant plans.

	Share grant plans		
Company	bioMérieux SA	bioMérieux SA	bioMérieux SA
Date of Ordinary and Extraordinary Shareholders' Meeting authorizing the plan	June 12, 2008	June 10, 2010	June 10, 2010
Maximum number of shares that may be granted	200,000	0.95% of capital (374,810)	0.95% of capital (374,810)
Beneficiaries	Corporate officers/Employees		
Vesting conditions	Vesting period of 2 or 4 years		
Lock-up period	Held for 2 years after vesting		
Number of shares granted in 2013			41,700
Total number of shares granted at Dec. 31, 2013	114,507	278,167	41,700
Number of shares delivered in 2013	4,571	1,430	
Total shares delivered at Dec. 31, 2013	56,325	4,962	
Number of shares forfeited in 2013	11,858	5,250	
Total number of shares forfeited at Dec. 31, 2013	17,182	109,600	
Number of shares to be delivered as of Dec. 31, 2013	41,000	163,605	41,700
Number of shares outstanding as of Dec. 31, 2013		96,643	333,110

In 2013, an expense of €0.7 million was recognized in operating items, net of subsidiaries' rebillings.

The lock-up period may be waived for shares granted to non-French tax residents provided that the shares concerned are subject to a four-year vesting period.

At December 31, 2013, bioMérieux SA already held 713 of its own shares for allocation under the above-described share grant plans. The Company will have to purchase a further 245,592 shares to cover its commitments, representing €18.7 million based on the share price at December 31, 2013. In view of the forecast achievement of performance conditions at that date, the Company will have to purchase 69,092 treasury shares, representing a cost of €5.3 million based on the same market price.

11. Valuation of fungible current assets

There is no material difference between the estimated value of fungible current assets as shown in the balance sheet and their market value.

12. Unrealized foreign exchange losses

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
On operating payables	0.1	0.2
On payables and borrowings	5.2	1.6
On operating receivables	3.9	3.0
Total	**9.2**	**4.8**

13. Shareholders' equity

13.1. Share capital

The Company's share capital amounted to €12,029,370 at December 31, 2013 and was divided into 39,453,740 shares with a total of 64,962,373 voting rights (i.e., 25,519,246 shares carried double voting rights). Following a decision taken by shareholders at the Annual General Meeting of March 19, 2001, the Company's bylaws no longer refer to a par value for its shares. No rights or securities with a dilutive impact on capital were outstanding at December 31, 2013.

At December 31, 2013, the Company held:

- 9,900 treasury shares under a liquidity agreement with an independent investment firm (see Note 5). During 2013, the Company bought back 65,443 of its own shares and sold 64,143.

- 713 treasury shares set aside for free share grants. During 2013, the Company purchased 3,000 shares and delivered 6,001.

13.2. Statement of changes in shareholders' equity

In millions of euros	Share capital	Additional paid-in capital	Retained earnings	Statutory provisions	Grants	Total
December 31, 2011	**12.0**	**63.5**	**538.3**	**32.6**	**0.0**	**646.5**
Net income for the year			162.2			162.2
Dividends paid			(38.6)			(38.6)
Other movements			(0.3)	2.8	0.3	2.8
December 31, 2012	**12.0**	**63.5**	**661.6**	**35.4**	**0.3**	**772.8**
Net income for the year			109.7			109.7
Dividends paid			(38.6)			(38.6)
Other movements			0.1	1.7	1.0	2.8
Reversals of AES Chemunex investment grants			(1.1)			(1.1)
Impact of change in method (retirement and health insurance benefits)			(10.1)			(10.1)
December 31, 2013	**12.0**	**63.5**	**721.6**	**37.1**	**1.3**	**835.6**

14. Statutory provisions

In millions of euros	**Accelerated amortization**	**Provisions for price increases**	**Total**
December 31, 2011	**31.2**	**1.4**	**32.6**
Additions	8.5	0.2	8.7
Reversals	(5.7)	(0.1)	(5.8)
December 31, 2012	**34.0**	**1.5**	**35.5**
Additions	8.0	0.2	8.2
Reversals	(6.3)	(0.3)	(6.6)
December 31, 2013	**35.7**	**1.4**	**37.1**

15. Provisions

In millions of euros	**Other employee benefits**[(a)]	**Product warranties**[(b)]	**Other provisions**	**Total**
December 31, 2011	**7.1**	**0.7**	**11.8**	**19.7**
Merger gain				
Additions	3.1	0.7	6.4	10.2
Reversals (utilizations)	(0.5)	(0.7)	(11.0)	(12.3)
Reversals (surplus)			(0.2)	(0.2)
Net additions (reversals)	2.6	(0.1)	(4.8)	(2.3)
December 31, 2012	**9.7**	**0.7**	**7.0**	**17.4**
Merger gain	0.6	0.3	0.1	0.9
Impact of "recommended method"	10.0			10.0
Additions	1.3	1.0	11.7	13.9
Reversals (utilizations)	(0.5)	(0.9)	(6.1)	(7.5)
Reversals (surplus)			(0.1)	(0.1)
Net additions (reversals)	0.8	0.0	5.5	6.3
December 31, 2013	**21.0**	**1.0**	**12.6** [(c)]	**34.6**

(a) Provisions for other employee benefits comprise retirement benefits, long service awards and the Mérieux health insurance benefits.

(b) Estimate of the costs relating to warranties issued on the sale of instruments that may be incurred over the remaining warranty period.

(c) Including provisions for foreign exchange losses in the amount of €9.2 million and a provision for free share grants of €1.4 million.

15.1. Provisions for pensions and other post-employment benefits

Obligations in respect of pensions and other post-employment benefits are calculated using actuarial methods based on the following assumptions:

	Dec. 31, 2013	Dec. 31, 2012
Salary increase rate	3%	3%
Discount rate	3%	3%
Employee mobility rate[(a)]	0% to 10%	0% to 10%
Average duration	14.6	14.6

(a) Depending on age and status of the employee (managerial/non-managerial grade).

The Company recognized provisions for retirement benefits for the first time at January 1, 2013 in an amount of €10 million, with an offsetting entry to retained earnings. Changes in the provision during the year are set out below:

In millions of euros	Dec. 31, 2012	Allocated to retained earnings	Additions	Reversals	Dec. 31, 2013
bioMérieux SA		10.0	0.2		10.2
AES Chemunex (merged)	0.6	(0.1)	0.1		0.5
Total	**0.6**	**9.9**	**0.3**	**0.0**	**10.7**

The provision for long service awards amounts to €10.2 million at December 31, 2013.

15.2. Provisions for claims and litigation

The Company is involved in a certain number of claims and litigation arising in the ordinary course of business. bioMérieux believes that no claim or litigation will have a material adverse impact on its operations. When a risk is identified, a provision is recognized as soon as the risk can be reliably measured. The provision for claims and litigation amounted to €0.2 million at December 31, 2013.

16. Net debt

16.1. Debt refinancing

bioMérieux SA has a €350 million five-year syndicated loan, repayable in full at maturity (2017). The syndicated loan is subject to compliance with one financial ratio: net debt may not exceed three times operating income before non-recurring items before depreciation/amortization and acquisition expenses (EBITDA). The Company complied with this covenant at December 31, 2013. No amounts were drawn down under this facility in 2013. At December 31, 2012, €60 million had been drawn under this facility.

bioMérieux SA had €60 million in outstanding commercial paper at December 31, 2013.

On October 14, 2013, bioMérieux SA issued €300 million worth of seven-year bonds to institutional investors. The bond issue premium amounted to €2.3 million and is being amortized over the term of the bonds on a pro rata temporis basis with the related interest expense. Transaction costs in relation to the bond issue amounted to €0.9 million, and are being amortized over the term of the bonds. The bonds mature on October 14, 2020 and pay interest at an annual rate of 2.875%. The bond issue was very well received by investors and was more than four-times oversubscribed. It has allowed bioMérieux to extend the average maturity of its debt under favorable financial conditions, diversify its sources of financing beyond existing syndicated lines of credit and contribute to the funding of the BioFire acquisition.

16.2. Maturities of borrowings

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Due beyond 5 years	301.9	0.4
Due in 1 to 5 years	1.1	2.1
Total long-term borrowings	**303.0**	**2.5**
Due within 1 year	99.7 [(a)]	110.6
Total borrowings	**402.7**	**113.1**
Short-term investments	(262.9) [(b)]	(0.3)
Cash at bank and in hand	(201.6) [(c)]	(67.6)
Net debt	**(61.8)**	**45.2**

(a) Including cash pooling for €36.4 million and commercial paper for €60 million.
(b) The carrying amount of short-term investments is identical to the market value, except for treasury shares which are carried at historical cost.
(c) Including cash pooling for €103 million after impairment.

17. Trade and other payables

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Trade payables	**125.0**	**127.7**
Accrued payroll and other taxes	91.7	85.2
Deferred income	4.7	2.8
Other	9.5	10.2
Other operating payables	**106.0**	**98.2**
Due to suppliers of fixed assets	16.4	21.9
Non-operating payables	**16.4**	**21.9**

17.1. Payables recognized in more than one balance sheet item

Liabilities represented by bills of exchange are not material for 2012 and 2013.

17.2. Pre-paid income

Pre-paid income breaks down as follows:

- Equipment lease and maintenance contracts: €2.7 million.
- Partnership agreements: €1.1 million.
- Sales of reagents and instruments: €0.9 million.

17.3. Maturities of trade payables and other payables

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Trade payables		
Due within 1 year	125.0	127.7
Due beyond 1 year	0.1	
Total	**125.0**	**127.7**
Other operating payables		
Due within 1 year	106.0	98.2
Total	**106.0**	**98.2**
Non-operating payables		
Due within 1 year	16.4	21.9
Total	**16.4**	**21.9**

17.4. Breakdown of accrued expenses

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Miscellaneous borrowings	2.1	0.7
Trade payables	40.2	40.5
Accrued payroll and other taxes	76.1	68.2
Other operating payables	6.4	5.1
Due to suppliers of fixed assets	6.3	6.1
Total	**131.1**	**120.6**

18. Unrealized foreign exchange gains

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
On operating payables	0.3	0.3
On operating receivables	0.2	0.2
On borrowings	1.0	0.1
On financial receivables	0.1	0.1
Total	**1.6**	**0.7**

19. Balance sheet items relating to affiliated companies

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Total non-current financial assets	**344.5**	**395.8**
Operating receivables	151.3	161.6
Non-operating receivables		2.0
Total receivables	**151.3**	**163.6**
Total cash and cash equivalents[(a)]	**107.0**	**65.4**
Operating payables	47.2	70.8
Borrowings[(b)]	36.4	34.4
Total payables	**83.6**	**105.2**

[(a)] Advances to subsidiaries under cash pooling agreements.
[(b)] Advances from subsidiaries under cash pooling agreements.

20. Financial commitments

20.1. Commitments given

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Endorsements and guarantees, of which affiliated companies for €402.5 million	405.3	63.3
Finance and capital leases	1.8	0.7
Total	**407.1**	**64.0**

20.2. Commitments received

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Endorsements and guarantees, of which affiliated companies for €0 million		0.4
Credit facilities of €350 million with a banking syndicate	350.0	290.0
Total	**350.0**	**290.4**

20.3. Hedging instruments

20.3.1. Exchange rate risk

Since a large proportion of the bioMérieux SA's operations are conducted outside the eurozone, it may be impacted by changes in exchange rates between the euro and other currencies. Sales are particularly affected by euro/U.S. dollar exchange rate variations and, more occasionally, by variations in the rate of the euro against other currencies.

bioMérieux SA's current policy is to seek to hedge the impact of exchange rate fluctuations on budgeted profit. It uses hedging instruments, when they are available at a reasonable cost, in order to mitigate risks relating to currency fluctuations. Hedging contracts are purchased to cover transactions included in the budget and not for speculative purposes.

Hedges consist mainly of forward sales or purchases of foreign currencies (with maturities of less than 18 months at December 31, 2013).

Hedging instruments are used to hedge trade and financial receivables and payables.

Unrealized foreign exchange gains and losses on hedging instruments, measured on the basis of trading prices at December 31, 2013, are recognized in the balance sheet whenever they are in a hedging relationship with receivables or payables.

Hedges in effect at December 31, 2013 were as follows:

– Forward sales of €37.7 million to hedge trade receivables.

  At December 31, 2013, the fair value of these hedging instruments was a positive €0.9 million.

– Forward sales of €75.2 million to hedge financial receivables.

  At December 31, 2013, the fair value of these hedging instruments was a positive €0.4 million.

– Forward purchases of €21 million to hedge borrowings.

  At December 31, 2013, the fair value of these hedging instruments was a negative €0.1 million.

In addition, the Company entered into currency hedges to cover its 2014 budget positions, with an aggregate net value of €128.4 million. At December 31, 2013, the fair value of these hedging instruments was a positive €2.7 million.

At December 31, 2013, the Company had no hedges covering the earnings of foreign subsidiaries.

As part of the acquisition of U.S.-based company BioFire, the Company set up a currency hedging program using options against the risk of a fall in the value of the euro against the U.S. dollar, in order to limit the debt incurred as a result of this acquisition. At December 31, 2013, the nominal value of the options recorded and not resold was €535.6 million. These options led to the payment of a premium in an amount of €5.6 million, the fair value of which was €1 million at end-2013.

The options sold in 2013 had a negative €1.3 million impact on net income for the year.

The table below shows the currencies in which sales are generated:

In millions of euros	2013		2012	
	Amount	**%**	**Amount**	**%**
Euro	**522.0**	***59%***	**454.5**	***58%***
Other				
U.S. dollar	144.8	*16%*	133.5	*17%*
Pound sterling	21.0	*2%*	22.1	*3%*
Chinese yuan	19.3[(a)]	2%		
Rupee	17.1	*2%*	16.6	*2%*
Swedish krona	16.1	*2%*	15.6	*2%*
Turkish lira	14.9	*2%*	13.4	*2%*
Polish zloty	15.1	*2%*	15.1	*2%*
Swiss franc	15.0	*2%*	15.5	*2%*
Other currencies	95.5	*11%*	96.3	*12%*
Total	**881.0**	***100%***	**782.6**	***100%***

[(a)] Change in billing currency (initially USD).

20.3.2. Interest rate risks

20.3.2.1 Exposure to interest rate risk

As part of its interest rate risk management policy aimed primarily at managing the risk of an increase in interest rates, bioMérieux SA splits its debt between fixed and variable interest rates.

After taking account of interest rate derivatives, the bond issue breaks down as €150 million at fixed rates and €150 million at variable rates (capped at 3.3%).

Exposure to interest rate risk on other borrowings is not material and is not hedged.

20.3.2.2 Hedging instruments

At December 31, 2013, the interest rate risk hedging portfolio comprised interest rate swaps for €150 million and options for €150 million.

The market value of accrued interest included in the value of these instruments amounted to €2.6 million.

20.4. Information concerning finance leases

In millions of euros	Gross	Royalties		Amortization and depreciation	
		2013	Accumulated	2013	Accumulated
Land	0.4				
Buildings	4.7	0.5	4.7	0.2	2.3
Other property, plant and equipment	2.4		1.1		2.3
Total	**7.5**	**0.5**	**5.8**	**0.2**	**4.5**

In millions of euros	Outstanding royalties				Residual value
	<1 year	1-5 years	Beyond 5 years	Total	
Land					
Buildings	0.4	0.7		1.1	
Other property, plant and equipment				0.1	
Total	**0.4**	**0.7**	**0.0**	**1.2**	**0.0**

20.5. Material off-balance sheet commitments and transactions

20.5.1. Commitments

Within the scope of the agreement to acquire BioFire entered into on September 5, 2013 by bioMérieux Inc., bioMérieux SA as the parent company of bioMérieux Inc. granted a first-call guarantee to the vendors. The guarantee covered all amounts payable in respect of the acquisition of BioFire, i.e., approximately €335 million, and was valid until the closing of the transaction. This guarantee expired on January 13, 2014 at the time of the definitive completion of the acquisition.

In 2012, bioMérieux acquired an €11.8 million interest in Quanterix and committed to acquiring a further USD 10 million (€7.3 million) interest within two years, subject to validation of the platform.

When the Group acquired CEA-Industrie's interest in Apibio in December 2004, bioMérieux SA agreed to an incentive clause with CEA-Industrie covering the period from 2010 to 2014, under which it would pay CEA-Industrie 3.5% of any revenue generated by products based on the Apibio technology (primarily MICAM and OLISA). This incentive mechanism is capped at €1.1 million. As bioMérieux did not generate any revenue from products incorporating this technology in 2013, no incentive payment was due for the year.

As part of the share grant plan set by the Board of Directors, the Company will need to purchase 245,592 shares to cover its commitments, the cost of which would be €18.7 million based on the share price at December 31, 2013.

The Company is subject to a number of earn-out clauses relating to acquisitions and disposals. At end-2013, it was not deemed probable that these clauses would be triggered, or the amount involved could not be reliably ascertained.

When AES Laboratoire Groupe sold its stake in Agro Bio to Qualtech on May 17, 2011, it granted a vendor warranty for an amount of €1.6 million valid through March 31, 2014. The amount of the warranty declines by one-third every 12 months. At December 31, 2013, the residual commitment under this warranty was €0.5 million.

In 2013, bioMérieux acquired shares in Amorçage Technologique Investissement for €0.1 million and committed to providing additional funds of up to €0.9 million.

20.5.2. Other off-balance sheet transactions

At December 31, 2013, commitments given in respect of various research agreements amounted to €27.9 million.

bioMérieux SA participates in a research program coordinated by Institut Mérieux, together with bioMérieux, Transgène, Genosafe and the Genethon association. The aim of this program is to develop a new generation of diagnoses and therapies focusing on cancers, infectious diseases and genetic disorders. Known under the acronym "ADNA" (for "Advanced Diagnostics for New therapeutic Approaches"), the program receives financing from the French government's Industrial Innovation Agency (*Agence de l'Innovation Industrielle*), which merged with OSEO ANVAR in 2007 (renamed Bpifrance in July 2013). The public financing agreement was approved by the European authorities on October 22, 2008. bioMérieux SA has agreed to carry out €67.5 million worth of research and development work as part of the program during the period through 2017. In return, bioMérieux SA will receive subsidies and repayable grants of up to €16.1 million and €8.9 million, respectively. If a project is successful, bioMérieux SA will reimburse the repayable grants according to a payment schedule based on sales generated, and then pay over 3.4% of sales until 2029.

At December 31, 2013, bioMérieux SA's obligations to its employees under the statutory training entitlement provided for by French law (*Droit Individuel à la Formation* – DIF) were estimated to represent a maximum of 308,587 hours.

bioMérieux SA entered into a ten-year partnership with Bioaster, a technological research institute in Lyon, specialized in infectious diseases. The cost of its contribution to research activities, which will be put in place through partnership agreements with Bioaster, is estimated at €4 million over the 2012-2015 period. This amount does not include the cost of internal bioMérieux resources which may be used in joint projects.

20.6. Transactions with related parties

Institut Mérieux, which held 58.9% of bioMérieux SA's shares at December 31, 2013, provided consultancy and support services to bioMérieux SA valued at €4.9 million for the year. Conversely, bioMérieux SA billed Institut Mérieux €0.5 million for expenses incurred on its behalf.

A cash pooling system has been put in place for which bioMérieux SA and Institut Mérieux set up cash borrowing and lending facilities that did not generate material amounts of interest during the year. However, interest generated by Institut Mérieux's cash pool in respect of 2012 and received in 2013 amounted to €0.2 million.

During 2013, the Company supplied €0.8 million worth of services and reagents to entities of the Mérieux NutriScience Corp. group, in which Institut Mérieux holds a majority interest.

Théra Conseil, which is 98.24%-owned by Institut Mérieux, billed bioMérieux SA €2.4 million for services in 2013.

bioMérieux SA billed €0.2 million worth of services in 2013 to IMAccess, which in turn billed €1.1 million in milestone payments and raw materials. IMAccess is wholly-owned by Institut Mérieux.

During the year, bioMérieux SA contributed €1.3 million to the Christophe and Rodolphe Mérieux Foundation and €0.5 million to the Mérieux Foundation for humanitarian projects. Conversely, bioMérieux SA billed Fondation Mérieux €0.3 million for expenses incurred on its behalf.

bioMérieux SA has entered into a number of research and development agreements with Transgène (in which Institut Mérieux indirectly holds a 54.9% equity interest through TSGH) under which the Company received €0.1 million in fees for 2013.

Also during 2013, bioMérieux SA paid €0.1 million to Mérieux Université (in which bioMérieux SA and Institut Mérieux each hold a 40% interest, and Mérieux Nutriscience Corporation holds a 20% interest) in respect of training fees, and rebilled €0.3 million in other services.

bioMérieux SA billed €0.2 million worth of services in 2013 to Geneuro, in which it holds 8.2% of the share capital.

bioMérieux SA acquired land located at Marcy l'Etoile for €6.1 million from SCI de l'Etoile, which is indirectly held by Institut Mérieux.

21. Breakdown of sales

In millions of euros	**France**	**Export**	**Total 2013**	**Total 2012**
Sales of goods for resale	18.7	77.6	96.4	82.0
Sold production (goods)	160.7	516.0	676.7	604.8
Sold production (services)	17.7	90.2	108.0	95.8
Total	**197.1**	**683.8**	**881.0**	**782.6**

21.1. Sales by geographic area

In millions of euros	**Dec. 31, 2013**	**Dec. 31, 2012**
France	202.9	170.2
Europe	367.8	334.0
South America	43.6	41.5
North America	95.9	71.8
Asia-Pacific	109.8	100.8
Other	61.0	64.3
Total	**881.0**	**782.6**

22. Personnel costs

In millions of euros	**2013**	**2012**
Wages and salaries	158.3	135.8
Incentive plan	7.9	9.1
Payroll taxes	80.3	71.0
Total	**246.5**	**215.9**
Employee profit sharing	0.0	0.0
Total	**246.5**	**215.9**
Average headcount	**3,385**	**2,860**
Headcount at year-end	**3,429**	**2,896**

CICE tax credits introduced in France to boost competitiveness and employment are recognized as a deduction from payroll taxes in an amount of €2.4 million.

No employee profit sharing was paid in respect of 2013 in view of the Company's results.

22.1. Breakdown of headcount

In FTE	2013	2012
Average headcount		
Managers	1,488	1,270
Supervisors	91	50
Employees	72	48
Technicians	1,127	1,018
Workers	607	474
Total	**3,385**	**2,860**
Headcount at year-end		
Managers	1,515	1,288
Supervisors	92	51
Employees	68	37
Technicians	1,128	1,029
Workers	626	491
Total	**3,429**	**2,896**

23. Directors' and officers' compensation

Compensation paid to Company officers and directors for 2013 in respect of their duties consisted of directors' fees of €0.2 million, and fixed and variable compensation in the amount of €1.4 million.

24. Research and development expenses

Research and development expenses for 2013 amounted to €121.2 million.

25. Net financial expense

25.1. Breakdown of net financial expense

In millions of euros	2013	2012
Net finance costs	0.6	(0.5)
Impairment of investments	(3.6) [(a)]	(8.8) [(b)]
Debt waiver		(0.1)
Provisions for financial contingencies and losses	(0.1)	5.8
Cash pool impairment	(1.4)	(2.6)
Dividends	80.4	143.1
Foreign exchange losses	(3.2)	(3.1)
Total	**72.7**	**133.8**

(a) Including net additions to impairment of shares of subsidiaries and on other investments for €0.8 million and €2.8 million, respectively.
(b) Including net additions to impairment of shares of subsidiaries and on other investments for €5.8 million and €3.0 million, respectively.

25.2. Foreign exchange gains and losses

Foreign exchange gains and losses result from variations between the transaction exchange rate and the settlement rate (or the year-end rate if the payment has not yet been made). These differences only partially reflect the impact of currency fluctuations.

Translation gains and losses on commercial transactions are recognized under the relevant headings in the income statement. The table below shows their income statement impact in 2012 and 2013:

In millions of euros	**2013**	**2012**
Sales	(2.3)	(10.2)
Cost of material supplies and other external charges	(0.3)	(0.1)
Financial items	(3.2)	(3.1)
Total	**(5.8)**	**(13.4)**

26. Affiliated companies: financial income and expenses

In millions of euros	**2013**	**2012**
Net impairment of investments	(1.2)	(4.1)
Financial expenses[(a)]	(6.8)	(7.8)
Dividends received	80.4	143.1
Financial income[(b)]	4.6	9.1
Total	**77.0**	**140.3**

(a) Including additions to provisions for foreign exchange losses in respect of cash pooling and long-term loans to subsidiaries (€5.2 million) and additions to impairment allowances on financial receivables at bioMérieux BV (€1.4 million).

(b) Including reversals of provisions for foreign exchange losses in respect of cash pooling (€1.6 million) and late-payment interest billed to subsidiaries (€1 million).

27. Non-recurring income and expenses

In millions of euros	**Income**	**Expenses**	**Net 2013**	**Net 2012**
Disposals of fixed assets	3.0	3.3	(0.3)	0.5
Statutory provisions	6.5	8.2	(1.7)	(2.8)
Other non-recurring income and expenses	1.6	3.7	(2.1)	(0.9)
Total	**11.1**	**15.3**	**(4.1)**	**(3.2)**

28. Income taxes

At December 31, 2013, the Company recognized various tax benefits totaling €20.2 million, including a research tax credit for an estimated €15.8 million. The net income tax benefit totaled €6.6 million in 2013, versus €13.2 million one year earlier.

Income tax expense for 2013 includes taxes on dividends for €1.2 million.

28.1. Breakdown of corporate income tax

In millions of euros	2013			2012
	Before tax	Income tax[(a)]	After tax	
Recurring income	107.3	3.8	111.1	162.6
Non-recurring expense	(4.1)	1.7	(2.4)	(1.8)
Employee profit sharing				0.3
Prior-year tax adjustment and other		1.0	1.0	1.1
Net income for the year	**103.1**	**6.6**	**109.7**	**162.2**

(a) CICE tax credits introduced in France to boost competitiveness and employment for €2.4 million are recognized in personnel costs and not in income tax.

28.2. Net income for the year excluding valuation allowances

In millions of euros	2013	2012
Net income for the year	109.7	162.2
Income tax	6.6	13.3
Net income before tax	103.1	148.9
Accelerated depreciation/amortization and statutory provisions	1.7	2.8
Total valuation allowances	(1.7)	(2.8)
Net income before tax and excluding valuation allowances	**104.8**	**151.7**
Income tax	6.6	13.3
Income tax on valuation allowances at 38% in 2013 (36.10% in 2012)	(0.6)	(1.0)
Net tax income (expense)	**6.0**	**12.3**
Net income for the year excluding valuation allowances	**110.8**	**164.0**

28.3. Deferred taxes

In millions of euros	**2013** Tax rate 38%	**2012** Tax rate 36.10%
Accelerated depreciation, amortization and statutory provisions	14.1	12.8
Investment grants	0.1	0.1
Provision for accrued receivables, treasury shares	0.3	0.3
Invoices under "NRE law"		
Total deferred tax liabilities	**14.5**	**13.2**
Non-deductible provisions and expenses	(6.6)	(1.4)
Impact of new asset regulations		
Unrealized foreign exchange gains	(0.6)	(0.2)
Amortization of acquisition costs		
Gains on mutual funds		
Total deferred tax assets	**(7.2)**	**(1.6)**
Total deferred tax expense	**7.3**	**11.6**

20.2 PRO FORMA FINANCIAL INFORMATION

N/A

20.3 FINANCIAL STATEMENTS

See sections 20.1.1 and 20.1.2.

20.4 AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION

The Statutory Auditors' reports on the consolidated financial statements for the years ended December 31, 2012 and December 31, 2011 are respectively presented in section 20.4.1 of the Registration Document filed with the AMF on May 17, 2013 under number D.13-0542 and section 20.4.1 of the Registration Document filed on April 26, 2012 under number D.12-0421.

The Statutory Auditors' reports on the parent company financial statements for the years ended December 31, 2012 and December 31, 2011 are respectively presented in section 20.4.2 of the Registration Document filed with the AMF on May 17, 2013 under number D.13-0542 and section 20.4.2 of the Registration Document filed on April 26, 2012 under number D.12-0421.

20.4.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2013:

- the audit of the accompanying consolidated financial statements of bioMérieux;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Notes 2 and 3 to the consolidated financial statements which describe the effects of the application of the amended IAS 19 "Employee Benefits" that took effect on January 1, 2013.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*), relating to the justification of our assessments, we bring to your attention the following matters:

- As described in Notes 2.13 and 15.2 to the consolidated financial statements, the provisions intended to cover the Group's pension benefits obligations are calculated based on actuarial estimates made by experts appointed by Group companies. Our work consisted in examining the financial information used, assessing the assumptions adopted and verifying that Notes 2.13 and 15.2 to the consolidated financial statements provide appropriate disclosure.

- As described in Notes 2.8 and 6 to the consolidated financial statements, the Company carries out annual impairment tests on goodwill and other intangible assets with an indefinite useful life. We examined the methods used to implement the impairment tests as well as the financial information and assumptions used by the Company and verified that Notes 2.8 and 6 to the consolidated financial statements provide appropriate disclosure.

- As described in Notes 1.2.2, 10 and 29.2 to the consolidated financial statements, the Company measures the risk of non-recovery of receivables owed by Southern European governments experiencing economic difficulties (Portugal, Italy, Spain and Greece). Our work consisted in examining the financial information used, assessing the assumptions adopted and verifying that Notes 1.2.2, 10 and 29.2 to the consolidated financial statements provide appropriate disclosure.

- The Group records provisions for litigation as described in Notes 2.14 and 15.3 to the consolidated financial statements. Our work consisted in assessing the financial information and assumptions on which these estimates are based, reviewing the calculations made by the Company and examining the procedures implemented by management for approving these estimates. On this basis, we assessed the reasonableness of these estimates.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

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

Lyon, March 25, 2014
The Statutory Auditors

Diagnostic Revision Conseil	**ERNST & YOUNG et Autres**
Hubert de Rocquigny du Fayel	Marc-André Audisio

20.4.2 STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2013, on:

– the audit of the accompanying financial statements of bioMérieux SA;

– the justification of our assessments;

– the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to Notes 2.10 and 15.1 to the financial statements which describe the change in accounting method further to the adoption of the "recommended method" for recognizing pension obligations.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

– As described in Note 2.4 to the financial statements, the Company recognizes impairment losses against investments whose carrying amount exceeds their value in use. Our work consisted in assessing the assumptions and financial information used by the Company to value these investments, reviewing the calculations made and assessing the reasonableness of these estimates.

– As described in Note 1.3 to the financial statements and as a result of the merger with AES Chemunex during the year, the Company recorded a technical merger loss of €128.9 million under intangible assets. We verified that the accounting treatment of this transaction was appropriate and assessed the consistency of the allocation of this loss to underlying assets as described in Notes 1.3 and 3 to the financial statements. We also verified the reasonableness of the impairment loss recorded at the year-end based on the current value of these underlying assets.

– As mentioned above, Notes 2.10 and 15.1 to the financial statements describe the change in accounting method further to the adoption of the "recommended method" for recognizing pension obligations. As part of our assessment of the accounting principles of your Company, we verified the reasonableness of this change in accounting method and its fair presentation in the financial statements.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225 102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests, and the identity of shareholders and holders of voting rights has been properly disclosed in the management report.

Lyon, March 25, 2014

The Statutory Auditors

Diagnostic Revision Conseil	**ERNST & YOUNG et Autres**
Hubert de Rocquigny du Fayel	Marc-André Audisio

20.5 AGE OF LATEST FINANCIAL INFORMATION

December 31, 2013

20.6 INTERIM FINANCIAL INFORMATION

20.6.1 QUARTERLY FINANCIAL INFORMATION

Quarterly financial information for the three months ended March 31, 2014

20.6.2 OTHER INTERIM FINANCIAL INFORMATION

N/A

20.7 DIVIDEND POLICY

20.7.1 DISTRIBUTION POLICY

The distribution policy is decided in light of the analysis, for each year, of the Company's profits, of its financial position and of any other factors that the Board of Directors considers relevant. For information purposes, it is specified that the Company intends to pay each year a constantly increasing dividend, representing nearly 25% of earnings for the year.

Dividends that remain unclaimed five years after their payment date are time-barred and remitted to the French government.

At the Annual General Meeting to be held on May 28, 2014, the Board of Directors will recommend a dividend of €1 per share, representing a total of €39.5 million to be paid in June 2014.

20.7.2 PAST DIVIDENDS PER SHARE

Dividends per share for the past three years

The table below presents the dividends paid by the Company for each of the past three years.

Year	Total dividend (in euros)[(a)]	Dividend per share (in euros)[(a)]
2012	38,664,665.20	0.98
2011	38,664,665.20	0.98
2010	38,664,665.20	0.98

(a) The Company did not receive any dividends on treasury shares held on the ex-dividend date and the corresponding amounts were allocated to "Retained earnings". Individuals domiciled in France for tax purposes in accordance with paragraph 2 of article 158.3 of the French Tax Code (*Code général des impôts*) benefit from a tax deduction on the annual dividend.

20.8 LEGAL AND ARBITRATION PROCEEDINGS

The Company is involved in a certain number of claims and litigation arising in the ordinary course of business. bioMérieux believes that no claim or litigation will have an adverse impact on its operations. The Company is not involved in any litigation considered to be material, with the exception of the proceedings described in Notes 15.3.1 and 15.4 to the 2013 consolidated financial statements (section 20.1.1) and in section 4.1.2.4 of this Registration Document.

20.9 SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION

To the best of the Company's knowledge, no significant change in its financial or trading position has occurred since the end of 2013, with the exception of the information described in section 12.1 of this Registration Document.

21 ADDITIONAL INFORMATION

21.1 SHARE CAPITAL

21.1.1 ISSUED CAPITAL

Number of shares issued: 39,453,740 (all Company shares are of the same class).

Issued capital: €12,029,370, fully paid up.

The Annual General Meeting of March 19, 2001 decided that there would no longer be any reference to par value in the Company's bylaws.

21.1.2 SHARES NOT REPRESENTING CAPITAL

On the filing date of this Registration Document, no securities that did not represent capital were outstanding.

21.1.3 SHARE BUYBACK PROGRAM

The Ordinary and Extraordinary Shareholders' Meetings of May 30, 2012 and May 29, 2013 authorized the Board of Directors to buy back shares of the Company in accordance with articles L.225-209 *et seq.* of the French Commercial Code (*Code de commerce*).

Under the authorizations given, the acquisition, sale and transfer of the Company's shares may be carried out by any means, in particular through the use of derivatives, whether on the stock market or over the counter, excluding the sale of put options, save in the case of exchanges that comply with applicable regulations. No restriction applies to the portion of buybacks carried out through block trades, which may account for the entire program, subject to the share ownership limit of 10%.

In accordance with these authorizations, the Company can purchase its shares, depending on prevailing market conditions, in order to (i) maintain a liquid market in the Company's shares through market-making transactions carried out by an independent investment firm under a liquidity agreement that complies with the AMAFI code of ethics approved by the French financial markets authority (*Autorité des marchés financiers* – AMF); (ii) deliver shares upon the exercise of rights attached to the issue of securities giving access to Company shares and stock option plans, or in connection with share grants to employees and corporate officers of the Company or companies within the same Group, or the allocation or transfer of shares to employees under profit-sharing plans, employee share ownership plans or employee savings plans; (iii) hold shares for subsequent delivery as payment or exchange in connection with external growth transactions; and (iv) reduce the share capital by canceling shares.

Pursuant to the seventh resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 29, 2013, the Board of Directors was also authorized to reduce the share capital by canceling all or some of the shares purchased under the share buyback program.

At December 31, 2013, the Company held 10,613 shares, i.e., 0.03% of the share capital.

Summary of transactions in treasury shares from January 1, 2013 through December 31, 2013 under a liquidity agreement

Pursuant to the authorizations given by the Ordinary and Extraordinary Shareholders' Meetings of May 30, 2012 and May 29, 2013, as well as the ensuing share buyback programs, and under the liquidity agreement complying with the AMAFI code of ethics approved by the AMF entered into with the Company, Kepler Cheuvreux (formerly Crédit Agricole Cheuvreux), in its capacity as investment firm, performed the following transactions in the period from January 1, 2013 through December 31, 2013:

Shares purchased	65,443
Average purchase price	€74.53
Shares sold	64,143
Average selling price	€73.94
Fees and commissions	0
Treasury shares held at December 31, 2013	9,900
Value of shares held at the end of the year based on their average purchase price	€737,847
Carrying amount at December 31, 2013	€732,973
Nominal value of shares	N/A
Purpose of transactions	Maintaining an orderly market
Percentage of treasury shares held at year-end	0.03%

The shares purchased by Kepler Cheuvreux were acquired exclusively to maintain a liquid market in the Company's shares through market-making transactions carried out by an independent investment firm under a liquidity agreement that complies with the AMAFI code of ethics approved by the AMF.

Summary of transactions in treasury shares between January 1, 2013 and December 31, 2013 under an agency agreement entered into with Natixis with the sole objective of delivering shares upon the exercise of rights in connection with share grants to employees of the Company or companies within the Group, pursuant to the authorizations granted by the Annual General Meeting.

Shares purchased	3,000
Average purchase price	€74.69
Shares sold	0
Average selling price	N/A
Treasury shares held at December 31, 2013	713
Value of shares held at the end of the year based on their average purchase price	€53,254
Carrying amount at December 31, 2013	€52,843
Nominal value of shares	N/A
Purpose of transactions	Delivery of shares upon the exercise of rights in connection with share grants to employees
Percentage of treasury shares held at year-end	0.00%

Use of derivatives

The Company did not use derivatives as part of this share buyback program and furthermore, there were no open positions to buy or sell derivatives at the filing date of this Registration Document.

21.1.4 OTHER SECURITIES

- The Company issued the shares described in section 21.1.1 and free shares were also granted (see section 17.2).

- bioMérieux then made a bond issue, placing €300 million worth of seven-year bonds with institutional investors. The bonds mature on October 14, 2020 and pay interest at an annual rate of 2.875%.

  The bonds were listed on NYSE Euronext Paris in October 2013 but have not and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The bonds are being offered outside the United States, in accordance with the Regulations of the Securities Act, and may not be offered, sold or delivered within the United States or to, or for the account of, U.S. persons.

  The bond issue enables bioMérieux to lengthen the average maturity of its debt under favorable financial conditions, to diversify its sources of financing in addition to its existing syndicated lines of credit and to contribute to funding the acquisition of the U.S. company BioFire.

21.1.5 ACQUISITION RIGHTS

Changes in share capital and voting rights attached to shares

Any changes in the share capital or voting rights attached to shares are governed by French law, as the bylaws do not any contain specific provisions in this respect.

Authorized unissued capital

Table summarizing valid authorizations

Relevant securities	Date and duration of the authorization	Maximum nominal amount of capital increase	Amount authorized and used
Grant of shares (existing or to be issued)	AGM of May 29, 2013 38 months, i.e., until July 29, 2016	0.95% of share capital as of the date of the AGM	41,700 shares[(a)] (0.11% of share capital)
Issue with pre-emptive subscription rights Capital increase with pre-emptive subscription rights through the issue of shares or securities	AGM of May 29, 2013 26 months, i.e., until July 29, 2015	€4,210,280 (around 35% of share capital as of the date of the AGM of May 29, 2013), including a maximum of €500 million for debt securities	N/A
Issue without pre-emptive subscription rights Capital increase without pre-emptive subscription rights through the issue of shares or securities	AGM of May 29, 2013 26 months, i.e., until July 29, 2015	€4,210,280 (around 35% of share capital as of the date of the AGM of May 29, 2013)[(b)], including a maximum of €500 million for debt securities[(c)]	N/A
Capital increase without pre-emptive subscription rights in the context of an offer falling within the scope of article L.411–2 II of the French Monetary and Financial Code (*Code monétaire et financier*)	AGM of May 29, 2013 26 months, i.e., until July 29, 2015	20% of share capital as of the implementation of the authorization[(b)], including a maximum of €500 million for debt securities[(c)]	N/A
Capital increase through the capitalization of additional paid-in capital, reserves, profits or other items	AGM of May 29, 2013 26 months, i.e., until July 29, 2015	€4,210,280[(b)] (around 35% of share capital as of the date of the AGM of May 29, 2013)	N/A
Increase in the number of shares issued in the event of a capital increase	AGM of May 29, 2013 26 months, i.e., until July 29, 2015	15% of the initial issue decided within the framework of authorizations granted of up to 35% of share capital	N/A
Capital increase without pre-emptive subscription rights as consideration for contributions in kind made to the Company	AGM of May 29, 2013 26 months, i.e., until July 29, 2015	10% of share capital (as of the implementation of the authorization)[(b)]	N/A
Capital increase reserved for employees participating in a company savings plan (PEE)	AGM of May 29, 2013 26 months, i.e., until July 29, 2015	€601,468 (around 5% of share capital as of the date of the AGM of May 29, 2013)	N/A

(a) Board of Directors' meetings of May 29, 2013, August 30, 2013 and December 17, 2013.

(b) This percentage/amount must be offset against the total authorized capital increase of 35%.

(c) This amount must be offset against the aggregate capital increase through the issue of debt securities totaling €500 million.

The Annual General Meeting of May 29, 2013 authorized the use of the authorizations referred to in the summary table, during a public offer involving shares in the Company, for a period of 18 months from the date of this Meeting, i.e., until November 29, 2014.

Other securities granting access to the share capital

There are currently no other securities granting access to the Company's share capital.

21.1.6 OPTION ON THE SHARE CAPITAL OF ANY GROUP MEMBER

N/A

21.1.7 HISTORY OF SHARE CAPITAL

There have been no changes to the share capital over the last three years.

21.1.8 PLEDGING OF SHARES

The Company had not been notified of any pledged shares at the filing date of this Registration Document.

21.1.9 THE BIOMÉRIEUX SHARE IN 2013

bioMérieux equity market

bioMérieux shares have been traded publicly since July 6, 2004 on the CAC Mid 60®, SBF 120®, CAC Mid & Small®, CAC All-Tradable® and CAC All-Share® French market indices. They are listed on compartment "A" of the Eurolist market and are eligible for deferred settlement service (*Service de Règlement Différé* – SRD).

bioMérieux is also included in the Gaia Index 2012/2013, the FTSE4Good Index, the Ethibel Excellence Register and the Ethibel Pioneer Register.

At end-December 2013, the closing price for the bioMérieux share was €76.27 and the Company's market capitalization was €3 billion. In 2013, 6,108,288 of the Company's shares were traded on NYSE Euronext.

bioMérieux share price (Code: BIM - ISIN Code: FR0010096479)

Period	High (in €)	Low (in €)	Closing price (in €)
2008	80.00	45.97	60.00
2009	84.30	52.60	81.68
2010	92.40	66.95	73.82
2011	84.00	53.25	55.24
2012	75.79	54.50	72.00
January 2013	77.30	70.00	70.32
February 2013	75.15	70.32	74.47
March 2013	77.45	70.56	73.57
April 2013	74.65	68.75	72.19
May 2013	75.85	71.81	73.73
June 2013	77.03	71.91	74.44
July 2013	77.34	72.06	76.88
August 2013	81.92	75.19	75.72
September 2013	79.63	71.00	71.60
October 2013	74.70	70.65	73.96
November 2013	75.21	73.08	74.64
December 2013	76.47	72.73	76.27
January 2014	81.40	73.59	77.98
February 2014	78.15	74.25	77.00
March 2014	82.87	74.60	79.62

Source: NYSE Euronext

21.2 ARTICLES OF INCORPORATION AND BYLAWS

21.2.1 CORPORATE PURPOSE (ARTICLE 2 OF THE BYLAWS)

The Company's purpose, in France and elsewhere, is to:

- manufacture, produce, process, package, distribute, buy, sell, import and export any products and devices and any techniques and know-how used in particular for diagnostics, prevention and treatment, notably in the field of healthcare;

- carry out all studies and research and develop, acquire, grant, keep, control, use, improve, including through the use of licenses and sublicenses, all trademarks, brand names, patents, techniques, inventions, improvements, formulas, designs, processes, etc. in any way related to the abovementioned products or to the manufacturing and trading of such products;

- participate, either directly or indirectly, in all business and manufacturing transactions related in any way whatsoever to the abovementioned purposes or likely to promote them, either through the creation of new companies, the contribution, subscription or purchase of securities or company rights, through mergers, alliances, joint holdings, or by any other means;

- perform all transactions in its line of business, either alone and on its own behalf or on behalf of a third party, on commission, as a broker, for a fee, on a cost basis, as representative or proxy for any entity or in any other capacity; and

- generally, perform all business, manufacturing, financial or other transactions directly or indirectly related to the above purposes or to any similar purposes, including the development of ways to expand, promote, advertise, trade or transport raw materials, semi-finished or finished products, as well as the ability to purchase, acquire, hold, transfer, lease, mortgage or dispose of goods, whether movable or immovable, tangible or intangible, related to the above purposes or likely to develop them.

21.2.2 PROVISIONS RELATING TO THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (ARTICLES 11 TO 17 OF THE BYLAWS AND INTERNAL RULES OF THE BOARD OF DIRECTORS)

The Company is managed by a Board of Directors composed of at least three members and up to the maximum number permitted by law.

The Board of Directors elects a Chairman from among its members. The Chairman must be a natural person, failing which his/her appointment will be deemed invalid. The Board of Directors sets the Chairman's compensation.

The Board of Directors may also appoint one or more Vice-Chairmen from among its members.

The Chairman of the Board of Directors organizes and coordinates the Board of Directors' work and reports thereon to the Shareholders' Meeting.

The members of the Board of Directors are elected for terms of four years, expiring at the end of the Ordinary Shareholders' Meeting called during the year in which the term of the director in question expires to approve the financial statements for the previous year. All directors are eligible for reelection.

The internal rules of the Board of Directors require each member of the Board of Directors to hold a minimum of ten Company shares for the duration of his/her term of office.

The Shareholders' Meeting may decide to allocate a fixed annual sum to the Board of Directors as directors' fees, until a later Shareholders' Meeting decides otherwise.

Directors' fees are allocated among the members of the Board as the latter deems appropriate. Directors who are members of Board committees receive higher fees than other directors.

The Company's Chief Executive Officer is the Chairman of the Board of Directors.

For more information see the Chairman's Report in Appendix 1 of the Registration Document.

21.2.3 RIGHTS AND PRIVILEGES ATTACHED TO SHARES

Appropriation of net income (articles 10, 22 and 23 of the bylaws)

Each share entitles its holder to a proportionate share of net income corresponding to the percentage of capital it represents.

Net income for the year, less any accumulated losses, is subject to a deduction of (i) at least five percent allocated to the legal reserve, a deduction which ceases to be mandatory once the reserve represents one-tenth of the share capital but becomes mandatory again if the legal reserve falls to below one-tenth of the share capital for any reason, and (ii) any amount to be set aside as reserves as required by law.

The balance, plus any retained earnings, represents distributable net income that the Shareholders' Meeting may, on recommendation of the Board of Directors, distribute in whole or in part as dividends, or allocate to reserve accounts, capital amortization or retained earnings.

The Shareholders' Meeting may allow shareholders the option to receive all or part of dividends or interim dividends distributed in either cash or shares, in accordance with the law. The Shareholders' Meeting may decide to use the reserves at its disposal to pay a dividend on shares. If this occurs, the relevant resolution must expressly state from which accounts funds are to be withdrawn.

In addition, the Shareholders' Meeting may resolve to use net income or reserves, other than the legal reserve, to pay off some or all of the shares and to repay them up to their par value.

The terms of payment of dividends are set by the Shareholders' Meeting or failing that by the Board of Directors. Dividends must be paid no more than nine months after the year-end, unless otherwise authorized by a court. The Board of Directors may, subject to the provisions of the law, distribute one or more interim dividends prior to the approval of the financial statements for the year.

Attendance at Shareholders' Meetings (article 19 of the bylaws)

All shareholders are entitled to take part in Ordinary and Extraordinary Shareholders' Meetings and in deliberations, either in person or by proxy, as provided by law.

Shareholders may be represented at all meetings, in accordance with applicable laws and regulations. They may also vote by mail by way of a form, which can be obtained under the conditions outlined in the convening notice, in accordance with applicable laws and regulations. Proxy or voting forms of shareholders attending meetings in person will be declared null and void.

Shareholders may take part in meetings by videoconference or by other means of telecommunication in accordance with the terms of applicable laws and regulations referred to in the published notice of meeting or the convening notice.

The Annual General Meeting of May 29, 2013 amended article 19 of the Company's bylaws in order to allow voting by electronic means at Shareholders' Meetings in the future.

Minutes of Shareholders' Meetings are prepared, and copies are certified and delivered in accordance with the law.

Voting rights (article 20 of the bylaws)

Voting rights attached to shares are proportionate to the fraction of capital represented and each share entitles its holder to at least one vote.

All paid-up shares, given the proportion of share capital they represent and irrespective of their class, which have been held in registered form by the same shareholder for five years or more, confer voting rights equal to twice that of other shares.

Shares converted to bearer form or whose ownership changes, subject to the exceptions provided by law, automatically lose their double voting rights. Registered shares are not stripped of voting rights and the five-year period continues to run following transfers by inheritance, the liquidation of community property between spouses and *inter vivos* gifts made to a spouse or relatives entitled to inherit.

The Company's merger or split-up would not affect double voting rights, which may be exercised with the successor entity(ies) if their bylaws so permit.

In the event of a capital increase through the capitalization of reserves, profits or paid-in capital, new shares allocated in respect of existing shares carrying double voting rights will also have double voting rights from the date of issue.
The system of double voting rights was introduced by decision of the Extraordinary Shareholders' Meeting of March 30, 1999.

Form of shares and identification of shareholders (article 8 of the bylaws)

Fully paid-up shares may be held in registered or bearer form, at the shareholder's choice, subject to applicable laws and regulations; shares must be held in registered form until they are fully paid up.

The Company may apply statutory and regulatory provisions relating to the identification of holders of securities granting immediate or future voting rights at Shareholders' Meetings.

21.2.4 CHANGES IN SHAREHOLDERS' RIGHTS

Changes in shareholders' rights are subject to the provisions of applicable law, as the bylaws do not contain any specific provisions in this regard.

21.2.5 CONVENING OF SHAREHOLDERS' MEETINGS

Shareholders' Meetings are called and deliberate in accordance with the law.

Shareholders' Meetings take place either at the Company's registered office or at another location indicated in the convening notice. The Board of Directors can decide, upon issuing the convening notice, to publicly hold the entire meeting by videoconference and/or by other means of telecommunication, in accordance with the law. Where applicable, this decision is made known in the published notice of meeting or the convening notice.

The Company publishes a notice in the French bulletin of mandatory legal notices (*Bulletin des Annonces Légales Obligatoires* – BALO) containing the text of the resolutions which will be presented at the Shareholders' Meeting in accordance with the law.

Shareholders' Meetings are called by a notice published in the BALO and in a newspaper authorized to publish legal notices in the same *département* (French administrative division) as the Company's registered office, within the timeframe provided for by law.

Holders of shares in registered form who have held said shares for at least one month at the date of publication of the convening notice are convened by ordinary letter; they may request to receive notice by registered letter if they provide the Company with the amount of postage required.

All shareholders are entitled to take part in Ordinary and Extraordinary Shareholders' Meetings and in deliberations, either in person or by proxy, as provided by law.

Shareholders may be represented by their spouse or by another shareholder at all meetings.

21.2.6 PROVISIONS DELAYING A CHANGE OF CONTROL

– Ownership structure: see section 18.1

– Bylaw restrictions on the exercise of voting rights and share transfers: see section 21.2.7

– Control mechanisms within the framework of an employee share ownership plan (where applicable):

  A mutual fund, Opus Classic, has been set up in connection with the share capital increase reserved for bioMérieux employees subsequent to the initial public offering of its shares.

– Powers granted to the Board of Directors to buy back shares: the Annual General Meeting of May 29, 2013 granted the Board of Directors the necessary powers to launch a share buyback program, to set the terms and conditions thereof and to use this authorization solely for the purposes of:

  - maintaining a liquid market in the Company's shares through market-making transactions carried out by an investment firm;
  - delivering shares upon the exercise of rights attached to the issue of securities giving access to Company shares and stock option plans, or in connection with share grants to employees and corporate officers of the Company or companies within the same Group, or the allocation or transfer of shares to employees under profit-sharing plans, employee share ownership plans or employee savings plans;
  - holding shares for subsequent delivery as payment or exchange in connection with external growth transactions; and
  - reducing the Company’s share capital by canceling shares.

  In particular, the Board of Directors is authorized to buy back the Company’s own shares, subject to the statutory cap of 10% of its share capital, it being specified that the maximum percentage of shares bought by the Company with a view to holding and subsequently delivering same as payment or exchange in connection with a merger, spinoff or contribution is capped at 5%, as provided by law.

– Authorizations and powers

  The table of authorizations and powers granted by the Annual General Meeting to the Board of Directors regarding the issuance of shares is presented in section 21.1.5.

  The Annual General Meeting of May 29, 2013 authorized the Board of Directors to use these authorizations during public offers.

– Voting rights

  Article 20 of the Company's bylaws provides that all paid-up shares, given the proportion of share capital they represent and irrespective of their class, which have been held in registered form by the same shareholder for five years or more, are entitled to twice the voting rights of other shares.

– Termination benefits payable to the Chairman and Chief Executive Officer in the event of a forced departure resulting from a change of strategy or control: see section 15.1.

– Change-of-control clauses

Some of the agreements to which the Company is a party may be amended or terminated in the event of a change of control. The table below shows a list of the principal agreements concerned.

Nature of agreement	Contracting party	Purpose
Loan agreement	Eight banks	Syndicated loan of €350 million, maturing in March 2017
Bond issue	Private investors	Bond issue of €300 million, maturing in October 2020
License agreement	Roche Diagnostics	NT-pro-BNP
License agreement	Paul Sabatier University/Pr. Serre	Filaggrin
Cross-licensing agreement	Knome Inc.	Sequencing
License agreement	Wellcome Trust Limited	B-Raf genetic mutations associated with cancer

bioMérieux is not aware of any other factors likely to have an impact in the event of a public offer of its securities, as provided for in article L.225-100-3 of the French Commercial Code.

21.2.7 DISCLOSURE THRESHOLD

Crossing of thresholds (article 10 of the bylaws)

Shareholders have a legal obligation to notify the Company and the AMF when a legal threshold is crossed, specifying in particular their fractional ownership of the Company's shares and voting rights, within the legal deadline.

Furthermore, article 10 of the Company's bylaws requires individuals or legal entities, acting alone or in concert, who directly or indirectly own (within the meaning of articles L.233-7 *et seq.* of the French Commercial Code) 1% of the Company's capital or voting rights, and thereafter for each additional 1%, to report to the Company by registered letter with acknowledgment of receipt, within five trading days of the date the threshold was crossed, the total number of shares and voting rights held, as well as the number of securities carrying an immediate or future entitlement to shares and the potential voting rights attached thereto.

The same obligation applies whenever ownership of shares or voting rights falls below each of the aforementioned thresholds.

In the event of failure to comply with these requirements, the shares in excess of the relevant threshold will be stripped of voting rights for all Shareholders' Meetings held within the two-year period from the date when the omission is remedied, at the request of one or more shareholders holding at least 5% of the Company's capital or voting rights, as evidenced in the minutes of the Shareholders' Meeting.

Intermediaries acting as holders of securities for non-resident shareholders, pursuant to article L.228-1 of the French Commercial Code, are required to report increases or decreases if their aggregate holdings exceed or fall below the above thresholds, without prejudice to the reporting obligations of the securities' holders.

21.2.8 CONDITIONS GOVERNING CHANGES IN THE SHARE CAPITAL

There are no specific provisions, either in the bylaws or in any other document, that impose stricter requirements than those provided by law regarding changes to bioMérieux's share capital.

22 MATERIAL CONTRACTS

The Company has not entered into any material contracts over the last two years other than those entered into in the ordinary course of business.

23 THIRD-PARTY INFORMATION

23.1 EXPERT STATEMENT OR REPORT

N/A

23.2 INFORMATION FROM A THIRD PARTY

N/A

24 DOCUMENTS ON DISPLAY

During the period of validity of this Registration Document, the Company's articles of incorporation and bylaws, as well as the minutes of Shareholders' Meetings, the Company's historical financial information for each of the two years preceding the publication of this Registration Document, the Statutory Auditors' reports and all other Company documents may be consulted at the Company's registered office in Marcy l'Etoile, Rhône, France.

Company press releases and annual reports including historical financial information on the Company are available on the Company's website.

More generally, and in accordance with article 221-3 of the AMF's General Regulations, all of the regulatory information within the meaning of article 221-1 of the aforementioned Regulations, as well as the Company's updated bylaws (in French only), are available in the "Investor Relations" section of the Company's website at http://www.biomerieux-finance.com.

25 INFORMATION ON INVESTMENTS

The list of subsidiaries and investments is presented in Note 5.1 to the 2013 parent company financial statements.

APPENDICES

APPENDIX 1

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON (1) THE COMPOSITION OF THE BOARD OF DIRECTORS (2) THE CONDITIONS GOVERNING THE PREPARATION AND ORGANIZATION OF THE BOARD OF DIRECTORS' WORK AND (3) INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

This report was submitted to the Audit Committee and approved by the Board of Directors on March 18, 2014.

This report was drafted in consultation with the Company's various departments, particularly the Legal Affairs and Industrial Property, Regulatory Affairs, Finance, Quality Management System, Health, Safety and Environment (HSE), Information Systems, Ethics and Compliance and Internal Audit Departments.

1. COMPOSITION OF THE BOARD OF DIRECTORS AND APPLICATION OF THE PRINCIPLE OF GENDER EQUALITY

1.1 - Composition and organization

The Company is incorporated as a French joint stock company (*société anonyme*) with a Board of Directors.

The Board of Directors has chosen to entrust the general management to the Chairman of the Board of Directors who also holds the position of Chief Executive Officer of the Company and to appoint a Chief Operating Officer who is also a director.

Jean-Luc Belingard has held the position of Chairman and Chief Executive Officer since January 1, 2011. Alexandre Mérieux holds the position of Chief Operating Officer. They will remain in office until the expiration of their terms of office as directors, i.e., at the close of the Annual General Meeting to be held in 2014 to approve the financial statements for the year ended December 31, 2013.

In addition, the terms of office of Alain Mérieux, Michele Palladino, Michel Angé, Georges Hibon and Philippe Archinard will expire following the Annual General Meeting to be held in 2014 to approve the financial statements for the year ended December 31, 2013.

In 2013, no directorships were renewed or expired.

At December 31, 2013, the Board of Directors comprised nine directors, including four independent directors. A breakdown of each directorship is provided in Chapter 7 of the Company's management report for 2013.

As of the 2012 Annual General Meeting, the Board of Directors is no longer assisted by non-voting members (*censeurs*).

Four representatives of the Works Council may attend Board of Directors' meetings.

On March 15, 2004, the Company's Board of Directors adopted internal rules defining its operating procedures, in addition to legal and regulatory requirements and the provisions of the Company's bylaws. These internal rules were updated in 2007, 2009 and 2010 to reflect new legal provisions and the recommendations of the AFEP-MEDEF Corporate Governance Code. All Board members have agreed to comply with the internal rules.

The internal rules provide that directors must first ensure that they are fully informed of the general and specific obligations attached to their duties and are familiar with securities regulations pertaining to breaches of exchange regulations before accepting their duties. They must familiarize themselves and comply with the laws and regulations, the bylaws, the Board of Directors' internal rules and any additional information that the Board of Directors may provide to them.

The internal rules provide that directors:

(i) represent all the shareholders, even though they are shareholders themselves holding at least ten shares, and must act in the Company's interests in all circumstances;

(ii) must inform the Board of any actual or potential conflict of interest and abstain from voting on the issues concerned;

(iii) undertake to devote the necessary time and attention to their duties;

(iv) must be diligent and participate in all meetings of the Board of Directors and, if applicable, of the committees on which they serve;

(v) are bound by a strict duty of confidentiality beyond the exercise of discretion required by law with respect to non-public information acquired in connection with their role as directors;

(vi) are bound by a duty of loyalty; and

(vii) must trade in the Company's shares only in compliance with the Code of Conduct adopted by the Company.

1.2 - Independent directors

The Board of Directors' internal rules provide that directors are deemed to be independent when they have no direct or indirect relationship of any kind with the Company, the Group or the Management, which could impair their freedom of judgment.

In light of this definition, at December 31, 2013, the Board of Directors comprised four independent directors out of nine members:

- Marie-Hélène Habert;
- Michele Palladino;
- Michel Angé;
- Harold Boël.

1.3 - Application of the principle of gender equality in the board room

Marie-Hélène Habert was appointed as a director for a four-year term at the Annual General Meeting of May 30, 2012.

At the 2014 Annual General Meeting to approve the financial statements for the year ended December 31, 2013, the Board of Directors will propose a woman director to replace a director whose term of office is due to expire.

The Board of Directors will continue to progressively propose the appointment of women directors at the next Shareholders' Meetings.

2. PREPARATION AND ORGANIZATION OF THE BOARD OF DIRECTORS' WORK

2.1 - Legal framework of corporate governance

The Company complies with applicable corporate governance requirements. It refers to the AFEP-MEDEF Corporate Governance Code which summarizes current corporate governance principles. This code may be viewed online on the MEDEF website (http://www.medef.com/fileadmin/www.medef.fr/documents/AFEP-MEDEF/Code_de_gouvernement_entreprises_Afep_Medef_juin_2013.pdf).

The provisions of the code that have not been applied and the reasons for such non-compliance are described below.

Directors' terms of office

The majority of the directors' terms of office expire at the same time. In light of the renewal in 2010 of seven of the current nine directors, the staggering of directors' terms of office is difficult to apply. Accordingly, at the Annual General Meeting to approve the financial statements for the year ended December 31, 2013, shareholders will be asked to reappoint seven of the nine directors.

Board of Directors' assessment of General Management

The Board of Directors assesses the performance of General Management independently and collectively.

Given that (i) the general management is exercised by the Chairman, in his capacity as Chief Executive Officer, who is present at Board of Directors' meetings, and (ii) Alexandre Mérieux in his capacity as director and Chief Operating Officer is also present at Board meetings, the performance of General Management is assessed by the Board of Directors in the presence of General Management.

2.2 - The Board of Directors' work

The Board of Directors is responsible for defining and implementing the Company's strategies. It has powers to act on all questions concerning the smooth running of the Company and settles all matters affecting the Company by its deliberations, within the limits of the corporate purpose and subject to the powers expressly granted to Shareholders' Meetings. The Board of Directors carries out all controls and procedures that it deems appropriate.

The Board of Directors' internal rules provide that the Board of Directors must decide on (i) the approval of the strategic plans of the Company and its subsidiaries, (ii) the approval of the annual budget and, on a quarterly basis, its implementation, and (iii) the authorization of all key transactions (acquisitions, exchanges, transactions, granting of security interests, financing by any means, etc.) of more than €30 million not provided for in the strategic plan or the budget.

The internal rules also provide that the Board of Directors must be notified of any significant event affecting the operation of the Company and more specifically its financial and cash position and commitments.

In 2013, the Board of Directors of the Company met five times. All directors were present or represented at each meeting, as evidenced by the attendance register. In 2013, the Board of Directors:

- analyzed the quarterly reviews of the Company's operations and affairs and major projects;
- approved the parent company financial statements and the consolidated financial statements for the year ended December 31, 2012, prepared the Annual General Meeting, approved the various reports required by law and the description of the share buyback program;
- approved the interim financial statements and the related report;
- assessed the way in which the Board of Directors operates and its composition;
- approved the Chairman and Chief Executive Officer's compensation for the previous year (achievement of objectives) and set compensation objectives for the coming year;
- discussed the Company's policy in terms of compensation and equality in the workplace;
- granted powers concerning sureties, endorsements and guarantees to the Chairman and Chief Executive Officer for 2014;
- authorized a bond issue;
- authorized the acquisition of the US company BioFire Diagnostics Inc. and the related financing;
- approved the merger of AES Chemunex SA into bioMérieux SA via a simplified procedure;
- granted free shares to Group employees;
- implemented a new share buyback program;
- approved related-party agreements.

As stipulated in the internal rules, the Board of Directors devotes an agenda item, each year, to the Board's operations in order to (i) evaluate the quality and effectiveness of the Board's discussions, (ii) assess the Board of Directors' actual roles and duties, (iii) analyze the reasons for any shortcomings as perceived by the Chairman, directors or shareholders, and (iv) analyze the independence criteria applicable to directors.

At its meeting of March 18, 2014, the Board of Directors carried out a self-assessment using a questionnaire in which each director was able to state his opinion. The analysis of the responses received, which were discussed by the Board of Directors, showed that a large majority of directors believe that the Board's responsibilities and duties were fulfilled and that the quality, frequency and effectiveness of its meetings were adequate. The directors consider that their access to information concerning the Group and its environment is sufficient. The information that they receive to discuss topics is deemed, by the majority of directors, to have been presented with sufficient internal or external analyses on which to base decisions. Some directors consider that they could be better informed (only within the framework of committees) despite the dissemination of fuller written information well before the meeting. With respect to General Management, directors believe they are fully independent and able to speak freely and appreciate the efforts made by members of management to explain and share knowledge as well as their presence.

2.3 - Special committees of the Board of Directors

The Board of Directors' internal rules provide that the Board of Directors may set up one or more permanent or temporary committees to help it accomplish its work and contribute to the preparation of its decisions.

The committees are in charge of examining issues assigned to them by the Board of Directors or the Chairman of the Board, preparing the Board of Directors' work on these issues, and reporting their findings to the Board of Directors in the form of reports, proposals, communications or recommendations.

The committees act in a consultative capacity. The Board of Directors determines at its own discretion how to follow up on the findings reported by the committees. The directors remain free to vote as they choose and are not bound by the committees' studies, investigations or reports, nor by any recommendations they may issue.

2.3.1 - Audit Committee

Composition of the Audit Committee

The Audit Committee was set up on December 20, 2002. It comprises three members appointed by the Board of Directors from among its members who are not members of the Company's Management. It comprises a majority of independent directors and at least one member with expertise in finance and accounting.

At December 31, 2013, the Audit Committee comprised the following three members: Michel Angé, Harold Boël and Georges Hibon. Michel Angé and Harold Boël are independent directors within the meaning of the Board of Directors' internal rules. Therefore, two-thirds of the committee's members are independent. The Audit Committee is chaired by Michel Angé.

In light of his training and professional experience in banking, Michel Angé qualifies as the member of the Audit Committee "with financial or accounting expertise" as set out in article L.823-19 of the French Commercial Code (*Code de commerce*) and in the AMF working group report on audit committees (July 22, 2010). On account of their professional experience in the general management of major pharmaceutical groups and industrial groups, respectively, Georges Hibon and Harold Boël also possess the required expertise.

Role and operation of the Audit Committee

The committee meets (including by conference calls) as often as it deems necessary and at least twice a year, before the review by the Board of Directors of the annual and interim financial statements. The Audit Committee appoints a chairman from among its members, who may hold a directorship but no management or other position as corporate officer within the Company or the Group. The Audit Committee invites members of the Finance Department, General Management, Internal Audit, Investor Relations or the Statutory Auditors depending on agenda items to be considered. External experts may be called upon as required. In consultation with the Chairman of the Board of Directors, the Audit Committee is provided with the resources it considers necessary to properly perform its duties.

The Audit Committee's work

Pursuant to the Board of Directors' internal rules, the Audit Committee's duties are to assist the Board of Directors. It is primarily responsible for monitoring (i) the preparation of financial information, (ii) the effectiveness of internal control and risk management systems, (iii) the audit of the parent company financial statements and consolidated financial statements by the Statutory Auditors, (iv) the independence of the Statutory Auditors, and (v) the review of draft financial press releases in particular relating to the interim financial statements and quarterly sales.

The Audit Committee meets around four days before the Board of Directors' meeting on the approval of the annual and interim financial statements and prepares a report on its meeting. The committee met six times in 2013, with all members present at each meeting.

It reviewed press releases relating to fourth-quarter 2012 sales, the annual financial statements for 2012, the 2013 interim financial statements and first-, second- and third-quarter 2013 sales. It reviewed the interim and annual financial statements and related reports. The committee also reviewed the Chairman's report on internal control procedures as well as the main disputes, risks, off-balance sheet commitments and the terms and conditions of the bond issue. Finally, it conducted a summary review of internal control and risk management procedures, primarily through discussions with the heads of internal audit on engagements carried out during the year and on the schedule for the following year. The Chief Financial Officer presented the annual and interim financial statements including the notes to the financial statements and off-balance sheet commitments. The Statutory Auditors issued a detailed report on their audit engagement relating to these financial statements.

In accordance with its operating rules, the Audit Committee reported to the Board of Directors on the performance of its duties and presented the observations that it deemed appropriate.

2.3.2 - Human Resources, Appointment and Compensation Committee

Composition of the Human Resources, Appointment and Compensation Committee

Pursuant to the Board of Directors' internal rules, the Human Resources, Appointment and Compensation Committee comprises three members appointed by the Board of Directors from among its members. It consists of a majority of independent directors.

The Board of Directors set up the Compensation Committee on March 15, 2004 and changed the committee's roles and responsibilities on September 3, 2010 by including human resources functions. As a result, it became the Human Resources, Appointment and Compensation Committee.

At December 31, 2013, the Human Resources, Appointment and Compensation Committee members were Michel Angé, Michele Palladino and Alain Mérieux. Michele Palladino and Michel Angé are independent directors within the meaning of the Board of Directors' internal rules. Two-thirds of the Human Resources, Appointment and Compensation Committee are independent members. Alain Mérieux chairs this committee.

Role and operation of the Human Resources, Appointment and Compensation Committee

The Human Resources, Appointment and Compensation Committee meets at least once a year. Meetings are called by the Chairman of the Board of Directors.
With respect to appointments, the committee is responsible for making recommendations on the composition of the Board after considering all relevant information before making a decision, i.e., balanced Board membership to reflect the Company's shareholding structure, identifying possible candidates, renewal or non-renewal of terms of office. In particular, the committee must establish procedures for the selection of independent directors and review potential candidates before making any decisions.

The committee must establish a succession plan for executive corporate officers to fill any unforeseen vacancy.

With respect to the compensation of the Company's corporate officers, the committee is primarily responsible for: (i) making recommendations to the Board of Directors concerning the fixed and variable compensation, supplementary and specific pension and personal protection plans, benefits-in-kind and other financial benefits to which the Chairman and Chief Executive Officer and, where applicable, the Chief Operating Officer, may be entitled, (ii) recommending to the Board an overall amount of directors' fees, as well as rules governing the distribution of such fees and the individual amounts payable to each director based on their attendance record at Board meetings and committee meetings, and (iii) proposing to the Board of Directors, where applicable, the rules governing the variable portion of corporate officers' compensation and ensuring that these rules are applied. The Human Resources, Appointment and Compensation Committee is also informed on the compensation policy applicable to the main non-officer executives.

With respect to stock options and free share grants, the committee submits to the Board of Directors its observations regarding the Company's stock option and free share plans proposed by the Chairman and Chief Executive Officer and, where applicable, the Chief Operating Officer, and makes recommendations on the different categories of beneficiaries. The options granted to corporate officers are examined on a case-by-case basis by the committee.

In 2013, the Human Resources, Appointment and Compensation Committee met twice, with all its members attending. The main topics discussed at these meetings were the compensation policy, the selection of new directors, free share grants, the Chairman and Chief Executive Officer's compensation and changes made to bioMérieux Inc.'s pension plan.

In accordance with its operating rules, the committee reported to the Board of Directors on the performance of its duties and provided the Board with all useful information.

2.4 - General Management

2.4.1 - Role of General Management

The Chairman and Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company. He exercises his powers within the limits of the corporate purpose and subject to the powers expressly granted by law to Shareholders' Meetings and to Board of Directors' meetings. He represents the Company in its dealings with third parties.

The Chairman and Chief Executive Officer's powers are counterbalanced by the position of Chief Operating Officer, held by Alexandre Mérieux, whose powers, unlike those of the Chief Executive Officer, are not limited. Furthermore, the Chairman and Chief Executive Officer does not make any major decisions without the collective approval of the Board of Directors, as indicated below.

In light of the above, the Board of Directors has not imposed any specific limits on the powers of the Chief Executive Officer, with the exception of certain provisions of its internal rules that require the Chief Executive Officer to refer the following matters to the Board: (i) the approval of the strategic plans of the Company and its subsidiaries, (ii) the approval of the annual budget and, on a quarterly basis, its implementation, and (iii) the authorization of all key transactions (acquisitions, exchanges, compromises, granting of security interests, financing by any means, etc.) of more than €30 million not provided for in the strategic plan or the budget.

Three committees assist bioMérieux's General Management in the performance of its duties.

2.4.2 - General Management committees

Strategy Committee

This committee currently comprises three members (Alain Mérieux, Alexandre Mérieux and Jean-Luc Belingard). It proposes medium- and long-term strategic objectives for the Group, focusing in particular on (i) business development objectives, (ii) scientific and technological options, (iii) geographical expansion policies, (iv) strategic alliances and partnerships, and (v) communication and management policies relating to the Group's image.

Executive Committee

This committee, chaired by Jean-Luc Belingard (Chairman and Chief Executive Officer), comprises Alexandre Mérieux (Chief Operating Officer and Corporate Vice-President, Microbiology Unit and Manufacturing and Supply Operations), Michel Baguenault (Corporate Vice President, Human Resources and Communication), Thierry Bernard (Corporate Vice President, Global Commercial Operations, Investor Relations & Executive VP China), Nicolas Cartier (Corporate Vice President, Industrial Microbiology Unit), François Lacoste (Corporate Vice President, Quality Management and Immunoassay Unit), Marc Mackowiak (Chief Executive Officer, bioMérieux, Inc.), Mark Miller (Chief Medical Officer and Corporate Vice President, Regulatory Affairs), Alain Pluquet (Corporate Vice President, Innovation and Systems Unit), Claire Giraut (Chief Financial Officer, Corporate Vice President, Purchasing and Information Systems), and Stefan Willemsen (Corporate Vice-President, Business Development, Legal Affairs and Industrial Property).

The committee is responsible for implementing decisions made by the Board of Directors regarding the Company's general strategy. It meets once every three months. At each meeting, the committee reviews the Company's operations, financial position, sales, human resources issues, strategy implementation and research and development portfolio management. The committee is responsible for overseeing strategic projects, deciding on priorities and implementing the necessary resources within the Company's various departments, such as deciding on significant capital expenditure (property, plant and equipment or intangible assets).

In parallel, a select committee meets once a month on matters requiring more urgent decision-making.

The Executive Committee is kept up-to-date by the Global Compliance Officer on the progress of the Ethics and Compliance Program (see section 3.3.1 in Appendix 1) and by the Internal Audit Department on the preparation of the annual audit plan and its findings.

The Executive Committee is assisted by the Research and Development Committee for R&D matters.

R&D Committee

The Research & Development Committee, which was set up in 2011 under the chairmanship of Jean-Luc Belingard, is responsible for:

- identifying, assessing and coordinating innovative scientific strategies to put forward to the Executive Committee;

- optimizing operational tools, methods and exchanges to enable the research and development teams to best meet the needs of the Units.

It chooses new projects, selects project teams and allocates resources. It oversees the progress of the projects up to the marketing of the relevant product.

2.5 - Compensation and information governed by article L.225-100-3 of the French Commercial Code

Details of the compensation policy and the amounts of compensation paid to directors, the Chairman and Chief Executive Officer and the Chief Operating Officer are set out in the management report published in the 2013 Registration Document.

Information provided for under article L.225-100-3 of the French Commercial Code (information on factors likely to have an impact in the event of a public offer) is set out in the management report published in the 2013 Registration Document.

2.6 - Shareholder participation in Shareholders' Meetings

The procedure for calling and participating in Shareholders' Meetings is set out in articles 19 and 20 of the bylaws.

3. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

3.1 - General organization of internal control procedures

Objectives, scope and reference framework

Internal control is a process implemented by the Board of Directors, senior management and employees designed to provide reasonable assurance that the following objectives are achieved:

- consistency of operations with General Management's directives;
- reliability of financial information;
- compliance with applicable laws and regulations;
- management and control of operational and financial risks.

However, internal control does not provide absolute assurance that these objectives will be achieved.

The Group's internal control system is based on:

- the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- the AMF's Reference Framework on internal control and risk management systems;
- recommendations published by the AMF.

The internal control system applies to all the companies included in the Group’s scope of consolidation.

3.2 - Persons and departments in charge of internal control

General Management

General Management and the Board of Directors, through the Audit Committee, oversee and supervise the internal control system. For this purpose, General Management relies on audits as described below (see section 3.4 in Appendix 1).

Finance Department

Under the authority of the Corporate Vice President and Chief Financial Officer, who is a member of the Executive Committee, the Finance Department oversees Group-level functions (management control, reporting and consolidation, cash management, finance and tax) and the administrative and financial functions of each Group entity.

Quality Management System Department

As of 2013, the Quality Management System Department reports directly to the Executive Committee to increase its independence and allow it to continue to successfully ensure that:

- the processes used to design, produce, distribute, install and maintain bioMérieux products comply with customers' needs and regulatory requirements;
- the quality management system used by all bioMérieux Group entities is effective;
- customer complaints are followed up and monitoring systems are put in place.

This department implements steps and measures required to apply the rules necessary to achieve quality objectives, or to ensure that all of the Company's personnel apply such rules. It also authorizes the marketing of products, decides on information to be released to customers and, if necessary, initiates corrective actions to be taken, including product recalls.

A post market surveillance procedure is also implemented to assess product compliance, performance and suitability. This assessment, which is widely documented, is discussed with and validated by several operational departments (Marketing, R&D, Manufacturing, Customer Service).

The position of Product Quality Development Manager was created in 2014 to improve the product development process.

Health, Safety and Environment (HSE) Department

The HSE Department prepares, supports and monitors the application of the health, safety and environmental policy.

A health, safety and environmental policy has been drawn up, which provides for several measures relating in particular to (i) the prevention of occupational accidents and illnesses which are monitored through specific indicators, (ii) improving energy efficiency and the preservation of natural resources and the environment, (iii) restricting access to various sites, as well as sensitive premises and information. This policy is developed by the HSE Department and implemented by the management of each entity which, within its scope of responsibility, ensures the protection of persons and assets and minimizes the impact of bioMérieux's activities on the environment.

The HSE Department also monitors all regulatory requirements in this area (at the international, national and local levels) and develops and implements processes and procedures to guarantee their compliance.

Information Systems Department

The Information Systems Department is responsible for:

- supporting bioMérieux's business strategy and systems by providing services and products that meet the needs of users of information systems, by identifying opportunities for development through innovative solutions while complying with applicable laws and regulations;
- ensuring the availability, continuity and performance of the IT services provided, as well as reducing IT costs, providing technical and functional support to customers within the Group and optimizing the potential of solutions and services provided;
- implementing and monitoring the information security program based on a risk management approach to guarantee the management and protection of information (confidentiality and integrity) in accordance with security levels;
- conducting audits on internal processes and those of outside partners in order to assess and manage the proper implementation and compliance with procedures.

In order to achieve these objectives, the Department operates out of various Group sites, particularly in France, the United States and China. The Department also relies on a network of outside partners, in particular for local transactions.

Organization and governance procedures for information systems help define priorities, identify objectives and monitor the progress of projects and the operating performance of services through the use of indicators and satisfaction surveys conducted throughout the year.

Legal Affairs and Industrial Property Department

The Legal Affairs and Industrial Property Department oversees bioMérieux's relations with external third parties (suppliers, customers, partners, governments, etc.) and the management of corporate governance, while ensuring compliance with applicable rules and regulations and the protection of the Company's interests. It organizes the protection and valuation of scientific innovations created by bioMérieux, in liaison with the departments concerned. In order to achieve these objectives, the department operates from three main centers in France, the United States and more recently in China and relies on a network of consultants in other parts of the world. It is organized by business function and by geographic area.

Global Compliance Officer

The Global Compliance Officer reports to the Chairman and Chief Executive Officer on a regular basis, and is responsible for establishing, promoting and monitoring the implementation of all compliance and ethical standards in accordance with applicable laws and the Company's Code of Conduct (see section 3.3.1 in Appendix 1).

3.3 - Internal control process

3.3.1 - Internal control environment

bioMérieux's internal control environment is based on the following:

Ethics and Compliance Program

The Global Compliance Officer leads the Ethics and Compliance Program.

The objective of this program is to ensure that policies and practices clearly convey, both internally and publicly, bioMérieux's commitment to an organizational culture of ethics and integrity. The program strives to promote ethical conduct in all business dealings; provide training for employees on ethical standards and the laws that apply to them; and, provide an opportunity for employees to voice their concerns and ask questions.

The Global Compliance Officer is supported by the Ethics and Compliance Committee made up of representatives from several functions across the organization including Global Operations, Commercial Operations, Finance, Human Resources, Regulatory and Legal Affairs, R&D, Information Systems, Internal Communication and Internal Audit.

The Global Compliance Officer and the Ethics and Compliance Committee report on the Company's compliance with and implementation of the program to the Executive Committee.

The Ethics and Compliance Program is based on:

bioMérieux's core values

The Group's core values take the form of convictions and rules of conduct serving as a guide for employees on a daily basis.

The Group's Code of Conduct

The Group's Code of Conduct sets out the rules of conduct and integrity applicable to all of its employees. All employees have received a copy of the code which focuses on the following issues:

- compliance with the law;
- health, safety and the environment;
- conflicts of interest;
- professional ethics and integrity;
- safeguarding and appropriate use of assets; and
- social responsibility.

Anti-corruption program

In addition to the Group's Code of Conduct, the Company has compiled an anti-corruption manual that informs employees of their responsibilities. Training is also provided to employees who work with government representatives, intermediaries and other players in the healthcare market.

Rules of ethics applicable to the financial markets

Employees likely to hold inside information have signed the Company's rules regarding securities transactions and have agreed to comply with French regulations on insider trading and failure to meet insider trading obligations.

The Code of Conduct also sets out these rules. Online training has also been given to a large number of employees throughout the world.

Internal control of subsidiaries

The Chief Executive Officers and Chief Financial Officers of each entity are responsible for internal control within their organization and undertake to implement an effective system in order to ensure operating efficiency, reliability of financial and accounting information, optimal use of resources, while safeguarding assets and combating fraud. A Chief Financial Officer has also been appointed for Brazil, Russia, India and China.

Furthermore, investigations are ongoing in Brazil following the discovery in July 2012 of the misappropriation of certain checks issued by bioMérieux Brazil.

Integrated management software application

The Company has rolled out an integrated management software application across 24 subsidiaries and plans to extend this application to all Group entities. The ensuing standardized procedures facilitate the implementation of a more effective internal control system.

Quality Management System Manual

The Global Quality Management System Manual describes the corporate quality management system that applies to the majority of the Company's activities, from the design of products to their delivery and installation, including after-sales service.

In addition to this manual, each subsidiary, production site and R&D site has additional local documentation describing provisions that are specific to its activities.

These manuals are used as permanent reference documents for the implementation, management and improvement of the Quality Management System, as well as for relations between bioMérieux and its customers.

Regulatory standards

All bioMérieux products are designed, manufactured and delivered in accordance with applicable quality standards.

The quality management system for the design, manufacture and delivery of products is designed in conformity with ISO 9001 certification, and ISO 13485 certification for *in vitro* diagnostics, implemented voluntarily or as required by regulations.

All products for clinical applications are designed and manufactured on ISO 13485 certified sites.

The US Food and Drug Administration (FDA) can perform audits on sites manufacturing products for the North American market and consequently audited the Durham site (North Carolina, U.S.) in 2012 and 2013. The Company is committed to resolving the issues addressed in the FDA's warning letter dated August 2012.

3.3.2 - Risk management and monitoring

The Group has drafted risk assessment and management procedures which are currently being rolled out at the Group's production sites. This involves assessing risks and implementing a business continuity plan.
In addition, risk analyses and assessments are regularly carried out by various corporate departments, such as purchasing and internal audit.

3.3.3 - Control activities

Control activities are put in place by the corporate and operational departments based on Group procedures.

The persons and departments in charge of internal control (see section 3.2 in Appendix 1) play a decisive role in control activities.

3.3.4 - Information and communication

The Group has various written procedures (project management, investment management, processing of financial information, etc.), in French and in English which are accessible via its intranet and/or specific servers.

3.4 - Implementation and monitoring of the internal control system

General Management and the Board of Directors, through the Audit Committee, manage and monitor the internal control system (their roles and operations are detailed in the first part of this report).

For this purpose, they rely on audits as described below.

Internal Audit Department

The Internal Audit Department is made up of a core team of three individuals who rely on internal resources (about thirty employees). The Internal Audit Department conducts audits to ensure that the procedures defined by the Group are properly applied by the subsidiaries and Group-level departments,

thereby contributing to continuously improve operating processes through risk analyses, internal audits and advisory services.

This department is governed by an Internal Audit Charter that sets out its role and duties, the scope of its authority and powers and the methodology used. The methodology complies with professional standards.

The Internal Audit Department draws up an annual audit plan, which is updated on a regular basis, based on an analysis of central risks.

The Internal Audit Department prepares a summary of the audits conducted, which is then presented to the Audit Committee every year and to the Executive Committee on a regular basis.

Quality Management Department

The quality assurance departments, which are integrated into functions and business lines, conduct periodic audits to assess the implementation of good practices and ensure compliance with procedures and regulations in their field of expertise.

These audits are conducted at the Company's sites or at its subsidiaries' premises by internal quality auditors, based on a program drawn up each year.

External audits

The Company is subject to various types of external audits as described below.

The Statutory Auditors, i.e., Ernst & Young et Autres and its network and Diagnostic Révision Conseil (DRC), audit the consolidated financial statements and the parent company financial statements as well as the individual financial statements of the vast majority of Group companies. For the other subsidiaries, the Statutory Auditors rely on the work carried out by these companies' external auditors.

In addition to the reports required by law, the audits by the Statutory Auditors are summarized in a report that covers material audit findings and the manner in which they have been resolved, as well as recommendations regarding the Group's internal control procedures. These recommendations are reviewed with the management of the subsidiaries concerned and their implementation is monitored.

The analysis and assessment of the Company's internal control systems are carried out in consultation with the Statutory Auditors, who are informed of the results of the work carried out by the internal audit team.

In accordance with the Grenelle II law, an independent body, in this case the Statutory Auditors, must audit the environmental, labor-related and social information published by the Company. The first audit was conducted in 2014 and covered data reported in respect of 2013.

The regulatory authorities carry out audits and inspections at the Company's sites, as described in section 6.3.5 of the 2013 Registration Document.

The Company's pharmaceutical customers also conduct a large number of quality audits to verify the compliance of bioMérieux's quality assurance system with GMP (Good Manufacturing Practice) requirements which are imposed on manufacturers of drugs that use bioMérieux products for their quality control processes.

3.5 - Internal control process relating to the preparation and processing of financial and accounting information

3.5.1 - Definition and objectives

Financial and accounting internal control is a key component of the internal control process. It applies to all Group processes relating to the preparation and reporting of financial and accounting information and ensures that such information is reliable and complies with statutory and regulatory requirements.

Like internal control in general, it relies on a global system which includes the design and implementation of the Group's information system as well as monitoring and control policies and procedures.

Financial and accounting internal controls are designed to ensure:

- the compliance of accounting and financial reporting with applicable rules;
- the application of the instructions and objectives issued by General Management;
- the safeguarding of assets;
- the prevention and detection, insofar as possible, of fraud or errors in financial and accounting information;
- the reliability of information circulated and used internally for monitoring or control purposes, insofar as it contributes to the preparation of the published financial and accounting information; and
- the reliability of the published financial statements and of other information provided to the market.

3.5.2 - Organization and parties involved

Finance Department

Accounting/Finance

bioMérieux has issued a "Manual of accounting and consolidation principles" for use by the Group's entities. It lists the principal items in the consolidated financial statements and specifies their contents, as well as the valuation methods to be used.

For bioMérieux SA and its principal subsidiaries, the accounting procedures required by the application of those principles and local regulations when recognizing ordinary and recurring transactions are incorporated in the accounting software, in order to render data processing secure and automatic. A limited number of manual entries are made at those entities.

The Administrative and Finance Department of each entity performs "credit management" functions. The administrative and financial departments are responsible for defining and periodically reviewing the amount of credit allowed for each customer and anticipating risks of insolvency by using the services of credit-rating companies.

Management control

Each year, the annual budget is prepared on the basis of the five-year corporate strategic plan and validated by the Board of Directors. The budget serves as a basis to track the performance of each process and Group entity.

bioMérieux and its subsidiaries all have management controllers whose duties include verifying compliance with the budget. In addition, each function has a dedicated management control unit in charge of drawing up its annual budget and liaising with the legal entities of the Group.

Consolidation

The consolidation process is centralized within the bioMérieux Group. The consolidation unit checks that the financial statements of the subsidiaries are prepared in accordance with the Group's accounting principles, as set forth in procedure manuals provided to all Group entities. It has a consolidation software package which includes all the financial statements of the subsidiaries and processes them in accordance with the Group's chart of accounts.

The consolidation process includes an in-depth analysis of the financial statements, e.g., net cash position is reconciled with the statements prepared by Cash Management. A quarterly analysis report is prepared and provided to the Group's General Management.

Cash Management

In light of the large number of countries in which bioMérieux operates, Cash Management also plays a key role in the accounting and financial internal control system. It is mainly responsible for:

– maintaining a balance between the finances of Group entities, by way of:
  - annual cash forecasts revised monthly on the basis of schedules included in reporting guidelines,
  - a cash pooling arrangement with bioMérieux as pool leader. Most of the subsidiaries are involved in this arrangement which enables optimal use of the Group's cash resources,
  - careful and prudent investment practices for temporary cash surpluses, which are invested in compliance with an investment procedure validated by the Audit Committee;

– managing exchange rate risks in accordance with the Group's policy set out in Note 29.1.1 of section 20.1.1 of the Registration Document, through:
  - a policy of billing export sales to third parties in strong currencies,
  - hedging, whenever possible, a large portion of net cash flows,
  - monthly adjustments to hedges depending on actual transactions.

Nevertheless, risk exposures exist, due in part to the volume of business and debt in emerging countries.

In addition to having an impact on the Company's net income, exchange-rate fluctuations can affect its equity. The Company does not hedge the risks to which its assets are exposed in this respect.

Control of subsidiaries

Operational control of subsidiaries is achieved through:

– regional management departments which, with the assistance of support functions, verify the relevance of the appropriate human, financial and business resources available locally;

– the presence of members of certain operational and/or financial functions on the boards or committees (board of directors or its equivalent) overseeing the activities of subsidiaries;

– a financial and administrative function in each subsidiary;

– a monthly review of the subsidiaries' main performance indicators, pertaining primarily to their sales and financial structure, are compared to the same indicators of the previous year and the budget's indicators.

Investor Relations Department

The Company’s publications (annual and interim reports, press releases, etc.) are drafted on the basis of specific discussions. They are submitted to a working group, which includes the Global Sales Department and the Corporate Vice President and Chief Financial Officer. Press releases relating to results and sales are reviewed by the Audit Committee.

The Chairman of the Board of Directors
Jean-Luc Belingard

APPENDIX 2

STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*) ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

In our capacity as Statutory Auditors of bioMérieux, and in accordance with article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with article L.225-37 of the French Commercial Code for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and

- to attest that the report sets out the other information required by article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;

- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;

- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with article L.225-37 of the French Commercial Code.

Appendix 2

Other information

We attest that the Chairman's report sets out the other information required by article L.225-37 of the French Commercial Code.

Lyon, March 25, 2014

The Statutory Auditors

Diagnostic Revision Conseil	**ERNST & YOUNG et Autres**
Hubert de Rocquigny du Fayel	Marc-André Audisio

APPENDIX 3

DISCLOSURES REQUIRED IN THE ANNUAL FINANCIAL REPORT

Statement by the person responsible	Section 1.2
Management reports	Appendix 4 below
Consolidated financial statements	Section 20.1.1
Statutory Auditors' report on the consolidated financial statements	Section 20.4.1
Parent company financial statements	Section 20.1.2
Statutory Auditors' report on the financial statements	Section 20.4.2

APPENDIX 4

MANAGEMENT REPORTS ON TRANSACTIONS OCCURING DURING THE YEAR ENDED DECEMBER 31, 2013

To the Shareholders,

In accordance with the bylaws and the French Commercial Code (*Code de commerce*), we have called this Annual General Meeting to report on the Company's and the Group's activities during the year ended December 31, 2013.

We will present the results of these activities and outlook and will submit the balance sheet and the accompanying parent company and consolidated financial statements for the year then ended for your approval.

MANAGEMENT REPORT ON THE 2013 CONSOLIDATED FINANCIAL STATEMENTS

1 - GROUP BUSINESS REVIEW

The highlights for the year ended December 31, 2013 were as follows:

1.1 - Sales

Sales for the year ended December 31, 2013 rose to €1,588 million from €1,570 million in 2012, up 4.6% at constant exchange rates and scope of consolidation. On a reported basis, this increase stood at 1.2%, reflecting the significant decline in the U.S. dollar, Japanese yen, Brazilian real, Indian rupee, Turkish lira and other currencies against the euro.

Sales by region *In millions of euros*	**2013**	2012	% change as reported	**% change** at constant exch. rates and scope of consolidation
Europe[(a)]	**806**	807	-0.1%	**+0.9%**
North America	**349**	345	+1.1%	**+4.8%**
Asia-Pacific	**295**	283	+4.0%	**+11.6%**
Latin America	**131**	135	-2.6%	**+6.2%**
Total per region	**1,581**	1,570	+0.7%	**+4.1%**
R&D-related revenue	**7**			
Total	**1,588**	1,570	+1.2%	**+4.6%**

[(a)] Including the Middle East and Africa.

2013 sales at constant exchange rates and scope of consolidation may be analyzed by technology as follows:

Sales by technology *In millions of euros*	2013	2012	% change as reported	% change at constant exch. rates and scope of consolidation
Clinical applications	**1,251**	1,251	+0.0%	**+3.5%**
Microbiology	**793**	801	-0.9%	**+2.9%**
Immunoassays[(a)]	**364**	362	+0.6%	**+3.5%**
Molecular biology	**78**	73	+6.5%	**+9.0%**
Other lines	**16**	15	+2.2%	**+3.5%**
Industrial applications	**330**	319	+3.3%	**+6.8%**
Total per technology	**1,581**	1,570	+0.7%	**+4.1%**
R&D-related revenue	**7**			
Total	**1,588**	1,570	+1.2%	**+4.6%**

[(a)] Including VIDAS®: up 5.8%.

1.2 - Strategic partnerships and agreements

Two strategic partnership agreements were signed during the year:

– with Veolia Environnement for monitoring the quality of drinking water

In March, Veolia Environnement and bioMérieux announced their commitment to undertaking a research partnership aimed at developing an innovative technology for the continuous monitoring of the microbiological quality of drinking water.

– Gilead Sciences Inc.

In October, bioMérieux signed an exclusive agreement with Gilead Sciences Inc., a biopharmaceutical company focusing on innovative therapeutics for unmet medical needs, to co-develop an assay that may be a potential companion diagnostic of a Gilead drug candidate, currently under development.

– Biocartis

Furthermore, in November, bioMérieux announced the end of its collaboration with Biocartis for the development and commercialization of an integrated molecular biology system. After returning its rights to use Biocartis technology, especially in microbiology molecular diagnostics, bioMérieux nevertheless remains a Biocartis shareholder.

1.3 - New products

In 2013, bioMérieux introduced 18 new products and continued to enhance its commercial offer, particularly in:

– Clinical microbiology

In August 2013, bioMérieux was granted U.S. FDA 510(k) de novo for its VITEK® MS platform, allowing the Group to offer a MALDI-TOF mass spectrometry range for the identification of bacteria and yeast.

– Immunoassays

  - VIDAS® 3, the new generation VIDAS®, features enhanced automation, improved traceability, new software capabilities, as well as a quality control program in compliance with laboratory certification standards. Close to 200 instruments were installed by end-2013, just six months after the CE-marking, thereby attesting to the new platform's market success. The Company expects to gradually obtain regulatory approval for sale in other countries, particularly the United States and China.

  - VIDAS® 25 OH Vitamin D TOTAL was also CE-marked and bioMérieux proceeded with its European launch.

  - At the same time, bioMérieux pursued the start-up of its rapid test range. In particular, it launched VIKIA® Malaria Ag Pf/Pan, the first test in a tropical disease panel currently being developed.

– Molecular biology

  - The ARGENE® range was enhanced with Adenovirus R-gene® test which enables the qualitative detection of adenovirus DNA by PCR in real-time and Parvovirus B19 R-gene, a new CE-marked ARGENE® test based on real-time PCR technology that allows for detection and quantification of the three Parvovirus B19 genotypes.

  - In addition, bioMérieux's new THxID™-BRAF real-time PCR molecular test received pre-market approval (PMA) from the FDA for commercialization in the United States. This companion diagnostic test helps clinicians choose an appropriate treatment for advanced melanoma.

– Industrial applications

  - bioMérieux introduced the TEMPO® Aerobic Count (TEMPO® AC) test that enumerates total bacterial flora in food and environmental samples in as little as 24 hours.

– Services: In France, the Company launched its e-learning platform for technicians and biologists, with modules on product use, scientific issues and professional skills development. The solution has also been cleared for commercialization in Germany and Switzerland.

1.4 - Industrial operations

Since mid-2012, the Durham, NC teams in the United States have been actively working to restore satisfactory blood culture bottle production conditions, meet delivery commitments and enhance the site's quality system, even as demand from the customer base continues to rise. The wide-ranging action plan deployed in 2013 will be pursued in 2014.

Following its continued deployment throughout 2013, the global ERP system was up and running in 24 subsidiaries by year-end.

1.5 - Current proceedings

The Company is involved in a certain number of claims and litigation arising in the ordinary course of business. bioMérieux believes that no claim or litigation will have a material adverse impact on its operations. The Company is not involved in litigation considered to be material, with the exception of the proceedings described in Notes 15.3.1 and 15.4 to the consolidated financial statements. The Company believes that provisions set aside for litigation provide reasonable coverage of the related risks.

1.6 - Organization of bioMérieux's sponsorship activities

On December 19, 2003, the Board of Directors resolved to allocate a specific portion of its budget to sponsorship activities. It was agreed that 75% to 90% of this portion would be allocated to projects supported by the Mérieux Foundation and the Christophe and Rodolphe Mérieux Foundation and that the remaining amount would be allocated to sponsorship projects undertaken directly by bioMérieux. In 2013, the Company contributed €2.7 million to sponsorship activities (including €1.8 million to the two aforementioned foundations), representing 3.2% of its sales.

2 - PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS: ECONOMIC AND FINANCIAL SUMMARY

2.1 - Consolidated financial statements

The consolidated financial statements for the years ended December 31, 2013 and December 31, 2012 were prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

Income statement (see section 9.2.1)

Consolidated cash flow statement (see section 9.2.2)

2.2 - Dividend

The Board of Directors will recommend that shareholders at the Annual Meeting on May 28 approve a dividend of €1.00 per share, up 2% from the dividend paid in 2013. It represents a total payout of €39.5 million, and will be paid on June 6, 2014.

2.3 - Off-balance sheet commitments

Off-balance sheet commitments given and received in 2013 are set out in Note 30 to the consolidated financial statements.

2.4 - Market risks

Exchange rate risks

Since more than half of the Group's operations are conducted outside the eurozone, its sales, earnings and assets and liabilities may be materially impacted by changes in exchange rates between the euro and other currencies. Further information on exchange rate risk is presented in Note 29.1 to the 2013 consolidated financial statements.

Credit risk

The Group is not exposed to significant credit risk. The carrying amount of its receivables reflects the fair value of the expected net cash flows to be collected. The impact of net writedowns of trade receivables and the net exposure to Greek sovereign debt are set out in Note 10 to the 2013 consolidated financial statements.

Liquidity risk

The Group is not exposed to liquidity risk, since its total current financial assets far exceed its total current financial liabilities and seasonal fluctuations do not have a material impact on the business.

Accordingly, the only maturity schedule disclosed pertains to net debt, as presented in Note 17.2 to the consolidated financial statements.

2.5 - Consolidated financial statements

The consolidated financial statements are attached to this report.

3 - RECENT EVENTS/OUTLOOK

3.1 - Recent events

BioFire (see section 9.2.4)

3.2 - Outlook (see section 12.2)

4 - RESEARCH AND DEVELOPMENT ACTIVITIES

Full information on research and development is presented in Chapter 11 of the Registration Document.

5 - SUBSIDIARIES AND INVESTMENTS

The activities of the subsidiaries and companies controlled by the Group form part of the description of the Company's activities provided in this report. The table of subsidiaries and investments is presented in Note 5.1 to the 2013 parent company financial statements.

5.1 - Miscellaneous information on acquisitions/disposals of investments

5.1.1 - Acquisitions (see section 7.2.2.1)

5.1.2 - Subsidiaries

No new subsidiaries were created in 2013.

On December 31, 2013, AES Chemunex SA merged with bioMérieux SA, effective retroactively from January 1, 2013.

The list of subsidiaries and investments is presented in Note 5.1 to the 2013 parent company financial statements.

5.2 - Legal organizational structure (see section 7.2.1)

MANAGEMENT REPORT ON THE 2013 PARENT COMPANY FINANCIAL STATEMENTS

1 - PRESENTATION OF THE PARENT COMPANY FINANCIAL STATEMENTS

The annual financial statements for the year ended December 31, 2013 were prepared in accordance with the presentation rules and measurement methods provided for by regulations currently in force.

1.1 - Highlights of the year

Subsidiaries and related parties

In November 2012, the Company acquired a 40% interest (€0.4 million) in the capital of Mérieux Université. In July 2013, it paid up the final 25% of this capital increase.

In December 2013, bioMérieux SA subscribed to Mérieux Université's capital increase for an amount of €400,000. Following this transaction, the shares held amounted to €0.8 million and its ownership interest remained unchanged. €0.2 million of the share capital still needs to be paid up. Mérieux Université's shares were written down by €388,000 after taking into account the year-end loss of €970,000.

The Company purchased Adiagène shares from non-controlling shareholders. This transaction, which included the purchase of 2,880 shares for €0.4 million, gave the Company 16,297 shares out of the total 16,398 shares that make up Adiagène's share capital, i.e., 99.4%.

In November 2013, bioMérieux's Spanish subsidiary acquired AES Chemunex Spain whose shares were held by bioMérieux SA. This transaction had no impact on bioMérieux SA's income statement.

Acquisitions and partnerships

The Company made a cash contribution of €0.1 million to Amorçage Technologique Investissement (ATI) in respect of its capital subscription within the framework of ATI's incorporation. In addition, the Company has committed to providing additional funds of up to €0.9 million. ATI is a fund that finances companies in priority technology sectors, as defined by the French State's research and innovation strategy, during their incorporation and early developmental stages.

Before bioMérieux Inc. acquired the U.S. company BioFire, in October 2013 bioMérieux SA issued €300 million in seven-year bonds. Hedging instruments were used between July and December to guarantee the euro equivalent of the acquisition price at the closing date. This resulted in the payment of a €5.6 million premium recognized in the balance sheet until the option is exercised or the bonds mature as well as a €2.2 million premium recognized over the duration of the bond issue.

Mergers

AES Chemunex was merged into bioMérieux SA further to a simplified merger procedure dated December 31, 2013, effective retroactively for tax and accounting purposes from January 1, 2013.

These transactions resulted in a merger loss of €128.9 million recognized in intangible assets. The merger loss is primarily related to unrealized capital gains on:

- acquired goodwill for €111 million;
- technology for €12.5 million;
- customer portfolio for €5.4 million.

Depreciation and amortization of these items (industrial property and customer portfolio) resulted in a €1.5 million writedown of the merger loss.

Collaborative agreement in personalized medicine with Gilead

In October, bioMérieux signed an exclusive agreement with Gilead Sciences Inc., a biopharmaceutical company focusing on innovative therapeutics for unmet medical needs, to co-develop an assay that may be a potential companion diagnostic of a Gilead drug candidate, currently under development.

Biocartis

On November 28, 2013 bioMérieux announced the end of its collaboration with Biocartis for the development and commercialization of an integrated molecular biology system. After returning its rights to use Biocartis technology, especially in molecular biology, the Company wrote down the net book value and recognized a €2.3 million non-cash, non-recurring expense in the 2013 parent company financial statements. However, it will remain a Biocartis shareholder.

Expansion project for the Marcy l'Etoile site

Certain sites, in particular the Marcy l'Etoile and Craponne sites, are nearing full capacity as regards available offices, parking spaces and canteen tables. In order to accompany bioMérieux's expansion and to continue to develop in a pleasant work environment, two new facilities are being constructed in the immediate vicinity of the Marcy l'Etoile site. The first facility is scheduled for completion during the first half of 2016. In this respect, an amount of €6.1 million was recognized in property, plant and equipment in 2013 for the purchase of new land for the Marcy l'Etoile site.

Miscellaneous

Supply shortages, mainly affecting blood culture bottles and VIDAS® reagents as well as certain culture medium product lines, were prevalent in 2013. Despite measures to minimize late deliveries, these issues had a negative impact on business levels and led to higher distribution expenses.

On the other hand, the establishment of a customs warehouse in August 2013 at the "IDC site" (International Distribution Center) should significantly reduce the cost of imported BacT/ALERT® blood culture bottles to be shipped outside the European Union.

In addition, VIDAS® 3 got off to a promising start with close to 200 instruments installed in just six months since it was CE marked. In all, 39 instruments were installed and 160 instruments were sold including 105 to the Group's distribution subsidiaries.

1.2 - Sales

During the year ended December 31, 2013, the Company's sales amounted to €881 million, compared to €782.6 million for 2012, representing a year-on-year increase of 12.6%.

Sales increased 2.76% on a like-for-like basis (excluding AES).

Domestic sales edged down 2.0%.

Sales to subsidiaries rose 2.6%.

Exports, mainly to distributors, climbed 16.5%.

1.3 - Gross operating income

Gross operating income was €103.2 million, or 11.71% of sales, up by €13.7 million (15.30%) on 2012 as a result of the AES merger.

On a like-for-like basis, gross operating income was down €0.6 million as increased personnel costs (6.4%) and taxes (13.3%), particularly the CVAE (*Cotisation sur la Valeur Ajoutée des Entreprises*), outpaced business growth (2.8%).

External charges also increased by €5.7 million (4.3%), including €4.7 million in research and studies and €1.4 million in transport costs, which were only partially offset by the €1.5 million decrease in banking fees.

1.4 - Operating income

After depreciation, amortization and provisions, operating income increased year on year from €18.4 million to €34.6 million, i.e., 86%, €10.3 million of which is attributable to the AES Chemunex merger.

The increase in operating income is mainly attributable to the significant decrease in royalties paid (down €4.7 million), in particular to AB bioMérieux, Roche and BioFire.

1.5 - Financial income

In 2013, financial income came in at €72.6 million versus €133.8 million in 2012.

The sharp decrease in financial income is mainly a result of the nearly €63 million decrease in dividends received from subsidiaries, particularly bioMérieux Inc. (down €56 million) due to the U.S. subsidiary's cash requirements for the acquisition of BioFire Inc. In addition, borrowing costs increased from €1.9 million in 2012 to €3.2 million in 2013, including a subscription to a €1.9 million bond issue in connection with the acquisition of BioFire.

1.6 - Net income before non-recurring items and taxes

Net income before non-recurring items and taxes totaled €107.3 million versus €152.2 million one year earlier, €9.6 million of which is attributable to the AES Chemunex merger.

1.7 - Net non-recurring items

The Company reported a net non-recurring expense of €4.1 million in 2013 versus €3.2 million in 2012.

An exceptional provision of €2.3 million was recorded in respect of the termination of the Biocartis project. Accelerated depreciation allowances amounted to €1.8 million.

1.8 - Net income for the year

Net income for the year came in at €109.7 million in 2013 compared to €162.2 million in 2012, i.e., a year-on-year decrease of €52.5 million, and represented 12.5% of sales, compared to 20.7% one year earlier.

The portion of net income for the year attributable to AES Chemunex amounted to €6.9 million.

Despite the acquisition of AES and the €18.5 million increase in research and development expenses, research tax credits decreased by €0.4 million to €15.8 million.

1.9 - Investments

Investments in property, plant and equipment, excluding assets received from the merger, totaled €49.1 million, including €4.4 million in instruments.

The Company continued its investment strategy with €9.9 million in capital expenditure on industrial equipment. Investments in buildings and installations across all sites totaled €12 million. Land was also purchased for €7.3 million in Marcy l'Etoile site for the future world headquarters, and in Craponne and La Balme.

The carrying amount of scrapped assets amounted to €0.4 million.

The gross value of non-current financial assets (acquisitions less disposals) decreased by €43.1 million.

In 2013, investments in equity interests rose €2.0 million chiefly as a result of the following:

- the purchase of Adiagène shares from minority shareholders (€0.4 million);
- acquisition of an interest in Mérieux Université (€0.4 million);
- contingent consideration paid to Bioart for the acquisition of AB Biodisk (€1 million);
- the ATI capital subscription (€0.1 million).

The main decreases are related to accounting entries for the AES Chemunex merger (€11.7 million). In addition, provisions set aside at December 31, 2012 for ABG Stella dividends receivable have been reversed and therefore contributed to the decrease.

1.10 - Debt

At December 31, 2013, the Company reported a cash surplus of €61.8 million, compared to €45.2 million in debt one year earlier, representing a €108.4 million reduction in net debt on 2012.

1.11 - Detailed breakdown of the parent company financial statements

The parent financial statements are attached to this report.

2 - APPROPRIATION OF NET INCOME

Shareholders will be invited to appropriate distributable net income for the year ended December 31, 2013 in the amount of €189,777,084.42, consisting of €109,668,416.49 in net income and €80,108,667.93 in retained earnings, as follows:

- €75,000,000.00 to be transferred to the general reserve, increasing the balance from €530,000,000.28 to €605,000,000.28;
- €40,502.37 to be transferred to the special sponsorship reserve, increasing the balance from €621,737.13 to €662,239.50;
- €39,453,740.00 to be distributed as dividends, representing a dividend of €1 for each of the Company's 39,453,740 shares comprising the share capital[13], to be paid as from June 6, 2014;
- the remaining €75,282,842.05 to be transferred to retained earnings.

Following this appropriation of net income, the Company's shareholders' equity after the dividend payout will stand at €796,132,890.13 and its share capital at €12,029,370.

3 - SUMMARY OF DIVIDENDS PAID

The table below presents the dividends paid by the Company for each of the past three years.

The Company did not and will not receive any dividends on treasury shares held or to be held on the ex-dividend date and the corresponding amounts are allocated to retained earnings.

Year ended	Dividends paid in euros
Dec. 31, 2012	38,664,665.20
Dec. 31, 2011	38,664,665.20
Dec. 31, 2010	38,664,665.20

4 - NON-TAX-DEDUCTIBLE EXPENSES

The 2013 financial statements include non-tax-deductible expenses as provided for in articles 223 *quater* and 223 *quinquies* of the French Tax Code amounting to €314,959.45. These correspond to the non-deductible portion of rental payments and depreciation charges for vehicles leased and purchased by bioMérieux SA.

[13] The Company will not receive any dividends on treasury shares held on the ex-dividend date and the corresponding amount will be allocated to "Retained earnings". In accordance with paragraph 2 of article 158.3 of the French Tax Code (*Code général des impôts*), individuals subject to income tax in France for tax purposes benefit from a tax deduction on the annual dividend.

5 - PAYMENT PERIODS

Trade payable balances at December 31, 2013 break down as follows:

Trade payables at Dec. 31, 2013 *In thousands of euros* *By due date*	Accrued expenses	Operating payables, fixed asset payables + notes payables	TOTAL
Disputed payables – more than 1 year		2,781	2,781
More than 10 days overdue		5,574	5,574
Less than 10 days overdue		2,384	2,384
Due in 0-30 days		24,443	24,443
Due in 31-60 days		46,013	46,013
Due in 61-90 days		10,871	10,871
Accrued expenses	46,156		46,156
Total	**46,156**	**92,066**	**138,222**

The above trade payables balances include €2,947,000 in debit balances recorded in the balance sheet under "Other operating receivables" and "Non-operating receivables". French suppliers represent 26% of payables due and 44% of other outstanding payables. Amounts due in more than 60 days total €10.9 million and mainly relate to intragroup trade payables (€9.6 million).

Trade payables at December 31, 2012 break down as follows:

Trade payables at Dec. 31, 2012 *In thousands of euros* *By due date*	Accrued expenses	Operating payables, fixed asset payables + notes payables	TOTAL
Disputed payables – more than 1 year		2,046	2,046
More than 10 days overdue		12,343	12,343
Less than 10 days overdue		3,642	3,642
Due in 0-30 days		24,908	24,908
Due in 31-60 days		45,415	45,415
Due in 61-90 days		12,257	12,257
Accrued expenses	45,391		45,391
Total	**45,391**	**100,611**	**146,002**

6 - OWNERSHIP STRUCTURE AT DECEMBER 31, 2013 (SEE SECTIONS 18.1, 18.2 AND 18.3)

Transactions carried out by senior executives

The Company has been informed that the following securities transactions were carried out by senior executives in 2013:

– Henri Thomasson sold units in the mutual fund (FCPE) in the amount of €9,339 on March 18, 2013;

– Stephen Harbin sold shares in the amount of €143,609.80 on April 26, 2013.

7 - DIRECTORSHIPS AND POSITIONS HELD BY CORPORATE OFFICERS (SEE SECTION 14.1)

8 - COMPENSATION OF CORPORATE OFFICERS (SEE SECTION 15.1)

9 - POLLUTING OR HAZARDOUS ACTIVITIES

The Company does not operate any facilities classified by the Seveso Directive as “upper tier” (high risk) sites.

10 - LABOR-RELATED, SOCIAL AND ENVIRONMENTAL INFORMATION (SEE SECTION 5.2)

10.1 - Labor-related information (see section 5.2.1)

10.2 - Environmental information (see section 5.2.2)

10.3 - Social information (see section 5.2.3)

11 - RESEARCH AND DEVELOPMENT ACTIVITIES (SEE CHAPTER 11)

12 - INFORMATION ON PUBLIC OFFERS (SEE SECTION 21.2.6)

13 - STATUTORY AUDITORS' REVIEW OF RELATED-PARTY AGREEMENTS

The Statutory Auditors' special report on related-party agreements presented in accordance with articles L.225-38 *et seq* of the French Commercial Code is included in Chapter 19 of this Registration Document.

14 - DIRECTORSHIPS

The terms of office of Alain Mérieux, Alexandre Mérieux, Jean-Luc Belingard, Michele Palladino, Philippe Archinard, Michel Angé and Georges Hibon are due to expire at the 2014 Annual General Meeting.

Georges Hibon does not wish his term of office as director to be renewed and the shareholders will be invited to appoint Agnès Lemarchand as his replacement. Her term of office will last four years and expire at the Annual General Meeting held in 2018 to approve the 2017 financial statements.

Agnès Lemarchand is a French national and was born in Marquette lez Lille on December 29, 1954. She graduated from the National Chemical Engineering Institute in Paris (ENSCP), Massachusetts Institute of Technology and INSEAD and has devoted her entire professional career to the manufacturing sector. Among other positions, Agnès Lemarchand has been Chief Executive Officer of the French Organic Industry (a joint venture between the Rhône-Poulenc group and Institut Mérieux), Chair and Chief Executive Officer of Prodical (a subsidiary of the Ciments Français group, specialized in industrial minerals) and the Chair and Chief Executive Officer of Lafarge's limestone division. She was also a member of Lafarge's operational committee. In 2005, she took over Lafarge's British limestone business under a management buy-out, and founded Steetley Dolomite Ltd. (UK) where she is still Executive Chairman. She is also a member of the board of directors of Saint-Gobain and CGG Veritas and a member of the supervisory board of Areva and Sicale, where she represents France's investment bank, Bpifrance. She is also a steering committee member for "34 plans for a new industrial France" (*34 plans de la Nouvelle France Industrielle*), a committee under the authority of the French Prime Minister, and a member of the economic, social and environmental committee (working in the economic division).

Michel Angé does not wish his term of office as director to be renewed and the shareholders will be invited to appoint Philippe Gillet as his replacement. His term of office will last four years and expire at the Annual General Meeting held in 2018 to approve the 2017 financial statements.

Philippe Gillet is a French national, was born in Strasbourg on January 26, 1956 and is a Swiss resident. He graduated from *Ecole Normale Supérieure de Paris* (an elite French higher education institution) and received a PhD in Geophysics and Geochemistry and a Doctorate in Earth Science. After teaching Geophysics at the University of Rennes in France, he headed *Ecole Normale Supérieure de Lyon* where he was also a professor of Earth Science. He was also a secretary in the French Ministry of Research and Higher Education before becoming Vice President for academic affairs of the Swiss Federal Institute of Technology in Lausanne where held the position of professor and head of the Earth Science and Planet Laboratory.

The Board of Directors is submitting to the shareholders for approval the renewal of the directorships of Alain Mérieux, Alexandre Mérieux, Jean-Luc Belingard, Michele Palladino and Philippe Archinard.

In addition, the Board is recommending the appointment of Michel Angé, currently a member of the Board, as a non-voting member (*censeur*) for a period of three years expiring at the Annual General Meeting held in 2017 to approve the 2016 financial statements.

Michel Angé is a French national and was born on November 27, 1939. He has been a member of bioMérieux's Board of Directors since 2004 and does not wish his term of office to be renewed at the 2014 Annual General Meeting. After graduating from the *Institut Technique de Banque* (a technical institute for banking), he was Chief Executive Officer of Lyonnaise de Banque for 13 years. He also held the positions of director and Vice President of the supervisory board at Banque de Vizille SA until 2011. He is currently a director at Lyonnaise de Banque SA, Tessi SA (a listed company), Apicil Prévoyance, Sogelym-Dixence Holding SAS, Groupe Progrès and Banque Fiducial SA.

The Board of Directors is submitting the appointment of Michel Angé, currently a member of the Board, to the shareholders for approval. Michel Angé could be appointed as a non-voting member for a period of three years expiring at the Annual General Meeting held in 2017 to approve the 2016 financial statements.

The Board also recommends the appointment of Henri Thomasson, bioMérieux's former Chief Financial Officer, as non-voting member for a period of three years expiring at the Annual General Meeting held in 2017 to approve the 2016 financial statements.

15 - STATUTORY AUDITORS' TERMS

The terms of the principal Statutory Auditors and of the deputy Statutory Auditors did not expire during the year.

16 - RECENT EVENTS/OUTLOOK

16.1 - Recent events

In February 2014, bioMérieux launched VIDAS® C. difficile GDH, developed and produced in France, at the Group's world headquarters in Marcy l'Etoile. VIDAS® C. difficile GDH is used on VIDAS®, mini VIDAS® et VIDAS® 3 automated immunoassay platforms.

16.2 - Outlook

In 2014 the Company will continue to implement its 2012-2015 roadmap.

Details on the Group's outlook are provided in the management report.

17 - RISK FACTORS

Further information on risk factors is presented in section 4.1 of this Registration Document.

18 - REPORT ON SHARE BUYBACK TRANSACTIONS CARRIED OUT DURING THE YEAR (SEE SECTION 21.1.3)

19 - CONCLUSION

The information contained in this report, the accompanying parent company and consolidated financial statements for the year ended December 31, 2013, the Board's proposals and the discharge of the directors for the performance of their duties with respect to 2013, are submitted for approval by the Annual General Meeting.

The Board of Directors

Appendix 1

FIVE-YEAR FINANCIAL SUMMARY

	2013	2012	2011	2010	2019
I. Share capital at year-end					
Share capital	12,029,370	12,029,370	12,029,370	12,029,370	12,029,370
Number of ordinary shares outstanding	39,453,740	39,453,740	39,453,740	39,453,740	39,453,740
Number of preferred shares (without voting rights) outstanding	0	0	0	0	0
Maximum number of potential shares to be issued	0	0	0	0	0
By conversion of bonds	0	0	0	0	0
By exercise of subscription rights	0	0	0	0	0
II. Transactions and net income for the year					
Sales	880,986,860	782,568,044	743,409,495	729,767,174	645,591,221
Net income before tax, employee profit sharing, depreciation, amortization and provisions	169,316,060	195,495,032	148,891,076	215,560,896	108,165,249
Income tax	(6,561,154)	(13,233,445)	(1,092,020)	6,153,827	(7,752,262)
Employee profit sharing for the year	0	0	608,004	4,123,346	0
Earnings after tax, employee profit sharing, depreciation, amortization and provisions	109,668,416	162,212,781	103,474,961	150,257,615	81,790,110
Dividends paid[(a)]	38,664,665	38,664,665	38,664,665	38,664,665	36,297,441
Special dividend paid from the general reserve	0	0	0	0	0
III. Earnings per share					
Earnings after tax and employee profit sharing, but before depreciation, amortization and provisions	4.46	5.29	3.79	5.20	2.94
Earnings after tax, employee profit sharing, depreciation, amortization and provisions	2.78	4.11	2.62	3.81	2.07
Dividend per share[(b)]	0.98	0.98	0.98	0.98	0.92
IV. Employee data					
Average number of employees during the year	3,047	2,860	2,725	2,710	2,605
Total annual payroll	167,535,748	145,946,062	136,681,136	129,576,098	130,932,692
Total employee benefits paid during the year (social security, charities)	78,937,503	69,933,181	64,664,749	63,655,867	59,318,262

(a) Subject to the non-payment of dividends on treasury shares held on the ex-dividend date.
(b) This table does not present the per-share dividend for special dividend payouts.

APPENDIX 2

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013 (see section 20.1.1)

APPENDIX 3

PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013 (see section 20.1.2)

APPENDIX 4

TABLE OF AUTHORIZATIONS FOR SHARE CAPITAL INCREASES (see section 21.1.5)

APPENDIX 5

Report by the independent third party on the consolidated environmental, labor-related and social information presented in the management report

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

In our capacity as independent third party certified by COFRAC under number 3-1050 and member of the network of one of bioMérieux's Statutory Auditors, we hereby report to you on the consolidated environmental, labor-related and social information presented in Chapter 10 of the management report, (hereinafter the "CSR Information") for the year ended December 31, 2013 in accordance with article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the Company

The Board of Directors is responsible for preparing the Company's management report including CSR Information in accordance with the provisions of article R.225-105-1 of the French Commercial Code and with the guidelines used by the Company, which include separate internal instructions for reporting environmental, security and labor-related information (hereinafter the "Guidelines"), available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

Responsibility of the independent third party

On the basis of our work, it is our responsibility to:

– certify that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (the Statement of completeness of CSR Information);

– express limited assurance that the CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

Our work was carried out by a four-person team between January and March 2014 over a five-week period.

We performed our work in accordance with the professional auditing standards applicable in France, with the decree of May 13, 2013 determining the conditions in which the independent third party performs its engagement and for the reasoned opinion with ISAE 3000[(14)].

1. Statement of completeness of CSR Information

We conducted interviews with the relevant heads of department to familiarize ourselves with sustainable development policy, as a function of the labor and environmental impact of the company's activity, of its social commitments and any action or programs related thereto.

We compared the CSR Information presented in the management report with the list provided for by article R.225-105-1 of the French Commercial Code.

(14) ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*

For any consolidated Information that was not disclosed, we verified that the explanations provided complied with the provisions of article R.225-105, paragraph 3 of the French Commercial Code.

We ensured that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the entities it controls as defined by article L.233-3 of the French Commercial Code.

Based on this work, we attest to the completeness of the required CSR Information in the management report.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of our work

We conducted five interviews with the people responsible for preparing the CSR Information in the Environmental, Health & Safety, Purchasing and HR Departments charged with collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures, in order to:

– assess the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, and taking good market practice into account when necessary;

– verify the implementation of a data-collection, compilation, processing and control procedure that is designed to produce CSR Information that is exhaustive and consistent, and familiarize ourselves with the internal control and risk management procedures involved in preparing the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information in the light of the nature of the Company, the social and environmental challenges of its activities, its sustainable development policy and good market practice.

With regard to the CSR Information that we considered to be the most important[15]:

– at parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action, etc.), we followed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data and we verified their consistency and concordance with the other information in the management report;

– at the level of a representative sample of sites selected by us[16] by activity, contribution to the consolidated indicators, location and risk analysis, we conducted interviews to ensure that procedures are followed correctly to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents on average 32% of headcount, 36% of hours worked and an average of 22% of quantitative environmental data.

For the other consolidated CSR information, we assessed consistency based on our understanding of the Company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

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[15] **Environmental and social information:** measures for reducing, recycling and eliminating waste, the sustainable use of resources and climate change (energy and water consumption and greenhouse gas emissions), the importance of subcontracting and integrating labor-related and environmental concerns into the Company's purchasing policy and its relations with suppliers and subcontractors.
Labor-related information: employment (total headcount and workforce division, compensation and pay increases), occupational accidents, particularly their frequency and severity, and occupational diseases.

[16] The Craponne and Marcy l'Etoile sites in France.

We believe that the sampling methods and sample sizes used, in our professional judgment, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, no material irregularities came to light that call into question the fact that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines.

Emphasis of matter

Without qualifying our conclusion, we draw your attention to the following matters:

- Not all the items in the Guidelines have been systematically documented, in particular items used in defining the reporting scope and certain methodological principles used to calculate environmental indicators.

- Processes used to collect and present CSR Information in Chapter 10 of the management report, particularly control procedures, have not been adequately detailed, shared or documented.

Paris-La Défense, March 25, 2014

The independent third party
ERNST & YOUNG et Associés

Christophe Schmeitzky
Partner in charge of Sustainable Development

Bruno Perrin
Partner

APPENDIX 5

COMPOSITION OF THE EXECUTIVE COMMITTEE AT APRIL 15, 2014

As a result of the new organizational structure in place from April 15, 2014 (see section 12.1), the Executive Committee, chaired by Alexandre Mérieux, includes the following members:

- Michel Baguenault, Corporate Vice President, Human Resources and Communication;
- Thierry Bernard (until June 30, 2014 – Richard Ding from July 1, 2014), Corporate Vice President, Asia-Pacific Region;
- Nicolas Cartier, Corporate Vice President, Industrial Unit, Investments and Strategic Planning;
- Pierre Charbonnier, Corporate Vice President, Manufacturing and Supply Chain;
- Claire Giraut, Chief Financial Officer and Corporate Vice President, Purchasing and Information Systems;
- François Lacoste, Corporate Vice President, Clinical Unit;
- Mark Miller, Chief Medical Officer;
- Yasha Mitrotti, Corporate Vice President, Europe, Middle East and Africa Region;
- Alain Pluquet, Corporate Vice President, Innovation;
- Randy Rasmussen, Corporate Vice President, Molecular Biology[17];
- Stefan Willemsen, Corporate Vice President, Americas Region and Legal Affairs.

[17] Molecular Biology activities will only be integrated following BioFire's full integration. During the transition period, these activities will be directly headed by the Chairman. Accordingly, a steering committee has been created to coordinate the integration process.

APPENDIX 6

GLOSSARY OF SCIENTIFIC TERMS

- **Acute coronary syndrome**: decreased blood flow in the coronary arteries resulting in reduced circulation rate and inadequate oxygenation of the myocardial muscle.
- **Amplification**: a technique, usually using enzymes, for multiplying nucleic acids in order to increase the sensitivity of detection methods.
- **Antibiotic susceptibility test**: an analysis to determine the sensitivity of a bacterium to antibiotics.
- **Antibiotic**: a substance of natural or synthetic origin capable of stopping the multiplication of bacteria.
- **Antibody**: a complex protein molecule produced by the immune system to detect and neutralize pathogens, in particular viruses.
- **Antigens**: a macromolecule recognized by an antibody or cells from an organism's immune system that triggers an immune response.
- **Bacterium**: a unicellular microorganism lacking chlorophyll and visible only under a microscope. Bacteria do not belong to either the plant or the animal kingdom.
- **Biochemistry**: an area of science which studies the correlation between the structure of natural molecules and the consequences for their activity.
- **Blood culture**: an essential blood test in infectious disease, carried out by taking a sample of venous blood which is then cultured to reveal the presence or absence of germs.
- **Chromogen**: a substance that produces coloring under certain conditions. Related to an enzyme substrate and incorporated in a culture medium, it is used to reveal a particular enzyme metabolism and thereby assists in identifying of the cultured bacterium.
- **Consumable**: a single-use accessory, generally employed in an analysis instrument.
- **Contaminant**: a substance present where it should not be.
- **Culture medium**: a simple or compound nutrient composition in liquid or solid form, used to maintain or increase the development of a microbial species under appropriate biological conditions.
- **Cytology** (or cellular biology): an area of biology concerning the study of cells and their organelles, the vital processes taking place therein as well as the mechanisms allowing for their survival (reproduction, metabolism).
- **Cytomegalovirus**: a virus responsible for infections, usually undetected. It becomes pathogenic especially in patients with weak immune defenses. Member of the herpes virus family, which includes *inter alia* herpes simplex virus (HSV) or herpes virus hominis (HVH), cytomegalovirus (CMV), varicella-zoster virus (VZV) and Epstein-Barr virus (EBV).
- **Cytometry**: the counting of cells.
- **DNA sequencing**: method used to determine the order of the nucleotide bases in a molecule of DNA.
- **DNA**: the acronym of "deoxyribonucleic acid". These nucleotides consist of a sugar (deoxyribose), a phosphate group and one of the following nitrogen-containing bases: adenine (A), cytosine (C), guanine (G) or thymine (T), and serve as a medium for genetic information.
- **Enterobacteria**: a family of aerobic or anaerobic (requiring or not requiring oxygen to live and reproduce) bacilli (bacteria), revealed by Gram-negative staining.

- **Enterococcus**: oval-shaped bacterium of the group D of the Streptococcus family, usually resident in the intestine of healthy humans.
- **Enzyme**: a protein macromolecule which speeds up a biochemical reaction.
- **Extraction**: term applied to the steps which extract nucleic acids from the cells that contain them and process them so they can be used in molecular biology techniques such as amplification.
- **Flow cytometry**: technique of passing a stream of cells, particles or molecules at high speed within a stream of liquid through a laser beam. The light re-emitted (by diffusion or fluorescence) enables the population to be classified and sorted according to several criteria.
- **Functionalized polymer**: an organic or inorganic macromolecule formed by a chain of repeating units to which chemical groups are grafted in order to give the macromolecule a particular function.
- **Fungal**: that which relates to fungi.
- **Genotyping**: determination of all the genes contained in the cells of an organism.
- **Gram staining**: staining which reveals the properties of the bacterial wall so that they can be used to distinguish and classify bacteria. The main distinction is between Gram-positive and Gram-negative bacteria.
- **Healthcare-associated infection:** a disease contracted in a hospital or other healthcare establishment by a patient who did not have this disease on admission.
- **Histology**: the study of tissue in order to research tissue composition, structure and renewal and cellular exchanges within themselves.
- **Immunoassay**: detection of pathology markers using an antigen-antibody reaction.
- ***In vitro* diagnostics**: tests performed outside the human body using diagnostic tools such as antibodies.
- ***In vivo* diagnostics**: tests or research performed on a living organism.
- **IVD**: abbreviation for *in vitro* diagnostics.
- **Listeria**: a genus of bacteria which can cause listeriosis, an infectious disease which is potentially serious in new-born babies, pregnant women or individuals with low resistance.
- **Marker**: a reagent used to detect the substance to which it is bound. A biological marker (biomarker) is a substance that is assayed to help diagnose a pathology.
- **Mass spectrometry**: a technique used to identify and determine the chemical structure of multiple molecules simultaneously, analyzing the mass and charge of their ions.
- **Methicillin**: a semi-synthetic penicillin used primarily against non-resistant Staphylococcus aureus.
- **Microbiology**: the study of microorganisms, including *inter alia* viruses, bacteria and fungi.
- **Microorganism**: a living organism of microscopic size.
- **Molecular biology**: technology that analyzes genetic sequences of DNA or RNA that are characteristic of a bacterium, virus, protein or cell.
- **MRSA**: methicillin-resistant Staphylococcus aureus bacterium.
- **Multiplex**: the ability to transmit multiple data on a single physical medium.

- **Multi-resistant bacteria**: bacteria are said to be multi-resistant to antibiotics when they are sensitive only to a small number of the antibiotics customarily used in therapy, as a consequence of the accumulation of natural and acquired resistances.

- **Mycobacteria**: rod-shaped bacillus-type bacteria. Some species of mycobacterium are pathogenic: M. leprae responsible for leprosy; M. tuberculosis, responsible for tuberculosis.

- **Nucleic acid**: a naturally-occurring molecule found in most cells. It has the ability to hold and transmit coded hereditary instructions allowing for an organism's development. There are two types of nucleic acids: DNA and RNA.

- **Oncology** (or cancerology): the medical specialty of the study, diagnosis and treatment of cancers.

- **Parasite**: an organism that feeds off, lives or reproduces itself by establishing a lasting interaction with another organism (the host).

- **Pathogen**: biological agent responsible for infectious disease. Infectious agents can be viruses, bacteria or parasites.

- **PCR (Polymerase Chain Reaction)**: the polymerase chain reaction is a molecular biology method for *in vitro* genetic amplification that duplicates a large quantity (with a multiplication factor nearing one billion) of a known DNA or RNA sequence from a small initial quantity. This method is particularly appropriate for the detection of viruses.

- **POC (Point-of-Care) – POCT (Point-of-Care Testing)**: services offered “at the bedside”, including in particular the analysis of the diagnosis.

- **Protein**: a basic constituent of all living cells. A biological macromolecule is composed of one or more amino acid chains linked by peptide bonds.

- **Pulmonary embolism**: obstruction of one of the branches of the pulmonary artery or of the pulmonary artery itself by a blood clot.

- **Quality indicator**: term used in food processing to define the microorganisms responsible for visual or taste alterations (e.g., mold or bacterial contamination). Quality indicator counts are used to assess product hygiene.

- **Rheumatoid arthritis**: the most frequent chronic inflammatory rheumatism. Its cause is not fully known, but it is one of the autoimmune diseases (the body produces antibodies against its own tissues).

- **RNA**: the acronym of "ribonucleic acid". A polymer similar to DNA which, like DNA, mainly has a role as a vector of genetic information. The sugar in RNA is a ribose.

- **Salmonella**: a genus of enterobacteria called Salmonella that causes two types of diseases: gastrointestinal diseases through foodborne illnesses (salmonellosis) and typhoid and paratyphoid fevers.

- **Sepsis**: an excessive reaction of an organism's immune system and coagulation system to an infection. This reaction is characterized by systemic inflammation and by blood coagulation problems, which can rapidly lead to organ failure (severe sepsis) and, in many cases, death.

- **Septicaemia**: serious systemic infection of the organism by pathogenic germs, indicated by the presence of microorganisms in the blood.

- **Staphylococcus**: a genus of Gram-positive bacteria, usually observed in clusters resembling bunches of grapes.

- **Substrate**: a molecule used as a starting product which binds to the active site of an enzyme and is converted into one or more products.

- **Theranostics**: a diagnostic test that allows clinicians to take the most suitable therapeutic decision for each patient, thereby favoring more personalized treatment.

- **Typing**: a method which can help in the assessment of the compatibility between two individuals, their organs, tissues or blood. A technique used to characterize bacteria.

- **Venous thrombosis**: the formation of a blood clot in a vein. It usually occurs in a vein of the lower limbs, in the leg or hip, rarely, in the upper limbs.

- **Virus**: a rudimentary infectious microorganism, containing a single type of nucleic acid encaged in a protein capsid, which uses the materials of the cell that it parasitizes to synthesize its own constituents. It reproduces using just its own genetic material.

bioMérieux S.A.
69280 Marcy l'Etoile
France
Tél. : 33 (0)4 78 87 20 00
Fax : 33 (0)4 78 87 20 90
www.biomerieux.com

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