



2007 – HALF-YEAR RESULTS



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BOIRON

KEY EVENTS DURING THE FIRST HALF OF 2007

The following key events occurred during the first half of the 2007 fiscal year:

In France:

- Pursuant to the Decree of April 20th, 2007, the rate of refund for all prescription pharmaceuticals was cut from 65% to 35%. This measure will take effect in the second half of 2007.

- At the Central Works Council meeting of April 19th, 2007, the merger of the regional laboratories in Rennes, Rouen and Montpellier and the reorganisation of the activity of our three Paris sites were announced.

- On May 2nd, 2007, Dolisos Santé Animale transferred all its assets to Boiron SA. This decision allowed to reorganise the veterinarian activity within the Group.

- The family Group Boiron increased its participation in the capital of Boiron SA, carrying it from 47.78% at December 31st, 2006 to 48.66% at May 15th, 2007. The percentage of voting rights rose from 60.72% to 61.19%.

- On May 10th, 2007, the Combined Ordinary and Extraordinary Shareholders' meeting resolved to distribute a dividend of €0.30 per share in respect of 2006 earnings.

In Switzerland:

Pursuant to a decision of the Board of Directors on March 8th, 2007, Boiron France increased the share capital by 1,100 thousand CHF, thereby bringing the share capital of Boiron Switzerland to 1,400 thousand CHF.

In Russia:

Pursuant to a decision of the Board of Directors on May 10th, 2007, the share capital of Boiron Russia was increased by 35,000 thousand RUB (€1,003 thousand), thereby bringing its share capital to 42,000 thousand RUB.

In Italy:

- A new institutional campaign entitled " L'Omeopatia : un nuovo modo di curarti "(*) was launched in the first quarter of 2007 in the main daily newspapers, national magazines and radio stations.

- A second institutional campaign was launched in May on the theme of homeopathy as a therapeutic tool for ophthalmology.

- The distribution of Camilia began on April 1st.

(*) "Homeopathy: a new way to treat"

- Measures relating to day to day management have been taken with a view to optimise the distribution networks:

- The two Rome regional laboratories were grouped together in January.

- On July 1st, the regional laboratories in Verona, Torino, Padova and Firenze were closed. Customer deliveries are now covered by the regional laboratories in Milano, Roma and Bologna.

- On June 28th, an agreement was signed with the Italian unemployment fund in respect of 49 employees.

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1. BUSINESS ACTIVITIES

Half-year sales rose 7.3% with, respectively, growth of 8.4% and 6.0% in the first and second quarters of 2007.

As of June 30th, 2007, this improvement stems from:

- For **Boiron France** in metropolitan France, non-proprietary homeopathic medicines grew by 3.2%, and OTC specialties by 6.3%. Growth was more sustained in the first quarter, due to "winter" pathology.

- **Europe** (excluding France) shows a growth of 16.4%, mainly from:

- **Boiron Italy** with sales up 8.6%, breaking down, including +3.5% in non-proprietary homeopathic medicines and +14.5% in OTC specialties.

- **Boiron Spain**, where sales grew by 9.4%, breaking down, including +7.4% for non-proprietary homeopathic medicines and +12.7% in OTC specialties.

- **Boiron Poland** posted growth of 88.9% (breaking down, including +72.6% in non-proprietary homeopathic medicines and +92.3% in OTC specialties). 2006 saw a fall-off in sales due to a reorganisation of the distribution network and the absence of "winter" pathology.



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North America posted positive growth at constant exchange rates. However, changes in the Euro-dollar exchange rate saw a 0.5 point fall-off in growth for the Group.

➤ **Boiron USA** grew sales by 9.0%, breaking down, including +12.6% in non-proprietary homeopathic medicines and +6.6% in OTC specialities. In the second quarter, this growth accelerated to 15.8%, compared to 4.2% in the first quarter.

➤ In **Canada**, sales grew by 13.6% over the six months.

2. RESULTS

The Group's **current operating income** amounted to €8,714 thousand compared to €4,906 thousand as of June 30th, 2006 (namely an 77.6% growth). This represents 4.3% of half-year sales (2.6% in 2006).

Improvements in operational profitability stem from:

- **Gross margin** increased by €10,724 thousand, namely +7.3%, reflecting sales increase, the ratio of production costs to sales remaining unchanged at 21.7%.

Distribution and preparation costs rose 3.3% (+€2,290 thousand), due, on the one hand, to higher personnel costs in France (this rise was mainly down to profit sharing) and, on the other hand, to the optimization costs carried out in Italy and Belgium, amounting to €1,854 thousand.

However it should be noted that delivery costs were down on the back of the restructuring of regional laboratories, mainly in France.

The ratio of distribution and preparation costs to sales dropped to 35.5% compared to 36.8% in 2006.

- **Marketing costs**, up 6.1%, amounted to €47,124 thousand in 2007 (namely 23.4% of sales) compared to €44,425 thousand in 2006 (namely 23.7% of sales).

Of particular note is an increase in marketing to French pharmacists and a rise in sales forces in Russia.

Mass marketing expenditure rose on the back of advertising campaigns in the US, Poland, Italy and Hungary.

On the other hand, medical marketing costs fell, mainly in France, as a result of the optimization of costs.

- The 42.7% rise in **research costs** reflects the Group strong commitment to this area. They represent 1.3% of sales.

- Expenses concerning **regulatory affairs** have, for their part, risen 50.3% to €1,807 thousand (higher headcount and external services due to, in particular, international development).

- **Support function** costs have risen to €26,385 thousand compared to €26,031 thousand in 2006, representing 13.1% of sales compared to 13.9% in 2006. This rise is primarily due to higher headcount in France, Russia and Hungary, and optimization measures in Belgium and Italy (€314 thousand).

Pre-tax earnings for the first half of 2006 had been affected by one-off reorganisation costs of €4,395 thousand, primarily in France.

The **tax rate** as of June 30th, 2007 was 38.2% (having regard to estimated end of year rates) compared to 129.6% in 2006.

Consequently, **net result** amounted to €5,452 thousand, compared to a €207 thousand loss in 2006.

RECENT DEVELOPMENTS AND OUTLOOK

On July 31st, 2007, the French Health Minister, officially announced the government's plans to implement an excess of €0.50 per box of medication. As it is, this project would have a decisive impact on the rate of refund for homeopathic medicines, which would decrease from 35% to 8%. The Boiron Group is having several contacts and acting intensely to minimize the impact of this measure.

With regard to the 2007 fiscal year, the Group confirms its forecast: sales growth of more than 5% and higher current operating income.



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BREAKDOWN OF GROUP SALES

in millions of euros

Consolidated data (audited figures)	1 st quarter 2006	1 st quarter 2007	1 st half 2006	1 st half 2007	Changes 1 st half 2007/2006
France and others	64.40	67.40	123.72	128.20	+ 3.6 %
Europe excl. France	27.97	33.22	50.56	58.87	+16.4 %
North America	7.80	7.94	13.55	14.39	+ 6.2 %
Group total	100.17	108.56	187.83	201.46	+ 7.3 %

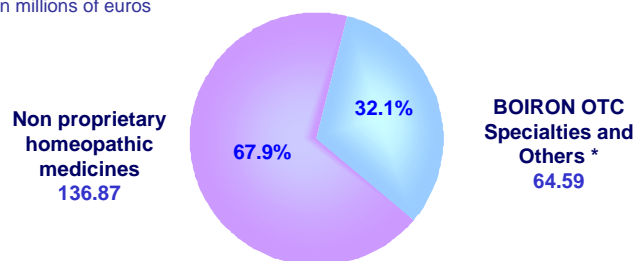
SIMPLIFIED INCOME STATEMENT

in millions of euros

Consolidated data (audited figures)	1 st half 2006	1 st half 2007	Change 1 st half 2007 / 2006
Sales	187.83	201.46	+ 7.3 %
Current operating income	4.91	8.71	+ 77.4 %
Net income – Group share	-0.21	5.45	N/S
Net cash position	12.43	38.99	+ 213.7 %

BREAKDOWN OF SALES BY PRODUCT CATEGORY

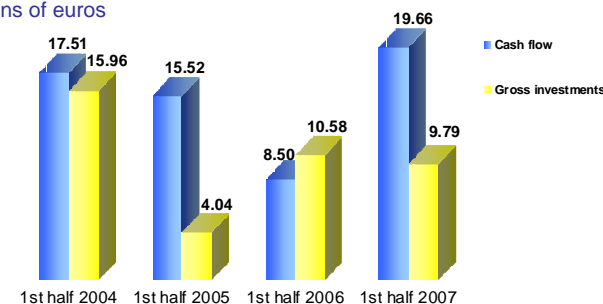
in millions of euros



*Including certain services invoiced to Boiron by its customers, which are deducted from sales. For comparison purposes these services are shown on a separate line.

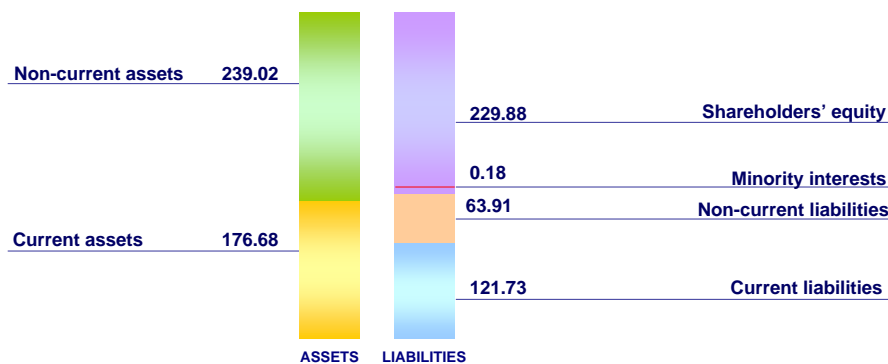
INVESTMENTS AND CASH FLOW

in millions of euros

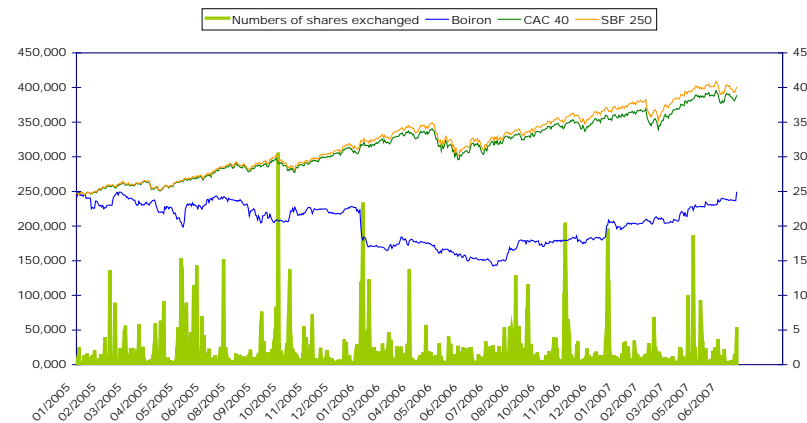


SIMPLIFIED BALANCE SHEET

in millions of euros



SHARE PRICE PERFORMANCE IN EUROS



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