GUERBET GROUP

HALF YEARLY REPORT

30 JUNE 2009

CONTENTS

Interim management report

2009 first-half review

In the 2009 first half Guerbet Group's sales grew 3.5% over the same period last year.
The level of amounts invoiced in June slowed the growth momentum experienced up until the end of May.

The unique qualities of Dotarem, Guerbet's flagship product in Magnetic Resonance Imaging (MRI) continue to provide Guerbet with a major competitive advantage.

In this first six-month period, Dotarem's robust growth in sales volumes (+17.5%), further reinforced its leadership position in Europe where it gained 4 additional points in market share in relation to 2008. Clinical trials for its registration in the US are also continuing.

In the x-ray imaging segment, Xenetix confirmed its trend of renewed growth with sales in volume increasing 15%, representing a complete reversal of the trend of the 2008 first half.
Xenetix in ScanBag is now present in the main European countries. While its rollout has proceeded slower than planned, a significant increase in sales is expected in the second half.

In connection with our agreement with Draximage, obtaining the authorisation to distribute nuclear medicine products and the preparation for their marketing have proceeded according to plan with the first sales expected in early 2010.

The Group further strengthened its position in Europe (2.3%), particularly in Germany (+9.2%). Growth in Asia was more robust (+10.5%) on expanded sales in China.

In the first half, the Group had current operating income of €14 million (or a current operating margin of 8.6%) compared to €21.2 million (13.5%) in the equivalent prior-year-period.

The earnings trend for the first half reflects a decline in the gross margin and increased expenditures to support innovation:

- The gross margin declined €4 million. Increased industrial production costs accounted for more than one half of this decrease;
- Expenditures devoted to innovation increased €3 million to finance Dotarem's filing in the US and the development of new chemical entities

In the same period, net income totalled €8.1 million representing a net margin of 5% compared with €14.9 million and a margin of 9.5% in the prior year. The income tax rate increased in response to the decline in research tax credits following the receipt of the Iseult grant.

Cash flows, reflecting the trend for net income, declined to €17.05 million. Net debt at 30 June 2009 declined €10 million in relation to 30 June 2008.

Despite the contraction in margins in the first half, Guerbet confirms its strategy in a market that continues to offer growth potential though subject to regular declines in prices. The Group's strategy, based on the recognised qualities of its main products, consists in pursuing market share gains to offset the erosion of sale prices by increasing volumes and improving production.

In the 2009 first half, the "volume" strategy, as announced, has proven successful for Dotarem and started to produce results as well for Xenetix. Our determination to reduce stocks of Xenetix however did not enable us to lower production costs.

In the second half, we anticipate accelerated sales growth, notably for Xenetix that will result in increased production activity both for the chemical and pharmaceutical segments. This will in turn enable us to improve our industrial cost prices. In addition, starting September, the new working organisation for pharmaceutical production at the Aulnay plant will free up additional capacity and enable us to be more responsive for meeting market demand. We will also benefit from substantial cost savings for certain supplies.

For this reason, we anticipate positive trends for margins in the second half while maintaining the ambitious pace of efforts devoted to innovation.

In the medium-term, Guerbet continues to have considerable potential for further market share gains, first in Europe and then in emerging countries and the US.

Its program for investments, improving processes and effectively managing outsourcing and purchasing should contribute to sustainable improvements in our cost prices that will accelerate starting in early 2010.

This plan should enable us to finance our innovation projects essential for ensuring the Company's prospects for long-term growth.

Confident in our portfolio of products recognised for their quality, efficacy and tolerance, we will pursue to implement our strategic plan. Through this Cap 2016 plan Guerbet seeks to become the number one provider in Europe and a major player in the rest of the world in contrast products for medical imaging based on three drivers: innovation, continued market share gains and improving our competitiveness.

Principal risks and uncertainties for the remaining six months of the fiscal year

Readers are invited to consult chapter 4 of Guerbet's 2008 registration document filed with the AMF (No. D.09-0202) on 4 April 2009 that may be consulted directly at the websites of the AMF or Guerbet *(http://www.guerbet.com*). Readers are moreover informed that no material risks or uncertainties have arisen since this date and concerning the remaining six months of the fiscal year.

Major related party transactions of the first six months

Readers are invited to consult Note 26 of the consolidated financial statements, p. 150 and Note 32 on p. 154 (that describes equity interests of the parent company), of the 2008 registration document filed with the AMF (No. D.09-0202) on 4 April 2009 that may be consulted directly at the websites of the AMF or Guerbet *(http://www.guerbet.com*). Readers are moreover informed that no material related party transactions have occurred since this date and concerning the first six months.

The Executive Board

Financial highlights at 30 June 2009
Guerbet Group

In thousands of euros IFRS	2009 first half		2008 first half		Δ 09/08	2008 fiscal year	
	€m	***% of sales***	**€m**	***% of sales***	% *(2)*	**€m**	***% of sales***
NET SALES	**162.52**	**100.0**	**156.95**	**100.0**	**+3.5%**	**320.78**	***100.0***
CURRENT OPERATING INCOME	14.05	8.6	21.24	13.5	- 33.8%	39.89	*12.4*
NET INCOME	**8.14**	**5.0**	**14.86**	**9.5**	**- 45.2%**	**24.39**	***7.6***
CASH FLOW *(3)*	17.05	10.5	23.84	15.2	- 28.5%	45.98	*14.3*
CAPITAL EXPENDITURES	11.48	7.1	13.02	8.3	- 11.8%	29.39	*9.2*
RESEARCH EXPENDITURES	17.10	10.5	14.06	9.0	+21.6%	29.04	*9.1*
EMPLOYEES *(1)*	1 285		1 252		+ 2.6%	1 277	
SHAREHOLDERS' EQUITY *(1)*	189.77		179.37		+ 5.8%	185.73	
TOTAL NET DEBT *(4)*	**81.00**		**91.00**		**- 11.0%**	**78.36**	

(1) End of period
(2) Percentages are calculated on the basis of the full figures in thousands of euros (as opposed to rounded off figures)
(3) After the cost of net financial debt and tax
(4) Current and non-current financial liabilities net of cash and cash equivalents

Trading activity

	Adjusted share price		Trading volume in number of shares	Trading volume in thousands of euros
	High (€)	Low (€)		
January 2008	139.40	95.40	38 230	4 246.62
February 2008	112.00	103.00	52 331	5 566.38
March 2008	125.13	102.40	20 435	2 333.66
April 2008	131.00	110.07	23 129	2 767.16
May 2008	133.00	113.60	35 348	4 319.26
June 2008	131.50	112.01	24 113	3 012.11
July 2008	134.82	116.01	47 788	5 912.31
August 2008	130.00	120.02	16 370	2 048.42
September 2008	129.20	116.00	34 518	4 254.32
October 2008	124.70	92.00	78 879	8 756.98
November 2008	112.00	97.00	22 265	2 262.20
December 2008	107.00	98.00	46 030	4 610.53
January 2009	109.00	100.01	55 184	5 783.00
February 2009	115.00	101.75	44 201	4 816.43
March 2009	115.00	109.10	36 615	4 049.81
April 2009	113.00	109.10	22 499	2 521.03
May 2009	118.00	110.00	44 843	5 019.25
June 2009	116.20	110.00	26 957	3 009.08

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

On 29 July 2008, the Supervisory Board authorised the publication of the consolidated condensed interim financial statements of Guerbet for the six-month period ended 30 June 2009, established by the Executive Board on the preceding day.

The consolidated condensed interim financial of 30 June 2009 should be read in conjunction with the consolidated financial statements for the period ended 31 December 2008, as published in the registration document (*document de référence*) filed with the French financial market authorities (*Autorité des Marchés Financiers*) on 6 April 2008 under number D.09-0202.

CONSOLIDATED BALANCE SHEET (IFRS)

In thousands of euros

ASSETS (net amounts)	Note	30/06/09	31/12/08
Intangible assets	1	34 726	35 444
Property, plant and equipment	1	134 115	131 323
Other non-current assets		1 800	1 614
Deferred tax assets	2	6 437	5 599
Total non-current assets		**177 078**	**173 980**
Inventories	3	98 209	93 761
Trade receivables and related accounts		76 021	73 745
Current assets held for sale			
Other current assets		17 473	27 686
Cash and cash equivalents		9 785	13 786
Total current assets		**201 488**	**208 978**
TOTAL ASSETS		**378 566**	**382 958**

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	30/06/09	31/12/08
Common stock	4	12 094	12 080
Other reserves		170 645	152 753
Consolidated net income		8 141	24 389
Translation adjustments		-1 112	-3 496
Shareholders' equity		**189 768**	**185 726**
Equity attributable to shareholders of the parent		189 768	185 726
Non-current financial liabilities	6	72 569	78 993
Deferred tax liabilities	2	5 916	5 351
Non-current provisions	5	13 546	13 268
Total non-current liabilities		**92 031**	**97 612**
Trade payables and equivalent		30 820	35 276
Other payables	6	18 211	13 155
Current financial liabilities		34 426	38 681
Current tax liabilities		9 632	7 165
Current provisions	5	3 678	5 343
Total current liabilities		**96 767**	**99 620**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**378 566**	**382 958**

CONSOLIDATED INCOME STATEMENT

In thousands of euros

	Note	30/06/09	30/06/08
Net sales		162 517	156 949
Royalties		313	290
Other operating income		336	284
Supplies used in operations		-38 132	-42 474
Personnel expenses		-44 202	-43 345
External charges		-49 164	-47 211
Taxes other than on income		-7 379	-7 208
Allowances for depreciation and amortisation		-9 200	-7 109
Net allowances for reserves		1 355	-2 019
Change in work in progress and finished goods		-1 700	13 836
Other current operating income and expenses		-692	-756
Current operating income		**14 052**	**21 237**
Other operating income and expenses		132	-82
Operating income		**14 184**	**21 155**
Income from cash and cash equivalents		32	132
Finance costs		-1 924	-1 613
Net financial expense		**-1 892**	**-1 481**
Currency gains and losses		275	-265
Other financial income and charges		-26	-40
Income tax	9	-4 400	-4 506
Consolidated net income		**8 141**	**14 863**
Income attributable to equity holders of the parent company		**8 141**	**14 863**
Basic earnings per share (€)		2.69	4.94
Fully diluted earnings per share (€)		2.61	4.78

ANALYSIS OF REVENUE AND EXPENSE RECOGNISED

In thousands of euros

	30/06/09 (6 months)	30/06/08 (6 months)
INCOME OF THE PERIOD	**8 141**	**14 863**
Income and expenses recognised directly under shareholders' equity		
Stock options	147	170
TOTAL REVENUE AND EXPENSES RECOGNISED	**8 288**	**15 033**

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euros

	30/06/09 (6 months)		30/06/08 (6 months)	
Net income	**8,141**		**14,863**	
Allowances and reversals of provisions for fixed assets	9,193		7,109	
Allowances and reversals for contingencies	-1,387		1,896	
Changes in fair value of hedging instruments	967		-385	
Stock option expenses and actuarial gains and losses	147		170	
Income from the disposal of fixed assets and other adjustments	-9		190	
Cash flow after interest expense and tax	**17,052**		**23,843**	
Net finance costs	1,892		1,481	
Tax expenses (including deferred tax)	4,400		4,506	
Cash flow before net interest expense and tax	**23,344**		**29,830**	
Tax payments	**-839**		**-10,996**	
Change in working capital for operations (including liabilities relating to employee benefits)	**-7,558**		**-20,621**	
Change in inventories		-4,448		-15,318
Change in trade receivables and related accounts		-2,087		-2,618
Change in trade payables and related accounts		-3,889		5,057
Change in other assets		4,591		-1,572
Change in other liabilities		-1,725		-6,170
CASH FLOWS FROM OPERATING ACTIVITIES (A)	**14,947**		**-1,787**	
Acquisitions	**-11,482**		**-13,023**	
Of intangible assets		-781		-588
Of property, plant and equipment		-10,510		-12,323
Of financial assets		-191		-112
Proceeds from the disposal of fixed assets	107		310	
CASH FLOWS FROM INVESTING ACTIVITIES (B)	**-11,375**		**-12,713**	
Dividends paid	-6,783		-6,749	
Capital increases	135		204	
New long-term debt	21,227		29,855	
Repayment of borrowings	-24,558		-7,385	
Net interest payments (including finance lease agreements)	-1,999		-1,385	
CASH FLOWS FROM FINANCING ACTIVITIES (C)	**-11,978**		**14,540**	
Impact of foreign exchange fluctuations (D)	2 333		523	
NET CHANGE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C) + (D)	**-6,073**		**563**	
OPENING CASH AND CASH EQUIVALENTS	**8,916**		**-880**	
CLOSING CASH AND CASH EQUIVALENTS	**2,843**		**-317**	

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital stock	Retained earnings	Income	Translation reserve	Total
Balance at 01/01/2008	**12,018**	**135,052**	**23,762**	**123**	**170,955**
Distribution of dividends		(6,749)			(6,749)
Capitalisation of 2007 income		23,762	(23,762)	0	0
Capital increase	62	503			565
2008 consolidated income			24,389		24,389
Translation adjustments				(3,619)	(3,619)
Stock-options		339			339
Actuarial gains and losses		(152)			(152)
Other changes		(2)			(2)
Balance at 31/12/2008	**12,080**	**152,753**	**24,389**	**(3,496)**	**185,726**
Balance at 01/01/2009	**12,080**	**152,753**	**24,389**	**(3,496)**	**185,726**
Distribution of dividends		(6,783)			(6,783)
Capitalisation of 2008 consolidated income		24 389	(24 389)		0
Capital increase	14	122			136
2009 consolidated first-half income			8,141		8,141
Stocks options		147			147
Translation adjustments				2,384	2,384
Other changes		17			17
Balance at 30/06/2009	**12,094**	**170,645**	**8,141**	**(1,112)**	**189,768**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2009

In thousands of euros

I) Significant accounting policies

The principles applied for the condensed interim consolidated financial statements of 30 June 2009 are the same used for the annual consolidated financial statements of 31 December 2008 (available for consultation at the Group's website: www.guerbet.com).

The new standards and interpretations whose application became mandatory on 1 January 2009, did not have an impact on the financial statements prepared on 30 June 2009.

- IFRS 8: segment reporting was already based on the presentation of internal reporting data used by the Group for management purposes.
- Revised IAS 1: information on income and expenses recognised directly via equity is already provided in the statement for income and expenses recognised.
- Revised IAS 23: no significant investment project that could result in the capitalisation of borrowing costs has been undertaken in the 2009 first half.
- Improvement of paragraph 69 of IAS 38 concerning the conditions for recognising items under deferred expenses.

The new standards and interpretations that must be applied in 2009 were not applied in advance for the period ended 30 June 2009.

The condensed consolidated financial statements of 30 June 2009 have been prepared in accordance with IAS 34 "Interim financial reporting" which provides for the presentation of selected notes. The condensed interim financial statements must be read in conjunction with the consolidated annual financial statements for the fiscal year ended 2008.

The condensed consolidated financial statements of the Group are presented in thousands of euros (notably in the tables) except where indicated otherwise. They were prepared by the Executive Board on 28 July 2008.

II) Seasonality

Sales are not subject to materials seasonal trends.

III) Payment of dividends

In the first half of 2009, shareholders were paid a dividend of €2.25 per share.

IV) Management of financial risks

In compliance with its risk management policy, Guerbet hedges the main accounting risks of the balance sheet. For this purpose, in the 2009 first half, Guerbet has extended the hedges implemented in 2007 for the Brazilian real (BRL) and the Turkish lira (TRY) to cover these currencies that represent 57% of the Group balance sheet risk.

a. Foreign exchange hedging positions opened by Guerbet in the 2009 first half

In the first half, no new off-balance sheet hedges were negotiated.

b. Exposure to currency fluctuations at 30/06/09

Positions in millions of euros	USD	BRL	JPY	TRY	CHF	KRW	HKD	GBP	TWD	MXN
Budget risk (*) (1)	-1.01	-0.66	3.82	6.82	5.26	0.98	1.14	0.00	0.48	0.00
Balance sheet risk (**) (2)	0.98	1.79	-0.37	1.88	0.73	0.04	0.04	0.25	0.00	0.40
Position before hedging (3=1+2)	-0.03	1.13	3.45	8.69	5.99	1.02	1.18	0.25	0.48	0.40
Hedging position (4)	0.00	-0.68	0.00	-1.67	0.00	0.00	0.00	0.00	0.00	0.00
FOREX position (5=3+4)	-0.03	0.45	3.45	7.03	5.99	1.02	1.18	0.25	0.48	0.40

(*) The budget risk corresponds to the risk associated with future commercial flows relating to transactions that do not yet constitute firm orders or invoices recognised in the balance sheet. This risk has no immediate impact on the income statement.
(**) The balance sheet risk concerns all assets and liabilities in currencies other than the euro.

Analysis of the sensitivity of net financial income (expense) to the balance sheet foreign exchange risk for key currencies

The principal sensitivity concern foreign currencies unhedged at 30/06/09.The following table presents the impact on net financial income of a 10% change these currencies against the euro.

In thousands of euros	**30/06/2009**	**30/06/2008**
USD	98	25
CHF	73	70
MXN	40	116

c. Interest rate risk

In recent years, the share of floating-rate debt has surpassed fixed rate debt in the Guerbet consolidated balance sheet in response to the decline in the European interbank rate.
The interest-rate hedging strategy of Guerbet Group concerns 50% of its floating-rate debt. Guerbet has nevertheless increased the hedging rate to more than 50% of floating-rate debt in order to take advantage of the significant decline in interest rates in the 2009 first half.

d. Interest-rate hedging positions assumed by Guerbet in 2009 first half

In the first half net debt of the Group increased from €78.3 million to €81 million. In consequence, and to increase its hedging rate, in 2009 Guerbet obtained an additional interest rate hedge of €15 million.

e. Exposure to interest rate changes at 30/06/09

In thousands of euros	**Current debt***	**Non-current debt**	**Total**
Financial liabilities at fixed-rates	-1,466	-2,079	-3,545
Financial liabilities at floating-rates	-16,417	-78,818	-95,235
Financial assets at floating-rates	9,785		9,785
Net balance before hedging ***	-8,098	-80,897	-88,995
Off-balance sheet **		51,975	51,975
Net balance after hedging:			
- fixed-rate	-1,466	-2,079	-3,545
- floating-rate	-6,632	-26,843	-33,475

* Total financial assets and liabilities at floating-rates plus short term fixed-rate assets and liabilities
** Interest rate swaps and corridor (floating-rate to fixed)
*** Total of differences (assets - liabilities) at fixed rates and (assets - liabilities) at floating-rates.

On the basis of the Group 2009 cash budget, for the second half average floating-rate debt not hedged by financial instruments would total approximately €48 million after hedging.
The major share of floating-rate debt has been covered by interest rate swaps to hedge against balance sheet liabilities in the case of interest rate increases.

f. Analysis of the sensitivity of net financial income to interest-rate risks after hedging at 30/06/09

Interest rate changes of:	1%
Impact on financial income (in €)	287,250

V) Segment reporting

All Group activity is conducted in a single business segment covering the research and development, manufacturing and sale of contrast agents for medical imaging.

The internal organisation of the Group and internal reporting regularly used by Management for the evaluation of performances and the allocation of resources distinguishes two geographic regions:

- The main European markets where Guerbet Group has developed long-term relations with its customers and a strong position through its own networks of pharmaceutical sales representatives,
- Other markets where the Group does not have a direct presence through sales subsidiaries except for certain countries (Brazil, South Korea, China, USA, etc.) where sales are generated primarily from license or distribution agreements. Among the latter, the Group is focused in particular on pursuing development in the United States and Japan that by themselves represent more than half the world market.

For the purpose of additional information, a breakdown of sales by product line (uro-angio, MRI and other) is also provided.

"Unallocated" income and expenses include expenses not directly attributable to geographical segments, such as research development expenses that are centralised in France, Group support functions and manufacturing charges not included in sales costs.

1 - Geographical segment information

Segment information is provided on the basis of the geographical location of companies with an additional market breakdown for sales.

"European companies" include European countries where the Group operates through its own network of pharmaceutical sales representatives and notably: Germany, Austria, Belgium, Spain, France, United Kingdom, Netherlands, Italy, Portugal, Switzerland and Turkey.

30/06/2009	**European companies (for their respective markets)**	**Other markets**	**Unallocated**	**Total**
Net sales				
European markets	124,648	4,475		129,123
Other markets		33,394		33,394
Total	**124,648**	**37,869**		**162,517**
Current operating income	**46,103**	**7,187**	**-39,238**	**14,052**
Other operating income and expenses				132
Operating income				**14,184**
Net finance costs				-1,892
Other financial income and charges				249
Tax charge				-4,400
Net income				**8,141**
including amortisations and depreciation	-1,239	-774	-7,187	-9,200
including other expenses without an impact on cash	90	1,519	-254	1,355
Segment assets	317,069	61,497		378,566
- including fixed assets	150,832	19,809		170,641
Segment liabilities excluding borrowings	96,497	8,495		104,992
Borrowings	63,429	20,377		83,806
Shareholders' equity			189,768	189,768
Segment capital expenditures				
- including intangible assets	754	27		781
- including property, plant and equipment	9,680	830		10,510

30/06/2008	European companies (for their respective markets)	Other markets	Unallocated	Total
Net sales				
European markets	121,432	4,841		126,273
Other markets		30,676		**30,676**
Total	**121,432**	**35,517**		**156,949**
Current operating income	**48,744**	**6,670**	**-34,177**	**21,237**
Other operating income and expenses				-82
Operating income				**21,155**
Net finance costs				-1,481
Other financial income and charges				-305
Tax charge				-4,506
Net income				**14,863**
including amortisations and depreciation	-1,175	-751	-5,183	-7,109
including other expenses without an impact on cash	119	-2,171	33	-2,019
Segment assets	323,498	59,154		382,652
- including fixed assets	145,507	18,388		163,895
Segment liabilities excluding borrowings	104,029	8,610		112,639
Borrowings	74,362	16,283		90,645
Shareholders' equity			179,368	179,368
Segment capital expenditures				
- including intangible assets	545	43		588
- including property, plant and equipment	11,985	338		12,323

2 – Sales by product

	30/06/2009	30/06/2008
X-ray	55.0%	57.8%
MRI	35.2%	33.0%
Other	9.8%	9.2%
Total	**100.0%**	**100.0%**

VI) **Notes to financial statement items** (tables in thousands of euros)

Note 1 - Property, plant and equipment and intangible assets

In the 2009 first half, the Group invested €10.5 million for property, plant and equipment and €0.8 million for intangible assets primarily in France in connection with products to expand and increase capacity of the Aulnay, Lanester and Marans plants.

Note 2 - Deferred tax assets and liabilities

	30/06/2009	31/12/2008
Deferred tax assets	6,437	5,599
Deferred tax liabilities	-5,916	-5,351
Total	**521**	**248**
Including deferred taxes resulting from:		
Recognition of tax losses	6,903	5,860
Temporary differences	7,077	7,690
Restatement of regulated provisions	-4,773	-3,986
Remeasurement of property, plant and equipment	-3,140	-3,187
Remeasurement of intangible assets	-8,631	-8,581
Restatement of inventory margins	3,204	2,925
Restatement of provisions for subsidiary risks	-554	-554
Capital leases	-834	-944
Other	1,269	1,025

Note 3 - Inventory

Gross inventory increased €2.6 million in the first half. This rise is primarily due to the increased cost of raw materials for Dotarem and the currency effect for Brazilian inventory. The reversal of €1.7 million of the provision for inventories resulted from the reduction of stock of Hexabrix and Lipiodol in Japan in the first half.

Note 4 – Shareholders' equity

At 30 June 2009, the share capital of the parent company was 3,023,590 shares with a par value of €4 per share. The Group has 5,107 treasury shares.

4 - 1 Changes in the share capital of the parent company

	2009 First Half
Number of shares at 1 January	**3,019,965**
Increase in capital from the exercise of stock options	3,625
Number of shares at 30 June	**3,023,590**

Note 5 – Provisions

Changes in the period

	31/12/2008	Increases	Reversals	Translation adjustments & reclassifications	30/06/2009
Non-current provisions::					
Deferred employee benefits	**13,268**	**360**	**84**	**2**	**13,546**
Current provisions:					
Costs for mandatory paediatric studies	332			-6	326
Tax contingencies	2,457		1,960	318	815
Foreign exchange hedges	525				525
Sales-related lawsuit contingencies	69				69
Late payment interest	1,065	186			1,251
Anticipated losses on purchase commitments	895	78	306	25	692
Total current provisions	**5,343**	**264**	**2,266**	**337**	**3,678**
Total	**18,611**	**624**	**2,350**	**339**	**17,224**

Note 6 – Borrowings

6 - 1 Analysis by nature

		30/06/2009	31/12/2008
Long-term borrowings (non-current liabilities)		**72,569**	**78,993**
Including:	Securitisation	18,804	17,863
	Special profit-sharing reserve	1,251	938
	Capital leases	8	12
	Medium-term borrowings	34,679	41,672
	Other borrowings	17,827	18,508
Short-term borrowings (current liabilities)		**18,211**	**13,155**
Including:	Capital leases	1,861	1,824
	Other borrowings	9,375	6,384
	Short-term bank loans & overdrafts	6,975	4,947
Total borrowings		**90,780**	**92,148**

Note 7 –Contingent assets and liabilities

In December 2008, the request for aid submitted to OSEO innovation agency for the Franco-German research project, Iseult, was approved by the European commission. The aid agreement provides for financing for one half of the expenses incurred including 39% in the form of repayable advances and 61% in the form of grants.

In January 2009 OSEO approved expenses incurred by Guerbet up until 30 June 2008 and provided funding for an amount equal to one half of these expenses, within the limit of the budget. This amount of €4.4 million was recognised under grants receivable at 31 December 2008. An amount of €1.4 million remained receivable for expenses that exceed the budget.

Research expenditures incurred from 1 July 2008 to 30 June 2009 will be submitted for approval to OSEO in the 2009 second half for a grant receivable of €2.9 million.

No other contingent assets or liabilities have been identified.

Note 8 – Charges de personnel

Main characteristics and criteria for measuring share-based payments:

a) Stock option and stock purchase option highlights

Grant date	Number	Share price on date of grant	Volatility	Risk-free rate	Exercise price	Vesting period
25/09/07	7,000 (1)	156	40%	4.46%	150.22	2 years
26/03/09	6,000 (1)	112	35%	3.80%	112.26	2 years

(1) *Stock options for 2 years.*

b) Breakdown of share-based payments per year

Grant date	25/09/2007	26/03/2009	TOTAL
2008	319		319
2009	185	67	252
2010		87	87
2011		20	20
Total	**504**	**174**	**678**

Note 9 – Corporate income tax

9-1 - Breakdown between current and deferred income tax

	30/06/2009	30/06/2008
Current tax	-4,838	-5,286
Deferred tax	438	780
Total	**-4,400**	**-4,506**

9-2 – Analysis of the effective tax charge

	30/06/2009	30/06/2008
Theoretical tax charge for the consolidating company at applicable tax rate (1)	-4,332	-6,665
Impact of different tax rates	65	648
Impact of permanent non-deductible or tax-exempt expenses	-1,305	-1,568
Impact of deferred taxes on unrecognised losses and misc. *(2)*	1,172	3,079
Total	**-4,400**	**-4,506**
(1) Tax rate:	*34.43%*	*34.43%*
(2) Including tax credits:	*961*	*2 295*

Note 10 – Related parties

10 - 1 Relations with non-consolidated companies

All significant Group subsidiaries are wholly-owned and fully consolidated. Inter-company transactions are eliminated.

10 - 2 Compensation and benefits granted to key Group senior management and Supervisory Board members

Key senior management comprise the members of the Executive Board. They received the following compensation and benefits in-kind (in euros)::

Short-term benefits	
Gross compensation	**1,287,556**
including benefits in-kind	7,733
including variable compensation (1)	202,289
Post-employment benefits	**66,801**
including supplementary funded pension schemes	27,016
including provisions for retirement indemnities	39,785
Share-based payment (2)	**88,571**

(1) The variable portion for each board member depends on the number of individual objectives that were achieved in the prior year. It is adjusted to take into account the performance of the Company or Group in this same year and calculated on the basis of the salary at December 2008.

(2) This concerns expenses recognised in the 2009 first half for stock option grants (cf. note 8).

Supervisory Board members received attendance fees in the first half of €158,500 for fiscal 2008 .

Note 11 – Subsequent events

There were no material events subsequent to 30 June 2009.

Statutory auditors' limited review report of the interim consolidated financial statements for the six-month period ending 30 June 2009

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 statement should consequently 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, and in accordance with Article L. 451-1-2 III of the French monetary and financial code, we performed:

- A limited review of the attached consolidated interim financial statements of Guerbet for the six-month from 1 January 2009 to 30 June 2009;

- A verification of the information given in the interim management report.

These interim financial statements were prepared under the responsibility of the Executive Board in an environment distinguished by highly volatile markets rendering it particularly difficult to identify economic trends that were already prevailing at the close of the fiscal year ending 31 December 2008. It is our responsibility, on the basis of our review, to present our opinion on these financial statements..

I –Review of the financial statements

We conducted our limited review in accordance with French professional standards. These standards require that we perform limited procedures to obtain reasonable assurance, below the level resulting from a full audit, that the interim consolidated financial statements do not contain any material misstatements. These procedures that involve principally meeting with management and conducting an analytical review thus provide a lower level of assurance than an audit and consequently do not result in the issuance of an audit opinion.

Based on our review, nothing has come to our attention to suggest that the condensed interim financial statements do not comply in all material respects, with IAS 34, the IFRS as adopted by the European Union governing interim financial reporting.

Without calling into question the opinion expressed above, we draw your attention to paragraph 1 of the notes that presents changes in accounting methods resulting from the application starting on January 2009 of new standards and interpretations.

II – Specific verifications

We have also reviewed the information given in the interim report accompanying the consolidated financial statements that were the subject of our limited review. We have nothing to report with respect to the fairness of such information and its conformity with the financial statements.

Paris and Neuilly-sur-Seine, 29 July 2009

The Statutory Auditors

[*French original signed by*]

Horwath Audit France	**Deloitte & Associés**
Marc de Premare	Jean-Marie Le Guiner

Responsibility statement for the half yearly financial report

To the best of my knowledge, and in accordance with applicable reporting principles for interim financial reporting, the interim consolidated financial statements of Guerbet for the period ending 30 June 2009 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the interim management statement includes a fair view of material events occurring in the first six months, their impact on the interim financial statements, the main transactions with related parties and a description of the key risks and uncertainties for the remaining six months.

Villepinte, 29 July 2009

Philippe Decazes
Chairman of the Executive Board

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This is a free translation into English of the original French language version of the interim financial statements (*rapport semestriel*) provided solely for the convenience of English speaking readers. This report should consequently be read in conjunction with, and construed in accordance with French law and French generally accepted accounting principles. In the event of any ambiguity or conflict between corresponding statements in the two documents, the French language *rapport semestriel* shall prevail.

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