



Press release

bioMérieux – 2010 Business Review

At constant exchange rates and scope of consolidation:

- ▶ Sales growth: 4.9%
- ▶ Excluding the H1N1 impact, sales growth: 6.4% vs. 6.2% in 2009
- ▶ Rapid rise in “Emerging 7” sales: + 27%, excluding the H1N1 impact
- ▶ Strong growth drivers
 - Clinical microbiology: + 7.6%
 - VIDAS®: + 9.2%
 - Industrial applications: + 8.1%
- ▶ Robust instrument sales: + 19.5%

MARCY L'ETOILE, FRANCE – January 19, 2011 – bioMérieux, a world leader in the field of *in vitro* diagnostics, today released its business review for fourth-quarter and full-year 2010.

Net sales for the year amounted to €1,357 million, up 10.9% from the €1,223 million generated in 2009. Growth stood at 4.9%, at constant exchange rates and scope of consolidation (like-for-like). The 2009 H1N1 pandemic had a 150 basis-point impact on growth for the period. Excluding this impact, organic growth would have been 6.4% in 2010.

For the fourth quarter, net sales amounted to €373 million, compared to €328 million for the prior-year period. After moderate growth in the third quarter, fourth-quarter sales rose 6.8% like-for-like, led in particular by robust instrument sales in emerging markets.

Sales by Region In € millions	Twelve Months Ended Dec. 31, 2010	Twelve Months Ended Dec. 31, 2009	% Change As Reported	% Change Like-for-Like	Three Months Ended Dec. 31, 2010	Three Months Ended Dec. 31, 2009	% Change As Reported	% Change Like-for-Like
	Europe ⁽¹⁾	727	694	+4.7%	+1.8%	196.7	189.0	+4.1%
North America	318	289	+10.2%	+3.5%	84.3	73.8	+14.3%	+4.3%
Asia-Pacific	201	151	+32.5%	+18.9%	60.4	41.8	+44.6%	+28.7%
Latin America	111	89	+24.7%	+10.2%	32.0	23.4	+36.5%	+21.4%
TOTAL	1,357	1,223	+10.9%	+4.9%	373.4	328.0	+13.8%	+6.8%

⁽¹⁾ Including the Middle East and Africa

“In 2010, in a fragile economic environment in Western Europe and North America, bioMérieux’s sales grew 4.9% like-for-like, or 6.4% excluding the H1N1 impact,” said Chief Executive Officer Stéphane Bancel. “This performance, in line with bioMérieux’s past sales growth rates, resulted from the vitality of our commercial network in emerging markets and from our strong growth drivers: clinical microbiology, the VIDAS® range and industrial applications. In R&D, our projects are advancing according to our development plan and we have enhanced our portfolio by signing strategic partnerships in rapidly growing sectors.”

SALES

Sales growth for the year ended December 31, 2010 amounted to 4.9% like-for-like, or 5.8% including the acquisition of China-based Meikang Biotech* and of Dima GmbH, the company that distributes Meikang Biotech's products, primarily in Germany. Lifted by a very positive currency effect due to the euro's appreciation against most other currencies, reported sales growth reached 10.9% for the year, analyzed as follows:

Analysis of Sales			
In € millions			
Sales - 12 months ended December 31, 2009	1,223		
Currency Effect	+63		
Organic Growth (like-for-like)	+60	+4.9%	} +5.8%
Meikang Biotech and Dima Acquisitions	+11	+0.9%	
Sales - 12 months ended December 31, 2010	1,357		

2010 was shaped by highly contrasted conditions across the healthcare landscape. In Western Europe, budget restrictions introduced in the second quarter slowed the pace of growth. In North America, economic conditions became more challenging and uncertainties in the healthcare sector dampened sales. In contrast, emerging markets expanded at a rapid pace, driven by ambitious government measures and vigorous demand from end consumers. These markets accounted for 26% of total consolidated sales in 2010. In particular, organic growth in the Emerging 7** stood at 27%, excluding the H1N1 impact.

Organic growth amounted to 6.8% in the fourth quarter, despite a high basis of comparison in 2009. This performance can be attributed to strong instrument sales in emerging markets, where demand for healthcare equipment is very high. Sales in the fourth quarter also made up slightly for the third-quarter slowdown, which occurred primarily in North America. Lastly, the deployment of the Global ERP system in France, in early January 2011, prompted some customers to order products earlier than originally planned, representing approximately €1 million.

Geographically, like-for-like sales for the year may be analyzed as follows:

- ▼ Sales in the **Europe-Middle East-Africa** region (54% of the consolidated total) rose by 1.8%.
 - In Western Europe (45% of the consolidated total), where the economic environment weakened as the year unfolded, sales performances were uneven:
 - Growth was satisfactory in Italy, up 6%, in Germany and in Poland.
 - Sales in Spain, the United Kingdom, Belgium, Portugal and Greece contracted, reflecting difficulties encountered throughout the period, particularly following government measures to reduce healthcare spending.
 - In France (13% of the consolidated total), sales decreased 1.6%. Sales of VIDAS® routine tests were negatively impacted by laboratory consolidation, which has gained momentum since the implementation of the Ballereau Report's recommendations and the Ministry of Health's decree permitting HIV diagnoses to be made using a single fourth-generation reagent. Nevertheless, sales of high medical-value VIDAS® tests were robust and, in clinical microbiology, sales of automated lines increased.
 - In Turkey, Russia, the Middle East and Africa, sales continued to expand at a rapid pace. Growth amounted to 16%, despite a 7% decline in South Africa following the end of the contract to supply quantitative HIV reagents to the National Health Laboratory Services.

* Renamed bioMérieux Shanghai Biotech

** Emerging 7: Brazil, China, India, Indonesia, Mexico, Russia, Turkey

- In **North America** (23% of the consolidated total), sales grew by 3.5% in a fragile economic environment with a healthcare sector shaped by uncertainty regarding current U.S. healthcare reform.

In clinical applications, the VITEK[®] 2 range enjoyed sustained growth, benefiting from strong instrument sales in the first half, ongoing conversions of first-generation instruments and new customers. VIDAS[®] expanded at a vigorous pace, reflecting the success of high medical-value assays (VIDAS[®] B.R.A.H.M.S PCT and VIDAS[®] NT-proBNP), and its positioning in physician office laboratories. However, molecular biology sales dropped sharply due to the end of the H1N1 pandemic. Furthermore, culture media for routine tests were hurt by fierce competition, leading bioMérieux to shift its sales focus, for the future, to chromID[™], a chromogenic culture media range delivering higher medical value. Lastly, in a sluggish economic environment, uptake of the Full Microbiology Lab Automation (FMLA[™]) offering was slower than expected.

In industrial applications, instrument sales were negatively impacted by a high basis of comparison resulting from government funds that were allocated in 2009 to equip labs under the U.S. Homeland Security Act.

- The **Asia-Pacific** region (15% of the consolidated total) saw a nearly 19% increase in sales (22% excluding the H1N1 impact). The business expanded rapidly in China, where growth exceeded 30%, making the local subsidiary the Group's fifth largest. Present in the country for nearly 20 years, and bolstered by recent investments, the subsidiary has successfully seized robust growth opportunities, in particular in microbiology, in VIDAS[®] immunoassays and in industrial applications. Business was also very strong in India, up 29%, in South Korea and in Indonesia.

Growth was led by instrument sales, as equipment is in high demand in most of the region's countries. In clinical applications, the microbiology and VIDAS[®] immunoassay lines made considerable gains, while competitive pressure remained high in the microplate business and rapid test sales fell off markedly due to the end of the H1N1 pandemic. Industrial applications pursued their rapid expansion with an almost 20% rise.

- In **Latin America** (8% of the consolidated total) sales were up by more than 10%. This rate reflects a high basis of comparison due to the H1N1 pandemic, which had fuelled particularly strong demand in Mexico in 2009. Excluding this impact, sales increased by 20%, with all countries in the region reporting solid growth. In particular, in Brazil, the largest market in the region, sales continued at a brisk pace, growing by 17%.

In clinical applications, the microbiology, VIDAS[®] immunoassay and molecular biology ranges all contributed to growth, while sales of rapid tests contracted sharply due to the end of the H1N1 pandemic. Buoyed by the region's economic development, sales of industrial applications rose 33%.

By technology, like-for-like sales for 2010 may be analyzed as follows:

Sales by Technology In € millions	Twelve Months Ended Dec. 31, 2010	Twelve Months Ended Dec. 31, 2009	% Change As Reported	% Change Like-for-Like
Clinical Applications	1,142	1,034	+10.4%	+4.3%
Microbiology	694	613	+13.2%	+7.6%
Immunoassays	361	326	+10.9%	+3.2%
Molecular Biology	70	76	-8.2%	-13.1%
Other Lines	17	19	-10.9%	-13.6%
Industrial Applications	215	189	+13.5%	+8.1%
TOTAL	1,357	1,223	+10.9%	+4.9%

- ▼ Sales of **clinical applications** increased 4.3% over the year.
 - Microbiology sales, representing 51% of total consolidated sales, rose 7.6%, led by the VITEK[®] and BacT/ALERT[®] automated lines. Sales of VITEK[®] cards grew 7.6% in the EMEA* region. Distribution of a mass spectrometer began there during the fourth quarter, pending the 2011 launch of a CE-marked version that will be integrated with the VITEK[®] 2. Culture media sales only increased slightly, reflecting aggressive competition in routine tests. Lastly, uptake for instruments in the Full Microbiology Lab Automation (FMLA[™]) offering was slower than expected, due to healthcare budget constraints and the significant implications on laboratory organization.
 - Immunoassay sales grew 3.2% overall. The performances of the various product lines varied greatly:
 - Sales of the VIDAS[®] range rose by a robust 9.2%, thanks to the success of high medical-value assays and vigorous demand in emerging markets. In China, VIDAS[®] sales achieved 69% growth.
 - Microplate sales grew at a satisfactory rate, particularly in the EMEA region, in a fiercely competitive environment.
 - However, with the end of the H1N1 pandemic, sales of rapid tests dropped 52%.
 - Molecular biology sales were down 13%, due to the end of the H1N1 pandemic which had boosted easyMAG[®] system sales in 2009, and also to the end of the quantitative HIV reagents contract in South Africa, which contributed €10 million to 2010 revenue versus €14 million in 2009.
- ▼ **Industrial application** sales rose 8.1%, reflecting strong demand in the agri-food sector. Growth was led by emerging markets and certain European markets such as Italy, Germany and Poland.
- ▼ Sales of **reagents** and **services** increased 4.6% excluding the H1N1 impact, accounting for 88.2% of the total. Reagent prices remained stable over the year, despite increased pressure from government authorities on healthcare industry players in developed countries.
- ▼ **Instrument** sales gained nearly 20%, driven by vigorous demand in emerging markets, and represented 11.8% of total sales, a percentage in line with performances before the economic crisis.

FOURTH-QUARTER FINANCIAL HIGHLIGHTS

▼ Consolidated income statement

In 2010, **operating margin before non-recurring items** should be around 17.5% of sales.

▼ Consolidated balance sheet

- The **installed base** at December 31, 2010 represented approximately 60,000 instruments, an increase of 4,200 over the year.
- At December 31, 2010, the Group had **net cash** of €24 million.
- **Day sales outstanding** for public sector customers stabilized in Greece during the fourth quarter, albeit at a high level.

▼ Human resources

The Group had 6,306 **full-time-equivalent employees** as of December 31, 2010, following the consolidation of Meikang Biotech, Dima and Zenka (for a total of 112 employees) and the closure of the Toronto plant in Canada, the Solna plant in Sweden and the Boxel plant in the Netherlands (for a total of 138 employees). There were 6,300 employees as of December 31, 2009.

* Europe – Middle East – Africa

FOURTH-QUARTER OPERATING HIGHLIGHTS

▼ Governance

Following Alain Mérieux's proposal, the Board of Directors, at its meeting of December 17, 2010, appointed Jean-Luc Bélingard as *Président Directeur Général* of bioMérieux, effective January 1, 2011. The Board confirmed Alexandre Mérieux in his role as *Directeur Général Délégué* and Stéphane Bancel as Chief Executive Officer.

Président Directeur Général of Institut Mérieux, Alain Mérieux continues to sit on the bioMérieux Board, where he chairs the "Human Resources Committee, Nominations and Compensation" and the "Strategy Committee". He will also serve as Chairman of bioMérieux China Ltd.

▼ Commercial offer

bioMérieux has launched **17 new products** since the beginning of 2010.

They include the following products introduced in the fourth quarter:

- The Shimadzu mass spectrometry system for bacterial identification;
- VIDAS[®] Lyme IgM and VIDAS[®] Lyme IgG new-generation assays for Lyme disease diagnosis;
- A research use only test to detect the *Klebsiella pneumoniae* Carbapenemase (KPC) resistance mechanism, for use on bioMérieux's EasyQ[®] molecular biology platform. This new product extends the Group's solutions for combating healthcare-associated infections and bacterial resistance.

The Commercial Operations Department was strengthened with the November 1 appointment of a new Executive Vice President, Commercial Services. As part of its 2015 strategic plan, the Group intends to offer a wide range of **services**. These include the VIDAS[®] accreditation kit for immunoassay laboratories, recently launched in France.

Lastly, bioMérieux and **Sysmex** have revised the terms of their agreement covering the distribution by bioMérieux to microbiology laboratories of the Sysmex UF-1000i/500i automated urinalysis system. Under the revised terms, bioMérieux will distribute this instrument in France, Germany, the Netherlands, the United Kingdom, South Korea and Australia.

▼ Research and Development

- Molecular biology development agreement with **Biocartis SA**

bioMérieux and Switzerland-based Biocartis have entered into a strategic agreement to co-develop assays on Biocartis's fully integrated molecular diagnostics system, which the two companies will co-distribute starting in 2012. Under the agreement, bioMérieux will have worldwide exclusive rights to develop and market microbiology assays on the platform. It will also have access to the platform for certain oncology and theranostics assays. In addition, bioMérieux has taken an equity stake in Biocartis and has been given a seat on the Board.

- Molecular biology development agreement with **Idaho Technology Inc.**

bioMérieux and U.S.-based Idaho Technology have signed an agreement for the development of a molecular biology platform for industrial applications.

- License agreement with **Siemens Healthcare Diagnostics** for a VIDAS[®] biomarker

Siemens Healthcare Diagnostics and bioMérieux have entered into a license agreement allowing bioMérieux to develop a high medical-value VIDAS[®] test for high sensitivity measurements of C-reactive protein (hsCRP). The hsCRP measurement is used in cardiovascular risk identification, stratification and prevention.

- Further advances in the point-of-care partnership with **Royal Philips Electronics**

Royal Philips Electronics and bioMérieux are jointly 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. The collaboration aims to improve diagnosis and management of disease in critical care settings within hospitals. During the fourth quarter, the first technical milestone, relating to a Troponin assay, was successfully passed, confirming the ambitions of both companies in the point-of-care.

▼ Optimizing the production base

bioMérieux has announced the restructuring of its culture media operations in North America. In industrial applications, the Group is committed to offering the widest range of culture media and reagents in the market, while in clinical applications, it will focus on its chromID™ range of chromogenic culture media, which include high medical-value assays. The restructuring plan provides for the closure of the **Portland** plant in Oregon, United States, in the second half of 2011. Production at the site of routine culture media for clinical applications will be gradually discontinued, while production of other products will be transferred to other Group facilities. The decision will affect around 100 employees and, according to initial estimates, will lead to the recognition of a non-recurring charge of approximately USD 5 million in the 2010 financial statements. The annual cost savings resulting from the plant closure are estimated at around USD 3 million.

▼ Optimizing internal processes

- Following successful roll-out in North America, the United Kingdom and Germany during 2010, the **Global ERP** system is currently being extended to the French sites. The system's operational deployment has been going smoothly since the launch date.
- A Global Six Sigma Officer has been appointed to improve internal process efficiency and further reduce its variability. In 2011, a **Six Sigma** program will be established and implemented at the Group level.
- As part of its internal organization plan, bioMérieux signed a global agreement with the Indian company **HCL**, one of the leading Information Technology services companies. The objective of this agreement is to improve the efficiency of the IS Infrastructure services at a lower cost. Since January 3, 2011, HCL has been managing bioMérieux's servers, PCs and end user computing infrastructure worldwide. HCL also delivers a global help-desk for all bioMérieux employees.

OBJECTIVE

In 2011, bioMérieux aims to achieve **sales** growth of between 5% and 6%, at constant exchange rates and comparable business base. This objective excludes the impact of discontinuing culture media for the routine clinical test business in North America. It takes into account the difficult conditions prevailing in the Group's main markets (Western Europe and North America), the end of the quantitative HIV reagents contract in South Africa and the high level of instrument sales in 2010.

INVESTOR CALENDAR

2010 Financial results: March 8, 2011, after the close of trading

First-quarter 2011 sales: April 21, 2011, after the close of trading

The above forward-looking statements are based, entirely or partially, on assessments or judgments that may change or be modified, due to uncertainties and risks related to the Company's economic, financial, regulatory and competitive environment, notably those described in the 2009 Reference Document. Accordingly, the Company cannot give any assurance nor make any representation as to whether the above objectives will be met. The Company does not undertake to update or otherwise revise any forecasts or objectives presented herein, except in compliance with the disclosure obligations applicable to companies whose shares are listed on a stock exchange.

ABOUT BIOMÉRIEUX

Advancing Diagnostics to Improve Public Health

A world leader in the field of *in vitro* diagnostics for over 45 years, bioMérieux is present in more than 150 countries through 39 subsidiaries and a large network of distributors. In 2010, revenues reached €1,357 million with 87% of sales outside of France.

bioMérieux provides diagnostic solutions (reagents, instruments, software) which determine the source of disease and contamination to improve patient health and ensure consumer safety. Its products are used for diagnosing infectious diseases and providing high medical value results for cancer screening and monitoring and cardiovascular emergencies. They are also used for detecting microorganisms in agri-food, pharmaceutical and cosmetic products.

bioMérieux is listed on the NYSE Euronext Paris market (Symbol: BIM - ISIN: FR0010096479).

Other information can be found at www.biomerieux.com.

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APPENDIX: QUARTERLY SALES FIGURES

Sales by Region in € millions										
	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Full Year	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Europe ⁽¹⁾	173.3	166.9	183.7	171.1	173.7	167.5	196.7	189.0	727.4	694.5
North America	69.7	70.6	85.0	71.5	79.4	73.0	84.3	73.8	318.4	288.9
Asia-Pacific	40.8	31.4	47.5	37.1	51.8	40.9	60.4	41.8	200.5	151.2
Latin America	22.8	17.1	27.8	23.8	28.1	24.5	32.0	23.4	110.7	88.8
TOTAL	306.6	286.0	344.0	303.5	333.0	305.9	373.4	328.0	1,357.0	1,223.4

Change in Sales by Region In %										
	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Full Year	
	In euros	LfL ⁽²⁾	In euros	LfL ⁽²⁾	In euros	LfL ⁽²⁾	In euros	LfL ⁽²⁾	In euros	LfL ⁽²⁾
Europe ⁽¹⁾	+3.9	+2.7	+7.3	+2.8	+3.7	+0.9	+4.1	+1.2	+4.7	+1.8
North America	-1.2	+2.8	+18.8	+9.9	+8.8	-2.8	+14.3	+4.3	+10.2	+3.5
Asia-Pacific	+29.8	+24.6	+28.2	+14.2	+26.4	+9.9	+44.6	+28.7	+32.5	+18.9
Latin America	+33.4	+23.5	+16.7	+0.8	+15.0	-0.7	+36.5	+21.4	+24.7	+10.2
TOTAL	+7.2	+6.4	+13.3	+5.8	+8.9	+1.1	+13.8	+6.8	+10.9	+4.9

⁽¹⁾ Including the Middle East and Africa

⁽²⁾ Like-for-Like (at constant exchange rates and scope of consolidation)