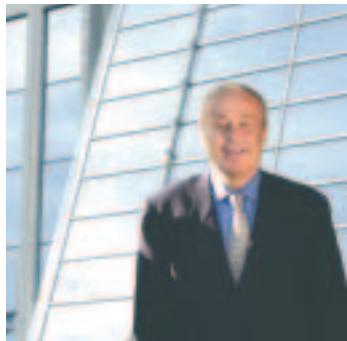


President's message



2004, the year bioMérieux was listed on the stock market, represented a turning point for the company. Through this initial public offering (IPO), we wanted to secure the financial means to ensure sustainability and long-term development as well as boost visibility in our markets.

The IPO was every bit as successful as we had hoped, and I would like to thank our shareholders for their confidence and trust. From a management perspective, this stock market introduction means that bioMérieux will strive for even greater transparency and strictly apply the principles of corporate governance.

We achieved another important milestone in 2004 with a sizeable reduction (nearly 40%) in the company's debt. This was made possible through a 37% increase in our net income, a figure well above our initial forecasts, as well as reinforced management.

At the same time, we made significant investments in Research and Development (13.6% of sales) and in our industrial capacity. These investments are essential to ensure our continued presence in the medium and long term in cutting-edge technology sectors, in particular molecular biology, where we have established new scientific partnerships.

The concrete results of our innovation-based strategy were visible with the launch of new products in 2004, such as VITEK®2 Compact in bacteriology, TEMPO® for food quality controls, and NucliSens® miniMAG™ in the field of molecular biology. This dynamic trend will continue in 2005 in the clinical and industrial microbiology sectors.

Our international presence is also gaining ground, particularly in Asia, a region of the globe that, with China and India, offers tremendous growth potential. We also consolidated our North American presence, which today represents more than 26% of the company's sales.

With such positive results, bioMérieux is poised in 2005 to strengthen its position as a major global player in its strategic business areas, in particular infectious diseases.

Our history, our current performance, our international scope and the decisive step we took with the IPO in 2004 all enable us to look to the coming years with optimism as we pursue our mission to serve public health across the globe through innovations in biology.

Alain Mérieux

Our mission

bioMérieux' mission is to contribute to the improvement of public health globally through *in vitro* diagnostics.

We specialize in two main areas:

- clinical diagnostics (87.4% of sales), primarily in the field of infectious diseases, and in the fields of cancer and cardiovascular diseases,
- industrial microbiological quality control (12.6% of sales).

For these two main areas, bioMérieux develops, produces and markets diagnostic systems composed of:

- instruments used for automated testing,
- reagents required to detect, identify and quantify the agents that cause disease,
- software designed to process and interpret the results of biological tests.





Our activity is based on four technologies:

- bacteriology,
- immunoassays,
- molecular biology,
- hemostasis.

Today bioMérieux is a major player in the field of *in vitro* diagnostics through:

- a strong tradition and 40 years of experience in biology, which have earned us a place as the eighth leading diagnostics company worldwide, with sales of 931 million euros,
- a strategy that puts the accent on innovation, based on ambitious Research and Development programs and proprietary technologies,
- extensive and recognized product lines that integrate both traditional and cutting-edge technology,
- a global presence that gives us the ability to fight diseases that know no borders and to meet customers' needs everywhere. With more than 5,400 employees based in over 130 countries, bioMérieux generates 81.7% of sales outside France,
- a policy of scientific alliances and targeted acquisitions,
- respect for ethical principles both in our strategic choices and our management.

***In vitro* Diagnostics?**

***In vitro* diagnostics is the key to determining the source of disease and contamination.**

In vitro diagnostics consists of analyzing a biological sample to identify microorganisms and determine their characteristics. It involves measuring and quantifying bacteria, viruses and substances produced by the body in the presence of infectious disease, heart disease or cancer. These analyses enable medical and industrial microbiology professionals to take appropriate action.

On the basis of a biological sample (blood, saliva, urine), doctors can more easily identify diseases, evaluate predispositions, adapt treatment and monitor the effectiveness of therapy.

On the basis of an industrial sample (air, water, food), agri-food and pharmaceutical companies can monitor the quality of their entire production process, from raw materials through to the finished product, including the manufacturing environment. The role of diagnostics is therefore crucial; it is a powerful tool contributing to rapid, reliable decisions and greater safety for consumers.

The global market for *in vitro* diagnostics, concentrated today in developed countries (85%), represents an estimated 22 billion euros, including approximately one billion euros for the field of industrial microbiology. Its growth rate is 4 to 5% for clinical applications and 6 to 8% for industrial microbiology applications.

These trends are much stronger in emerging countries, where growth rates are around 15%. Home to 80% of the global population, these countries represent a major public health challenge and promising future markets.

The facilities that perform *in vitro* diagnostics vary considerably from one country to another. Generally speaking, however, the players in clinical diagnostics are private and hospital-based laboratories, transfusion centers, and physicians. For industrial microbiology diagnostics, they are independent service laboratories or laboratories working within agri-food, pharmaceutical and cosmetics companies.

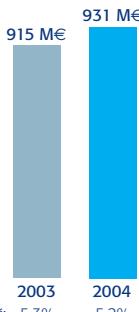


2004 results

« In 2004, we attained the objectives we had set at the time of our listing and, in certain cases, we even exceeded them with strong growth in our profitability. Facing fierce competition, we succeeded at registering a 6% increase in reagent sales and continued to expand our installed instruments base by 3,500 new units. These results were achieved while preparing for the future to ensure our development and the launch of new products. »

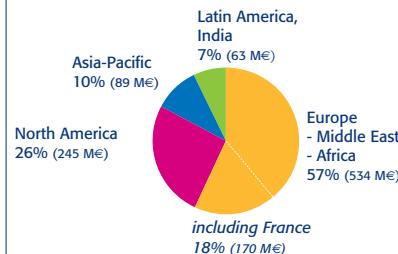
Benoît Adelus, Executive Vice President

Net Sales and Growth Rates



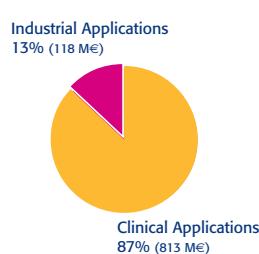
With a 5.2%* increase in 2004, net sales reached 931 million euros, confirming the company's steady growth.

Breakdown of 2004 Sales by Region



The strengthening of our positions in each of our regions enabled us to attain 6.7%* growth outside France.

Breakdown of 2004 Sales by Applications



Our growth in clinical applications was 4.7%*. Industrial applications, which account for about 13% of our total sales, rose 8.9%*.

* On a constant currency basis

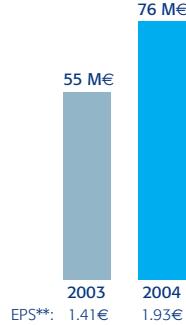


Operating Income



Operating income increased by 30% due to the growth of our activity, our productivity and restructuring efforts as well as to the decrease in non-recurring items.

Net Income/Group Share



Earnings per share grew by 37% in 2004.

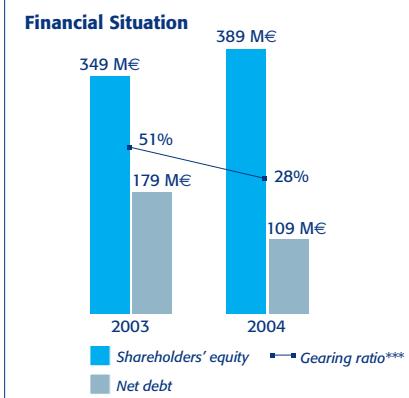
bioMérieux goes Public

2004 was the year that bioMérieux went public on the Euronext Paris *Premier Marché* on July 6th.

The company's achievements and prospects attracted many investors throughout the world and the order book was subscribed more than five times. The initial share price was set at 30 euros. bioMérieux employees in France and in the United States were able to become shareholders. In both countries, the rate of subscription was high and more than 1,500 employees acquired 1.4% of the company's capital.

This is an important step for bioMérieux, giving the company greater autonomy, flexibility and visibility. In this new context, the major challenges, risks and opportunities, constantly reassessed, are shared with our investors.

Financial Situation

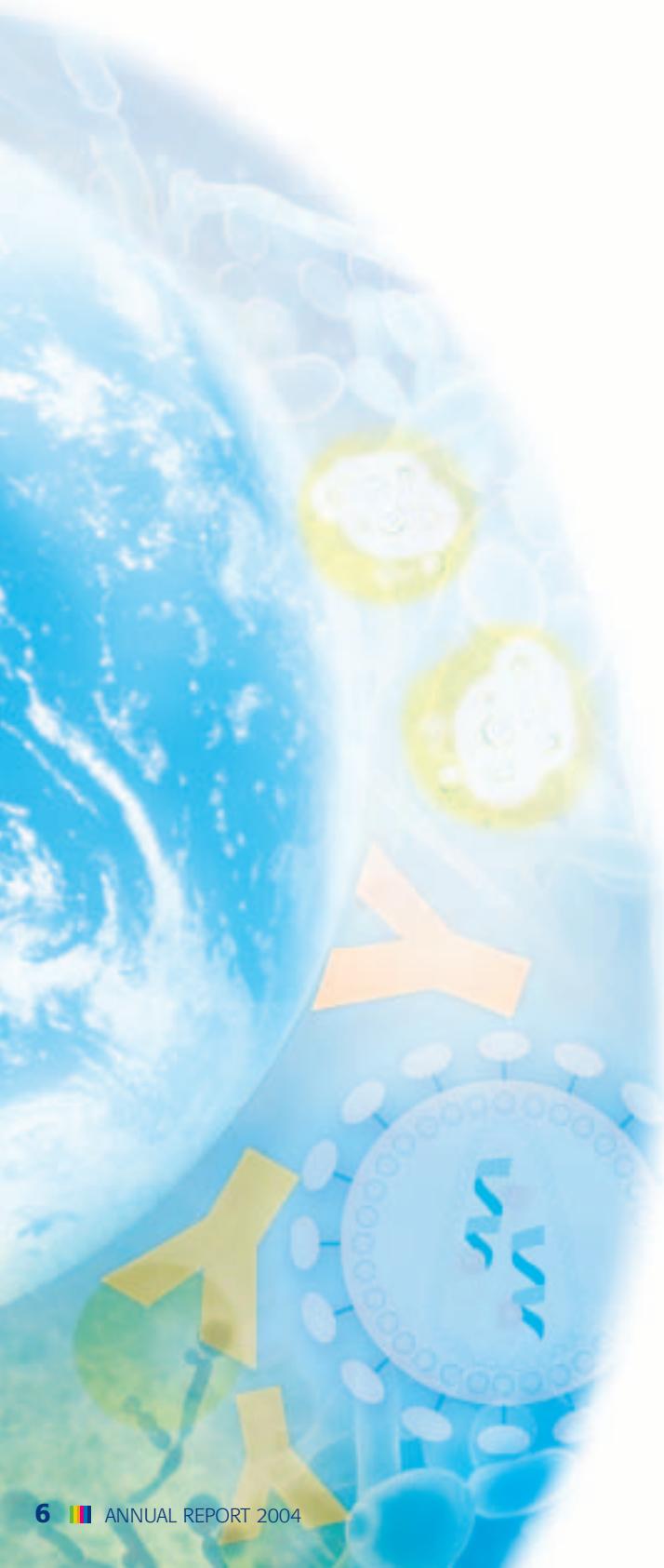


While maintaining a high level of investment, we continued to deleverage the company and our net debt to shareholders' equity ratio declined to 28% as of December 31, 2004 from 51% in 2003.

** EPS: Earnings Per Share, taking into account the ten-for-one split in 2004

*** Gearing: net debt to shareholders' equity ratio

Our areas of expertise



We pursue our mission in a global public health environment that is constantly changing. The movement of populations along with the globalization of industry contribute to the emergence and rapid spread of infectious diseases. New pathologies appear and know no borders. At the same time, bacteria and viruses are becoming resistant to conventional treatments.

The aging of the population also leads to an increase in the incidence of cardiovascular and neurodegenerative diseases and cancer. Diseases connected with contemporary lifestyles and eating habits are also constantly on the rise.

Parallel to these trends, the economics of healthcare is changing and most developed countries today must implement policies to keep healthcare expenses under control.

Through our expertise, we intend to bring carefully designed responses to these new public health problems.



Clinical Diagnostics

Infectious Diseases: a Priority

The diagnosis of infectious diseases is a priority in bioMérieux' development program. Our longstanding tradition and know-how as a leader in this field bring us a number of advantages.

From the very first toxoplasmosis detection kit marketed in 1969, to the molecular biology-based test kit to rule out the diagnosis of bacterial meningitis in 2004, most of our efforts in bacteriology, in immunoassays, and today in molecular biology, are focused on infectious diseases.

This area of expertise represented 66% of the company's sales in 2004.

For 20 years, we have been in the front line of the fight against AIDS, which today affects 40 million people in the world. This number is increasing at the current rate of 5 million individuals each year.



Our ultra sensitive tests, which are continually being adapted and improved, enable the earliest possible detection, facilitating preventive measures to avoid transmission of the infection. Such early screening makes it possible to begin treatment quickly, to slow the progress of the infection and enhance patient care and quality of life. Our products also enable improved patient treatment adequation for greater therapeutic efficacy.

In the area of therapeutics, we are working to provide responses to a problem of major concern today: antibiotic resistance.

Despite the efforts that have been made, microbes with ever-increasing resistance have emerged, requiring the development of more rapid bacterial detection methods and better management of available treatments. This is all the more critical because often this phenomenon is responsible for hospital-acquired infections, also known as nosocomial infections. It is estimated that 60% of such infections are caused by multi-resistant bacteria.

Depending on the geographic location, between 5 and 10% of patients become infected during hospitalization. This prevalence can be reduced by prevention strategies and a more targeted use of antibiotics.

We are leaders in antibiotic susceptibility testing, which determines the growth of a bacterium in the presence of antibiotics and classifies it as susceptible, resistant or intermediate. Our technical expertise enables rapid identification of the bacterium, detection of resistance even if it is weakly expressed, and adaptation of treatment by selecting the appropriate antibiotic. Through our diagnostic solutions adapted to medical emergency situations, bioMérieux also plays a key role in this area.

Our experience and technologies enable us to respond in the face of emerging diseases such as SARS, avian flu and West Nile Virus, for which we have specific research programs.



Cardiovascular Diseases and Cancer

bioMérieux also provides valuable responses in the areas of cardiovascular diseases and cancer.

For cardiovascular diseases, our tests, which are designed to analyze blood coagulation, enable the early detection of myocardial infarction as well as the detection of thrombosis, phlebitis and pulmonary embolism. They are also used to monitor and adapt treatments. Our hemostasis technologies are primarily applied in this field. In the future, our molecular biology tests will make it possible to analyze a genetic predisposition to coagulation disorders.

In the field of cancer, bioMérieux offers tools for the detection of certain forms of cancer for which new molecular biology techniques are especially well-adapted. The tests we develop could make it possible,



NucliSens® miniMAG™

thanks to the study of human genetics, to detect predispositions to certain forms of cancer (especially breast cancer, prostate cancer, and colon cancer). The tests could also diagnose the cancer, help determine the best treatment (molecular typing of the patient and of tumors to anticipate reactions to the array of available treatments), monitor its progress and the patients themselves, once they have finished treatment.



bioMérieux aims to meet a critical challenge: using diagnostics to help keep healthcare spending under control

Reducing costs requires implementing strict and, more importantly, well-targeted policies. Within this framework, we want to prove that diagnostics creates value and generates significant cost savings.

For example, there is no question that the use of diagnostics can lead to a more efficient choice of antibiotics, thus reducing overall antibiotic consumption. Similarly, when meningitis is suspected, one of our new tests makes it possible to determine the type within one to three hours. In the event of viral meningitis, the patient can be sent home, thus avoiding the cost of several days of hospitalization.

With this knowledge, we must demonstrate the medical and predictive value of diagnostics to relevant authorities, confirming its importance as a tool for public health. We are actively pursuing this approach, which offers high hopes for our future development.

Industrial Microbiology

In response to the challenges of global public health and in addition to the solutions we offer to the medical field, bioMérieux is developing its know-how in the field of industrial microbiology quality control. This sector continues to grow and expand in response to increasing concern about product quality.

Public opinion has become very sensitive to issues such as the traceability of raw materials and the risk of illness from eating contaminated food as well as contamination from the environment. Regulations have consequently been tightened.

The detection of certain pathogenic bacteria (*Salmonella*, *Listeria*, *Legionella*, etc.) make the headlines on a regular basis and, clearly, we have an essential role to play alongside other players such as agri-food, cosmetics and pharmaceutical groups.

As a world leader and a pioneer in food safety and environmental control, we provide solutions to enumerate microbial flora and to detect specific pathogenic bacteria which may be present in food, as well as to monitor the bacteriological quality of air and surfaces.



Count-Tact™



TEMPO® Filler



TEMPO® Reader

INDUSTRIAL MICROBIOLOGY

Innovation with TEMPO®

Number one in industrial microbiology, bioMérieux continues to innovate with the introduction of TEMPO®, the first entirely automated system for the enumeration of microorganisms in food products. Its most widespread application is for the testing of meat and meat-based products. TEMPO® represents a major breakthrough. This instrument makes it possible to monitor the microbiological quality of food and products, preventing alterations in their taste or appearance, and ensuring their quality. Because it is fully automated, TEMPO® saves time, reduces costs, and limits the risk of errors, making it a valuable tool for our customers in food laboratories.

bioMérieux is active in the agri-food sector:

- for the detection of pathogenic bacteria (*Salmonella*, *Listeria*, etc.) to trace them "from stable to table" in raw materials, the production environment, and food products, in particular using the multi-parameter instrument, VIDAS®,
- for the enumeration of microorganisms, where TEMPO® will play an important role in verifying the quality of their production,
- for the detection of animal species in food and animal feed using FoodExpert-ID®, the first high-density DNA chip, which was launched recently. The chip analyzes the genetic information found in a food or feed sample. This specific molecular test represents a genuine revolution and allows reliable, rapid identification of the actual composition of food and feed by detecting 33 different animal species. It brings considerable advantages in terms of guaranteeing traceability, verifying labels, monitoring product safety, and ensuring compliance with regulatory requirements.

bioMérieux also offers tools for the pharmaceutical and cosmetic sectors:

- for the identification of the microorganisms that cause contamination in the production environment and in finished products, using the VITEK® - VITEK® 2 Compact product line,
- for environmental controls (air, surfaces) with the air IDEAL® and Count-Tact™ products.

bioMérieux systems are used to monitor sterility in blood transfusion centers, for platelet concentrates, and in tissue banks, with the BacT/Alert® product line. This product line includes hemoculture and sterility tests as well as mycobacteria detection.

Our technologies bring effective solutions



To offer a wide range of targeted products to customers and bring innovative solutions to respond to increasingly complex public health challenges, bioMérieux focuses on four technologies: bacteriology, immunoassays, molecular biology and hemostasis.

Within these technologies, we hold strategic intellectual property rights, enabling us to build a very broad range of applications renowned for their reliability and effectiveness.



BACTERIOLOGY

A biological sample is cultured to allow bacteria to multiply. These bacteria are detected, identified and tested, either manually or using an automated system, to determine their susceptibility to antibiotics. The test result makes it possible to select the antibiotic that will best treat a given infection, thus avoiding the use of poorly targeted antibiotics.



Bacteriology, which lies at the heart of our company's history and the diagnosis of infectious diseases, has propelled bioMérieux to our position as one of the two world leaders in microbiology.

In clinical and industrial bacteriology, our star products are culture media, in particular chromogenic culture media, the API® reference range, the automated VITEK® systems for identification and antibiotic susceptibility testing, and the BacT/Alert® platform for blood culture.

**VITEK® 2 Compact:
Off to a great start**

Since it was introduced at the end of 2004, the newest arrival among our bacterial identification and antibiotic susceptibility testing systems has been received with enthusiasm, confirmed by its preliminary sales.

There is no question that this newcomer to the VITEK® 2 range fully merits such a promising start, given that it is particularly well-adapted to small- and medium-sized laboratories, enabling them to perform most of their routine tests.

The system combines speed, reliability, and flexible utilization for the biologist, the physician and the patient, who can be confident of receiving a perfectly adapted antibiotic treatment as quickly as possible.

With an optimized data base and new VITEK® cards, VITEK® 2 Compact can identify more than 330 microbial species in a minimum amount of time.

It is adapted for clinical applications as well as for food and pharmaceutical applications, allowing our customers to anticipate risks in connection with potential contaminations, whether in the production environment or the final product, and to act swiftly, at the earliest possible stage.

MOLECULAR BIOLOGY

This recent technology is based on the detection of the DNA or RNA genetic sequences of a bacterium, a virus, or a cell. On the basis of our proprietary BOOM® and NASBA® technologies, bioMérieux has developed and commercialized the products, NucliSens® miniMAG™ and NucliSens EasyQ®. Based on Affymetrix technology, we launched FoodExpert-ID®, the first high-density DNA chip for the multi-detection of animal species in food and feed.

IMMUNOASSAYS

This technology is used to detect and quantify the presence of infectious agents (bacteria, viruses, parasites), hormones (fertility) and cardiac or tumor markers based on an antigen-antibody reaction. bioMérieux targets niche markets (emergency diagnostics, fertility clinics, etc.) and uses this technology for its VIDAS® range. VIDAS® is the second most widely installed automated immunoassay system in laboratories worldwide.



VIDAS®

This range will soon be completed by VIDIA™, a high-throughput immunoanalyzer designed especially for larger laboratories and hospitals. The bioMérieux product range in immunoassays also includes VIKIA® rapid tests as well as DA VINCI®, an automated analyzer designed, in particular, to perform controls for blood banks.



DA VINCI®

miniVIDAS®



NucliSens EasyQ®

HEMOSTASIS

This technology makes it possible to analyze blood fluidity. It is used in the MDA® and MTX® ranges of automated systems, meeting the needs of medium- and large-sized laboratories.

New Products in 2004

Based on these different technologies, our research programs enabled us to bring several innovations to our customers in 2004.

- VITEK® 2 Compact was introduced: a new automated platform for bacterial identification and antibiotic susceptibility testing, for both clinical and industrial microbiology applications in small- and medium-sized laboratories.
- TEMPO® pre-launch at the end of 2004: the first automated microbiology platform designed specifically for food quality control.
- In molecular biology, NucliSens® miniMAG™, a magnetic extraction platform using our BOOM® technology, is able to extract both RNA and DNA from a wide variety of biological samples.
- Our range of reagents grew, in particular due to improvements and new applications for the VIDAS® TPSA tests to help diagnose prostate cancer, and VIDAS® D-DIMER for the exclusion of pulmonary embolism. VIDAS® D-DIMER Exclusion, which received the 2004 Frost & Sullivan Innovation of the Year Award, is to date the only test available on the U.S. market for this type of indication.
- In addition, new software (expert systems) were marketed, including OBSERVA® (a data management system) and STELLERA® (a patient therapy management system).



MOLECULAR BIOLOGY

Technology of the Future

We have been working on developing our offer in molecular biology for almost ten years. Our ambition is to be a major player in the utilization of this revolutionary technology, a valuable addition to traditional diagnostic techniques.

Molecular biology brings decisive advantages:

- faster results, which are critical in emergency situations (SARS, life-threatening emergencies, intensive care, nosocomial infections),
- higher sensitivity that enables the identification of viruses or bacteria that are not always detected by traditional techniques.

Molecular diagnostics involves three steps:

- 1 – Extraction: isolation of DNA or RNA from a given pathogenic agent,
- 2 – Amplification: multiplication of the targeted sequence to enhance detection sensitivity,
- 3 – Detection: screening for the possible presence of a specific microorganism.

bioMérieux has the proprietary technologies (BOOM® and NASBA®) needed to be a key player in the field of molecular diagnostics. We are one of the rare companies to have full command of all three steps.

Current applications concentrate on infectious diseases, such as HIV, for which we were the first company to offer a real-time viral load test (NucliSens EasyQ® HIV-1). In the near future, these applications are likely to have a strong impact on medical practices, whether in the field of cancer, to assess genetic predisposition to disease, or to ensure that treatment is better adapted to the patient's needs.

This high-tech field is, as one might expect, continually evolving. One such evolution involves the switch from mono-detection of a single microorganism to multi-detection of many microorganisms simultaneously in the same sample, which we will develop in the future for clinical applications. In terms of industrial applications, we have already used the multi-detection concept to launch FoodExpert-ID®.

We are constantly strengthening our position in molecular biology. In line with this ambition, we have entered into strategic agreements with the California-based company Cepheid to gain access to GENEXPERT®, an integrated system for extraction, amplification and detection of nucleic acid. The purpose of these agreements is to develop new tests that utilize our NASBA® technology and to gain access to new segments of the market.

Our potential for innovation

Innovation is the spearhead of our commitment to public health. Designing and creating new solutions to improve people's health starts by securing the most advanced technology available. This is essential to the efficacy of our diagnostics. Our global combat, against infectious diseases in particular, forces us to continually become more reactive and better adapted to the multiple changes that characterize diseases. Proprietary rights and patents are essential for our independence and international objectives.





Investing in Pursuit of our Missions

In 2004, we invested 13.6% of sales in Research and Development in order to preserve the specific advantages that have made bioMérieux a major player in the field of *in vitro* diagnostics. These investments are devoted to developing new reagents, expanding menus, improving our product lines and developing new generations of instruments, software and expert systems. They also make it possible to set up research programs focused on advanced technologies that can be incorporated into our products in the future.

Our Research and Development focuses on:

- strengthening our complete offer in microbiology,
- expanding our molecular biology line with technical platforms designed for different market segments and needs, proprietary technologies, and a solid patent portfolio,
- in immunoassays, capitalizing on the success of VIDAS® to increase the number of parameters and menus and to develop new platforms.

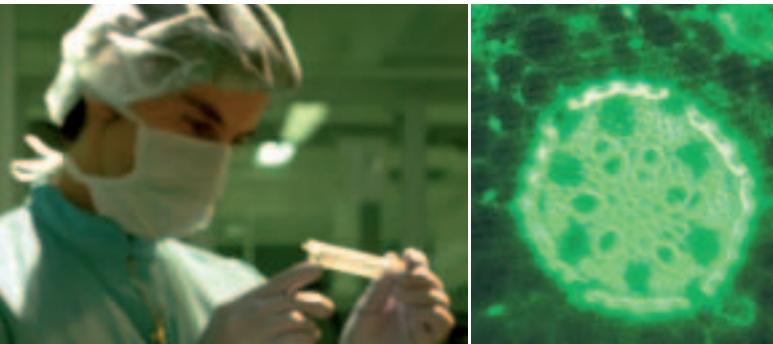
Our strategy also aims to maintain strong research abilities in areas such as genetics, pharmaco-genomics, proteomics, and bioinformatics.

In addition, bioMérieux decided to bolster its Research and Development capacity in micro and nanotechnologies applied to molecular biology. bioMérieux is thus contributing to establishing the largest European biotechnology research cluster, located in Grenoble.

The Research and Development efforts undertaken by bioMérieux are based on technologies developed in-house and with outside partners, as well as technologies we have acquired within the framework of our development policy.

Throughout our history, we have demonstrated our capacity to develop new products and leverage the research concepts stemming from our acquisitions and our alliances, transforming them into commercial successes.





An International Organization...

bioMérieux Research and Development is divided into four biology departments (bacteriology, immunoassays, molecular biology and hemostasis), an instrumentation department, and a department specialized in the development of software. More than 850 people are working on research activities in nine specialized centers that are integrated into production sites in the United States (Durham, Saint Louis), France (four sites in the Lyon and Grenoble regions), Italy (Florence), the Netherlands (Boxtel), and Brazil (Sao Paolo).

...Founded on Partnerships and Strategy

Research and Development at bioMérieux are multidisciplinary and global, a sign of our determination to remain at the cutting edge of innovation and create an international network built on knowledge and skills. This ambition is reflected in a range of facilities and strategic partnerships.

In all sectors, we have developed a system of collaboration with entities as diverse as the main public research institutes in France (CNRS, INSERM, CEA, etc.), universities (Paris XIII and CHU of Lyon in France, Emory University and Washington University in the U.S., etc.), hospital centers, and biotech companies (Affymetrix, Cepheid, Gen-Probe, Avesthagen, etc.).

These partnerships offer protection that is particularly useful in the patent battles that are constantly being fought in fields such as molecular biology.

Such cooperation is vital if the company is to thrive in a forward-looking sector, where it is also imperative to have a strong portfolio: bioMérieux is well equipped with some 350 families of patents filed and ownership of key proprietary technologies that correspond to the three main steps in biomolecular analysis: the BOOM® extraction technique, the NASBA®



amplification method, and the LDC labeling technology. These assets interest other companies and allow us to establish exchanges and licensing agreements.

In addition, through our proprietary technologies, we can forge useful ties in emerging countries, future world powers where our know-how is invaluable. We make full use of our research as a leveraging tool; it brings us scientific and medical visibility, gives us access to opinion leaders, and constitutes a major image factor and strong argument for penetrating new markets.

Our research gives us an understanding of pathologies and the populations they affect. We are therefore better equipped to provide more effective and targeted solutions in the fight against infectious diseases.



A Year of Intense Activity

In 2004, we strove to improve the performance of existing products and open new avenues for advancement.

We worked at perfecting new systems – VITEK® 2 Compact, TEMPO®, NucliSens® miniMAG™ – and developing new chromogenic culture media and rapid tests.

We continued research on new markers (for viruses, bacteria, and human genes) both in-house and through our collaborations with Avesthagen in India and Gen-Probe in the United States. bioMérieux also initiated a partnership with the Chinese Academy of Medical Sciences (CAMS) for the creation of a research laboratory in Beijing to study emerging pathogens.



We were active in the fields of infectious and non-infectious diseases: mycobacteria, sepsis, cardiac markers, cancer, etc.

As part of our new technology approach, we worked to improve our NASBA® amplification method and on micro and nanotechnologies with the CEA (a French technological research agency).

Our Research and Development efforts also focused on the optimization and development of new platforms:

- with Cepheid to adapt our NASBA® technology to its GENEXPERT® instrument in order to create an emergency diagnostic tool that is closer to patients,
- in seeking to find new extraction systems for NucliSens® easyMAG™.

Another of our ambitions was to make our parameters more specific and more sensitive in immunoassays for HIV and to improve the performance of VITEK® cards.

We entered into an agreement with Applied NeuroSolutions that made it possible to begin the assessment of its technology for the diagnosis of Alzheimer's disease. The purpose of our agreement is to explore the possibility of entering the neurodegenerative disease market with innovative biological tests.



Our worldwide presence

A Global Network

Since the company was founded, bioMérieux has developed an international network of subsidiaries, distributors, and partnerships to enable an effective and active local presence throughout the world. We have also enhanced our global scientific and industrial presence by setting up production units (in particular in Brazil) and research centers in several countries. Such solid anchoring gives us an important advantage in today's world.

33 SUBSIDIARIES

9 R&D SITES

MORE THAN
5,400 EMPLOYEES

11 PRODUCTION SITES

PRESENT IN OVER
130 COUNTRIES

MORE THAN 80%
OF SALES FROM EXPORT

In 2004, our global presence was strengthened and our sales grew on every continent.

In the Europe / Middle East / Africa zone, which represents 57% of global sales, the increase amounted to 3.7%, excluding the effect of currency fluctuations. Apart from a slight dip in France (-2%), we made strong progress in Italy (+9%) and in Germany (+8%) as well as in the Middle East / Africa region.

The new instruments launched in 2004 were very well received and 50 VITEK® 2 Compact systems were ordered in the first month following its introduction on the French market.





In North America, where the automated systems used in laboratories are prevalent, we stepped up our presence and our business activity grew by 6.1% in constant currency. This geographic zone today represents 26% of our global sales. In this open market, where technology plays such a vital role and hospitals and major laboratory chains are important customers, we are following a strategy of differentiation with a focus on offering integrated and innovative solutions.



In the Asia-Pacific region, sales have increased by 8.8%. Today this high-growth potential region represents nearly 10% of our sales.

Growth has been driven especially by continued development in China and sound performance in both Australia and Korea.

In an up-and-coming country such as China, we are leaders in clinical microbiology and hold a significant place in the industrial microbiology market, responding to a national aspiration to adopt the highest quality standards for the country's food exports. Well aware of the extraordinary development opportunity offered by the Chinese market, at the end of the year we set up the headquarters of our Asia-Pacific region and of bioMérieux China in Shanghai.

Our business activity grew by 20% in India, where we have expanded the number of scientific and industrial partnerships, further strengthening our local network.

Latin America showed growth of nearly 8% in constant currency. Of special note: growth in Argentina reached 32%. In a stabilized Latin American market, we are benefiting from the advantages that come from a 30-year presence in Brazil in the areas of research, training and production, in a region where we are especially strong in infectious disease diagnostics.



SUCCESS STORY IN SOUTH AFRICA

As part of our commitment to public health, we contribute to the fight against AIDS in South Africa, a country of 47 million people where approximately 5 million people are living with HIV/AIDS.

An agreement between bioMérieux and the National Health Laboratory Services, focuses on supplying local public laboratories with molecular biology instruments and reagents that measure HIV viral load in real-time. This important contract is a sign of the recognition of our NucliSens EasyQ® offering and the contribution it can make to fighting this disease.

The partnership with our distributor, OmniMed, enables us to occupy new positions in this country. This success, facilitated by the Clinton Foundation, demonstrates the value and effectiveness of our international partnership network.

Highly Motivated Teams



Across the globe, more than 5,400 employees actively contribute to upholding our standards and ethics on a daily basis and making our solutions available to customers everywhere.

They ensure the smooth operations of 11 production sites and 9 Research and Development sites and are present in 33 subsidiaries. We would not have the advantages of efficiency and proximity in our global operations without them. Our employees create the conditions for our success through their constant efforts on all the fronts where we fight infectious diseases, both old and new.

Our teams are in contact with customers, scientists, and communities, ready to listen and take into account the specific features of each region, at the local level. bioMérieux is attentive to this constant source of feedback and ideas in order to confirm our strategy and adapt our products to each geographic and economic context.



Employee Training

Our employees work together to form multidisciplinary and multicultural teams. Their complementary skills and the combined expertise of engineers, research scientists, and computer specialists have earned them recognition as valuable professionals who are in touch with the realities of their field.

bioMérieux offers its employees training and organizational resources that contribute to steadily increasing their effectiveness.

We consider training to be an essential way to optimize employees' careers and develop their cross-functional skills. Continuing education and training policies are implemented on a local basis. Each year since 2001, in the three countries where we have the largest workforce (France, the United States, and the Netherlands), spending on training has amounted to more than 2% of the payroll.



Global Customer Service

This ambitious training policy is accompanied by other initiatives designed to create real added value by continuously improving the quality of products and services we deliver to our customers.

Global Customer Service meets this challenge by providing ongoing support for our subsidiaries' customer service divisions.

Organized to make Global Customer Service a valuable, differentiating marketing tool, our teams give rapid, pragmatic answers to the questions they receive. In the United States, the Netherlands, and France, bioMérieux has set up five Knowledge Centers which provide training about our products. Through these Knowledge Centers, Global Customer Service offers training and technical assistance. It now has an Internet portal that can be used to exchange information on our products.

It enables our teams to work across functions. The employees in Research and Development, Marketing, commercial services, and customer services collectively contribute to strengthening our customer-oriented approach.

Quality-driven Dynamics

The teams at bioMérieux are also involved in a continuous improvement approach designed to optimize the industrial performance of our production units: **New Dynamic**.



This approach is based on the voluntary participation of employees. It simplifies and optimizes our manufacturing processes, reduces lead times, and improves our quality levels by eliminating steps with no added value.

In addition to decreasing production cycle times and reducing non-compliance events, this program allows individual employees to view their role from a global perspective and to directly impact their production and overall work conditions.

Such participatory management is growing and today most of our production sites are taking part in this approach. Because it is both pragmatic and all-encompassing, this methodology has resulted in important developments, not only in terms of service and productivity, but also in terms of behavior.



New Dynamic works as a cross-functional competency improvement approach, in which optimizing processes, paying attention to one's work environment, exchanging information with colleagues, and establishing progress indicators or seeking new solutions all become second nature.

This initiative, which is built on employee involvement and empowerment, is perfectly in line with the customer-driven Quality policy developed by bioMérieux.

For many years, we have enforced the most stringent international quality standards (ISO, etc.) through our "Quality Assurance" function, which is supported by an interface at each production and distribution site. This organization facilitates the application and efficiency of our procedures while adapting to the regulatory authorities' requirements (FDA, AFSSAPS, etc.). The Quality functions on our sites were reorganized according to an improvement plan.

Our production sites and 26 subsidiaries have received ISO 9001 certification; in 2004, two more subsidiaries, in Mexico and Japan, were certified.



Our commitment



Bamako, Mali - Mérieux Foundations
Charles Mérieux Center, Rodolphe Mérieux Laboratory

Corporate Sponsorship

Within the scope of our sponsorship policy and faithful to our commitment to public health worldwide, bioMérieux supports initiatives undertaken by the Mérieux and Rodolphe Mérieux Foundations, to which we devoted a budget of nearly 1.3 million euros in 2004.

These foundations work to combat infectious diseases around the world, particularly in underprivileged countries, working toward the goal of providing better access to healthcare for all. They pursue this mission through:

- top-level scientific information aiming to promote innovation in the areas of prevention, diagnostics, and treatment,
- training for healthcare professionals,
- sustainable initiatives in the field, carried out in close collaboration with local partners.

Thanks to the partnership between bioMérieux and the Foundations, several projects became a reality in 2004:

- in Cambodia, construction of the university of pharmacy in Phnom Penh which, in addition to teaching students, will conduct laboratory work on infectious diseases and epidemiology, as well as diagnostic activities in connection with country-specific public health issues,
- in Haiti, support for work accomplished by GHESKIO (Haitian Study Group on Kaposi's Sarcoma and Opportunistic Infections), which for many years has been active in research, training, and patient services, in particular for people living with AIDS,
- in Mali, the creation of the Charles Mérieux Center in Bamako, which includes a training center and the state-of-the-art Rodolphe Mérieux Laboratory. This center should represent a major advancement for public health in Africa.

In 2005, in partnership with the Mérieux Foundations, bioMérieux will take steps to help to rebuild clinical biology infrastructures that were destroyed by the tsunami in Southeast Asia.

Taking Part in the Global Compact

bioMérieux has been a member of the Global Compact since 2003. This international initiative, conducted within the framework of the United Nations, involves the corporate world as well as civil society. It aims to promote a more viable and open global economy to remedy the problems generated by globalization. Companies commit to respecting its ten basic ethical principles, which are guided above all by respect for human rights.

In 2004, we concentrated our efforts on principle 8 of the Compact, initiatives undertaken to promote greater environmental responsibility. bioMérieux focuses on three areas: risk assessment, improvements in existing processes and infrastructures, and prevention.

The main initiatives undertaken by bioMérieux were:

- infrastructure modifications allowing new approaches to energy use (renewable energy sources, for example),
- meetings to increase awareness among teams,
- reductions in the raw materials used in packaging and shipping.



Sculpture by Paul Quiesse: "Chevaux de bronze"
Art Sponsorship
bioMérieux - Marcy l'Etoile

Corporate governance

• Board of Directors

At December 31, 2004, the Board of Directors is comprised of 9 members:

- **Alain Mérieux (Chairman of the Board of Directors and President)**, 67 years old,
- **Dr. Christophe Mérieux (Vice Chairman of the Board of Directors)**, 39 years old,
- **Alexandre Mérieux**, 31 years old,
- **Michel Angé***, 66 years old,
- **Groupe Industriel Marcel Dassault*, represented by Benoît Habert**, 42 years old,
- **Georges Hibon***, 68 years old,
- **Michele Palladino***, 65 years old,
- **TSGH, represented by Philippe Archinard**, 46 years old,
- **Philippe Villet**, 68 years old.

The Board of Directors met 8 times in 2004.

• Committees of the Board of Directors

Audit Committee

At December 31, 2004, the Audit Committee is comprised of 3 members:

Michel Angé, Benoît Habert and Philippe Villet.

This committee met 3 times in 2004.

Remuneration Committee

At December 31, 2004, the Remuneration Committee is comprised of 3 members:

Georges Hibon, Dr. Christophe Mérieux and Michele Palladino.

This committee met once in 2004.

Strategy Committee

Chaired by Mr. **Alain Mérieux**, this committee meets monthly.

Its other members are: **Benoît Adelus, Jean Le Dain, Dr. Christophe Mérieux** and **Dominique Takizawa**.

* *Independant director: the rules and regulations of our Board of Directors provide that a director is considered independent when he or she does not have any direct or indirect relationship of any nature whatsoever with our company, our group or our management, which could compromise his or her independent judgement.*
(Michel Angé: pending ratification of his nomination by the June 9, 2005 General Assembly)

Management Committee

The Management Committee, chaired by Benoît Adelus, meets monthly. It is comprised of:



• **Benoît Adelus,**
Executive Vice President



• **Pierre Piffeteau,**
Corporate Vice President,
Industrial Operations and Purchasing



• **Dr. Christophe Mérieux,**
Senior Corporate Vice President,
Research & Development and Medical Affairs



• **Frédérique Saint Olive,**
Corporate Vice President,
Human Resources



• **Thierry Bernard,**
Corporate Vice President,
Europe, Middle East, Africa and Customer Service



• **Philippe Sans,**
Senior Corporate Vice President,
North America, Latin America, Asia-Pacific
and Business Development



• **Xavier Fargetton,**
Corporate Vice President,
Global Marketing and Strategic Development



• **Dominique Takizawa,**
Senior Vice President,
Corporate Affairs



• **Jocelyne Latour,**
Corporate Vice President,
Quality Assurance and Regulatory Affairs



• **Claude Terrot,**
Corporate Vice President,
Industrial Microbiology



• **Jean-François de Lavison,**
Corporate Vice President,
Public and International Affairs



• **Henri Thomasson,**
Corporate Vice President,
Finance



• **Marc Mackowiak,**
Corporate Vice President,
Research & Development



• **Valérie Wittlin Asti,**
Corporate Vice President,
Communications



bioMérieux on the stock exchange

The bioMérieux share was first listed on the Euronext Paris *Premier Marché* on July 6, 2004 at an offer price of 30 euros.

Share Price Performance on the Eurolist by Euronext since July 2004*



The bioMérieux Share

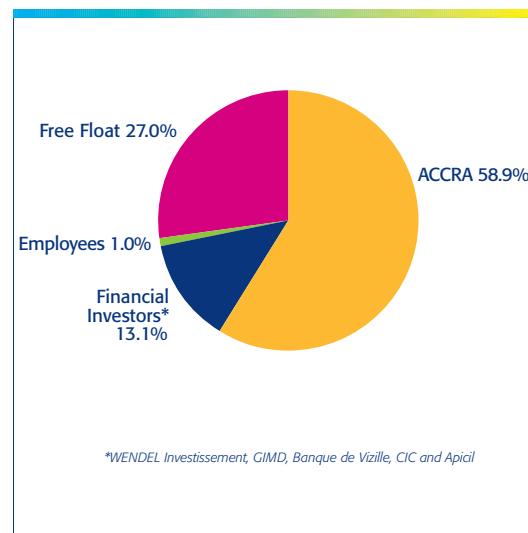
In euros	2004		
High	32.50	Number of shares	39,453,740
Low	26.00	Market capitalization (as at 31/12/04)	1,278 M€
Close (as at 31/12/04)	32.40	Average daily trading volume**	Approx. 44,000
		The bioMérieux share is part of the following indexes:	Next 150, CAC Mid100, CAC Mid&Small190 and SBF 250

* Indexes re-based on the initial listing price of the bioMérieux share

** Data since July 12, 2004, post share delivery



**Breakdown
of the Capital as
at December 31,
2004**



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The Reference Document approved by the AMF is available upon request or on our Web site:

www.biomerieux.com - Finance section

Share Characteristics

Market: Eurolist by Euronext

Stock symbol: BIM

ISIN code: FR0010096479

Reuters code: BIOX.PA

Bloomberg code: BIM.FP

33 subsidiaries throughout the world

bioMérieux Argentina
bioMérieux Australia
bioMérieux Austria
bioMérieux Belgium
bioMérieux Brazil
bioMérieux Canada
bioMérieux Chile
bioMérieux China
bioMérieux Columbia
bioMérieux Denmark
bioMérieux Germany
bioMérieux Greece
bioMérieux Finland
bioMérieux Inc. (USA)
bioMérieux India
bioMérieux Italy
bioMérieux Japan
bioMérieux Korea
bioMérieux Mexico
bioMérieux New Zealand
bioMérieux Norway
bioMérieux Poland
bioMérieux Portugal
bioMérieux Russia
bioMérieux Spain
bioMérieux Sweden
bioMérieux Switzerland
bioMérieux Thailand
bioMérieux The Netherlands
bioMérieux BV (The Netherlands)
bioMérieux Turkey
bioMérieux United Kingdom
bioMérieux West Africa

