



# First-Half 2005 Results

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B I O M É R I E U X

The present release contains information, assumptions and estimates that were used to determine these objectives. They are subject to change or modification due to economic, financial and competitive uncertainties in France or in other countries. Further information regarding these assumptions, risks and estimates are described in the documents registered with the Autorité des Marchés Financiers. The forward-looking statements contained in the present release should only apply up to date. Accordingly, the company cannot give any assurance as to whether it will achieve the objectives described in this section, and makes no commitment or undertaking to update or otherwise revise such information.



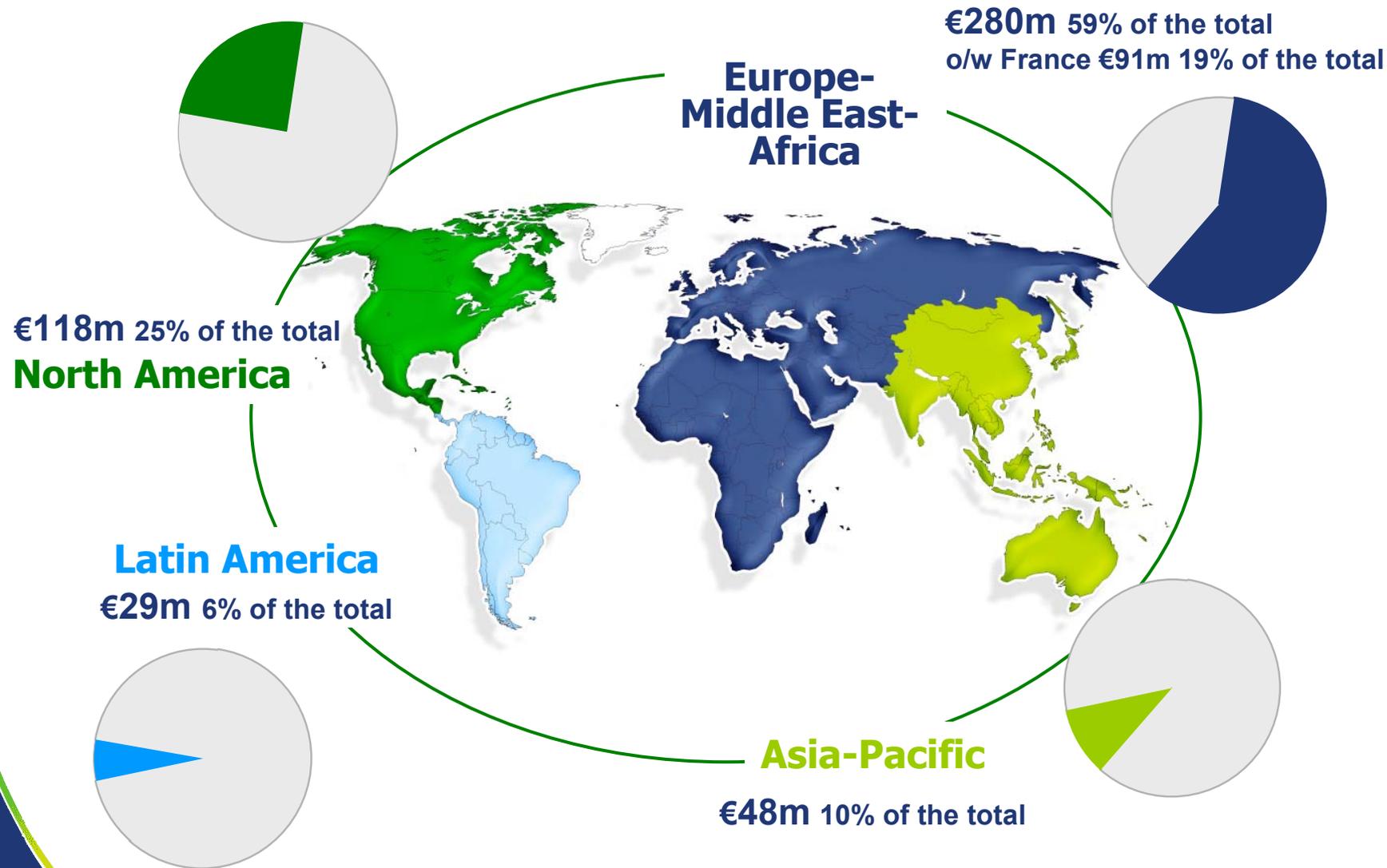
1. Introduction
2. A Solid First Half
3. Financial Review
4. 2005 Outlook



1. Introduction
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- ▶ **Figures in line with full-year objectives, in a still-challenging environment**
  - **net sales up 4%\***
  - **operating income of €62.2 million**
  - **net income up 17%**
- ▶ **Further product launches: Vitek 2<sup>®</sup> Compact, TEMPO<sup>®</sup>, easyMAG<sup>®</sup>, etc.**
- ▶ **A large number of business development agreements**
- ▶ **Sustained capital expenditure, especially on quality assurance systems**

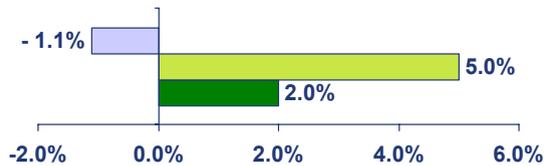
# Net Sales: More Than 80% Generated Outside France



# Net Sales: Growth in All Regions

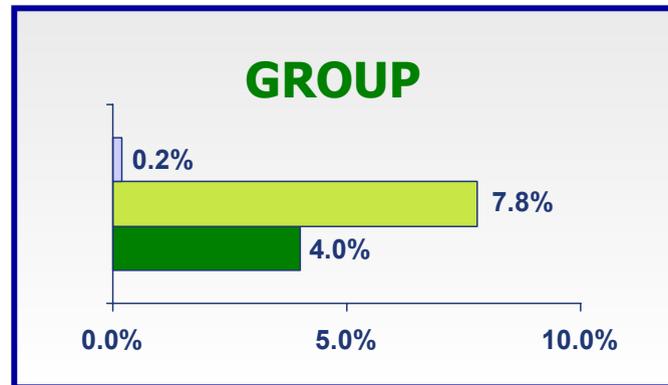
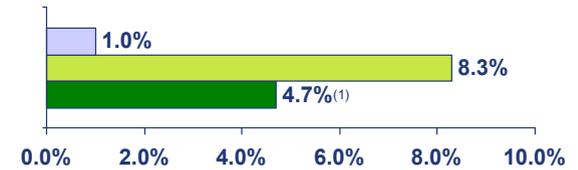


### North America

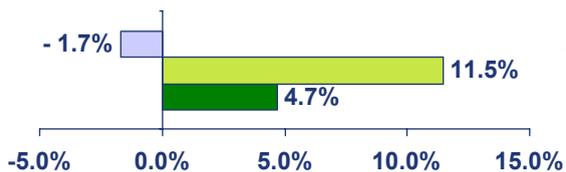


### Europe-Middle East-Africa

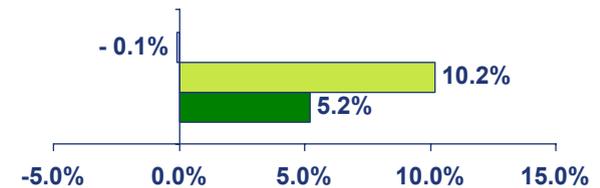
(1) 5.2% excluding France



### Latin America

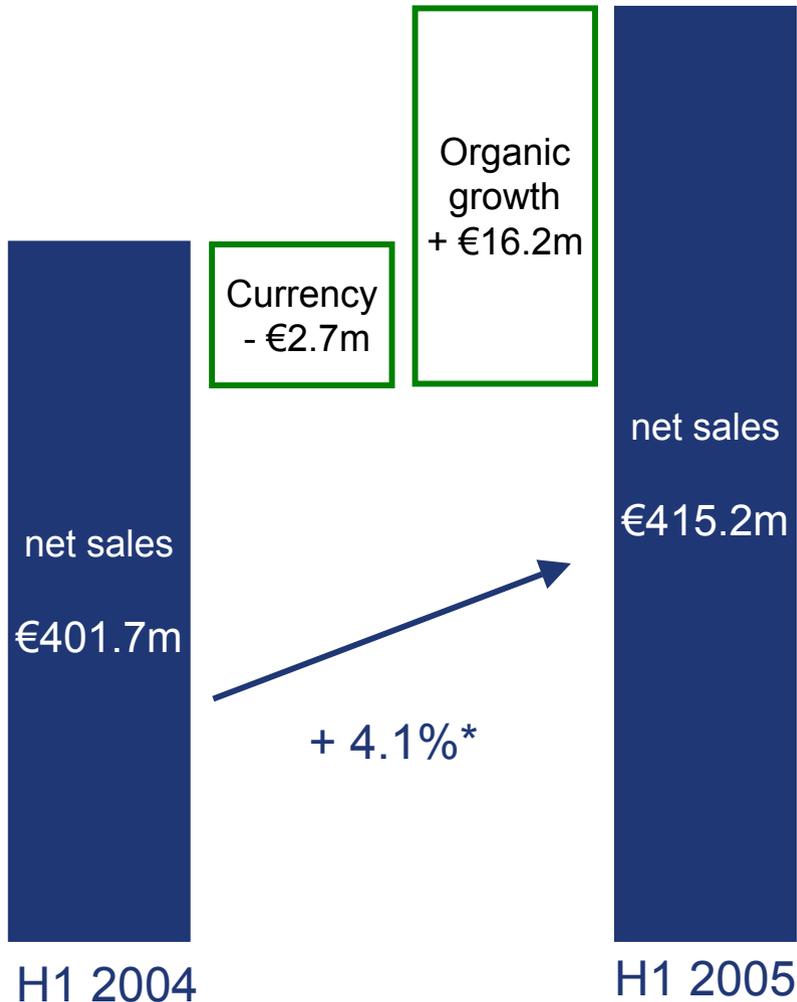


### Asia-Pacific

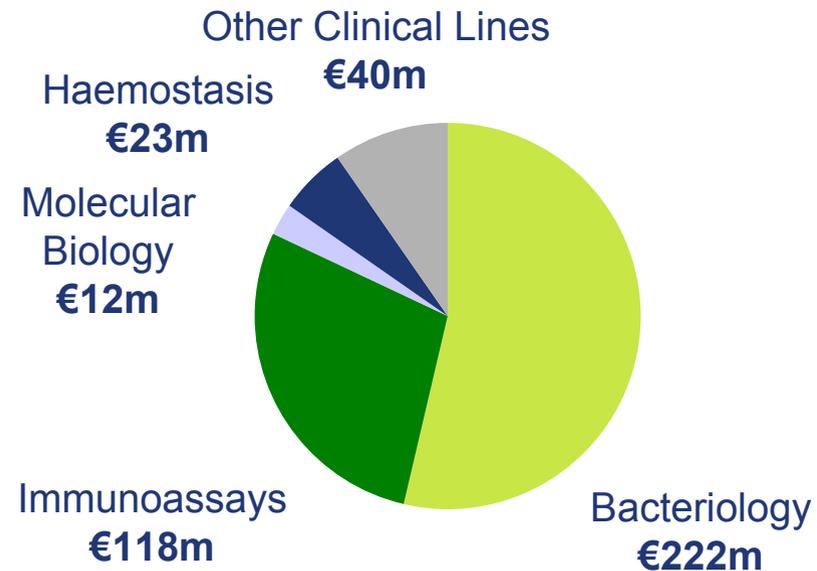


Q1 Q2 H1

# Clinical Applications Up 4.1%\*



## ► First-half 2005 net sales by technologies



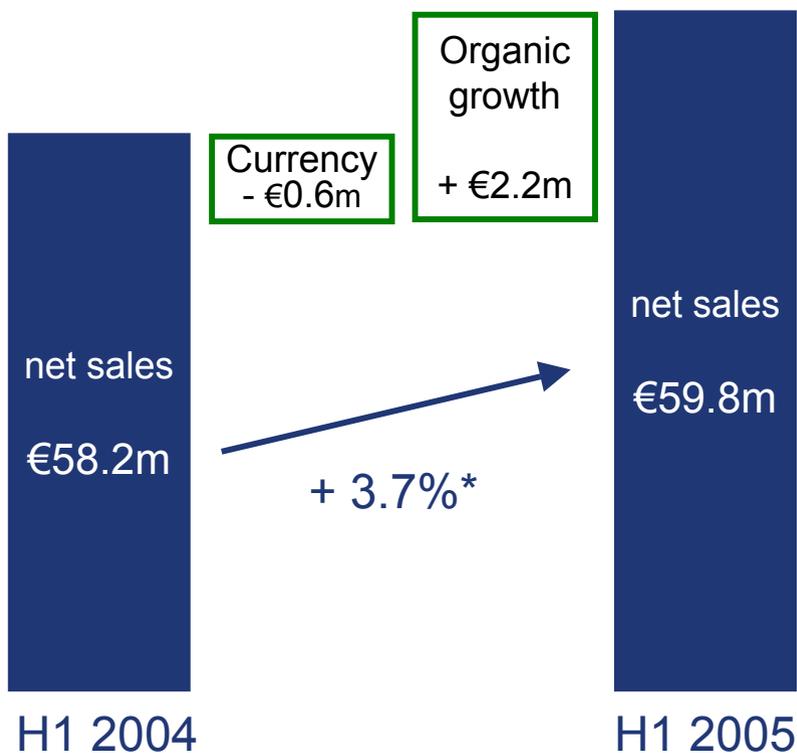
**Bacteriology: up 8%\***  
**Immunoassays: up 4%\***

\* at constant exchange rates



# Industrial Applications Up 3.7%\*

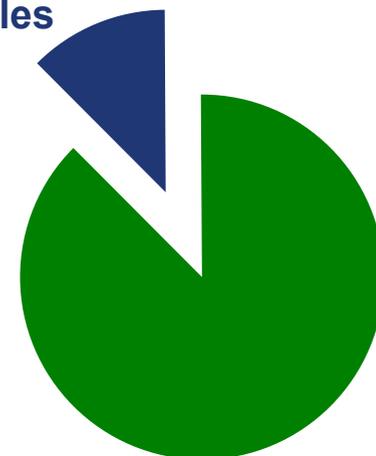
- ▶ Exceptionally high Q1 2004 comparative weighed on H1 2005 growth



- ▶ First-half net sales by applications

Industrial Applications  
€60m  
12.6% of net sales

Clinical Applications  
€415m  
87.4% of net sales

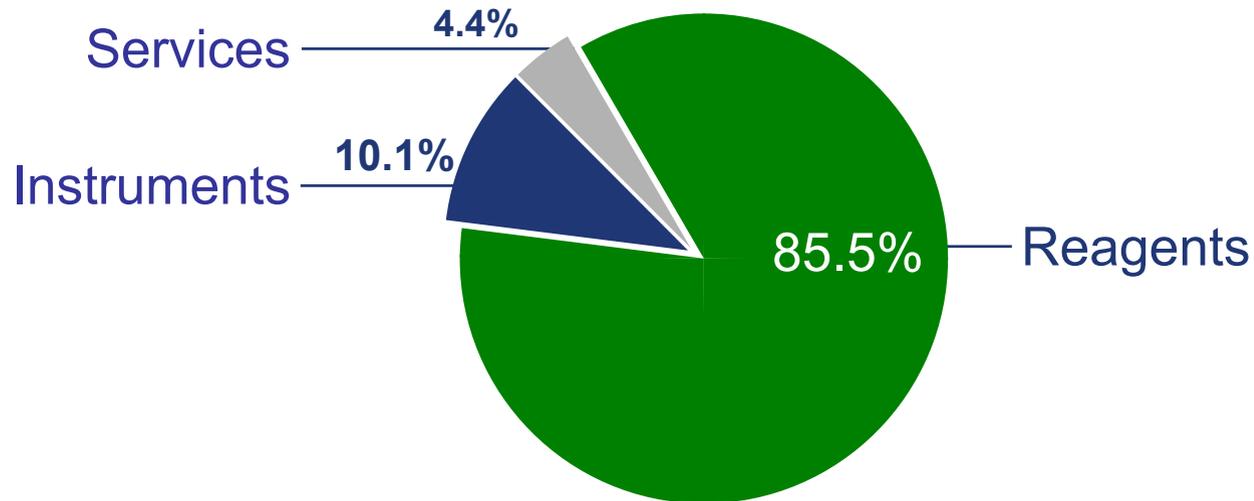


**Growth excluding impact of Q1 2004: + 8.2%\***

\* at constant exchange rates

# Further Growth in the Installed Base

- ▶ 1,600 new instruments installed in the first half
- ▶ Installed base at June 30, 2005: more than 40,000 instruments

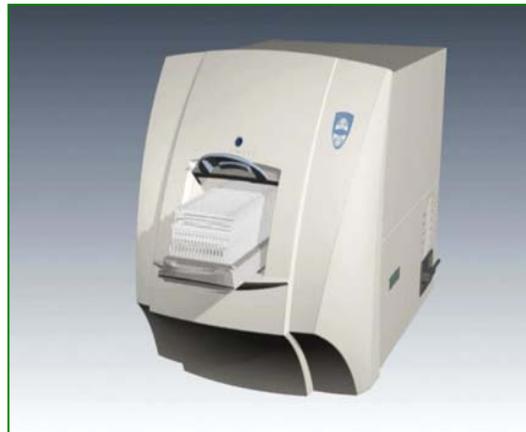


**Reagents/Instruments/Services  
Breakdown**

▶ Three new platforms:



**Vitek®2 Compact**



**TEMPO®**



**easyMAG®**

▶ 15 new reagents and 3 software applications

- ▶ Highly automated molecular biology platform



**Nuclisens® easyMAG®**



**Nuclisens® easyQ®**

**Sample  
preparation  
Extraction**

**Amplification  
Detection**



- ▶ Nuclisens<sup>®</sup> easyMag<sup>®</sup> simplifies sample preparation in molecular biology laboratories

**Management Software**  
with touch screen  
interface



**Reagent  
compartment**

**Bar code reader**

- ▶ One set of reagents for all protocols
- ▶ Nuclisens<sup>®</sup> easyMag<sup>®</sup> combines automation and proprietary **BOOM**<sup>®</sup> technology, the reference technology in extraction



## ▶ Automation:

- Up to 240 extractions per day
- Less than 15 minutes of hands-on-time per 24 extractions

## ▶ Flexibility:

- A single generic protocol for all samples
- The first automated platform that can simultaneously process different samples and volumes

## ▶ Excellent user comfort:

- Efficient management software application
- Touch screen
- Intuitive interface



# A Large Number of Business Development Agreements

## ▶ Acquisition of biomarkers:

- **Brahms - Procalcitonin (PCT)**: marker for severe bacterial infections (sepsis)
- **Roche - proBNP**: marker for congestive heart failure and acute coronary syndrome

## ▶ Partnerships:

- **Chinese Academy of Medical Sciences**: creation of a joint R&D laboratory in Beijing for emerging pathogens
- **Affymetrix**: broader cooperation in the area of breast cancer
- **DiagnoSwiss**: use of electrochemical microchips, especially in the field of immunoassays

## ▶ Increasingly stringent regulatory environment:

- FDA inspection of the two main facilities in France, Marcy-l'Etoile and Craponne, between March and June 2005 with satisfactory outcome
- FDA inspection of the Lombard, Illinois facility in April 2005 with satisfactory outcome
- FDA inspection of the Durham, North Carolina facility in May 2005
  - Covering HIV-1 and HTLV I/II micro-plate lines
  - Warning letter on July 29, 2005
- GMED and AFSSAPS inspections

## ▶ Continuing deployment of improvement plans

- ▶ Sustained capital expenditure program: €25 million
  
- ▶ Main spending in the period:
  - Grenoble, France
  
  - Craponne, France
  
  - Durham, North Carolina
  
  - Florence, Italy

- ▶ Work completed on new dedicated molecular biology center



- ▶ Petri dish production capacity increased by one-third (2004-05)



- ▶ Quality assurance plan, especially for production operations



- ▶ Acquisition of a building to expand instrument production facilities





## 1. Introduction

## 2. A Solid First Half

## 3. Financial Review

- ✓ *IFRS*
- ✓ *Income Statement*
- ✓ *Statement of Cash Flows and Balance Sheet*

## 4. 2005 Outlook

## ▶ 2004: French GAAP results

Slides in the appendix detail the impact on net income, equity and debt of the transition to IFRS

- Only material impacts:
  - on net income: goodwill no longer amortized (reduction of €4.4 million in 2004)
  - on debt: reclassification of the Plaine de l'Ain logistics platform (increase of €9 million at December 31, 2004)
- Overall impact on equity at December 31, 2004: not material

## ▶ 2005: IFRS results

Reclassifications impacted operating income

Overall impact at December 31, 2004: down €2.7m to €129.5m  
at June 30, 2004: up €0.9m to €61.3m

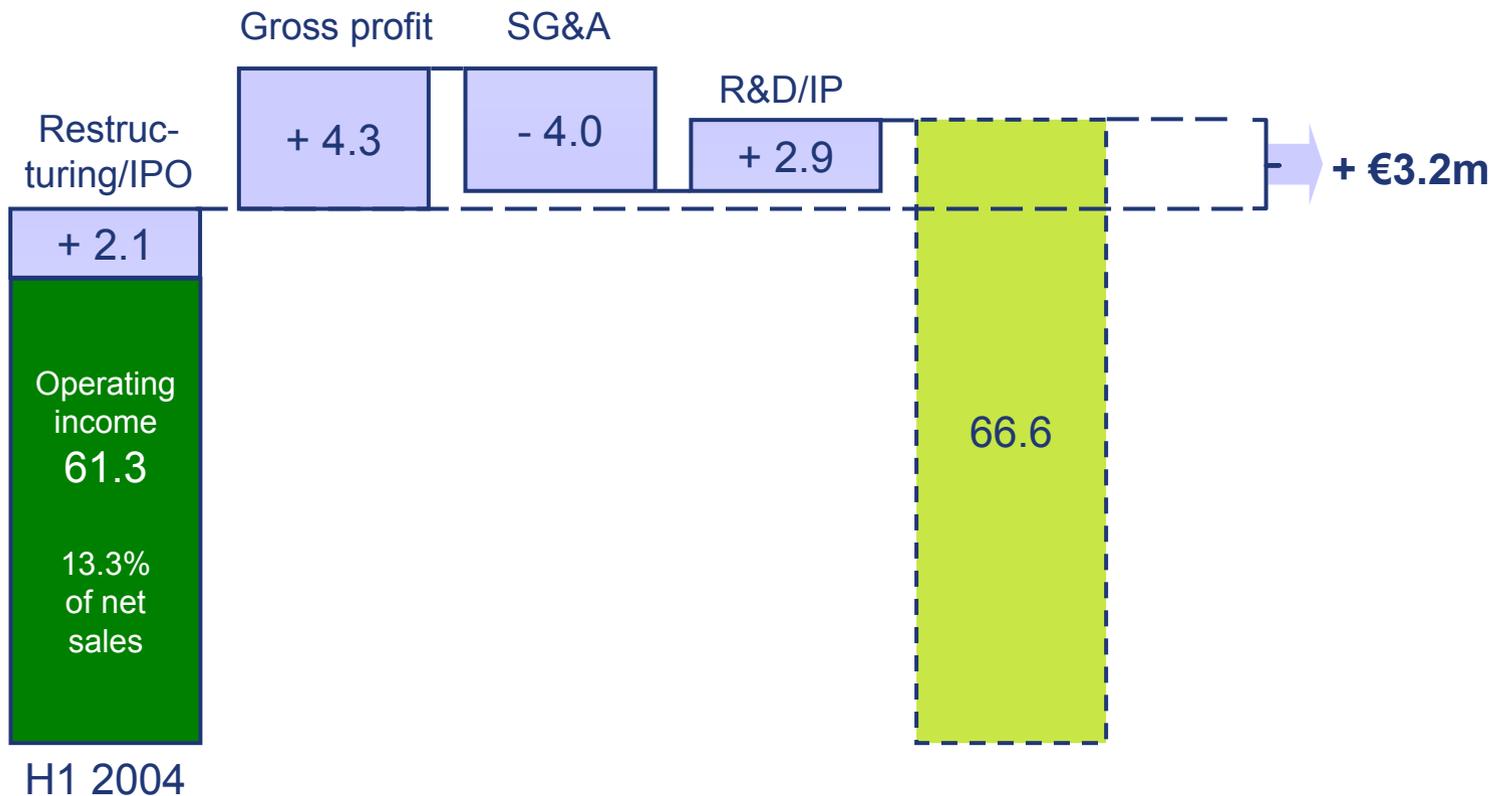
# Consolidated Income Statement

	H1 2005	H1 2004	Change
Net sales	€475m	€460m	+ 3%*
Operating income	€62m	€61m	+ 1%
<i>% net sales</i>	13.1%	13.3%	
Net income of consolidated companies	€39m	€33m	+ 17%
<i>% net sales</i>	8.2%	7.2%	

\* up 4% at constant exchange rates



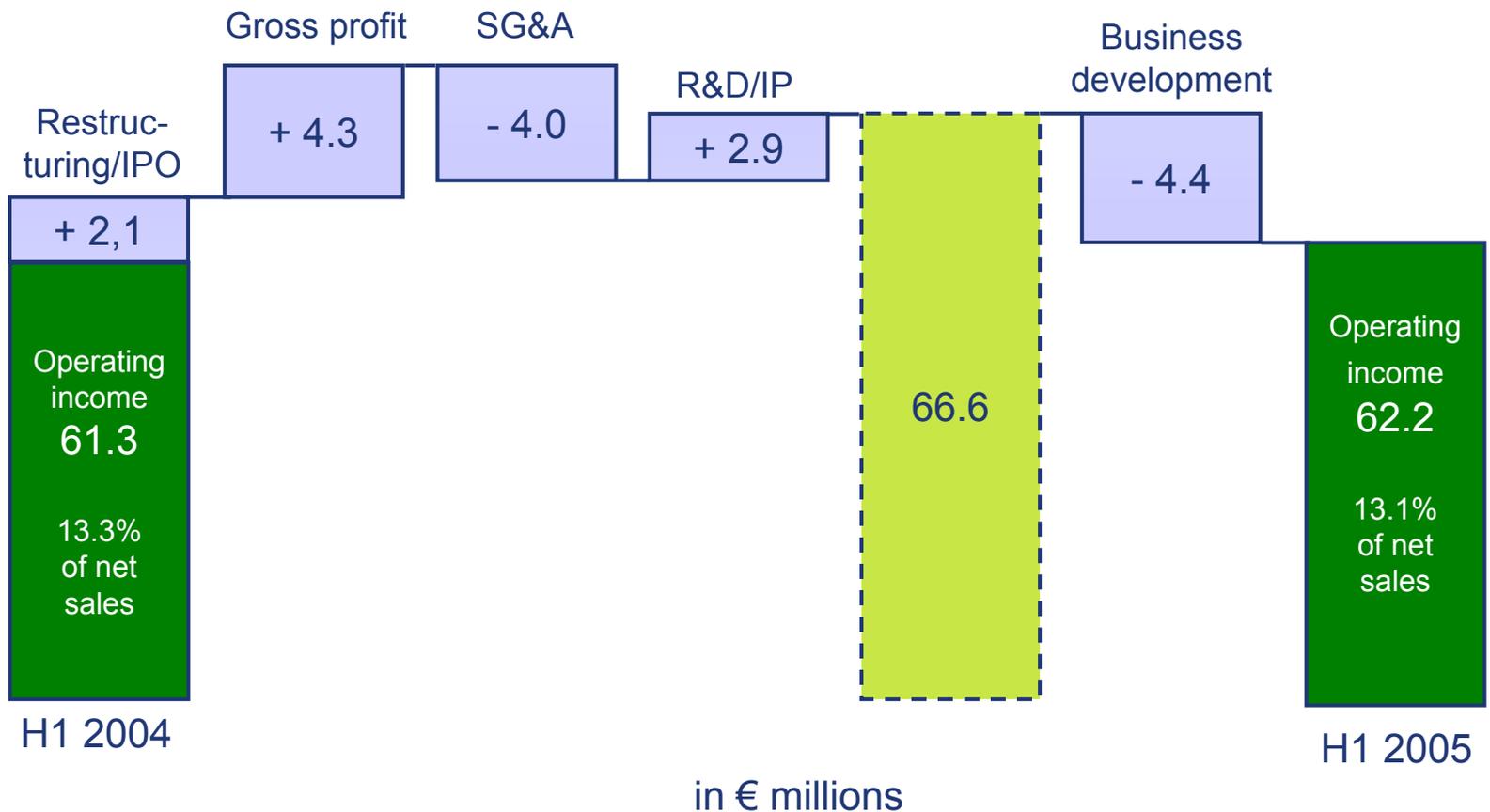
- ▶ bioMérieux absorbed the impact of higher raw materials prices and tighter quality assurance systems...



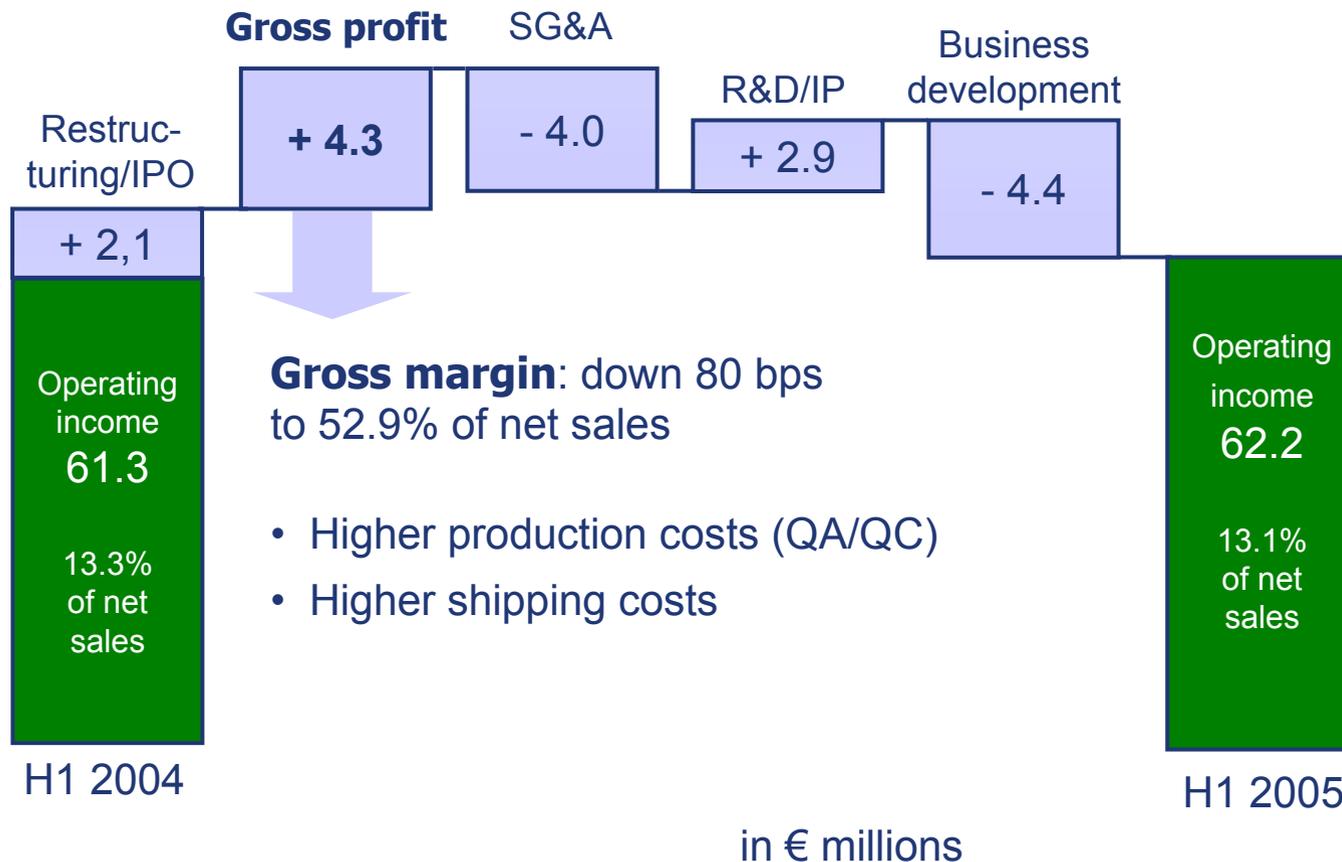
in € millions



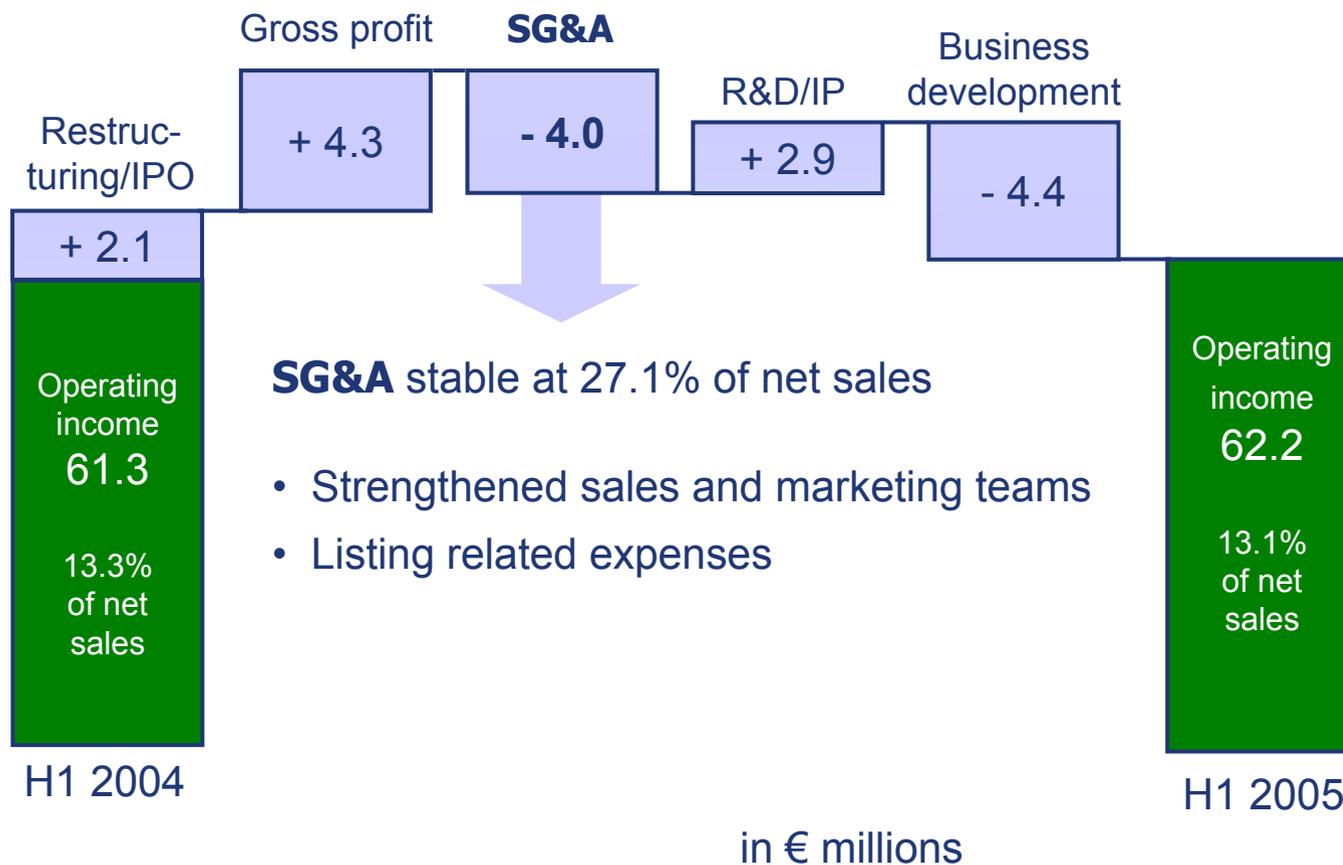
► ... while continuing to invest in business development



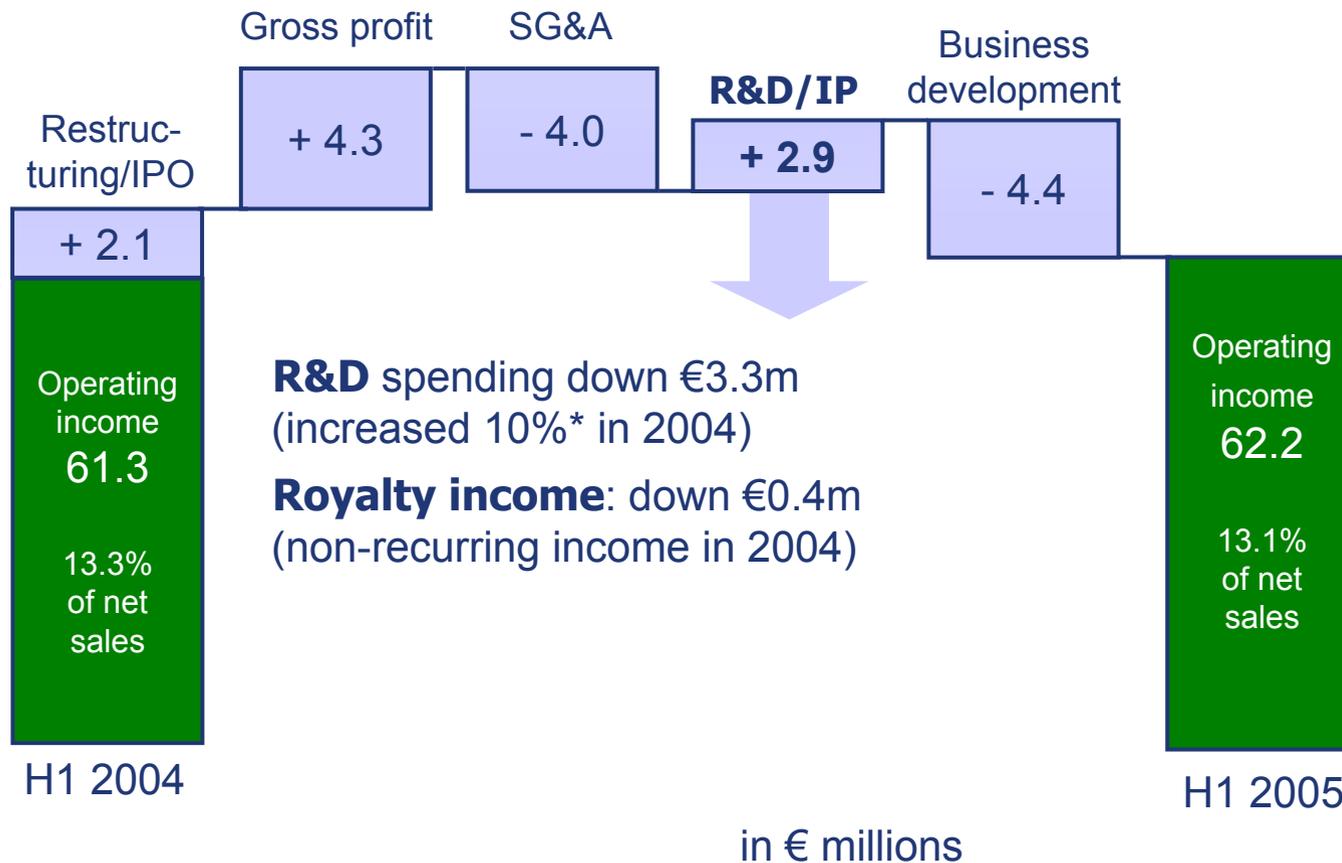
► Tighter quality assurance systems



# Strengthened Sales and Marketing Teams

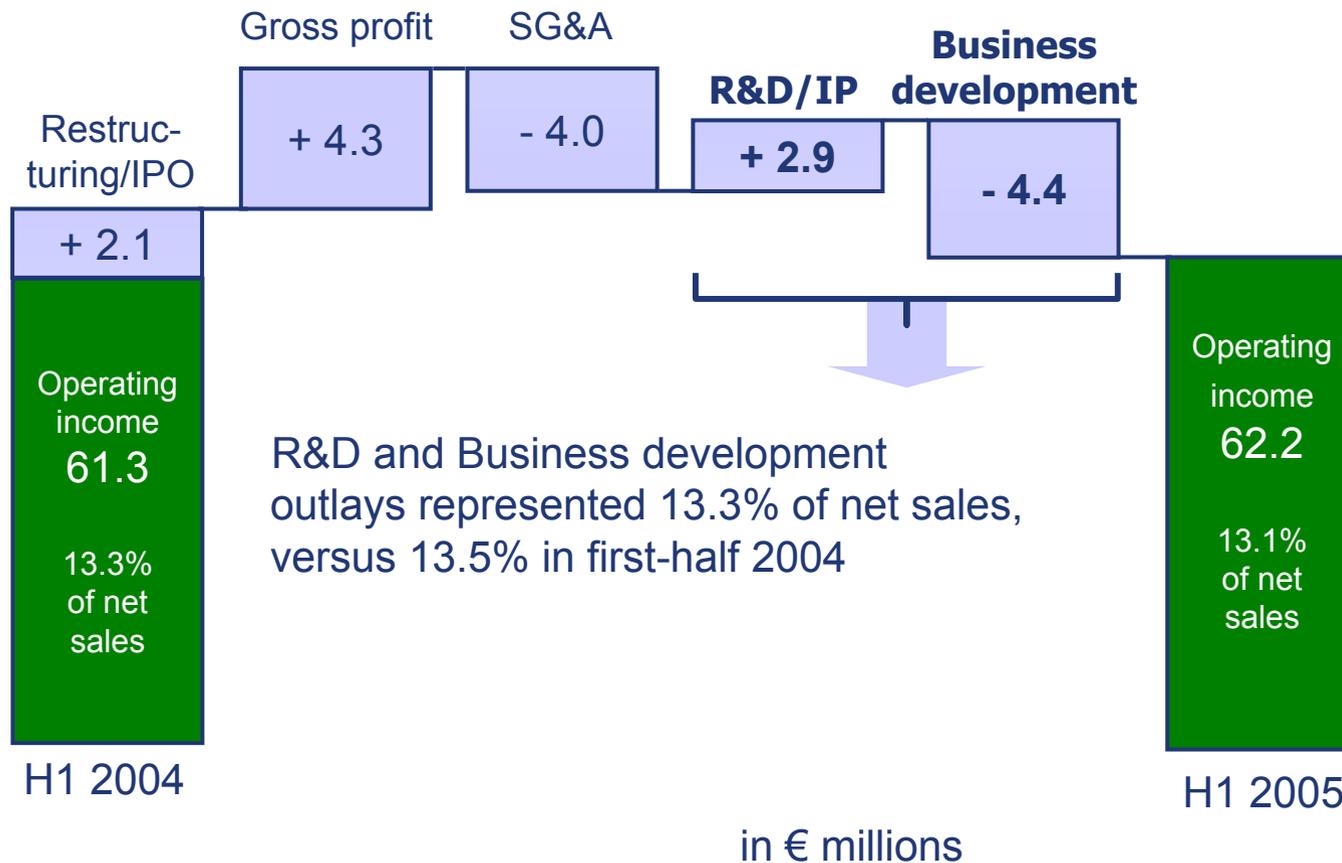


# Managed R&D Expenses



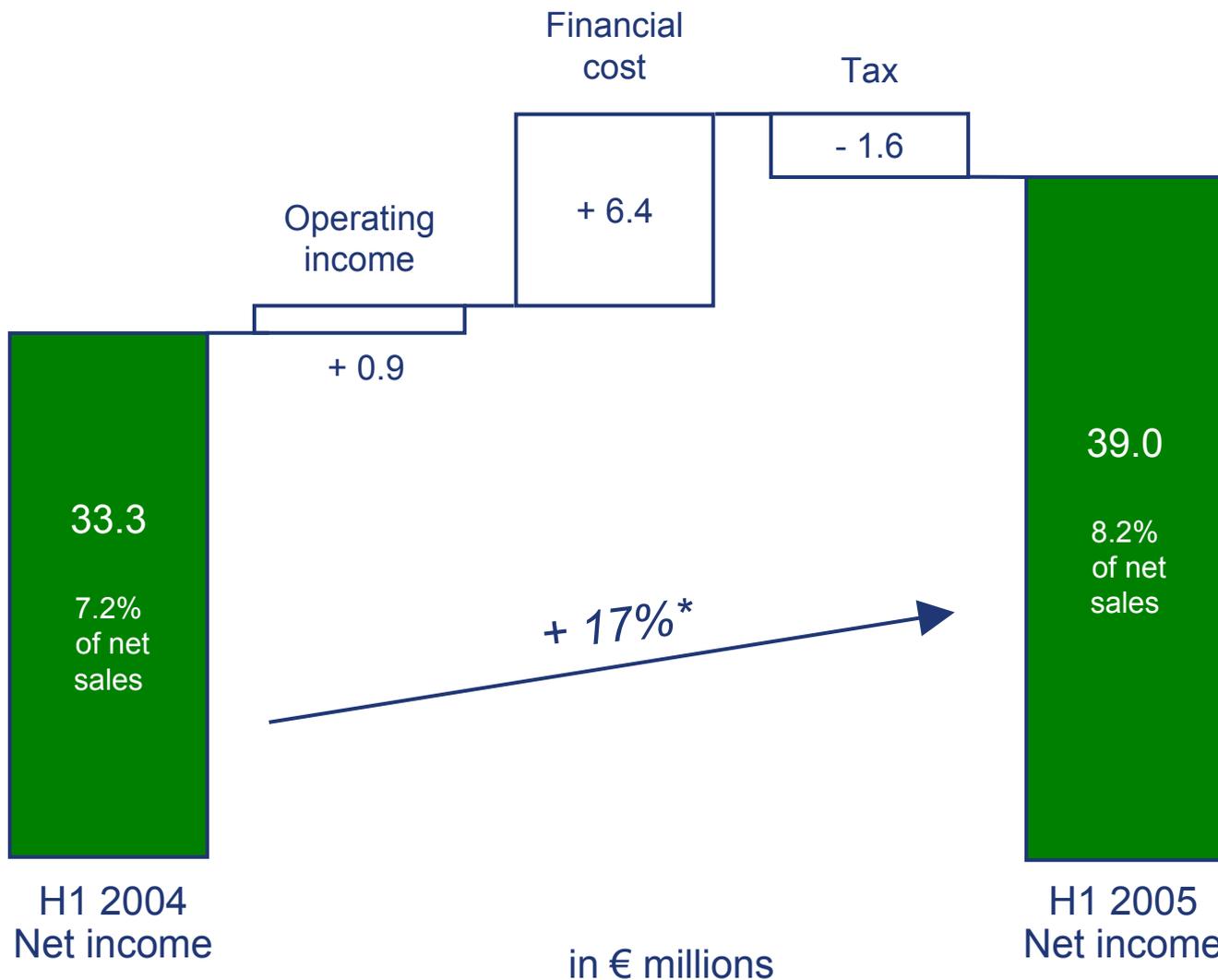
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# A Large Number of Business Development Agreements



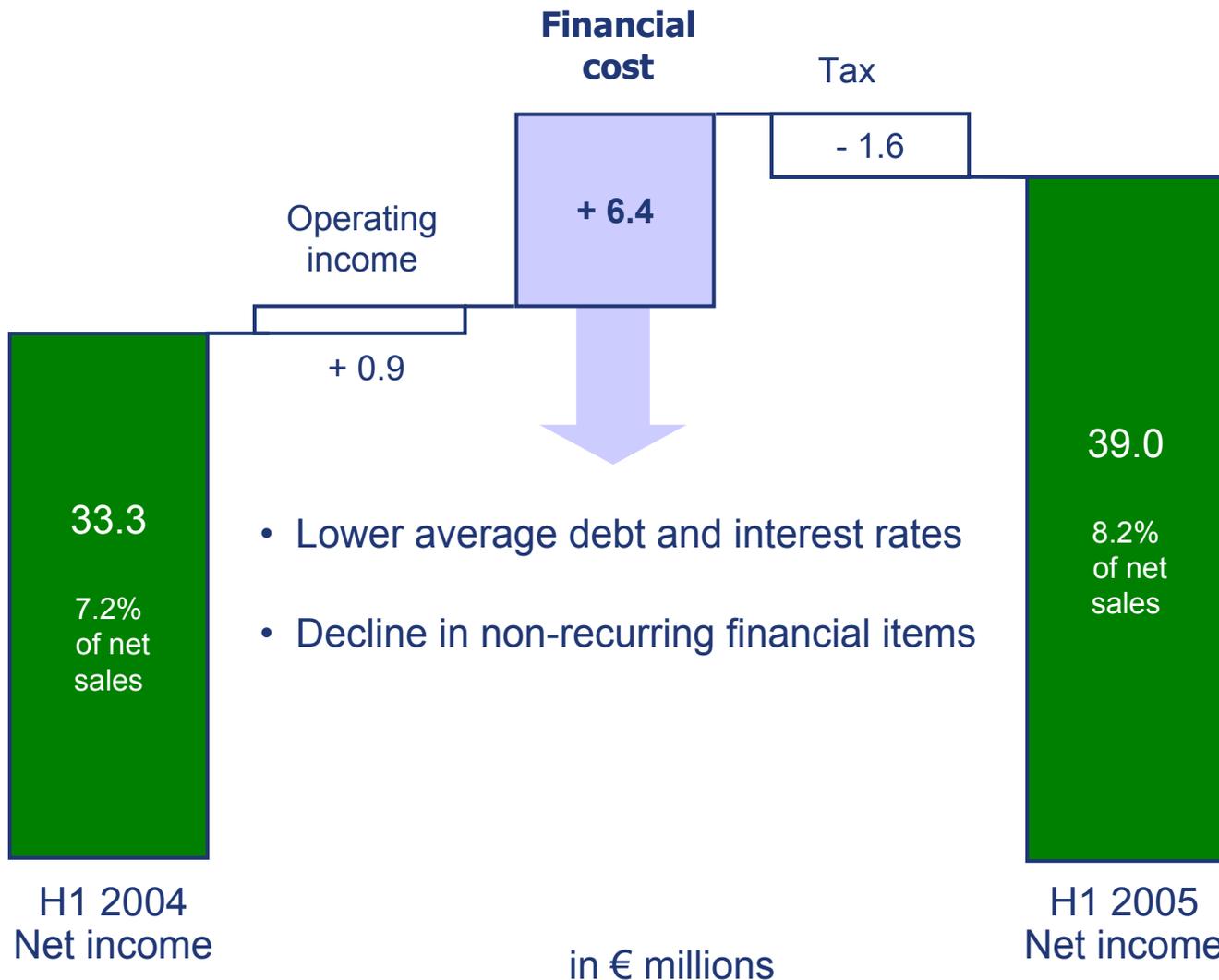


# Net Income Up Sharply



\* before change of method

# Financial Cost Declined





# Free Cash Flow Climbed 14%

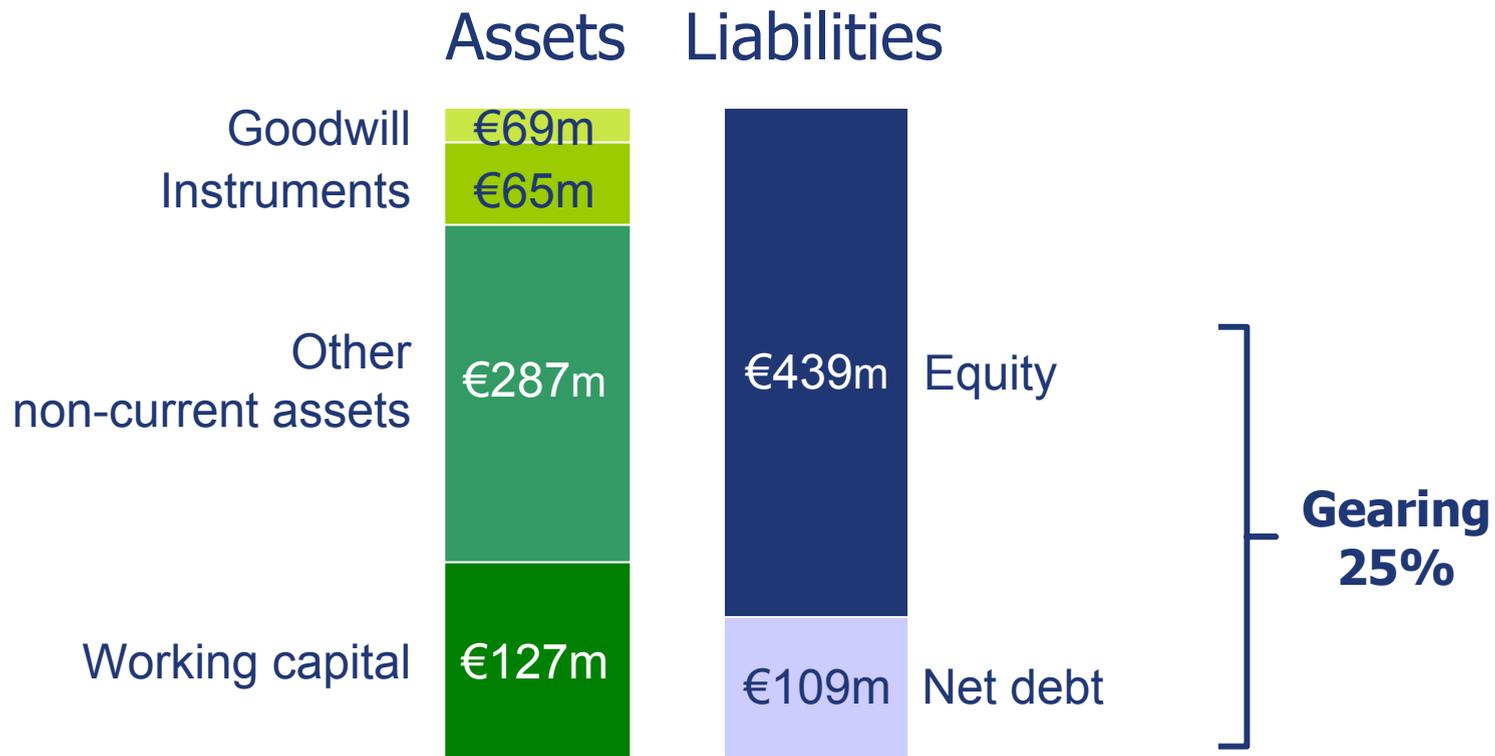
	H1 2005	H1 2004	Change
EBITDA <sup>(1)</sup> <i>% net sales</i>	€97m 20.4%	€101m 22.0%	- €4m
Operating working capital	- €16m	- €19m	+ €3m
Tax and financial cost	- €16m	- €26m	+ €10m
Instruments (net)	- €16m	- €16m	
Other investments	- €25m	- €19m	- €6m
<b>Free Cash Flow<sup>(2)</sup></b>	<b>€24m</b>	<b>€21 M€</b>	<b>+ €3m</b>
Dividends/Group	- €16m	- €24m <sup>(3)</sup>	
Currency effect	€1m	- €1m	
Debt reduction	€9m	- €4m	

(1) cash flow from operating activities before cost of financial debt and income tax

(2) excluding (3)

(3) in €m: dividends (-20), TSCH (+8), NPMA merger (-2)

► Balance sheet at June 30, 2005





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- ▶ Growth in net sales excluding the currency effect comparable to 2004
  
- ▶ Ongoing productivity programs and action plans at a time of:
  - Investments in quality assurance systems
  - Higher raw materials prices
  - Further new product launches



B I O M É R I E U X



- ▶ **Transition to IFRS:**  
Income statement reclassifications for 2004

# IFRS Impact on 2004 Financial Statements

- ▶ Reclassifications affected operating income, no impact on net income

<b>Reclassification (Dec. 31, 2004)</b>	<b>French GAAP</b>	<b>€m</b>	<b>IFRS</b>	<b>€m</b>
Sales discounts	Financial cost	+ 1.0	net sales	- 1.0
IPO expenses	Exceptional items	+ 5.2	Other operating income and expense	- 5.2
Gains/losses on the sale of fixed assets and other exceptional items		- 1.5		+ 1.5
Time value of cash flow hedges	Cost of sales	+ 1.0	Financial cost	- 1.0
Debt issuance costs	General and administrative expenses	+ 1.1	Financial cost	- 1.1