



PRESS RELEASE

## bioMérieux - First-Half 2010 Business Review

Sales: €651 million

- Up 6% at constant exchange rates and scope of consolidation
- Strong performance of clinical and industrial microbiology as well as VIDAS®
- Robust growth in emerging countries
- 2010 operating margin objective confirmed

**Marcy l'Étoile, France - July 22, 2010** – bioMérieux, a world leader in the field of *in vitro* diagnostics, today released its business review for the six months ended June 30, 2010.

Net sales for the first half of 2010 reached €651 million, a 6% year-on-year increase at constant exchange rates and scope of consolidation (like-for-like).

Sales by Region In € millions	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	% Change As Reported	% Change Like-for-Like	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	% Change As Reported	% Change Like-for-Like
	Europe <sup>(1)</sup>	357	338	+5.6%	+2.7%	183.7	171.1	+7.3%
North America	155	142	+8.8%	+6.5%	85.0	71.5	+18.8%	+9.9%
Asia-Pacific	88	69	+28.9%	+18.8%	47.5	37.1	+28.2%	+14.2%
Latin America	51	41	+23.7%	+10.2%	27.8	23.8	+16.7%	+0.8%
<b>TOTAL</b>	<b>651</b>	<b>590</b>	<b>+10.4%</b>	<b>+6.0%</b>	<b>344.0</b>	<b>303.5</b>	<b>+13.3%</b>	<b>+5.8%</b>

<sup>(1)</sup> Including the Middle East and Africa

*“bioMérieux’s performance during first-half 2010 demonstrates the Group’s ability to adapt to the redistribution of economic growth around the world,”* said Stéphane Bancel, Chief Executive Officer. *“Our business growth drivers - clinical and industrial microbiology as well as VIDAS® - performed well during the period. Due to the end of the H1N1 pandemic, the low incidence of seasonal flu and healthcare budget cuts in many Western European countries, we are targeting 2010 organic growth of around 6%. Our main R&D programs are making satisfying progress. We confirm our 2010 objective for operating margin before non-recurring items.”*

## SALES

Sales growth for the six months ended June 30, 2010 stood at 6% like-for-like, or 7% including the recent acquisition of China-based Meikang Biotech\* and of Dima GmbH, the company that distributes Meikang Biotech's products, primarily in Germany. Boosted by the favorable currency effect, reported sales in euros were up 10.4% for the period.

Analysis of sales			
In € millions			
<b>Sales - Six Months Ended June 30, 2009</b>	<b>590</b>		
Currency Effect	+20		
Organic Growth (like-for-like)	+35	+6.0%	} +7.0%
Acquisition of Meikang Biotech and Dima	+6	+1.0%	
<b>Sales - Six Months Ended June 30, 2010</b>	<b>651</b>		

Sales growth was impacted by 80 basis points by comparison with 2009 sales, which were lifted by influenza A (H1N1)-related demand. On the upside, growth increased by 40 basis points due to the early delivery of certain orders to anticipate the Global ERP system launch in North America at the beginning of July. Excluding these two impacts, organic growth would have stood at 6.4% for the first half of 2010.

Sales growth was dampened in the first half by healthcare budget cuts in Western Europe and by ongoing consolidation in the clinical laboratory sector. On the other hand, strong sales growth was reported in emerging markets, particularly the Emerging 7\*\*, where sales rose by nearly 30% excluding the H1N1 effect.

Geographically, first-half like-for-like sales may be analyzed as follows:

- ▼ Sales in the **Europe - Middle East - Africa** region, which accounted for 55% of the consolidated total, increased by around 3% overall, due to sharp contrasts in performance:
  - Sales were flat in Western Europe (46% of the consolidated total). The economic crisis and austerity plans throughout the region have prompted medical laboratories to sharply scale back spending. The resulting budget restrictions led to lower sales in Spain and the United Kingdom, as well as to slower growth, of about 4%, in Germany, Poland and the Nordic countries. Sales were stable in France, where laboratory consolidation is gaining momentum following publication of the Ballereau legislative order in early 2010. Sales in Italy were up 8% for the period.
  - In contrast, sales were strong in Turkey, Russia, the Middle East and Africa, which delivered aggregate growth of 17%. Sales rose a robust 9% in South Africa, where the deliveries of quantitative HIV reagents under the National Health Laboratory Services contract should only end during the third quarter.
- ▼ Sales in **North America** (24% of the consolidated total) rose by 6.5%. Excluding the temporary surge in sales ahead of the Global ERP roll-out and the impact of influenza A (H1N1) on 2009 sales in Canada, revenue grew by 4.7%. Organic growth was driven by robust instrument sales in clinical applications. Reagent sales were slow, with the exception of the VIDAS<sup>®</sup> line, which gained nearly 10% in clinical applications and 27% in industrial applications. The VITEK<sup>®</sup> installed base was reinforced with the migration of customers from VITEK<sup>®</sup> 1 to VITEK<sup>®</sup> 2 platforms. The North American management team was also strengthened in the second quarter.
- ▼ The **Asia-Pacific** region (13% of the consolidated total) achieved a nearly 19% sales increase. Growth reached 32% in China. Sales in India rose 31%, lifted by the tender won for nearly 50 BacT/ALERT<sup>®</sup> systems, of which half had been installed by the end of June 2010. Sales in South Korea continued to expand at a rapid pace.

Clinical application sales were led by the automated microbiology lines and a more than 30% gain in VIDAS<sup>®</sup> sales. Industrial applications continued to grow rapidly.

\* Renamed bioMérieux Shanghai Biotech

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

- Sales in **Latin America** (8% of the consolidated total) were up 10.2% for the period, reflecting the impact of comparison with second-quarter 2009, when sales in Mexico were lifted by influenza A (H1N1)-related demand. Excluding that impact, growth would have come to 22%, with sales in Brazil, Mexico and Argentina reporting strong gains.

Clinical applications benefited from strong reagent sales across every range, with the exception of rapid tests, whose prior-year sales had been boosted by the H1N1 pandemic. Instrument sales were especially robust. Industrial application sales rose by more than 40%, in still limited volumes.

Like-for-like first-half 2010 sales may be analyzed by technology as follows:

<b>Sales by Technology</b> In € millions	<b>Six Months Ended June 30, 2010</b>	Six Months Ended June 30, 2009	% Change As Reported	% Change Like-for-Like
<b>Clinical Applications</b>	<b>551</b>	500	+10.0%	<b>+5.5%</b>
Microbiology	<b>330</b>	296	+11.3%	<b>+8.0%</b>
Immunoassays	<b>176</b>	160	+9.7%	<b>+2.8%</b>
Molecular biology	<b>36</b>	35	+3.7%	<b>+0.5%</b>
Other lines	<b>9</b>	9	-3.2%	<b>-8.5%</b>
<b>Industrial Applications</b>	<b>100</b>	90	+12.4%	<b>+8.9%</b>
<b>TOTAL</b>	<b>651</b>	590	+10.4%	<b>+6.0%</b>

- Sales of **clinical applications** increased by 5.5%.

Microbiology sales were up 8%, led by the VITEK<sup>®</sup> and BacT/ALERT<sup>®</sup> automated lines. In particular, sales of VITEK<sup>®</sup> cards rose by nearly 8% in the EMEA\* region. Mass spectrometry-based microbial identification systems are increasingly being used in certain European countries. In the United States, the FDA recently indicated that the technology would need 510(k) clearance for commercial use in microbiology labs.

In the immunoassays segment, growth is being impacted by the decline in rapid tests following the end of the H1N1 pandemic. On the other hand, sales of the VIDAS<sup>®</sup> range were up 8.1%, due to the success of the B.R.A.H.M.S PCT, NT-proBNP and EBV tests.

Molecular biology sales were stable for the period. Growth is being dampened by low instrument sales compared with the exceptionally high levels for the year 2009, due in particular to the H1N1 pandemic.

- Industrial applications** reported nearly 9% growth, led by strong sales in both the agri-food and pharmaceutical markets. The main VITEK<sup>®</sup>, VIDAS<sup>®</sup>, BacT/ALERT<sup>®</sup> and TEMPO<sup>®</sup> automated product lines all delivered robust growth.
- Instrument** sales were up nearly 21%, with particularly strong growth in the clinical segment, where the VITEK<sup>®</sup> and VIDAS<sup>®</sup> lines turned in gains of, respectively, 33% and 44%. Sales of **reagents** and **services** rose by around 5% over the period, during which average reagent prices held stable. While their sales are slow in Europe, reagents are in high demand in emerging countries.

## OTHER FINANCIAL HIGHLIGHTS

### Consolidated income statement

- There should only be a moderate increase in **sales and administrative expenses**. The Company increased **R&D** expenditure on its innovative development programs, in line with sales growth.
- bioMérieux has decided to phase out sales of its VIDIA<sup>®</sup> immunoassay system by September 2011. Launched in 2005, the VIDIA<sup>®</sup> system did not obtain market success, primarily because of its limited menu. Its phase-out will have only a marginal impact on sales. A provision of around €2 million will be recognized in the first-half 2010 financial statements.

\* Europe – Middle East – Africa

## ▼ Consolidated balance sheet and cash flow statement

- As of June 30, 2010, the **installed base** amounted to some 57,500 instruments, with the addition of 1,800 new units.
- At the Annual Meeting on June 10, 2010, shareholders approved the **payment of a dividend** of €0.92 per share, for a total payout of €36 million. The dividend was paid on June 17. After this payment, **net debt** stood at €13 million at June 30, 2010, compared with €2 million at December 31, 2009.

As of June 30, 2010, there were no outstanding drawdowns on the Company's €260-million syndicated line of credit, which expires in January 2013.

- Public sector **customer receivables** are increasing in Southern Europe.

Net receivables due from Greek public hospitals total €24 million. The Greek government has submitted a bill to parliament that would settle past-due invoices in non-interest-bearing government notes due in one, two and three years. If the law is passed, part of the related outstanding receivables may have to be covered by a provision.

## ▼ Human resources

- The Group had 6,345 full-time-equivalent **employees** as of June 30, 2010, following the consolidation of Meikang Biotech, Dima GmbH and Zenka (for a total of 112 employees) and the closure of the Toronto facility in Canada and the Solna facility in Sweden (for a total of 88 employees). There were 6,300 employees as of December 31, 2009.
- An **employee share-ownership plan** was established in May 2010, enabling every employee to acquire bioMérieux shares on preferential terms. Nearly 40% of employees participated in the plan.

## ▼ Disputes

- In the United States, **Sigris Research, Inc.** has filed an infringement action with the California Central District Court charging that the easyMAG<sup>®</sup> instrument developed and marketed by bioMérieux infringes four patents awarded to Sigris Research. bioMérieux contests the allegation and is preparing its defense. The Company believes that its financial situation would not be materially affected in the event of an unfavorable ruling.
- **D.B.V.** withdrew its appeal to the Spanish Supreme Court during the second quarter, with the result that the dispute with D.B.V. and International Microbio concerning a D.B.V patent for a mycoplasma detection method is now being pursued only in Italy.

## SECOND QUARTER OPERATING HIGHLIGHTS

### ▼ Commercial offer

bioMérieux has launched six **new products** since the beginning of the year.

At the beginning of April, **PREVI™ Isola** won the 2010 Medical Design Excellence Award for contributions and advances in the design of medical products.

In May, bioMérieux announced the limited launch of **Myla™**, a new middleware solution to improve connectivity, laboratory workflow and information management as part of the Company's Full Microbiology Lab Automation (FMLA™) solutions and services. Full launch is planned for fourth-quarter 2010.

In the second quarter, the Company was authorized by the SFDA to market its VIDAS<sup>®</sup> panel of six tumor markers in **China**.

### ▼ Collaborative agreements

- Collaboration with Knome

In April, bioMérieux entered into a strategic agreement with **Knome** to collaborate on the development of next-generation, sequencing-based IT solutions for *in vitro* diagnostics. Under the agreement, bioMérieux will have exclusive rights to license Knome's proprietary genome analysis software for use in the *in vitro* diagnostics market. Further, Knome will gain access to bioMérieux's intellectual property in DNA extraction and sample preparation. bioMérieux also took a \$5 million equity stake in Knome.

- Collaboration with GlaxoSmithKline

In May, an agreement was signed with **GlaxoSmithKline** to jointly develop a molecular theranostic test to aid oncologists in choosing the appropriate treatment for metastatic melanoma (skin cancer). The new assay is intended to detect mutations (beyond the conventional V600E form) in the B-Raf gene. It will be used to test phase II and III metastatic melanoma patients to select those eligible for treatment with GSK's B-Raf or MEK inhibitor compounds.

- Collaboration with BG Medicine, Inc.

bioMérieux and **BG Medicine** entered into a Galectin-3 license agreement for bioMérieux immunoassay systems. bioMérieux will develop a high medical value diagnostics test to be used on VIDAS<sup>®</sup> and will commercialize it worldwide. Galectin-3 is a protein with important biological functions. It is especially a novel biomarker of heart failure development and progression.

#### ▼ **Distribution agreement**

In May, a partnership was formed with **Shimadzu** to market mass spectrometry systems for bacterial identification in microbiology laboratories. bioMérieux will work with Shimadzu and its subsidiary, Kratos Analytical, to adapt Shimadzu's linear MALDI-TOF mass spectrometry technology for optimized integration into microbiology laboratory workflow and bioMérieux's VITEK<sup>®</sup> antibiotic susceptibility testing platform. The new solution is planned for market launch by bioMérieux in 2010, together with the microbial database acquired from AnagnosTec.

#### ▼ **Optimizing the production base**

As scheduled, the plant in **Solna**, Sweden was closed in June and its Etest<sup>®</sup> reagent production operations were transferred to the plant in La Balme, France. In the Netherlands, the **Boxtel** plant, whose production team comprises around 40 people, will be definitively closed in September.

#### ▼ **SAP**

Following a well-executed deployment in the UK and Germany early in the year, the **Global ERP** project has been successfully launched at the Group's US and Canadian sites in July.

## **OBJECTIVES**

In the current European market context, bioMérieux has now set an objective of around 6% for organic **sales** growth in 2010.

The Company confirms its objective for 2010 of an **operating margin before non-recurring items** between 17% and 18%, at constant exchange rates.

## **INVESTOR CALENDAR**

September 6, 2010: First-half 2010 financial results

October 22, 2010: Third-quarter 2010 sales

*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 Registration Document. Accordingly, the Company cannot give any assurance nor make any representation as to whether the 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 2009, revenues reached €1,223 million with 85% 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](http://www.biomerieux.com).

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## Appendix: Quarterly Sales Data

Sales by Region - in € millions						
	First Quarter		Second Quarter		First Half	
	2010	2009	2010	2009	2010	2009
Europe <sup>(1)</sup>	173.3	166.9	183.7	171.1	<b>357.0</b>	338.0
North America	69.7	70.6	85.0	71.5	<b>154.7</b>	142.1
Asia-Pacific	40.8	31.4	47.5	37.1	<b>88.3</b>	68.5
Latin America	22.8	17.1	27.8	23.8	<b>50.6</b>	40.9
<b>TOTAL</b>	<b>306.6</b>	<b>286.0</b>	<b>344.0</b>	<b>303.5</b>	<b>650.6</b>	<b>589.5</b>

<sup>(1)</sup> Including the Middle East and Africa

Change in Sales by Region - in %						
	First Quarter		Second Quarter		First Half	
	As Reported	Like-for-Like	As Reported	Like-for-Like	As Reported	Like-for-Like
Europe <sup>(1)</sup>	+3.9%	+2.7%	+7.3%	+2.8%	+5.6%	<b>+2.7%</b>
North America	-1.2%	+2.8%	+18.8%	+9.9%	+8.8%	<b>+6.5%</b>
Asia-Pacific	+29.8%	+24.6%	+28.2%	+14.2%	+28.9%	<b>+18.8%</b>
Latin America	+33.4%	+23.5%	+16.7%	+0.8%	+23.7%	<b>+10.2%</b>
<b>TOTAL</b>	<b>+7.2%</b>	<b>+6.4%</b>	<b>+13.3%</b>	<b>+5.8%</b>	<b>+10.4%</b>	<b>+6.0%</b>

<sup>(1)</sup> Including the Middle East and Africa