



PRESS RELEASE

bioMérieux - 2011 Business Review

- ▼ Sales:
 - Up 6.5% at constant exchange rates
 - Including 4.1% organic growth
- ▼ Double-digit growth* in 11 countries
 - Including: India** (up 28%), China (up 20%), Brazil (up 18%) and Turkey (up 18%)
- ▼ Sustained momentum in clinical microbiology, up 8.2%*
- ▼ Instrument sales up a robust 7.9%*

MARCY L'ETOILE, FRANCE - January 24, 2012 - bioMérieux, a world leader in the field of *in vitro* diagnostics, today released its business review for fourth-quarter and full-year 2011.

Net sales for the year amounted to €1,427 million, up 5.2% from the €1,357 million generated in 2010. This represented a year-on-year increase of 6.5% at constant exchange rates, including 4.1% growth at constant exchange rates and comparable business base (i.e. excluding the impact of recent acquisitions and of discontinuing culture media for routine clinical testing in North America).

Lifted by a very good December, fourth-quarter organic sales rose by 4.5%, led in particular by strong instrument sales in emerging markets.

Sales by Region In € millions	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010	% Change As Reported	% Change At constant exch. rates & comparable business base	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	% Change As Reported	% Change At constant exch. rates & comparable business base
	Europe ⁽¹⁾	756	727	+3.9%	-0.4%	215.0	196.7	+9.3%
North America	320	318	+0.6%	+5.4%	89.5	84.3	+6.1%	+5.6%
Asia-Pacific	225	201	+12.4%	+12.2%	68.4	60.4	+13.3%	+12.2%
Latin America	126	111	+13.9%	+15.5%	33.6	32.0	+5.1%	+9.3%
TOTAL	1,427	1,357	+5.2%	+4.1%	406.5	373.4	+8.9%	+4.5%

⁽¹⁾ Including the Middle East and Africa

“The month of December was very strong,” said Chairman and Chief Executive Officer Jean-Luc Bélingard. “bioMérieux’s 2011 organic sales growth reached 4.1%. This performance illustrates the resistance of our business model in a deteriorated economic environment, and confirms the effectiveness of our strategic positioning. Our leadership in clinical and industrial microbiology, our high medical value immunoassay offering, our balanced geographical footprint and our long experience in emerging markets all play a determining role in our development. In 2012, we expect that the trends observed in 2011 will continue and we are therefore targeting organic sales growth of 3% to 5% for the year. Beyond the current economic uncertainties, I am convinced that we have solid fundamentals and that our R&D pipeline is particularly promising.”

* At constant exchange rates and comparable business base

** Excluding the impact of the termination of a distribution contract for non-strategic products

SALES

In 2011, sales growth stood at 4.1% at constant exchange rates and comparable business base, or 6.5% including the recent acquisitions of AES Laboratoire (€31 million in sales) and ARGENE (€5 million) and the discontinuation of culture media for the routine clinical test business in North America (€4 million).

Analysis of sales		
In € millions		In %
Sales - Twelve months ended December 31, 2010	1,357	
Currency effect	-18	-1.3%
Organic growth (at constant exchange rates and comparable business base)	+56	+4.1%
Impact of discontinuing culture media for the routine clinical test business in North America	-4	-0.3%
AES Laboratoire and ARGENE acquisitions	+36	+2.7%
Sales - Twelve months ended December 31, 2011	1,427	+5.2%

} **+6.5%**

Conditions in the healthcare sector deteriorated in 2011, and differences between regions deepened.

- ▼ In Southern Europe (12% of consolidated sales), governments intensified austerity measures and implemented budget restrictions that dampened sales. In addition, laboratory consolidation gained momentum in France (13% of consolidated sales), impelled by the medical biology reform act that took effect over the summer.
- ▼ In North America, which accounts for 22% of consolidated sales, the tense economic environment appears to have slowed consumption in the healthcare sector, but did not, however, impact instrument sales.
- ▼ In contrast, market dynamics continued to be very attractive in the emerging economies, due in particular to strong population growth, plans to extend national and private health insurance coverage and higher purchasing power for the middle classes. Equipment is in high demand in these countries. Emerging markets accounted for 27% of consolidated sales in 2011. In particular, organic growth in the Emerging 7* stood at nearly 16%, excluding the impact of the termination of a distribution contract for non-strategic products in India.
- ▼ In the rest of the world, sales were moderate overall, but were boosted by demand in Germany, Japan and the United Kingdom.

Despite a high basis of comparison in fourth-quarter 2010 (when sales rose by 6.8% at constant exchange rates and scope of consolidation) and the difficult economic context, organic growth amounted to 4.5% in the fourth quarter of 2011. The gain reflected a robust performance in December of nearly 11% growth, led by very strong sales in emerging markets, including:

- ▼ Turkey, Eastern Europe, the Middle East and Africa, as expected,
- ▼ China, following a new reorganization of the local distribution network,
- ▼ India, with the installation of instruments whose orders had been on hold for several months.

At constant exchange rates and comparable business base, 2011 sales may be analyzed by region as follows:

- ▼ Sales in the **Europe-Middle East-Africa** region (53% of the consolidated total) slowed slightly over the period.
 - In Western Europe (45% of the consolidated total), sales were stable in a deteriorated economy, with performance continuing to vary among the different countries.
 - In Southern Europe, governments were forced to tighten their budgets and implement policies to restrict healthcare spending. Market conditions were particularly difficult in Portugal (sales down 14%) and in Greece (down 13%). In Spain, the situation was challenging throughout the year, while in Italy, sales declined in the fourth quarter after holding firm early in the year.
 - In France, sales contracted by 4% after an acceleration in laboratory consolidation. This resulted, in particular, in a tangible fall-off in sales of routine VIDAS® tests and an increase in pricing pressure. However, sales of high medical value VIDAS® tests were brisk and the clinical microbiology line gained nearly 5%, thanks to strong instrument sales.

* Brazil, China, India, Indonesia, Mexico, Russia and Turkey

- Sales were robust in Germany, the Nordic countries and the United Kingdom. In the UK market, clinical microbiology sales benefited from multi-year managed service contracts with hospitals and the addition of new customers. Furthermore, industrial application sales were spurred by the award of a new contract from the National Health Service blood banks.
- In Turkey, Eastern Europe, the Middle East and Africa performance was also contrasted.
 - Sales were adversely affected in South Africa by the termination of the National Health Laboratory Service contract to supply quantitative HIV reagents, and in Russia by the reorganization of operations.
 - On the other hand, sales climbed by a swift 18% in Turkey. During the fourth quarter, sales held firm across the region, thanks to the delivery of orders that had been on hold over the past few months.

- ▼ Sales in **North America** (22% of the consolidated total) rose 5.4% over the year. In an uncertain economy, instrument sales in the fourth quarter gained momentum, which should support reagent sales in the coming months.

For the year as a whole, clinical applications enjoyed higher demand for the BacT/ALERT[®] range, led by strong instrument sales, due to the conversion of the installed base of first-generation systems and to the addition of new customers. Sales were also lifted by growth in the VIDAS[®] range, reflecting the increasing success of VIDAS[®] B.R.A.H.M.S PCT among physicians, who appreciate its use as an aid in the prognostic evaluation of sepsis. In addition, sales of the Full Microbiology Lab Automation (FMLA[®]) solution rose during the year, thanks in particular to the PREVI[®] Isola automated pre-poured media (PPM) streaker. Lastly, significant interest for the VITEK[®] MS line, currently reserved for research applications, is encouraging. A request for clearance for the routine use of VITEK[®] MS for clinical diagnostic tests is expected to be filed with the U.S. Food and Drug Administration (FDA) in mid-2012.

An increase in annual sales for industrial applications was driven by rising demand for reagents in the food sector. However, it was penalized by eroding sales of culture media in the biopharmaceutical sector.

- ▼ The **Asia-Pacific** region (16% of the consolidated total) saw a 12% increase in sales.

Business expanded rapidly in China. Although none of the tenders were issued in 2011, sales surged 20%, due, in particular, to the reorganization of the distribution network in the Eastern region (Shanghai) and to expansion into new territories (in the Beijing and Southern China regions). Furthermore, microbiology sales were boosted by the Ministry of Health's recommendations for a more rational use of antibiotics. bioMérieux enjoys a number of major advantages in China, including its long-standing presence in the country, its infectious disease offering, its VIDAS[®] immunoassay system and its comprehensive, multi-disciplinary teams (R&D, production and sales & marketing).

Sales were also very brisk in India, up 28% excluding the impact of the end of a distribution contract for non-strategic products, and in South Korea, up 15%. In Japan, sales rose by 11% due to the success of clinical microbiology solutions, especially VITEK[®] and BacT/ALERT[®], as well as the VIDAS[®] B.R.A.H.M.S PCT test.

By technology, growth was led by clinical microbiology, thanks to solid instrument sales and by the VIDAS[®] immunoassay range, driven by robust reagent sales in the wake of 2010's strong instrument sales.

- ▼ In **Latin America** (9% of the consolidated total), sales were up by almost 16%, buoyed by the region's economic expansion. Growth was over 9% in the fourth quarter alone, even after exceeding 20% in the same period last year. In Brazil, the region's largest market, sales climbed a fast 18% in 2011, fueled by the success of clinical microbiology and VIDAS[®].

Growth was supported by instrument sales. In clinical applications, the microbiology and VIDAS[®] immunoassay lines made significant gains, while in industrial applications, sales were vigorous in every country except Mexico.

At constant exchange rates and comparable business base, full-year 2011 sales may be analyzed by technology as follows:

Sales By Technology In € millions	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010	% Change As Reported	% Change At constant exch. rates & comparable business base
Clinical Applications	1,177	1,142	+3.1%	+4.0%
Microbiology	737	694	+6.2%	+8.2%
Immunoassays	355	361	-1.7%	-0.6%
Molecular Biology	69	70	-1.1%	-9.0%
Other Lines	16	17	-5.9%	-12.5%
Industrial Applications	250	215	+16.3%	+4.5%
TOTAL	1,427	1,357	+5.2%	+4.1%

- ▼ Sales of **clinical applications** increased by 4% over the year.
 - Microbiology, the Group's core business, representing 52% of consolidated sales, advanced 8.2% in 2011. The two flagship lines, VITEK[®] and BacT/ALERT[®], performed well during the year, while the success of more recent solutions was confirmed. These include the Full Microbiology Lab Automation FMLA[®] line and the VITEK[®] MS system, which was CE-marked in the first quarter and integrates mass spectrometry-based bacterial identification with VITEK[®] 2 antibiotic susceptibility testing. In this particularly favorable environment, the Company is preparing for the 2013 launch of its new automated blood culture system and its incubator incorporating imaging technologies.
 - Immunoassay sales were stable, but very uneven across the product lines:
 - The VIDAS[®] range, which celebrated its 20th anniversary in the fourth quarter, recorded satisfactory growth of nearly 4%, reflecting the improvement in its strategic positioning. The market in developed countries continues to consolidate. Consequently, sales of routine tests were in steep decline in those markets, while demand remained vigorous for high medical value assays, in particular B.R.A.H.M.S PCT and EBV, as well as in emerging markets. In India, for example, VIDAS[®] sales grew by 30%, even though the line already has a leadership position. Lastly, the new-generation VIDAS[®] system, which offers more automated features and a more efficient computer system, will be launched in late 2012.
 - In a highly competitive environment, microplate sales slowed in every region.
 - Sales of rapid tests were impacted by the revamping of bioMérieux's offering, which notably led to the launch of the China-produced bioNexia[®] line, of which five tests were CE-marked during the year. This redefinition also led to the termination of the distribution contract of the QuickVue[®] range with Quidel and the sale of Dima Diagnostika.
 - Molecular biology sales were down 9% for the year, penalized by the €10-million impact of the end of the contract to supply quantitative HIV tests in South Africa. In molecular biology, bioMérieux also commercializes its easyMAG[®] automated nucleic acid extraction system, whose sales rose by an organic 10% in 2011, excluding the loss of the South African contract. In addition, ARGENE, which is specialized in molecular diagnostics for immunocompromised patients, was acquired in July and is now being actively integrated into the Group. Lastly, preparations are underway for the scheduled 2013 launch of the fully automated system developed in partnership with Biocartis.
- ▼ **Industrial application** sales rose 4.5% over the year. Growth was solid in the Emerging 7 (up 9.2%) and in certain European countries, especially Italy, Germany and the United Kingdom. Reagent sales were robust in the agri-food sector, but more difficult in biopharmaceuticals. With the consolidation of AES Laboratoire, whose acquisition in July 2011 significantly strengthened the Group's leadership, industrial applications now represent 18% of consolidated sales.
- ▼ Sales of **reagents** and **services** accounted for 87.4% of total revenue. Excluding the end of the South African contract, they were up 4.3% for the year at constant exchange rates. Reagent prices decreased slightly, mainly due to growing pressure from government authorities on healthcare system participants in developed countries and to the ongoing laboratory consolidation.
- ▼ **Instrument** sales gained nearly 8%, driven mainly by vigorous demand in emerging markets. They accounted for 12.6% of total revenue.

FOURTH-QUARTER FINANCIAL HIGHLIGHTS

Consolidated income statement

In light of the 2011 sales performance, bioMérieux expects to meet its target for operating income before non-recurring items, and 2011 **operating margin before non-recurring items** could be close to 18% of sales.

Consolidated balance sheet

- The **installed base** at December 31, 2011 represented approximately 64,800 instruments, an increase of 4,900 new instruments over the year.
- With **net debt** of around €130 million at year-end, the Group generated strong free cash flow that helped to finance acquisitions during the year (around €230 million) and pay the dividend (€39 million).
- The bonds issued by the Greek government in settlement of past-due receivables from **public hospitals**, and maturing in December 2011, were paid on time. However, the decline in market value of public receivables is expected, based on currently available information, to add €6 million to the existing provision. Outstanding receivables remain high in Portugal, Spain and Italy. The Company has tightened procedures with public-sector customers, requiring prepayments for certain orders, repossessing instruments and taking legal action.

Human resources

The Company had 7,014 full-time-equivalent **employees** as of December 31, 2011. This figure was calculated after the discontinuation of production at the Portland, Oregon plant in the United States, which led to 67 separations. It includes the 451 employees at AES Laboratoire and ARGENE and reflects the reinforcement of production and sales & marketing teams. There were 6,306 employees as of December 31, 2010.

FOURTH-QUARTER OPERATING HIGHLIGHTS

Commercial offer

bioMérieux launched 25 **new products** in 2011.

In particular, in the final quarter, the **VIDAS[®] Thyroid** panel was extended with two new parameters, VIDAS[®] Anti-TPO and Anti-Tg, while in December, the **new blood-culture bottle** was CE marked, according to the projected timetable. The new bottle improves antibiotic neutralization and supports better bacterial growth. In addition, the new version of the VITEK[®] 2 **Piperacillin/Tazobactam (TZP)** antibiotic susceptibility test was introduced in markets outside the United States, and a request for clearance was filed with the U.S. Food and Drug Administration (FDA) in late October.

As of end 2011, more than 1,100 instruments installed at customer locations are now connected via **VILINK[™]**, a fast secure network connection that enables remote incident resolution and maintenance of VITEK[®] 2 installations.

A clinical study led by the Sarah Cannon Research Institute demonstrated the utility of **CancerTYPE ID[®]**, a molecular test, developed by bioTheranostics, for the characterization of metastatic cancers of unknown or uncertain origin. The study showed that in patients with Colorectal Cancer Molecular Profile, the test enables physicians to improve patient outcome and to prolong their survival. This is the first time that therapeutic response and patient benefit have been demonstrated based on molecular tumor profiling.

Lastly, on January 5, 2012, the Group sold to Biosynex its 100% stake in the German company, **Dima Diagnostika**, specialized in rapid diagnostic tests, primarily for drugs of abuse, a non-strategic area for bioMérieux. Acquired as part of Meikang Biotech in January 2010, Dima reported revenue of €6.5 million in 2011 with 19 employees.

Integration of **AES Laboratoire** and **ARGENE**

The process of integrating AES Laboratoire and ARGENE proceeded on schedule.

In particular, several bioMérieux subsidiaries now directly market three AES Laboratoire sample preparation instruments (Smasher, easyMix and Dilumat[®] S) and the eviSENSE[®] monitoring and traceability software. Furthermore, effective January 1, 2012, sales teams in France, Germany, Spain, Italy and the United States are being coordinated to jointly promote the bioMérieux and AES Laboratoire product lines.

During the fourth quarter, preparations were also made to merge ARGENE's companies in Switzerland, Italy and the United States with local bioMérieux subsidiaries. ARGENE's complete product offering is being distributed by more than 10 bioMérieux subsidiaries in Europe since January 1, 2012.

Research and Development

- Collaboration with the **Uppsala Clinical Research Center (UCR)**

In December 2011, a strategic agreement was signed with the Clinical Research Center in Uppsala, Sweden (UCR) to collaborate on the development of new biomarkers for cardiovascular diseases. This collaboration with a leading academic institution will enhance bioMérieux's pipeline of innovative laboratory and point-of-care tests for patients with heart disease.

- Inauguration of a joint research laboratory with **Hospices Civils de Lyon**

In late October 2011, bioMérieux and *Hospices Civils de Lyon* inaugurated their joint research laboratory dedicated to prostate cancer research, which was initiated in December 2008 and has been in operation since September 2010. Located at the *Lyon-Sud* hospital center (CHLS), the laboratory currently collects blood, urine and prostate biopsy samples from 650 volunteer patients being treated at the CHLS urology center. The research is focused on developing new biomarkers to improve diagnosis, select the most appropriate treatment strategy (such as radiotherapy, chemotherapy or other targeted therapies) and monitor its efficacy.

Optimizing the production base

- Closure of the **Portland**, Oregon plant (United States)

In line with the projected timetable, production of culture media for routine clinical tests in the United States has been discontinued and the production of other products transferred to other Group facilities. The Portland, OR plant now employs just five people responsible for controlling the remaining output and cleaning the facilities, which will be closed in June 2012.

- Extension of **BacT/ALERT[®]** bottle production

In December 2011, installation of the second blood-culture bottle production line was completed at the Durham, North Carolina plant in the United States. This major, \$27 million investment will eventually double BacT/ALERT[®] bottle production capacity.

- New **culture media** production facility

In December 2011, a new industrial application culture media production unit began operating in Craonne, France. The €6 million investment is designed to meet growing demand, in particular for Count-Tact[™] environmental monitoring media and for LockSure[®] lockable Petri dishes.

OBJECTIVE

In 2012, bioMérieux expects that 2011 trends will continue and targets **sales growth** between 3% and 5% for the year, at constant exchange rates and comparable business base. This objective excludes the impact of the Dima sale and, until July 2012, that of the AES Laboratoire and ARGENE acquisitions, which could add another 3% in growth for the year.

INVESTOR CALENDAR

2011 Results: March 13, 2012 - After close of trading
First-quarter 2012 Sales: April 24, 2012 - After 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 2010 Registration 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 BIOMERIEUX

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 2011, revenues reached €1.427 billion 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 Data

Sales by Region										
In € millions										
	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		12 Months	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Europe ⁽¹⁾	176.9	173.3	181.9	183.7	181.7	173.7	215.0	196.7	755.5	727.4
North America	76.0	69.7	79.1	85.0	75.8	79.4	89.5	84.3	320.4	318.4
Asia-Pacific	46.6	40.8	52.7	47.5	57.6	51.8	68.4	60.4	225.3	200.5
Latin America	28.1	22.8	32.1	27.8	32.2	28.1	33.6	32.0	126.0	110.7
TOTAL	327.6	306.6	345.8	344.0	347.3	333.0	406.5	373.4	1,427.2	1,357.0

Change in Sales by Region										
In %										
	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		12 Months	
	In euros	Organic ⁽²⁾	In euros	Organic ⁽²⁾	In euros	Organic ⁽²⁾	In euros	Organic ⁽²⁾	In euros	Organic ⁽²⁾
Europe ⁽¹⁾	+2.0%	-0.5%	-0.9%	+0.5%	+4.6%	-2.5%	+9.3%	+1.0%	+3.9%	-0.4%
North America	+9.1%	+6.7%	-7.0%	+5.1%	-4.5%	+4.1%	+6.1%	+5.6%	+0.6%	+5.4%
Asia-Pacific	+14.2%	+8.2%	+11.0%	+15.1%	+11.3%	+13.1%	+13.3%	+12.2%	+12.4%	+12.2%
Latin America	+23.4%	+16.3%	+15.2%	+18.9%	+14.9%	+18.9%	+5.1%	+9.3%	+13.9%	+15.5%
TOTAL	+6.8%	+3.5%	+0.5%	+5.1%	+4.3%	+3.2%	+8.9%	+4.5%	+5.2%	+4.1%

⁽¹⁾ Including the Middle East and Africa

⁽²⁾ At constant exchange rates and comparable business base