



PRESS RELEASE – **For Immediate Release**

**First-Half 2005 Results**  
**Sales up 4%** (excluding currency effect)  
**Operating income stable**  
**Net income up 17%**

**(MARCY-L'ÉTOILE - September 26, 2005)** – bioMérieux, a global leader in the field of *in vitro* diagnostics, today announced its financial results for the six months ended June 30, 2005.

Consolidated data (in € millions)	<b>June 30, 2005 (6 months)</b>	June 30, 2004 (6 months)*	% change
Net sales	<b>475.0</b>	459.9	+3.3%
<i>Gross profit</i>	<b>251.2</b>	246.9	+ 1.8%
Operating income	<b>62.2</b>	61.3	+1.4%
Net income of consolidated companies	<b>39.0</b>	33.3	+17.1%

\* Pro forma IFRS

Commenting on the results, Chairman of the Board Alain Mérieux said: "I'm very pleased about the international partnerships and agreements signed during the period, which have strengthened bioMérieux in its strategic fields, as well as the improved earnings in what is still a highly fluctuating environment."

**BUSINESS REVIEW**

- Net sales for the six months that ended 30 June 2005 amounted to €475 million, up a like-for-like 4% from the €460 million reported in first-half 2004. At current exchange rates, sales were up 3.3% for the period.

Like-for-like sales, which were stable in the first quarter (up 0.2%), rose sharply in the second three months, gaining 7.8% on the good performance reported in Europe, the Asia-Pacific Region and Latin America.

- **Geographically**, sales were up across all regional markets:
  - In the **Europe–Middle East–Africa region**, which accounted for 59% of consolidated business, sales at constant exchange rates rose 8.3% in the second quarter, to end the half up 4.7%. Growth was led by strong sales reported in the bacteriology and molecular biology segments, due in particular to the successful market launch of the VITEK®2 Compact system across the region. France, which represented 32% of regional sales, saw sales increase by 5.1% in the second quarter, for a 3.7% gain over the half year. Germany, Spain and the UK (where sales rose 15% in the second quarter) also pursued their expansion, while Turkey enjoyed an especially fast 56% upsurge in sales.
  - In **North America** (25% of the consolidated total), sales rose by 2% over the six months, excluding the currency effect. The improvement reflected a 5.0% increase in the second quarter, when industrial applications returned to more satisfactory growth after the negative impact of prior-year comparatives in the first quarter. In clinical applications, the BacT/Alert® blood culture range and the VIDAS® range both enjoyed very satisfactory growth, of respectively 15% and 13%. The VITEK®2 Compact automated system was introduced in the United States in June at the 2005 American Society for Microbiology (ASM) General Meeting. However, sales growth is still being held back by the decline in demand for non-strategic lines, as well as for coagulation products, where competition remains aggressive.
  - Sales in the **Asia-Pacific** region (10% of the consolidated total) rose by 5.2% at constant exchange rates. In Japan, sales increased a vigorous 7%, primarily on the contribution from clinical bacteriology and industrial applications. In China, invoicing began in August for the more 130 bacteriological instruments installed under the tender awarded early in the year.
  - Sales in **Latin America** (6% of the consolidated total) returned to double-digit growth in the second quarter, driving a 4.7% increase over the first six months of the year. Argentina continued to enjoy very strong growth, with sales gaining 32%. In Brazil, which accounted for 35% of regional business, sales were down on the prior-year period, reflecting the fact that the molecular biology tender for monitoring HIV viral load was not renewed under the same terms as in first-half 2004.
- **In terms of applications**, the clinical segment rose by 4.1% during the first half and the industrial segment by 3.7%, both at constant exchange rates.
  - In the **clinical segment**, bacteriology expanded 8%, with growth continuing to benefit in the second quarter from the launch of the VITEK®2 Compact and a good performance in the BacT/Alert® range. The VIDAS® immunoassays line rose a further 4%, led by value-added tests in the Physician Office Labs segment in the United States and Germany, as well as in the Emergency Room segment. However, sales of routine tests were slower ahead of the planned late-year launch of VIDIA®. In molecular biology, the first half was shaped by the introduction of the easyMAG® system. Coagulation sales were hurt by aggressive competition.
  - In **industrial applications**, sales returned to firm growth in the second quarter, thanks in particular to bacteriological culture media and the VITEK®2 Compact range. Growth for the full six months, however, remained dampened by the decline in sales of blood culture instruments in the United States from the exceptionally high levels recorded in first-quarter 2004.

- The **Reagents/Instruments/Services** breakdown of sales remained stable.
- The **installed base** continued to expand during the period, with 1,600 new instruments installed with customers bringing the total to 40,000 systems at June 30.
- **Twenty new products**—reagents, instruments and software—were launched during the half, including TEMPO®, the first platform dedicated to industrial applications, and easyMAG™, an automated extraction system for molecular biology applications.
- Major **licensing agreements** and **partnerships** set up in the first six months of 2005 included:
  - **Licensing agreements:** Agreements with **B·R·A·H·M·S** to use procalcitonin as a diagnostic marker for severe bacterial infections and with **Roche Diagnostics** to use proBNP as a cardiac marker of congestive heart failure and acute coronary syndrome.
  - **Partnerships:**
    - The **Chinese Academy of Medical Sciences** and bioMérieux will work together on emerging pathogens at a joint research lab in Beijing.
    - Cooperation with **Affymetrix** in the area of *in vitro* diagnostic tests for breast cancer has been broadened.
    - An exclusive licensing agreement has been signed with **DiagnoSwiss** for the development and use of electrochemical microchips, especially in the field of immunoassays.
    - Acquisition of a nearly 6% interest in **Avestha Gengraine**, a Bangalore-based Indian biotech company with which bioMérieux has been working since 2004 to develop new tuberculosis markers.
- Action plans introduced in 2004 to strengthen **quality assurance** in an increasingly stringent regulatory environment were pursued during the period.
  - The company's two main facilities in France, **Marcy-l'Étoile** and **Craponne**, were inspected by the US Food and Drug Administration (FDA) with a satisfactory outcome.
  - In the United States, the FDA conducted an inspection at the **Durham**, North Carolina facility in May covering the micro-plate immunoassay lines produced at the plant, which are only sold in the country. The inspection resulted in a warning letter on July 29. So far, this has had no material impact on sales and initiatives are being implemented to improve the regulatory situation as quickly as possible. The inspection at the **Lombard**, Illinois facility had a satisfactory outcome.
- First-half **capital expenditure** totaled €25 million. In France, spending concerned the Grenoble facility, home to molecular biology operations, and the Craponne (Rhône) facility, where the Petri dish production unit was expanded. Instrument production facilities were enlarged at the Florence plant in Italy, while in the United States, the capital spending program was pursued at the Durham facility, in particular to meet quality assurance requirements.

On top of the ongoing legal proceedings concerning certain patents for HIV2 diagnostic kits, Institut Pasteur recently filed another suit against bioMérieux alleging that some of the company's HIV1 diagnostics products infringe a number of the institute's patents. The proceedings are being closely examined by bioMérieux, in order to respond appropriately. Given that the patents

concerned will expire in the very near future, the company anticipates that sales will not be materially impacted and has no plans at this stage to modify provisions for litigation.

## FINANCIAL DATA

- **IFRS:** The June 30, 2005 financial statements were prepared in accordance with IFRS, with pro forma 2004 financial statements prepared for comparative purposes.

The transition to IFRS has had no material impact on net income, except that goodwill is no longer amortized. This represented an expense of €2.2 million at June 30, 2004.

The reclassification under IFRS of certain expenses, in particular related to the IPO, had no impact on net income, although operating income at December 31, 2004 was reduced by €2.7 million. However, operating income at June 30, 2004, which is shown for first-half comparatives, was increased by €0.9 million.

- **Income statement**

**Gross profit** totaled €251.2 million, representing 52.9% of revenue, compared with €246.9 million and 53.7% at June 30, 2004. The impact of higher raw materials prices was offset by purchasing measures. Gross margin, however, was weighed down by higher production costs stemming from tighter quality assurance systems and increased shipping costs.

- **Selling, general and administrative expenses** were stable at 27.1% of revenue, as sales and marketing teams were strengthened during the period. General and administrative expenses now include expenses related to the listing.
- **Research and development expenses** were held to €63.2 million, versus €62.1 million in the prior-year period, although spending on developing the license portfolio (new biomarkers, Affymetrix, DiagnoSwiss, etc.) rose by €4.4 million from June 30, 2004.
- Other **operating expenses** were much lower than in first-half 2004, during which a portion of the IPO-related expenses (€1.5 million) was recognized.

As a result, **operating income** improved by €0.9 million to €62.2 million, and represented 13.1% of revenue, versus €61.3 million and 13.3% in first-half 2004.

- **Financial cost** fell by €6.4 million, notably due to the decline in net debt and average interest rates. The company also registered foreign exchange gains, whereas 2004 had been adversely affected by non-recurring financial items.
- **Income tax** rose by €1.6 million, amounting to 37% of pretax profit, versus 39% in the prior-year period.

Consequently, **net income** rose by 17% to €39 million at June 30 or 8.2% of sales.

- **Statement of change in net indebtedness and balance sheet**

- In the first half, sustained strong profits and the change in tax liabilities resulted in **free cash flow** of €24 million, before the dividend payout of about €16 million (€0.40 per share).

- As a result, **net debt** was reduced by €9 million to €109 million at June 30, 2005, when it represented 25% of shareholders' equity.

## OUTLOOK

bioMérieux is maintaining its outlook for full-year 2005, with growth in sales, excluding the currency effect, comparable to 2004. In a period shaped by product launches and improvements in quality assurance systems, measures will continue to be taken to contain the impact of higher raw materials prices.

"Growth has been satisfactory over the first six months of the year and we continued to improve our operations," said Benoît Adelus, Executive Vice President of bioMérieux. "This has allowed us to maintain high operating income and improve net income by 17%, while launching new products, investing in research and development and forming new partnerships."

## ABOUT bioMérieux

bioMérieux is a leading international diagnostics group that specializes in the field of *in vitro* diagnostics for clinical and industrial applications. bioMérieux designs, develops, manufactures and markets systems (reagents, instruments and applications) used in:

**Clinical applications:** The diagnosis of infectious diseases such as hepatitis, HIV, tuberculosis and respiratory illnesses, as well as pathologies such as cardiovascular diseases and cancer, based on the analysis of biological samples (such as blood, saliva or urine); and

**Industrial applications:** The microbiological analysis of food, environments (such as water and air), surfaces and pharmaceutical and cosmetic products, based on the analysis of product or environmental samples. bioMérieux has pioneered this business and is world leader.

bioMérieux is listed on the Eurolist of Euronext, Paris (FR0010096479 – BIM).

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## APPENDICES

### bioMérieux CONSOLIDATED INCOME STATEMENT

<i>In millions of euros</i>	<b>JAN 05 - JUNE 05</b>	<b>JAN - DEC 04 (a)</b>	<b>JAN 04 - JUNE 04 (a)</b>
<b>NET SALES</b>	<b>475,0</b>	<b>929,3</b>	<b>459,9</b>
COST OF SALES	-223,8	-432,3	-213,0
<b>GROSS PROFIT</b>	<b>251,2</b>	<b>497,0</b>	<b>246,9</b>
<b>OTHER OPERATING INCOME</b>	<b>3,5</b>	<b>8,9</b>	<b>3,9</b>
SELLING AND MARKETING EXPENSES	-87,9	-167,9	-86,5
GENERAL AND ADMINISTRATIVE EXPENSES	-40,7	-77,1	-38,1
RESEARCH AND DEVELOPMENT	-63,2	-126,8	-62,1
<b>TOTAL OPERATING EXPENSES</b>	<b>-191,8</b>	<b>-371,8</b>	<b>-186,7</b>
<b>OPERATING INCOME BEFORE NON RECURRING ITEMS</b>	<b>62,9</b>	<b>134,1</b>	<b>64,1</b>
NON RECURRING INCOMES AND EXPENSES	-0,7	-4,6	-2,8
<b>OPERATING INCOME</b>	<b>62,2</b>	<b>129,5</b>	<b>61,3</b>
COST OF NET FINANCIAL DEBT	-0,6	-9,3	-6,2
OTHER FINANCIAL ITEMS	0,3	-1,2	-0,5
INCOME TAX	-22,9	-39,3	-21,3
<b>NET INCOME OF CONSOLIDATED COMPANIES</b>	<b>39,0</b>	<b>79,7</b>	<b>33,3</b>
ATTRIBUTABLE TO THE MINORITY INTERESTS	0,0	0,0	-0,1
<b>ATTRIBUTABLE TO THE PARENT COMPANY</b>	<b>39,0</b>	<b>79,7</b>	<b>33,4</b>
NET INCOME PER SHARE (b)	0,99	2,04	0,86

(a) 2004 financial data after IAS / IFRS restatements

(b) In the absence of dilutive instruments, diluted net income per share is identical to basic net income per share

**bioMérieux**  
**Consolidated Balance Sheet**

<b>ASSETS</b> <i>In millions of euros</i>	<b>NET</b> <b>30/06/2005</b>	<b>NET</b> <b>31/12/2004</b> <b>(a)</b>	<b>NET</b> <b>30/06/2004</b> <b>(a)</b>
<b>NON-CURRENT ASSETS</b>			
. Intangible fixed assets	20,5	20,5	24,0
. Goodwill	69,0	66,2	68,4
. Property, plant and equipment	277,0	260,6	257,4
. Financial assets	11,9	11,3	13,2
. Other non-current assets	17,6	16,5	16,9
. Deferred tax assets	25,1	18,6	25,9
<b>TOTAL</b>	<b>421,1</b>	<b>393,7</b>	<b>405,8</b>
<b>CURRENT ASSETS</b>			
. Inventories and work in progress	149,5	129,1	134,3
. Accounts receivable	275,0	263,5	270,6
. Other operating receivables	18,0	18,3	20,6
. Non-operating receivables	5,9	12,1	23,5
. Cash and cash equivalents	17,6	21,9	15,5
<b>TOTAL</b>	<b>466,0</b>	<b>444,9</b>	<b>464,5</b>
<b>TOTAL ASSETS</b>	<b>887,1</b>	<b>838,6</b>	<b>870,3</b>
<b>LIABILITIES</b>	<b>30/06/2005</b>	<b>31/12/2004</b>	<b>30/06/2004</b>
<b>SHAREHOLDERS' EQUITY</b>			
. Share capital	12,0	12,0	11,9
. Additional paid-in capital	63,7	63,7	51,2
. Retained earnings	312,4	248,6	248,7
. Other comprehensive income	-2,5	0,2	-0,9
. Translation reserve	13,9	-13,4	6,8
. Net income for the year	39,0	79,7	33,4
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>438,5</b>	<b>390,8</b>	<b>351,1</b>
<b>MINORITY INTERESTS</b>	<b>0,8</b>	<b>0,7</b>	<b>0,7</b>
<b>TOTAL EQUITY</b>	<b>439,3</b>	<b>391,5</b>	<b>351,8</b>
<b>NON-CURRENT LIABILITIES</b>			
. Long term financial indebtedness	91,6	114,5	127,1
. Deferred tax liabilities	4,4	4,8	5,5
. Non-current provisions	78,5	76,4	77,6
<b>TOTAL</b>	<b>174,5</b>	<b>195,7</b>	<b>210,2</b>
<b>CURRENT LIABILITIES</b>			
. Short term financial indebtedness	35,3	25,5	81,1
. Accounts payable	86,9	87,1	89,9
. Other operating liabilities	119,7	116,4	115,3
. Tax liabilities	18,4	10,6	12,9
. Non-operating liabilities	13,0	11,8	9,1
<b>TOTAL</b>	<b>273,3</b>	<b>251,4</b>	<b>308,3</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>887,1</b>	<b>838,6</b>	<b>870,3</b>

(a) 2004 financial data after IAS / IFRS restatements

**bioMérieux**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET INDEBTEDNESS**

<i>In millions of euros</i>	jan 05-june 05 6 months	jan 04-dec 04 12 months (1)	jan 04-juin 04 6 months (1)
Net income of consolidated companies	39,0	79,7	33,3
Net depreciation and provisions, and others	31,2	80,7	37,8
(Increase) / Decrease in fair value of derivatives	-0,2	0,3	
Net realized capital gains (losses)		-1,3	0,3
<b>Cash flow from operating activities</b>	<b>70,0</b>	<b>159,4</b>	<b>71,4</b>
Cost of net financial debt	0,6	9,3	6,2
Current income tax expense	26,5	37,2	23,5
<b>Cash flow from operating activities before cost of financial debt and income tax</b>	<b>97,1</b>	<b>205,9</b>	<b>101,1</b>
Increase in inventories	-13,1	-9,9	-11,0
Increase in accounts receivable	-0,9	-4,5	-6,5
(Decrease) Increase in accounts payable and other operating working capital requirements	-2,3	5,6	-1,4
<b>Decrease (Increase) in operating working capital requirements</b>	<b>-16,3</b>	<b>-8,8</b>	<b>-18,9</b>
Income tax paid	-15,0	-22,7	-19,9
Cost of net financial debt	-0,6	-9,3	-6,2
Other	-0,7	-2,7	-0,3
(Increase) Decrease in non-current assets	0,8	-1,5	0,7
<b>Decrease (Increase) in working capital requirements</b>	<b>-31,8</b>	<b>-45,0</b>	<b>-44,6</b>
<b>Net cash flow from operations</b>	<b>65,3</b>	<b>160,9</b>	<b>56,5</b>
Purchase of property, plant and equipment	-42,8	-82,6	-37,8
Proceeds on disposal of property, plant and equipment	2,7	6,9	2,3
Purchase of financial assets	-1,5	-0,4	-0,2
Impact of changes in the scope of consolidation (2)		-1,7	-1,7
Loans and advances to affiliates (3)		7,8	7,8
<b>Net cash flow from (used in) investment activities</b>	<b>-41,6</b>	<b>-70,0</b>	<b>-29,6</b>
Capital increase - bioMérieux SA (4)		12,6	
Purchases and proceeds of treasury stocks	-0,1		
Dividends to bioMérieux SA shareholders	-15,8	-30,0 (5)	-30,0 (5)
<b>Net cash flow from (used in) shareholders' equity</b>	<b>-15,9</b>	<b>-17,4</b>	<b>-30,0</b>
<b>CHANGE IN NET INDEBTEDNESS (6)</b>	<b>7,8</b>	<b>73,5</b>	<b>-3,1</b>
<b>ANALYSIS OF CHANGE IN NET INDEBTEDNESS</b>			
Net indebtedness at the beginning of the year	118,1	188,3	188,3
Impact of currency changes in net indebtedness	-1,0	3,3	1,3
<b>Change in net indebtedness</b>	<b>-7,8</b>	<b>-73,5</b>	<b>3,1</b>
- <i>Confirmed facilities</i>	-22,7	-101,4	-61,0
- <i>Cash and other bank deposits</i>	14,9	27,9	64,1
<b>Net indebtedness at the end of the year</b>	<b>109,3</b>	<b>118,1</b>	<b>192,7</b>

(1) 2004 financial data after IAS / IFRS restatements

(2) Net indebtedness of NBMA on the date of its merger into bioMérieux SA (pre IPO transaction)

(3) Repayment of a debt by TSGH (pre IPO transaction)

(4) Offering of new shares to employees, in connection with the IPO

(5) Distribution of dividends decided by the Shareholders' Meeting of April 16,2004 (pre IPO transaction)

(6) Change in net indebtedness, excluding exchange rate effects