

● Infectious Diseases

● Innovation

● International

● Independence

Annual Report

07



BIOMÉRIEUX

from diagnosis,  
the seeds of better health

## Advancing Diagnostics to Improve Public Health

A world leader in the field of *in vitro* diagnostics for 45 years, 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 cardiovascular emergencies and cancer screening and monitoring. They are also used for detecting microorganisms in agri-food, pharmaceutical and cosmetic products.

bioMérieux is present in over 150 countries through 38 subsidiaries and a large network of distributors. The company has more than 5,700 employees throughout the world. In 2007, revenues reached 1.063 billion euros with 84% of sales outside of France.

bioMérieux is listed on NYSE Euronext Paris.



● 10 Research and Development Centers

● 14 Production Sites

● 38 Subsidiaries Worldwide

## P R E S I D E N T ' S M E S S A G E

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Just one year ago, we presented a strategy focused on bioMérieux's areas of excellence - infectious diseases and high medical-value tests - an ambitious strategy envisioned by Dr. Christophe Mérieux. We are proud today of the great strides made by our teams under the leadership of Stéphane Bancel. Major progress was made in every domain in just a few months. With sales of over one billion euros, the company's business activities have accelerated and its results have significantly improved.

2007 showed our ability to implement a new, refocused strategy. **Today, bioMérieux is a company that is constantly adapting to meet the challenges of an environment that is rapidly changing** in all sectors: epidemiology, science and technology, geopolitics and finance.

**To meet these challenges**, we have four major assets to our credit:

– **Our expertise in infectious diseases** allows us today to provide solutions to major public health issues such as AIDS, healthcare-associated infections and sepsis, for which we launched high medical-value tests in 2007. It helps us to extend our activities to the field of cancer. Our know-how in microbiology also gives us a lead in the area of sanitary risk prevention linked to food and industrial safety. The acquisition of the Australian firm, BTF, further strengthens bioMérieux Industry.

– **Scientific and technological innovation** is at the core of our strategy. An investment of almost 132 million euros, teams in operation at ten sites worldwide, and joint research units, combined with an active policy of external partnerships, such as the one with Cepheid, all reinforce our innovation potential. In the area of theranostics, our participation in the ADNA program and agreements signed with Ipsen and Merck & Co. are also important milestones. Others will follow.

– Since its creation in 1963, bioMérieux has always emphasized its **international presence**, whether at commercial, industrial or scientific levels. This is the strategy that has made bioMérieux what it is today. Eighty-four percent of our sales take place outside of France, and our international network was enhanced in 2007 with the opening of two subsidiaries, one in South Africa and another in Algeria, as well as a project in Singapore, bringing the number of our subsidiaries worldwide to 38. We are also planning to open a subsidiary in the Middle East and strengthen our presence in Brazil, Russia, India and China.

– In a fast-moving environment, where major mergers are taking place, **our independence** provides us with the reactivity and flexibility necessary to seize opportunities for alliances, partnerships and acquisitions.

During this past year, we also significantly reinforced our development capacities. We are thus able to pursue our strategic commitment to addressing public health challenges and contribute to the medicine of tomorrow.

**Alain Mérieux**





# 2007 RESULTS

## SOLID, DYNAMIC GROWTH

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“2007 saw a sharp acceleration in bioMérieux’s sales growth and a considerable improvement in operating margin before non-recurring items.

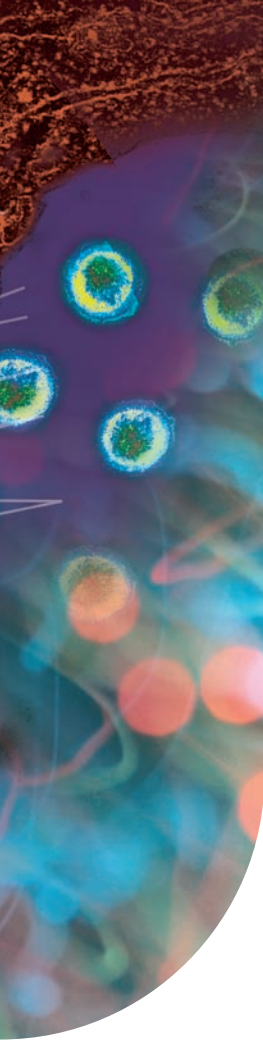
These excellent results were obtained thanks to the total commitment of employees sharing the same strategic vision.

The group’s good momentum means that we can reaffirm our objective of driving an average 7 to 9% annual sales growth through 2012 and raise our targeted 2012 operating margin before non-recurring items to between 16 and 17%, based on 2007 exchange rates.

bioMérieux’s free cash flow and positive cash position enable the company to consider the external development opportunities critical to achieving its strategic goals: to become the leader in *in vitro* diagnostics for infectious diseases and provide clinicians with high medical-value tests to continually improve the quality of patient care.”

**Stéphane Bancel**

Chief Executive Officer



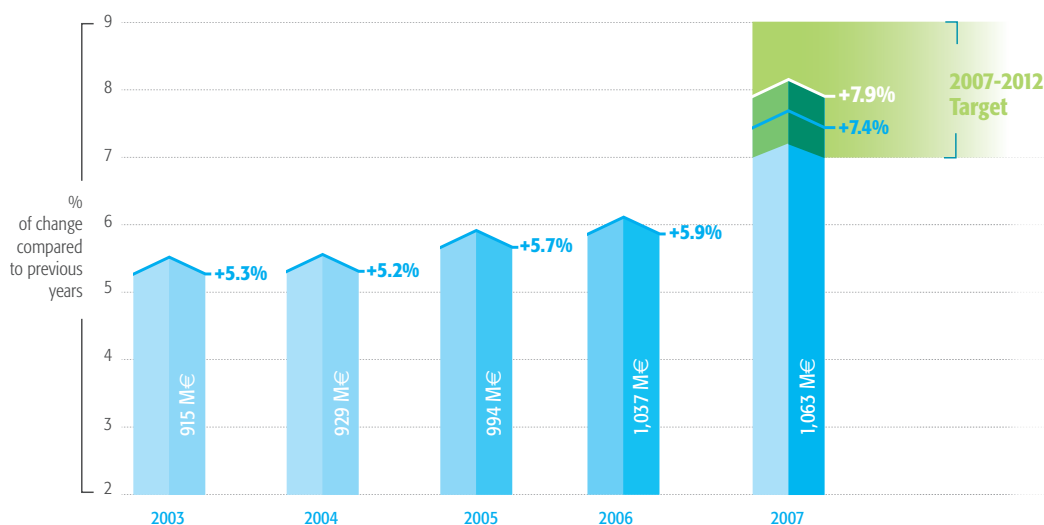
## 2007 RESULTS

### > Acceleration of sales growth

In 2007, sales totaled 1,063 million euros, up by 7.4% at constant exchange rates and scope of consolidation (like-for-like). Organic growth showed a steep increase compared to its usual rate of 5 to 6% observed over the past decade.

Growth reached 7.9% when counting sales linked to recent acquisitions, and new distribution agreements. In the first year of its strategic plan presented at the beginning of 2007, bioMérieux is already in the middle of its annual growth target of 7 to 9% for the 2007-2012 period.

These results are the fruit of the sustained efforts of the company's teams on all fronts.

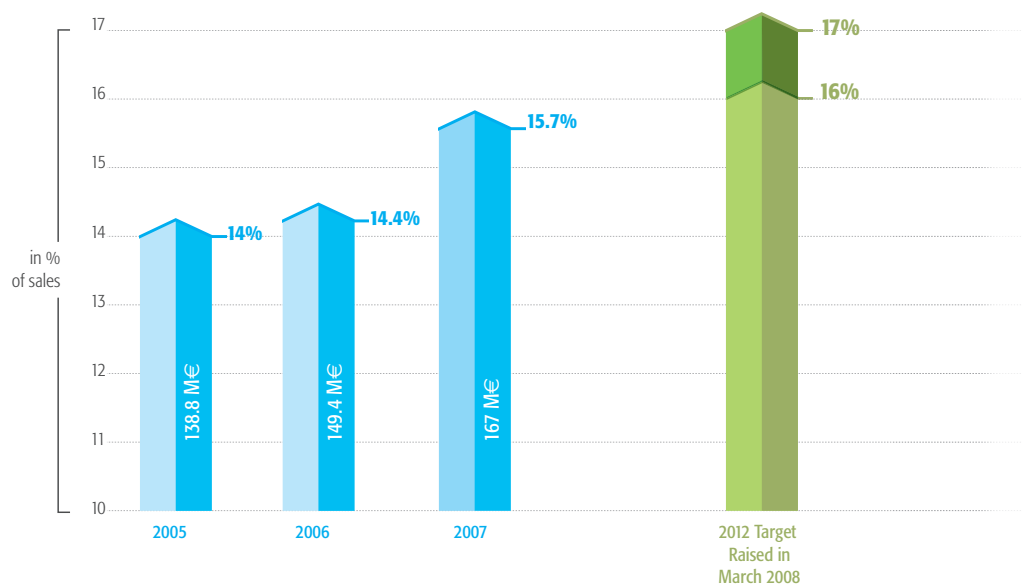


At constant exchange rates and scope

### > Strong improvement in operating income before non-recurring items

Operating income before non-recurring items reached 15.7%, compared to 14.4% in 2006. Excluding the currency effect on sales, operating income would have been at 15.3%, or a 90 basis-point improvement over 2006. This increase in bioMérieux's profitability is due to good control of operating expenses, economies of scale stemming from business growth, greater productivity and a decrease in non-quality rejects.

This strong progression has led bioMérieux to raise its 2012 target for operating margin before non-recurring items to between 16 and 17% (at 2007 exchange rates).

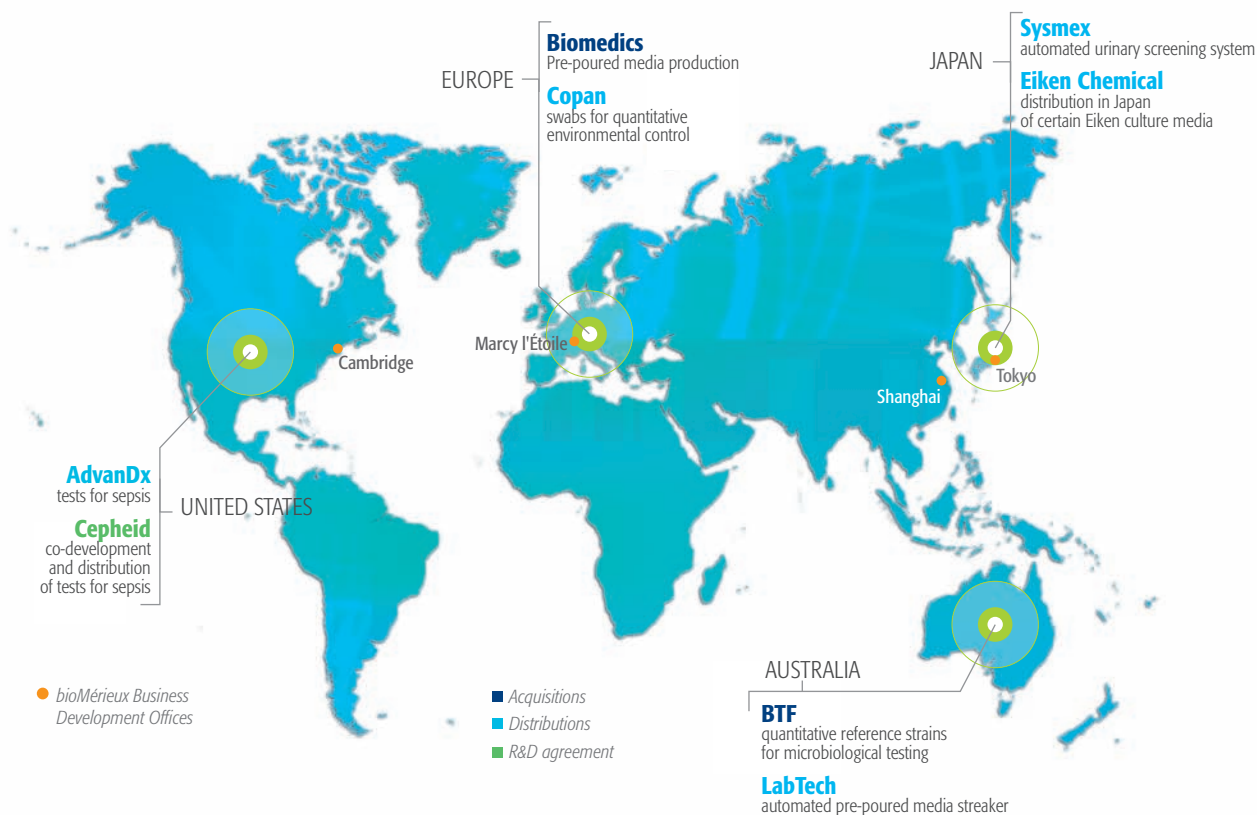


## > Intense pace of new product launches

Sales growth was largely driven by the launch of new products corresponding to bioMérieux's strategic priorities: infectious diseases and high medical-value tests.

Developed through bioMérieux's in-house R&D programs or international partnerships, these products, all launched on schedule, broadened and strengthened bioMérieux's offer worldwide.

The group's business development strategy underwent a real change of scale in 2007, further supporting this trend. With the opening of an office in Cambridge (Massachusetts) and dedicated teams in Marcy l'Étoile, Tokyo and Shanghai, bioMérieux benefits from a new base and is positioned to form partnerships with companies that are leaders in their field on every continent.



## > 8 partnerships and acquisitions concluded in 12 months:

### ... acquisitions

- in Spain, Biomedics for culture media production,
- in Australia, BTF, a firm specialized in the development and production of reference strains for industrial microbiological controls.

### ... distribution agreements

- in Japan, with Systemex for the automation of urinary screening,
- in Japan, with Eiken Chemical Co., Ltd. for the distribution of certain culture media produced by Eiken,
- in the United States, with AdvanDx for molecular-based tests for sepsis,
- in Australia, with LabTech Systems for an automated pre-poured media streaker,
- in Europe, with Copan for the distribution of an innovative sample collection system.

### ... R&D agreements

- in the United States, with the firm, Cepheid, in the area of sepsis.

## > 2 theranostic partnerships

- in France, with Ipsen in oncology,
- in the United States, with Merck & Co. in the area of infectious diseases.





# NEW PRODUCTS

## CLINICAL DIAGNOSTICS

Among the new products, six flagship products were launched on schedule and in line with the company's priority objectives, namely:

- strengthening its position in its field of expertise, microbiology, in both the clinical and industrial sectors,
- developing high medical-value tests, available in particular on the VIDAS® immunoassay platform.

The installed base of bioMérieux systems continued its growth with the installation of 3,800 new instruments over the year, reaching a total of over 49,000 worldwide.

*R&D, quality and production teams were mobilized to launch 33 new products in 2007, complementing and strengthening bioMérieux's offering worldwide.*

## SIX MAJOR LAUNCHES IN 2007

### Sepsis

#### VIDAS® B-R-A-H-M-S PCT

An automated test used to measure procalcitonin for the early detection of severe bacterial infections. This test is particularly useful for assessing the risk of severe sepsis or septic shock in patients in Intensive Care Units. A key addition to bioMérieux's solutions for sepsis diagnosis, this test was launched in 2007 in Europe and in the United States.

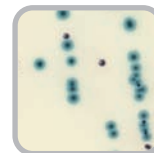
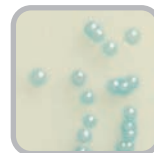
### Healthcare-Associated Infections

#### VIDAS® C. difficile Toxin A&B

The first automated test for rapid detection of both A and B toxins of the bacterium *Clostridium difficile*, responsible for new, sometimes fatal, nosocomial epidemics.

#### chromID™ VRE

This chromogenic culture medium used to detect resistant bacteria responsible for healthcare-associated infections is the ideal complement to chromID™ MRSA and chromID™ ESBL culture media. chromID™ technology ensures particularly rapid identification, significantly reducing response times.





**AIDS**

**VIKIA<sup>®</sup> HIV 1 / 2**

This rapid test for the detection of HIV, is both robust and easy-to-use, taking only 30 minutes. It can be used anywhere: at the point of care, in the emergency room or in the most remote areas.

**Cardiovascular diseases**

**VIDAS<sup>®</sup> NT-proBNP**

This test, which facilitates the diagnosis of heart failure, enhances bioMérieux's VIDAS emergency panel. Launched in Europe at the end of 2007, it received FDA clearance in the U.S. in the first quarter of 2008.

**Cancer**

**NucliSENS EasyQ<sup>®</sup> HPV**

This molecular biology test enables the detection of human papillomavirus (HPV), the main cause of cervical cancer. The detection of the mRNA of the viral oncoproteins E6 and E7, using bioMérieux's real-time NASBA<sup>®</sup> amplification technology, determines the oncogenic activity of the virus and not just its presence (as is the case with DNA amplification methods). This is particularly important for the surveillance and prevention of this cancer and helps avoid unnecessary biopsies and colposcopies.

## THE COMPANY'S NUMBER 1 PRIORITY: ENHANCING MICROBIOLOGY LAB AUTOMATION

The reinforcement of bioMérieux's historical base in microbiology lies in the development of a global offer. In parallel to the launch of new tests, this offer includes solutions aimed at automating every aspect of the microbiology lab workflow: from the reception and distribution of samples, to automated analysis using multiple technologies and interpretation and management of results.

This automation also meets a growing demand from laboratories to cut costs. By making perfectly reliable results available in record time and offsetting an increasing lack of specialized personnel, automation contributes to the control of healthcare expenditures at a more global level.





2007 was witness to major progress in the field of microbiology lab automation with the signing of two agreements, one with the Japanese firm, Sysmex, and the other with the Australian firm, LabTech Systems.

With these two agreements, bioMérieux is expanding its range of automated products in microbiology for the pre-analytical phase in the laboratory. Urinary screening and pre-poured media inoculation are operations that most laboratories still perform manually and, as a result, are time-consuming and potentially subject to error.

– In July 2007, bioMérieux announced an agreement with the number one diagnostic company in Japan, **Sysmex Corporation**, by which bioMérieux becomes the exclusive global partner for the distribution of Sysmex's UF-1000i urinalysis system. bioMérieux will benefit from Sysmex's recognized expertise in diagnostic instrumentation. Commercialization of the platform started in September 2007 in Europe, followed by the United States and other countries at the beginning of 2008.

– In April 2007, bioMérieux signed an exclusive worldwide license agreement with **LabTech Systems Ltd.**, to market their automated system for pre-poured media (PPM) streaking. The system, which will be launched by bioMérieux starting in the fall of 2008 under the brand PREVI™ Isola, can be used by clinical and industrial microbiology laboratories for routine PPM inoculation.

bioMérieux also acquired a nearly 10% stake in the company, which is specialized in healthcare services and equipment.



## > bioMérieux is the only company able to offer an entire range of automated systems for microbiology laboratories, including:

- urinary screening (Sysmex UF-1000i) ,
- immunological identification of bacterial toxins (mini VIDAS®),
- blood culture (BacT/ALERT®),
- automated Gram staining (PREVI™ Color Gram),
- pre-poured media streaking (PREVI™ Isola),
- microbial identification and antibiotic susceptibility testing (VITEK® 2 and VITEK® 2 Compact),
- software for result interpretation (Advanced Expert System™),
- microbial genotyping (DiversiLab™),
- specific and rapid detection of bacteria and viruses through molecular diagnostics (NucLiSENS® range).

### Full Microbiology Lab Automation



## VIDAS®: HIGH MEDICAL-VALUE TESTS

With 21,500 VIDAS® and mini VIDAS® systems in clinical laboratories throughout the world, bioMérieux has the second largest installed base of immunoassay systems worldwide. This unique base facilitates the large-scale launch of new parameters, making them rapidly accessible to a great number of biologists and clinicians.

With a current menu of 88 parameters, the VIDAS system has become a system of reference for “point of care” facilities, a strategic target for bioMérieux.

In 2007, three new high medical-value parameters were added to the VIDAS platform menu, developed in particular for emergency situations in the following areas: sepsis management (PCT), healthcare-associated infections (*Clostridium difficile* A & B) and cardiovascular diseases (NT-proBNP).



## MOLECULAR BIOLOGY

### > An extended menu...

The NucliSENS EasyQ® product line was extended with three new high medical-value tests.

- **NucliSENS EasyQ® HPV** (see 6 Major Launches, page 9)
- **NucliSENS EasyQ® Influenza A/B**, test for the amplification, detection and differentiation (in real-time using bioMérieux’s NASBA® technology) of two types of the flu virus, Influenza A and Influenza B, from a single processed specimen. NucliSENS EasyQ® Influenza A/B is extremely accurate (95%) and provides results in just four hours.
- **NucliSENS EasyQ® hMPV** for the amplification and detection (in real-time using bioMérieux’s NASBA® technology) of RNA from human metapneumovirus (hMPV), one of the leading causes of respiratory infections in children under three.

### > ... a new connectivity

To optimize laboratory workflow, bioMérieux proposes **NucliSENtral™**, a new integrated software system making it possible to link up to 20 NucliSENS® easyMAG® and NucliSENS EasyQ to the LIS (laboratory information system). NucliSENtral offers totally secure and automated data transfer and exchange.





## INDUSTRIAL MICROBIOLOGY

### > Food safety

2007 saw the launch of four important products:

- **DiversiLab™**, for the genotyping of microorganisms, such as Salmonella, for use in the agri-food industry,
- **MiniBags culture media** that provide a greater degree of safety when they are used in industrial microbiology laboratories, due to their new format and glass-free packaging,

*In 2007,  
the industrial microbiology  
business was boosted  
by an enhanced product  
portfolio and the acquisition  
of the Australian company,  
BTF and its unique  
technology:  
BioBall®*

- **chromID™ Sakazakii** chromogenic culture medium for the detection of a bacterium present in infant milk powder, addressing a major public health issue,
- **VIDAS® Heat & Go**: this product, linked to the VIDAS® system, allows the simplification of upstream sample preparation steps. It contributes to improving and accelerating workflow in the laboratory.

### > Pharmaceutical industry

The company's product portfolio was extended in 2007 with the launch of four new flagship products:

- **DiversiLab™** identifies potential contamination sources in pharmaceutical production facilities,
- **TSA 3P™ Pack +**, an innovative culture media, combining high microbiological performance and room temperature storage, for air quality monitoring,
- **Count-Tact™ 3P™ Pack +**, culture media that can be stored at room temperature to monitor surface quality,
- **QUANTISWAB™ by Copan**: bioMérieux is the company's exclusive worldwide partner for the distribution of their innovative nylon flocked swabs used to perform quantitative environmental control in pharmaceutical manufacturing facilities.

### > Enhanced connectivity

New solutions were also implemented in 2007 to improve workflow and data management within the laboratory:

- **In the pharmaceutical sector**, the exclusive worldwide agreement signed in October 2007 with Compliance Software Solutions Corporation (CSSC) by which bioMérieux will market CSSC's MIMS™ software with its VITEK® 2 Compact microbial identification system. This software package provides total traceability and ensures optimal operation and in-depth knowledge of the efficiency of environmental control systems.
- **In the agri-food sector**, with the launch of BCI-Net in October, bioMérieux is the first company to propose bidirectional connection between the laboratory information management system (LIMS) and its systems for the detection of pathogens (VIDAS®) and for the enumeration of quality indicators (TEMPO®).



**Deserved Recognition**

**for the TEMPO® System**

Launched in 2006, this automated testing system for the enumeration of quality indicators was chosen by the USDA (United States Department of Agriculture) within the framework of its Microbiological Data Program (MDP). The MDP is a monitoring program to capture baseline data on the occurrence of foodborne pathogens, implemented in 2001 by the USDA.

In collaboration with state agriculture laboratories and other federal agencies, the MDP program manages the sampling, collection, analysis, data entry, and reporting of foodborne pathogens on selected agricultural commodities. It screens more than 11,000 samples of fresh fruit and vegetables annually.

TEMPO® is used to enumerate *E. coli* in fresh produce within national laboratories that participate in the MDP program. Its use by the USDA, a reference in the field of food safety, is testimony to the quality and performance of TEMPO®, the only system of its kind today.



**> BTF: an innovative company and a complementary offer**

Based in Sydney, Australia, BTF proposes precise quantitative reference standards for microbiological testing in quality control laboratories in the pharmaceutical, food and water treatment sectors. Its researchers have developed an innovative new technology, BioBall®, to produce products made up of a specific number of biological particles (bacteria, yeasts, molds, etc.). This extremely precise technology preserves organisms and extends their lifespan. It is used to make precise reference samples for quality control in analytical laboratories and to validate microbiological methods.

BTF's product line and expertise are a valuable addition to bioMérieux Industry's portfolio. They will enable bioMérieux to provide its customers with the latest technology to meet their quality assurance requirements.

Publication of the

**→ Food Safety Handbook: Microbiological Challenges**

At the end of 2007, bioMérieux published a handbook on food safety for food industry professionals. The handbook benefits from the contributions of 24 international experts.

The "Food Safety Handbook" offers an in-depth analysis of microbiological food safety challenges. Chapters cover key issues in food safety within the context of a changing global market: current and emerging foodborne pathogens, customized approaches, integrated food safety and quality systems, as well as new developments in diagnostic tools.





# INNOVATION

In 2007, bioMérieux focused on extending its know-how in its key technologies by investing 132 million euros in programs, both internally and externally, through partnerships to integrate innovative technologies. More than 900 people at ten research sites worldwide contribute to this endeavor.

*bioMérieux's R&D strategy aims at developing global disease management solutions, providing stakeholders in the healthcare field with adapted and complementary tools based on microbiology, immunoassays and molecular biology. bioMérieux is the only in vitro diagnostics company today that masters these three technologies, essential to the diagnosis of infectious diseases. This approach means greater expertise for more effective treatment of patients and their diseases.*

## DISEASE MANAGEMENT SOLUTIONS

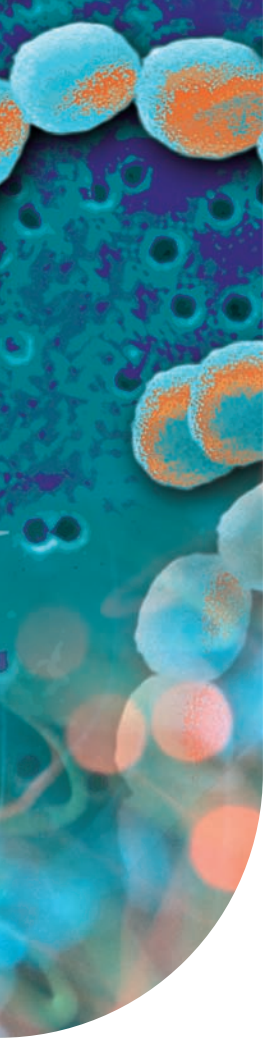
Integrated approaches, such as those developed to manage sepsis and healthcare-associated infections, are representative of the global disease-oriented approach that took hold in 2007.

### > Sepsis

bioMérieux is the market leader for sepsis and proposes a triple approach for biologists and clinicians:

- **Microbiology**, with the BacT/ALERT® (blood culture) and VITEK® (identification and antibiotic susceptibility testing) product ranges,
- **Immunoassays** with, in particular, the launch in 2007 in Europe and the United States of VIDAS® B.R.A.H.M.S PCT, an automated test to measure procalcitonin (PCT), a biological marker of bacterial infections. Since the development of severe bacterial infections is affected by how early the patient receives appropriate treatment, measuring PCT levels is valuable in ICUs where sepsis represents a major health challenge. PCT testing is frequently performed in Europe, where it is used in numerous hospitals and healthcare settings.
- Innovative **molecular biology** tools to significantly reduce the time to result and favor rapid decisions by clinicians.

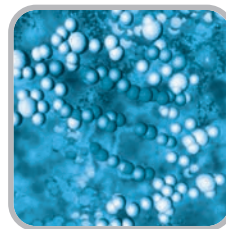
In 2007, bioMérieux signed **an agreement with AdvanDx** for the distribution in the United States of its rapid diagnostic tests: PNA FISH™ (Peptide Nucleic Acid Fluorescence *In Situ* Hybridization). These molecular-based tests provide rapid species identification of bacteria and yeast from positive blood cultures in less than three hours.



To reduce the time to result even further, bioMérieux signed **an agreement with the Californian firm, Cepheid** in January 2007 for the development and marketing of sepsis detection tests. The tests, co-developed within the framework of this partnership, will be available on Cepheid's GeneXpert platform. The menu will consist of tests to identify bacterial and fungal pathogens, as well as a series of genetic markers for bacterial antibiotic resistance. Cepheid will be responsible for manufacturing and bioMérieux for exclusive worldwide commercialization of the tests. These innovative products will provide entirely automated results in just a few hours, from patient blood samples.

“ In the area of sepsis, bioMérieux wants to deliver high medical-value tests to clinicians, which significantly reduce the time to result to improve patients' survival odds. The GeneXpert Sepsis Research Program is an example of this commitment. ”

Stéphane Bancel

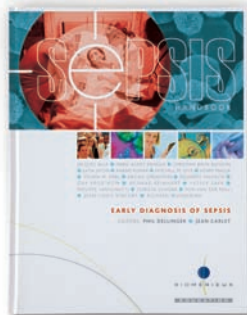


Publication of

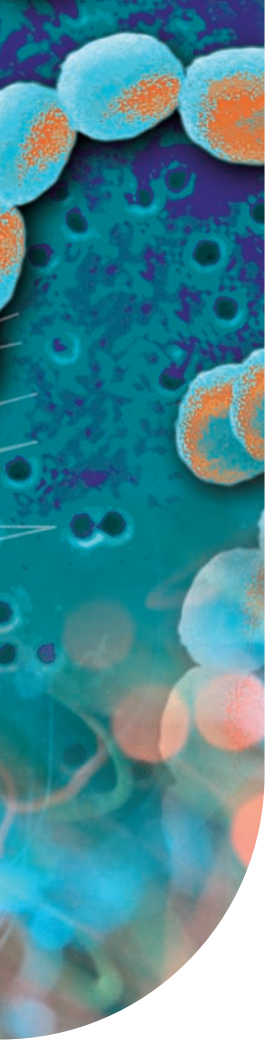
→ **Sepsis Handbook**

With the participation of world-renowned experts, bioMérieux published a reference manual, the “Sepsis Handbook”. This publication, presented at the International Sepsis Forum in Paris in September 2007, covers the current impact of sepsis on public health, the physiopathology of the disease and early diagnosis.

The importance of early diagnosis of sepsis in improving the patient's survival odds is the central theme of the manual that includes an in-depth analysis of the detection of the bacterial pathogen responsible for the majority of sepsis cases. Host response biomarkers that may contribute to a better understanding of both the sepsis stage and its severity are also addressed.







2007

FROST &amp; SULLIVAN

European Healthcare-Associated Infection Control  
Technology Leadership Award

## > Healthcare-associated infections

In the area of nosocomial infections, bioMérieux also proposes solutions based on three key technologies for biologists and clinicians:

- **Microbiology**, completing the BacT/ALERT® blood culture system and the chromID™ MRSA chromogenic media product range, bioMérieux's offer was expanded in 2007 with the launch of chromID™ VRE and chromID™ ESBL media. These innovative media allow the highly specific detection of resistant bacteria in a single step (with no previous isolation), enabling clinicians to quickly choose an adapted treatment.
- **Immunoassays**, the new VIDAS® *C. difficile* Toxin A&B test makes it possible to detect the most toxic strains of this emerging pathogen in the hospital environment.
- **Molecular biology systems** with the DiversiLab™ line, launched worldwide in 2007 and NucliSENS® MRSA (in development). The DiversiLab platform, resulting from the acquisition of **Bacterial Barcodes, Inc.**, allows the genotyping of bacterial strains in just several hours, when traditional techniques are longer, complex and less reliable. The DiversiLab system can be used to determine whether or not resistant bacteria identified in different patients are the same strain, therefore making it possible to identify the source of a potential hospital epidemic. DiversiLab is also bioMérieux's **first "online" system** linked to a central server, enabling users to interpret results in real-time using a centralized data bank.

### The First World Healthcare-Associated Infections (HAI) Forum

Upholding its commitment to the fight against healthcare-associated infections, bioMérieux organized its First World Forum on Healthcare-Associated Infections (HAI) at the Mérieux Foundation Conference Center, Les Pensières (Annecy, France).

The biannual forum provides a unique opportunity to explore new measures to fight this major healthcare concern. The forum brought together 50 international experts representing the medical and scientific community who exchanged ideas on themes such as the latest research advances, programs designed to reduce mortality rates, or the management of health costs linked to these infections. The second forum will take place in June 2009.



## A JOINT RESEARCH UNIT NETWORK

bioMérieux gives special weight to international partnerships with public or private research organizations, as well as with the medical community. For a number of years, joint laboratories have been set up within scientific research units and hospitals. This is one of the specificities of bioMérieux's innovation strategy. By encouraging the pooling of complementary techniques, resources and knowledge, and by combining the know-how of employees and that of researchers and physicians, this network strategy accelerates the development of new solutions to improve the quality of patient care.

In the technological and scientific arena, bioMérieux teams benefit from priority access to specialized, high-level expertise and infrastructures. Two joint research units were thus created with the CEA (French Atomic Energy Commission) several years ago: one in Saclay, specialized in protein engineering, and the other in Grenoble with the CEA/Leti\*, specialized in microtechnologies.

bioMérieux has also set up joint research units within hospitals and medical research centers to be closer to clinicians, to better understand their needs and have direct access to clinical cases and patient samples while they are still hospitalized and being monitored.

bioMérieux therefore works with the Civil Hospitals of Lyon and the Edouard Herriot Hospital in particular, where a joint unit is specialized in research on sepsis and rheumatoid polyarthritis.

Likewise, the research laboratory created in 2006 in China at the Fudan University Cancer Hospital in Shanghai, the biggest oncology center in China, is focusing on cancer markers. The first joint programs in the areas of colorectal and breast cancer were initiated in summer 2007.



\* CEA/Leti: the Laboratory for Electronic and Information Technology at the CEA, French Atomic Energy Commission

## THERANOSTICS TO ADVANCE PERSONALIZED MEDICINE

bioMérieux has made personalized medicine a strategic objective and theranostics a priority. bioMérieux intends to become a partner of choice for pharmaceutical companies and biotechs.

The field of theranostics is the association of a diagnostic test with a therapy.

- Theranostics **empowers physicians** with high medical-value testing for science-driven treatment decisions.
- Theranostics improves **patient outcomes** and **patient safety**. By identifying patients who won't respond to a drug or who will respond poorly, theranostics reduces trial-and-error prescription and adverse events, thereby delivering more cost-effective care.
- For pharmaceutical companies, theranostics **lowers the cost and time of drug development**, clinical trials and regulatory approval, by pinpointing those patients most likely to benefit from the new drug being tested.

### > An important stride was made in 2007 with the signature of a partnership agreement with the pharmaceutical firm, Ipsen

This agreement is in the area of personalized medicine in oncology. bioMérieux will devise a “companion” assay for a new molecule for breast cancer treatment in phase 1 clinical development by Ipsen. As part of the agreement, bioMérieux will design a test to determine the patients best suited to benefit from the new treatment. The assay is intended for both the clinical development of the Ipsen drug as well as a diagnostic test, potentially for future commercialization by bioMérieux.

### > A second agreement was also signed in 2007 with Merck & Co., Inc. in the area of infectious diseases

Other agreements are under discussion with a dozen companies. The opening in 2007 of a dedicated theranostics division in Cambridge (Massachusetts, USA), a city with an especially high concentration of biotechnology firms and research centers, puts bioMérieux in a hub for personalized medicine, in direct contact with the most influential players in the field.

### > ADNA

**bioMérieux's participation in the ADNA program** (Advanced Diagnostics and New Therapeutic Approaches), funded by the French Industrial Innovation Agency (recently integrated into OSEO, the French Government Agency for Innovation Financing for Small and Medium-Size Companies) is also representative of the company's commitment to theranostics. Within the framework of this program, bioMérieux focuses on the development of a new, entirely integrated platform that will make it possible, using DNA chip technology, to identify molecular signatures as well as to discover and validate new biomarkers. The program, which will provide new theranostic tools for personalized medicine, is now awaiting authorization from the European Commission's Directorate General for Competition.

bioMérieux teams from the Christophe Mérieux Center in Grenoble, dedicated to molecular biology and microsystems, and joint research units created with the Civil Hospitals of Lyon and Leti contribute to this program.

**In oncology**, work is focused on the research and validation of biomarkers for the development of early detection tests for breast and colon cancer. The agreement signed with Ipsen is part of this strategy. A partnership was also initiated with Transgene for lung cancer research to identify patients likely to benefit from new therapeutic vaccines developed by Transgene.

**In the area of infectious diseases**, programs deal primarily with sepsis and research into blood biomarkers that make it possible to determine the stage of the patient's illness (host response) and to make a prognosis for the disease's evolution.



# INTERNATIONAL

Three factors had a particular impact on the 2007 results: the return to sales growth in France, despite high market share and intense competition, excellent performance in North America, and the confirmation of China's strong potential.

*In 2007, bioMérieux continued its overall market growth with 84% of its activity outside of France. It strengthened its international presence with the creation of two new subsidiaries, bringing the total number of its subsidiaries worldwide to 38, the only network of its kind in the field of in vitro diagnostics.*

## EUROPE, MIDDLE EAST, AFRICA: GOOD RESULTS

This region recorded overall growth of 5.6%, with a considerable rise in Germany (above 10%), Great Britain, Italy and Spain, as well as in Africa and the Middle East. In clinical applications, growth was boosted by the microbiology product lines, VITEK® 2 in particular, and by molecular biology. In Great Britain, a major contract was signed with National Procurement, a division of the National Health Service (NHS) of Scotland and the Scottish Microbiology Forum, for the supply of the VITEK 2 system for each of the NHS's 27 clinical microbiology laboratories.

Sales of immunoassay products increased slightly. New products with high medical-value such as VIDAS® B.R.A.H.M.S PCT, which got off to an excellent start in just six months, as well as instrument sales, enabled the VIDAS® product line to resume growth. Competitive pressure remained high in the microplate market. Industrial applications growth reached 7.8%.

Some difficulties were observed in Portugal, where there is a pricing issue, and in Russia where the market is competitive and remains unstable.

The outstanding event of 2007 was France's return to positive growth. This was primarily due to the launch of new high medical-value parameters and particularly those designed for emergency testing: VIDAS B.R.A.H.M.S PCT and VIDAS® NT-proBNP. The new rapid HIV test, VIKIA® HIV 1 / 2, frequently used within the context of double testing required by French law, got off to a very positive start.



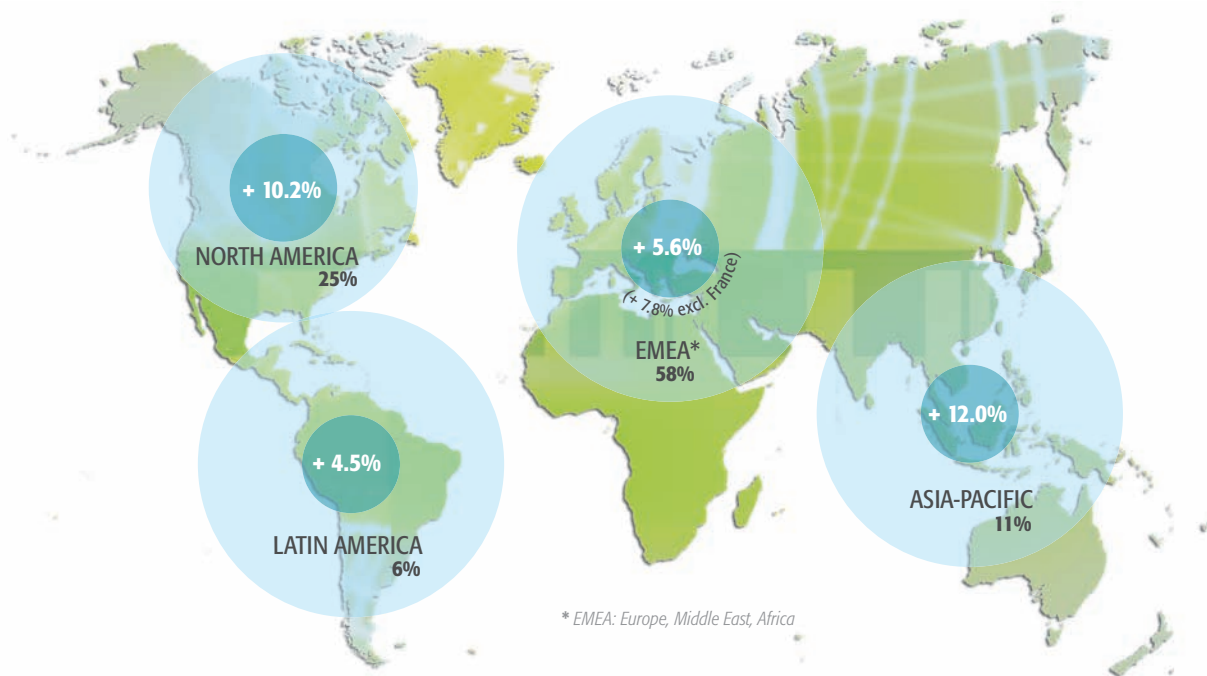
## NORTH AMERICA: DOUBLE-DIGIT GROWTH

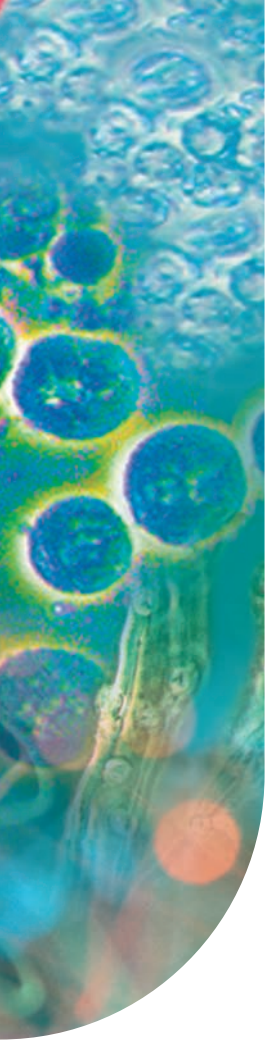
The United States and Canada experienced growth of more than 10%. The growth in clinical applications was leveraged in large part by the microbiology product lines - especially VITEK 2 and BacT/ALERT® - and by molecular biology.

Industrial applications, up by 13.2%, benefited from the dynamism of the VITEK 2 and BacT/ALERT (for sterility testing) lines and the impressive start of TEMPO®, launched at the beginning of the year in the United States. Within the framework of an agreement signed with the USDA (United States Department of Agriculture), TEMPO systems were installed in the nine laboratories of the USDA-MDP program, financed by cooperation agreements between each state and the USDA (see New Products).

To give impetus to this positive trend, sales and technical support teams in the United States will be strengthened in 2008.

### > Business by region





## ASIA-PACIFIC: CONFIRMATION OF CHINA'S STRONG POTENTIAL

This region attained global growth of 12% with extraordinary performances in China (growth of almost 20%), South Korea and Australia.

Japan saw a slight increase in its sales, due in particular to the major contract signed with BML, Inc. (BioMedical Laboratories), the leading laboratory chain in Japan, that plans to order 28 VITEK® 2 XL.

Overall, the microbiology, immunoassay and molecular biology product ranges all drove clinical applications growth in the Asia-Pacific Region.

China has a significant installed base of bioMérieux molecular diagnostics (NucliSENS EasyQ® and NucliSENS®easyMAG®). Today, the Chinese Centers for Disease Control (CDC) are all equipped with these systems.

Industrial applications showed a steep increase in growth of over 12%.

### bioMérieux Industry

#### Partner of the Olympic Games in Beijing

The result of a long-standing partnership with the Chinese health authorities, bioMérieux was chosen by the Beijing Organizing Committee for the Olympic Games to provide equipment for official control laboratories responsible for ensuring the quality of the food for athletes. The VIDAS® and TEMPO® systems will be used to monitor microbiological quality.

Today, bioMérieux is leader in industrial applications in China, a country that has made food safety a national public health priority.



## LATIN AMERICA: CONTRASTED RESULTS

Sales rose by 4.5%. Growth was strong in Mexico and Argentina with increases of 13 and 21%, respectively. The Brazilian subsidiary experienced a setback of its sales in molecular biology (following the loss of an important HIV viral load contract) and in microplates. The situation, however, picked up at the end of the year.

Industrial applications escalated 37% in volumes that were nevertheless limited. Distributors in other countries in the Latin America zone obtained good results in microbiology and also with the VIDAS® product line.

### Boosting bioMérieux's Commercial Organization at the Corporate Level

bioMérieux reorganized the management of its commercial operations, federating sales, marketing, customer service and medical affairs under a single global entity. The goal is to strengthen synergies between the different functions, as well as between different countries, encouraging decompartmentalization, mutual approaches, information sharing and an improved interface between R&D, marketing and strategy teams.

Originally organized according to analysis technology (microbiology, immunoassays, molecular biology), marketing functions have been reorganized according to specific pathologies, to better meet the needs of clinicians and biologists.

## TWO NEW SUBSIDIARIES

With two new subsidiaries, in South Africa and Algeria, bioMérieux reaffirmed its ongoing international development strategy. The company's international scope should continue its expansion in the coming years, particularly in the Middle East, Asia, Africa and Eastern Europe.

### > South Africa: meeting major public health demand

Based in Johannesburg, the new bioMérieux subsidiary created in December 2007 will provide support to all of sub-Saharan Africa, a region with extensive public health needs. The company's diagnostic tests had been marketed in South Africa by OmniMed, bioMérieux's exclusive distributor since 2001. The OmniMed *in vitro* diagnostics team has joined the new subsidiary.

bioMérieux intends to strengthen its commitment in South Africa by establishing partnerships with local research centers, mainly in the area of AIDS, and by developing training programs for healthcare professionals and laboratory technicians. Particularly active in the fight against AIDS in this country (with a major contract to supply tests to monitor viral load), bioMérieux will also make healthcare-associated infections a priority.

### > bioMérieux, the first *in vitro* diagnostics company to open a subsidiary in Algeria

After 30 years of collaboration in Algeria, bioMérieux initiated the creation of an Algerian subsidiary that will open its doors in 2008. This new subsidiary, based in Algiers, will reinforce bioMérieux's presence in Africa.

Within the framework of its 2005-2009 Healthcare Development Program, Algeria will open more than 100 healthcare establishments. bioMérieux will provide these structures with its expertise in the fight against infectious diseases and will participate in the scientific training of healthcare professionals. bioMérieux intends, in particular, to play a major part in protecting patients from healthcare-associated infections.





# INDUSTRIAL INVESTMENTS

51 million euros were invested in the maintenance and development of bioMérieux sites in 2007. Emphasis was placed on contingency planning, capacity and aligning production infrastructures across the different sites. 2,300 people are involved in manufacturing, quality control and quality assurance teams worldwide.

*Our bio-industrial force is key to our strategy. Its reliability and performance are essential for delivering, in the shortest time possible, products used by healthcare professionals to make critical medical decisions. For many years now, bioMérieux has upheld a policy of regular and substantial industrial investments in its sites worldwide.*

In 2007, these teams made it possible to produce 460 million diagnostic tests, install close to 3,800 new automated systems and make them accessible to customers all over the world.

## > The four pillars of bioMérieux's industrial strategy:

- promptly satisfy customer demands in its priority markets by optimizing and increasing production capacity,
- ensure a high level of quality in compliance with the most rigorous international standards for products important to public health. In 2007, all of bioMérieux's sites worldwide had their ISO 13485 certification renewed,
- integrate new requirements linked to environmental respect into its manufacturing processes. Significant progress was made in this area in 2007, as illustrated in the "Initiatives" section,
- continuously improve the performance of the industrial network, by optimizing resources.

## > Specialized sites

bioMérieux decided to focus its main production centers on specific areas of expertise to leverage economies of scale, synergies between research and production, standardized processes and knowledge sharing. The historical site of Marcy l'Etoile is now specialized in immunoassays, Grenoble in molecular biology, Craponne in manual culture media (in the *in vitro* diagnostics industry, Craponne is the leading production facility for pre-poured media in Europe), La Balme in manual and automated microbiology, Saint Louis in automated microbiology with, in particular, the entire production of VITEK® systems and cards, Durham in blood culture, and Florence in systems used for immunoassays and industrial microbiology.



Moreover, a network of regional sites has been set up for manual culture media, whose storage conditions, or local customization, require that production and consumption be within close proximity of each other. Sites in Basingstoke (U.K.), Brisbane (Australia), Lombard (IL, U.S.), Rio de Janeiro (Brazil), and a new site in Madrid (Spain - see below) all gravitate around Craponne, the main site for global culture media production.

### > Closing the Boxtel site

The decision was made in 2007 to close the Boxtel site in the Netherlands within the next two years. The Boxtel site was inherited when bioMérieux acquired Organon Teknika in 2001. Since that time, the market for the immunoassay microplates produced there has changed dramatically and become increasingly competitive. bioMérieux is committed to providing immunoassay microplates because of the vital role they play in public health and needed to readjust its manufacturing costs to the realities of the markets where the product is used: Asia, Eastern Europe, South America, the Middle East and Africa.

**Three decisions were made to ensure the continuity of activities carried out at this site and to satisfy customers' needs:**

- the transfer of molecular biology activities (R&D and production) to the Grenoble site, where a production facility will be built adjacent to the R&D laboratories, reinforcing the site's molecular diagnostic activities;
- the transfer of R&D and raw material production for immunoassays to the Marcy l'Etoile site;
- the creation of a production unit in Shanghai, China, within the framework of a joint venture with Shanghai Kehua Bio-engineering for the production of immunoassays, in particular tests on microplates, to meet the region's high demand for this type of product. The agreement was signed in January 2008.

### > An industrial strategy aligned with company objectives

Teams at the Craponne, La Balme, Saint Louis and Durham sites focused on the microbiology range in 2007, leading to a clear improvement in the level of customer service.

- In Saint Louis in the spring of 2007, the technical team validated new equipment to satisfy increasing demand for VITEK® 2 cards.
- In Durham, a multi-year investment plan was confirmed in the summer to increase production capacity and quality for reagents in the Bact/ALERT® product line.
- 2007 was a particularly memorable year for immunoassay manufacturing on the Marcy l'Etoile site, which demonstrated world-class performance in all areas: cost, quality, service and safety. The site's R&D, manufacturing and quality teams also successfully prepared an FDA inspection held in early 2008.

**The acquisition in April 2007 of the Spanish company, Biomedics**, specialized in culture media, is also an integral part of this strategy since it has considerably increased bioMérieux's pre-poured media (PPM) production capacity in Europe. Investments are planned to further develop production capacity over the next few years.

At the beginning of June, bioMérieux also signed an **agreement with the Japanese diagnostics firm, Eiken Chemical**. Through this collaboration, which took effect in August 2007, Eiken Chemical will produce certain culture media commercialized by bioMérieux in Japan.

The partnership should also improve bioMérieux's responsiveness and competitive edge on this market.





## FOUR PRINCIPLES TO FURTHER OUR MISSION

- Customers come First
- Employees are our Greatest Asset
- We Belong to a Community
- Our Shareholders are Partners

# INITIATIVES

## DEVELOPING A CULTURE OF EXCELLENCE

2007 achievements were made possible thanks to the dedication of bioMérieux employees at every level. Because these teams are the backbone of the company - as proven by the past year's progress - the Human Resources Department initiated an ambitious global training policy to fuel their development.

*Encouraging in-house initiatives, providing resources to make them happen, forging ahead with new projects in the communities to which bioMérieux belongs were the company's key endeavors in 2007.*

The goal is to provide employees with new tools to help them meet the challenges of an increasingly complex environment and to enable each one to develop his or her talents and know-how to effectively contribute to the company's objectives.

The first training programs designed for managers were kicked off in September in the United States and in October in France. The programs, which will be extended to all managers, cover three main subjects: discovery of bioMérieux, its environment and products; management fundamentals and tools; and leadership within the context of managing change.

In parallel, a new training program was validated, designed for all employees and new arrivals in particular. It will gradually be implemented, starting in the second semester 2008.

### **Human Resources Department: Closer to the Teams**

2007 also saw the reorganization of the Human Resources Department, with the major aim of being as close as possible to teams in the field and providing greater support to the company's functions: marketing, sales, R&D, manufacturing. Following the restructuring, there is an HR representative for each of the main regions and functions.

In addition to this, the Human Resources Department bolstered its corporate team with the arrival of managers in charge of training and recruitment whose mission will be to standardize policies and practices worldwide.



## CORPORATE INITIATIVES...

In 2007, bioMérieux devoted 2.7 million euros to corporate sponsorship.

### Internationally

#### > Partner of the Mérieux Foundations

For many years now, bioMérieux has supported the actions of the Mérieux Foundation and of the Christophe and Rodolphe Mérieux Foundation whose aim is to fight against infectious diseases in disadvantaged countries by strengthening their clinical biology capabilities. The company contributed 1.9 million euros in 2007.

In December, within the framework of its corporate sponsorship, bioMérieux contributed to reinforcing the Mérieux Foundation's research capabilities in the field of new infectious agents. Two research units working on the identification of emerging pathogens were transferred from bioMérieux to the Mérieux Foundation: the Emerging Pathogen Research Laboratory in Gerland (Lyon, France) and the Christophe Mérieux Laboratory, created within the Chinese Academy of Medical Sciences in Beijing. bioMérieux will finance the activities of these two units for the next three years.

Exclusively devoted to research on the detection and identification of new infectious agents, these units will work closely with the foundation's watchdog laboratories worldwide and also with Lyonbiopôle (Lyon, France), a center of excellence in biology. The Emerging Pathogen Research Laboratory benefits from the scientific and technological support of the Jean Mérieux high-security BSL 4 laboratory and will conduct partnerships with companies in the healthcare industry, particularly in the fields of vaccines and diagnostics.

Today, the lab has eleven researchers working on programs focused on the infectious diseases responsible for the highest rates of infant mortality worldwide: respiratory diseases, malaria and tuberculosis.

#### > Creation of a Public Health Committee

True to its mission in public health, bioMérieux intends to use its expertise to serve a medicine that is accessible throughout the world and closer to the patient. Beyond its corporate sponsorship activities, the company aspires to make its diagnostic solutions accessible to the greatest number of people worldwide. A Public Health Committee was created in 2007 for this purpose.

The objective of this committee is to strengthen bioMérieux's relationships with various international public health organizations: WHO, UNICEF, PAHO, NGOs, major foundations, the Global Fund, the World Bank, the European Community, etc. For two priority diseases, HIV and tuberculosis, bioMérieux will offer solutions adapted to the specific constraints of developing countries, drawing upon the support of its worldwide network of subsidiaries and distributors.

The launch in 2007 of a new rapid test, VIKIA® HIV 1 / 2, is an integral part of this strategy. Particularly robust and easy-to-use, it is adapted to the logistical constraints of emerging countries, making effective screening possible for the implementation of prevention programs.



Nicolas Poussin, *The Flight into Egypt*, 1657,  
Lyon Museum of Fine Arts © Photo RMN, R.-G. Ojéda, 2007

## CORPORATE SPONSORSHIP

### bioMérieux Contributes to Bringing “The Flight into Egypt” to the Lyon Museum of Fine Arts

In 2008, Nicolas Poussin’s painting, “The Flight into Egypt”, joined the Lyon Museum of Fine Arts’ collection. The city of Lyon, the Ministry of Culture and Communication, the Louvre Museum and the Rhône-Alpes Regional Council made this acquisition possible in 2007 through the sponsorship of large corporations and private foundations. bioMérieux contributed to the acquisition as a statement of its strong ties to its city and region of origin and to encourage an encounter between its inhabitants and a masterpiece of French artistic heritage.

For many years now, bioMérieux has also supported diverse cultural initiatives such as the Baroque Music Festival of Lyon and the Chaise Dieu annual music festival (France).

## Locally

### > Support for the Sports in the City Association

bioMérieux supports the association, Sports in the City, based in the Rhône-Alpes region, whose aim is to provide underprivileged young people with a real opportunity to grow and better themselves through sports. Sports in the City establishes and operates sports centers in the heart of disadvantaged communities.

Sports in the City strives to assist young people in their personal development, to expose them to other realities and, in particular, the world of business, and to provide career guidance and help in finding a job. To do so, it relies on a network of partner companies.

bioMérieux participates in different activities sponsored by the association and opens its doors to these young people for visits intended to improve their knowledge of the corporate environment. In 2007, two young people did internships at the company. In 2008, bioMérieux will add a program for employees to volunteer as mentors for these youths.

### > bioMérieux is also a long-standing sponsor of other charitable organizations such as the Notre Dame homeless association



## SUSTAINABLE DEVELOPMENT INITIATIVES

“One of bioMérieux’s guiding Principles is the recognition that we belong to a community and must act responsibly towards the communities around us and the environment. We want sustainable development to be central to how we conduct business.”

Stéphane Bancel

### > A Sustainable Development Committee was created in 2007 to ensure the company supports this movement

In the beginning, and to rapidly obtain tangible results, this committee will concentrate its actions on three main objectives:

- energy savings,
- water savings,
- reducing paper and cardboard consumption.

In the mid-term, the committee’s activities will extend to other areas.

### Global Compact: Sustainable Development Initiatives

A member of Global Compact since 2003, bioMérieux is committed to implementing concrete measures aimed at alleviating problems linked to globalization.

In 2007, bioMérieux focused on sustainable development and energy savings initiatives.

**bioMérieux was the first company in the Rhône-Alpes region and one of the first in France to obtain Energy Saving Certificates.**

These certificates, delivered by the DRIRE (Regional Directorate for Industry, Research and the Environment) rewarded bioMérieux for the installation of a heat recovery system at its Craponne site, used to heat three buildings for a volume of 10,000 m<sup>3</sup>. The certificates were also awarded for the construction of a first eco-efficient building at its Marcy l’Etoile site. Through these initiatives, bioMérieux will save three million kWh of energy over the lifetime of the equipment.

**In 2007, bioMérieux’s subsidiary in Switzerland was also certified ISO 14001 for its environmental initiatives, including energy savings.**

These distinctions validate the eco-efficiency approach bioMérieux has developed over the past few years. Its careful surveillance of the field makes it possible to integrate technological innovations into the design of the company’s industrial facilities and into its administrative operations as well. This is why a “champion” responsible for overseeing and communicating the environmental policy was designated at every bioMérieux site and subsidiary throughout the world.

# CORPORATE GOVERNANCE

## BOARD OF DIRECTORS

### > The Board of Directors, chaired by Alain Mérieux, met 4 times in 2007

The evolution of bioMérieux's Strategy for 2007-2012 was presented to our investors, financial analysts and the media on January 17, 2007.

The Board of Directors is comprised of 8 members:

- Alain Mérieux - Chairman **7**
- Alexandre Mérieux
- Michel Angé
- Michele Palladino
- Jean-Luc Bélingard
- T.S.G.H.  
represented by Philippe Archinard
- Groupe Industriel Marcel Dassault  
represented by Benoît Habert
- Philippe Villet
- Georges Hibon

## COMMITTEES OF THE BOARD OF DIRECTORS

- The **Audit Committee** is comprised of Michel Angé, Benoît Habert and Alexandre Mérieux. In 2007, the committee met 5 times.
- The **Remuneration Committee** is comprised today of Georges Hibon, Michele Palladino and Jean-Luc Bélingard. It met 4 times in 2007.



## STRATEGY COMMITTEE

### > This committee, chaired by Alain Mérieux, has 4 members:

- Alain Mérieux - President
- Stéphane Bancel - Chief Executive Officer
- Alexandre Mérieux - Corporate Vice President, Industrial Microbiology
- Jean Le Dain - Senior Corporate Vice President, Management and Organization

## MANAGEMENT COMMITTEE

### > The Management Committee, chaired by Stéphane Bancel, meets monthly

It is comprised of:

- Stéphane Bancel - Chief Executive Officer 11
- Thierry Bernard - Corporate Vice President, Commercial Operations 6
- Eric Bouvier - Deputy General Manager 4
- Richard Ding - Corporate Vice President, Strategy & Business Development and Theranostics 9
- Jean-Marc Durano - Corporate Vice President, Manufacturing and Quality 10
- Peter Kaspar - Corporate Vice President, Research and Development 1
- Mojgan Lefebvre - Chief Information Officer 8
- Marc Mackowiak - Chief Executive Officer, bioMérieux, Inc. 2
- Alexandre Mérieux - Corporate Vice President, Industrial Microbiology 5
- Henri Thomasson - Corporate Vice President, Finance 3



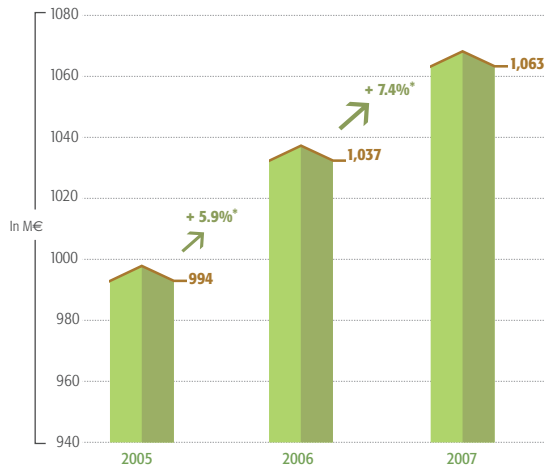
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# FINANCIAL RESULTS

## > Key figures

### Net Sales and Growth Rates (in millions of euros)

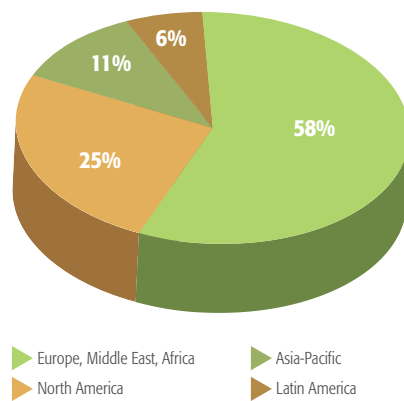
In 2007, the growth rate accelerated to 7.4% on a like-for-like basis. With a 0.5% increase from acquisitions and business development, the growth rate reaches 7.9%.



\* At constant exchange rates and scope

### Breakdown of Sales by Region

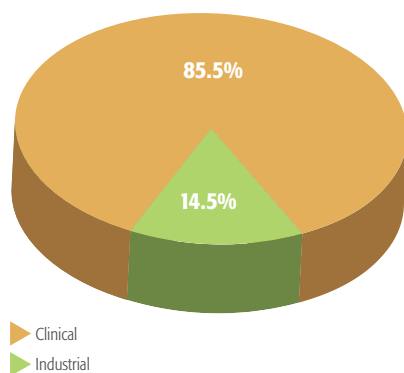
Business grew in all regions. Growth was particularly robust in North America (+10.2%).



■ Europe, Middle East, Africa    ■ Asia-Pacific  
■ North America    ■ Latin America

### Breakdown of Sales by Application

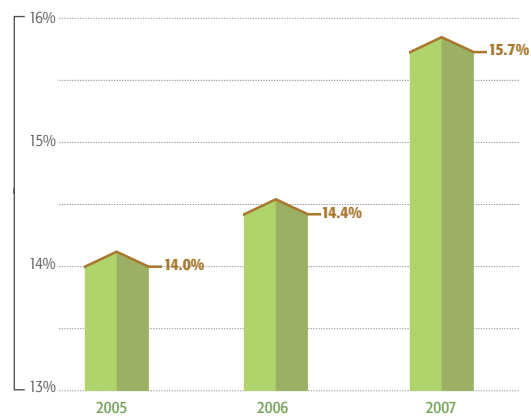
Clinical applications rose by 6.8%, driven by microbiology sales (+8.9%). Industrial applications continued to expand at a double-digit rate (+10.7%).



■ Clinical  
■ Industrial

### Change in Operating Income before Non-Recurring Items (% of sales)

In 2007, the operating income reached 15.7% of sales. Excluding the currency effect, there was a 90 basis point improvement over 2006.



### Change in Net Income (in millions of euros)

The net income rose to 98 million euros. It was penalized by the decision to close the Boxel site, which resulted in a provision of 28.5 million euros before tax.



### R&D Expenses (in millions of euros)

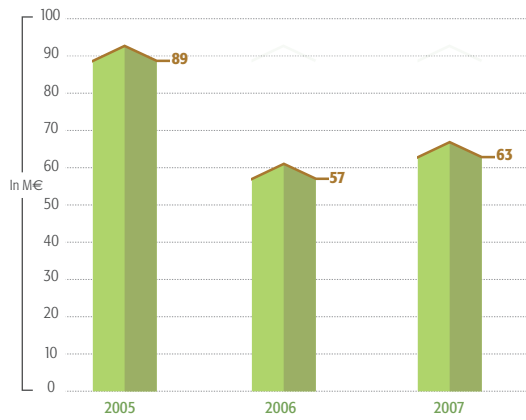
In 2007, R&D expenses reached 132 million euros. At constant exchange rates, R&D budgets were increased by 5%.



\* In percentage of sales

**Free Cash Flow\*** (in millions of euros)

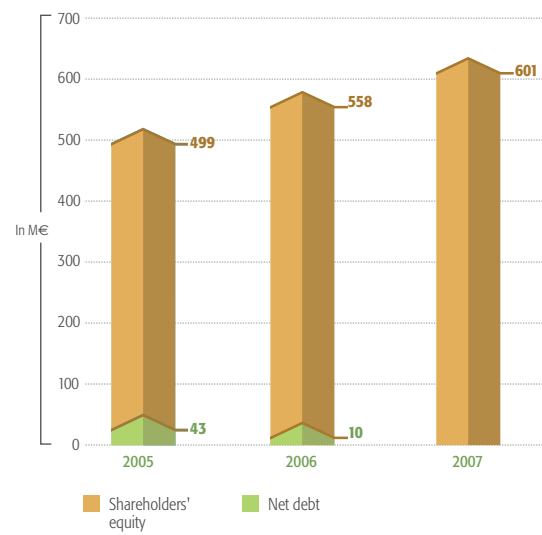
bioMérieux generated 63 million euros of free cash flow, while continuing its capital expenditure program and making acquisitions and equity investments.



\* Net cash flow from operations minus net cash flow from treasury shares and investment activities

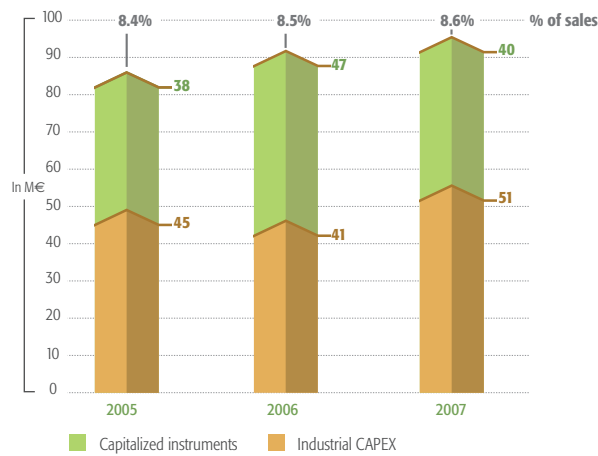
**Financial Structure** (in millions of euros)

With a net treasury of 15 million euros, the company was debt free at the end of 2007 and shows a solid financial structure.

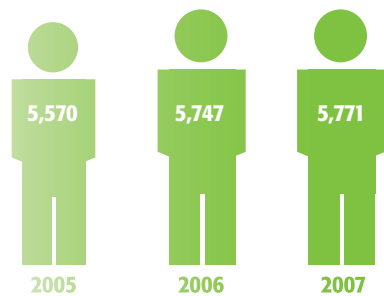


**Capital Expenditure** (in millions of euros)

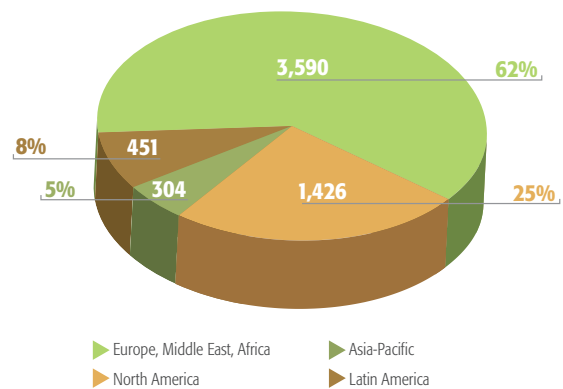
Industrial capital expenditure was mainly allocated to production facilities and capitalized instruments. It also included a rising proportion of intangible assets (software licenses and technologies).



**Total Workforce as at December 31**



**Breakdown of Workforce by Region (in 2007)**





## > Consolidated income statement

In millions of euros	Jan 07-Dec 07	Jan 06-Dec 06	Jan 05-Dec 05
<b>Net sales</b>	<b>1 062.8</b>	<b>1 036.9</b>	<b>993.6</b>
Cost of sales	-497.0	-495.0	-473.2
<b>Gross profit</b>	<b>565.8</b>	<b>541.9</b>	<b>520.4</b>
Other operating income	10.6	9.8	8.3
Selling and market expenses	-189.3	-186.7	-177.3
General and administrative expenses	-88.3	-86.0	-81.9
Research and development expenses	-131.8	-129.6	-130.7
<b>Total operating expenses</b>	<b>-409.4</b>	<b>-402.3</b>	<b>-389.9</b>
<b>Operating income before non-recurring items</b>	<b>167.0</b>	<b>149.4</b>	<b>138.8</b>
Other non-recurring incomes (expenses)	-17.1	3.1	0.1
<b>Operating income</b>	<b>149.9</b>	<b>152.5</b>	<b>138.9</b>
Cost of net financial debt	0.0	-0.9	-1.6
Other financial items	4.7	1.8	1.2
Income tax	-55.1	-46.6	-48.4
Investments in associates	-1.4	-1.4	
<b>Net income of consolidated companies</b>	<b>98.1</b>	<b>105.4</b>	<b>90.1</b>
Attributable to the minority interests	0.1	0.1	0.0
<b>Attributable to the parent company</b>	<b>98.0</b>	<b>105.3</b>	<b>90.1</b>
Net income per share (a)	2.48	2.67	2.28

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

## > Consolidated balance sheet

Assets In millions of euros	Net 12/31/2007	Net 12/31/2006	Net 12/31/2005
<b>Non-current assets</b>			
Intangible assets	42.8	31.1	19.5
Goodwill	76.9	74.8	69.6
Property, plant and equipment	284.3	271.7	276.2
Financial assets	17.8	14.9	15.8
Investments in associates	3.1	4.9	
Other non-current assets	21.7	21.5	22.6
Deferred tax assets	20.1	24.9	24.6
<b>Total</b>	<b>466.7</b>	<b>443.8</b>	<b>428.3</b>
<b>Current assets</b>			
Inventories and work in progress	145.8	146.8	156.0
Accounts receivable	293.6	280.8	277.7
Other operating receivables	23.8	23.7	14.2
Non-operating receivables	14.0	10.6	9.0
Cash and cash equivalents	54.5	33.9	20.9
<b>Total</b>	<b>531.7</b>	<b>495.8</b>	<b>477.8</b>
<b>Total assets</b>	<b>998.4</b>	<b>939.6</b>	<b>906.1</b>
<b>Liabilities and shareholders' equity</b>	<b>12/31/2007</b>	<b>12/31/2006</b>	<b>12/31/2005</b>
<b>Shareholders' equity</b>			
Share capital	12.0	12.0	12.0
Additional paid-in capital	63.7	63.7	63.7
Retained earnings	458.9	382.2	312.8
Other comprehensive income	0.6	0.9	-1.3
Translation reserve	-32.3	-7.0	20.9
Net income for the year	98.0	105.3	90.1
<b>Total equity before minority interests</b>	<b>600.9</b>	<b>557.1</b>	<b>498.2</b>
<b>Minority interests</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>
<b>Total shareholders' equity</b>	<b>601.3</b>	<b>557.5</b>	<b>498.5</b>
<b>Non-current liabilities</b>			
Net financial debt - long-term	18.2	17.3	16.9
Deferred tax liabilities	12.8	5.4	3.5
Provisions	71.4	59.9	74.2
<b>Total</b>	<b>102.4</b>	<b>82.6</b>	<b>94.6</b>
<b>Current liabilities</b>			
Net financial debt - short-term	21.3	27.1	47.3
Provisions	7.5	17.0	7.7
Accounts payable	98.1	95.8	99.2
Other operating liabilities	140.6	132.3	131.5
Tax liabilities	12.3	11.0	14.5
Non-operating liabilities	14.9	16.3	12.8
<b>Total</b>	<b>294.7</b>	<b>299.5</b>	<b>313.0</b>
<b>Total liabilities and shareholders' equity</b>	<b>998.4</b>	<b>939.6</b>	<b>906.1</b>

## > Consolidated statement of change in net financial debt

In millions of euros	Jan 07-Dec 07 12 months	Jan 06-Dec 06 12 months	Jan 05-Dec 05 12 months
Net income of consolidated companies	98.1	105.4	90.1
Net depreciation and provisions, and others	95.2	59.0	71.9
(Increase) / Decrease in fair value of derivatives	-1.1	0.3	0.2
Net realized capital gains (losses)	-3.5	-6.4 (2)	-2.4
<b>Cash flow from operating activities</b>	<b>188.7</b>	<b>158.3</b>	<b>159.8</b>
Cost of net financial debt	0.0	0.9	1.6
Current income tax expense	48.9	47.0	52.6
<b>Cash flow from operating activities before cost of net financial debt and income tax</b>	<b>237.6</b>	<b>206.2</b>	<b>214.0</b>
Increase in inventories	-1.4	-4.5	-16.3
Increase requirements in accounts receivable	-18.2	-21.7	-2.7
Increase (Decrease) in accounts payable and other operating working capital	11.2	-2.3	20.0
<b>Decrease / (Increase) in operating working capital</b>	<b>-8.4</b>	<b>-28.5</b>	<b>1.0</b>
Income tax paid	-56.3	-53.5	-46.0
Cost of net financial debt	0.0	-0.9	-1.6
Other	0.4	3.2	-1.1
(Increase) / Decrease in non-current assets	-2.3	-1.9	-1.8
<b>Decrease / (Increase) in working capital requirements</b>	<b>-66.6</b>	<b>-81.6</b>	<b>-49.5</b>
<b>Net cash flow from operations</b>	<b>171.0</b>	<b>124.6</b>	<b>164.5</b>
Purchase of property, plant and equipment	-89.7	-88.6	-81.6
Proceeds on fixed asset disposals	8.0	8.0	12.2
Purchase of financial assets / Disposals of financial assets	-1.1	0.8	-5.7
Net cash from the sale of Hemostasis line of business	2.3	33.7	
Impact of changes in the scope of consolidation	-21.6 (1)	-18.4 (3)	-0.5 (4)
Other investing cash flows	-1.3		
<b>Net cash flow from (used in) investment activities</b>	<b>-103.4</b>	<b>-64.5</b>	<b>-75.6</b>
Purchases and proceeds of treasury stocks	-5.0	-3.6	-0.1
Dividends to bioMérieux SA shareholders	-29.9	-18.1	-15.8
<b>Net cash flow from (used in) shareholders' equity</b>	<b>-34.9</b>	<b>-21.7</b>	<b>-15.9</b>
<b>Change in net financial debt (5)</b>	<b>32.7</b>	<b>38.4</b>	<b>73.0</b>
<b>Analysis of change in net financial debt</b>			
Net financial debt at the beginning of the year	10.5	43.3	118.1
Impact of currency changes on net financial debt	7,2	5.6	-1.8
<b>Change in net financial debt:</b>	<b>-32.7</b>	<b>-38.4</b>	<b>-73.0</b>
Confirmed facilities	2.5	-0.9	-97.5
Cash and other bank deposits	-35.2	-37.5	24.5
<b>Net financial debt at the end of the year</b>	<b>-15.0</b>	<b>10.5</b>	<b>43.3</b>

(1) Acquisition of Biomedics S.L. (11.3 million euros), net of cash at the acquisition date (1.3 million euros) Acquisition of BTF (11.7 million euros), net of cash at the acquisition date (0.1 million euros)

(2) Including net income before tax on the sale of Hemostasis line of business: 10.1 million euros, or 6.9 million euros after tax

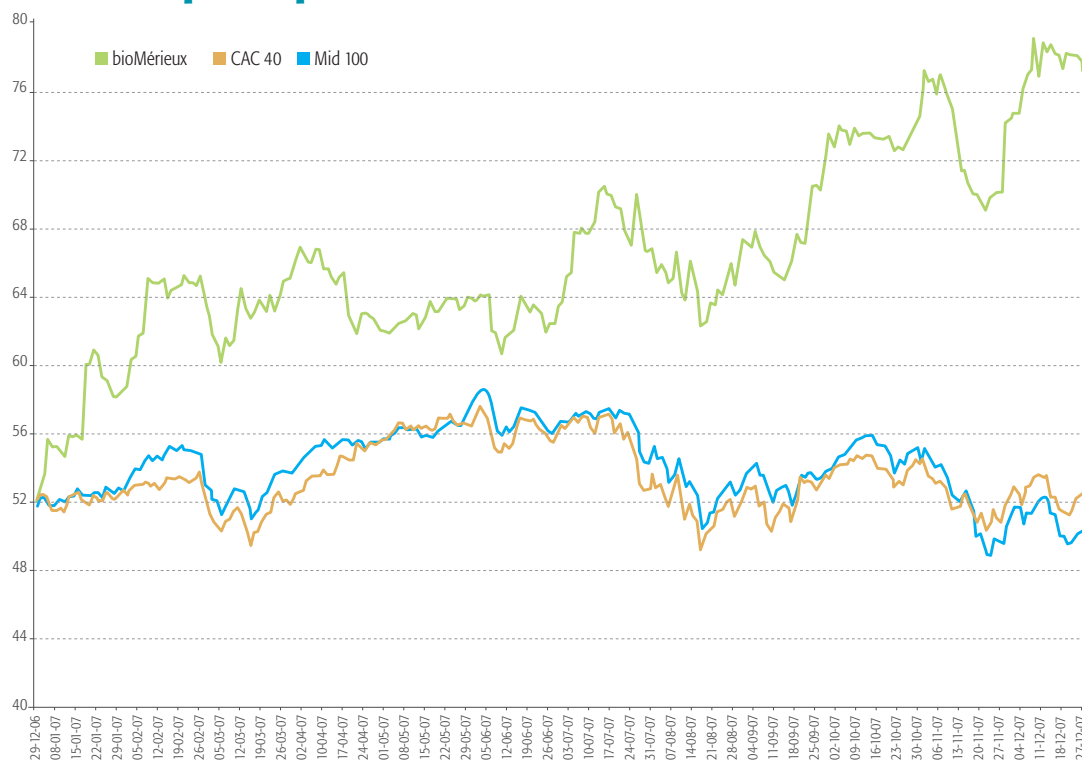
(3) Including Acquisition of Bacterial Barcodes Inc (11.6 million euros). Acquisition of Relia, consolidated under equity method (6.8 million euros).

(4) Partial buyout of bioMérieux Mexico minority shareholder

(5) Change in net financial debt, excluding impact of exchange rates

# THE BIOMÉRIEUX SHARE

## > Share price performance in 2007<sup>(1)</sup>



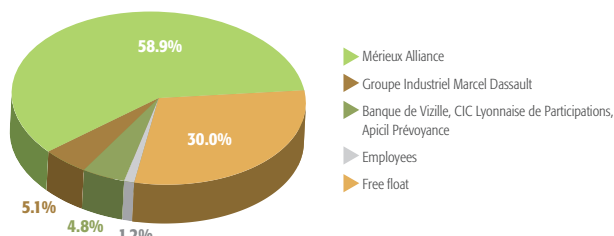
The bioMérieux share was listed on July 6, 2004 at an offer price of 30 euros per share.

## > Share value

In euros	2007	Since (6/07/2004)
Highest <sup>(2)</sup>	79.08	79.08
Lowest <sup>(2)</sup>	52.80	26.00
As at 31/12/2007 <sup>(2)</sup>	79.08	

- Number of shares: 39,453,740
- Market capitalization as at end 2007: 3.120 billion euros
- Average daily trading volume in 2007: approximately 39,700 shares, for a value of 2.6 million euros
- The bioMérieux share is part of the following indexes: SBF 250, CAC Mid 100, CAC Mid & Small 190, Next 150
- It became eligible for the Deferred Settlement Service (SRD) on March 28, 2006.

## > Breakdown of capital as at December 31, 2007



## > 2008 calendar of events

- January 22<sup>nd</sup>: 2007 business review
- March 17<sup>th</sup>: 2007 results
- April 29<sup>th</sup>: 2008 Q1 business review
- July 23<sup>rd</sup>: 2008 Q2 business review
- September 8<sup>th</sup>: 2008 first half results
- October 28<sup>th</sup>: 2008 Q3 business review

## > Share characteristics

- Market: NYSE Euronext Paris
- Stock symbol: BIM
- ISIN code: FR 0010096479
- Reuters code: BIOX.PA
- Bloomberg code: BIM.FP

## > Investor Relations contacts

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The Reference Document approved by the AMF is available upon request or on our Web site: [www.biomerieux.com](http://www.biomerieux.com) - Financial Information



# GLOSSARY

## – Antibiotic susceptibility testing

Determines the growth of a bacterium in the presence of antibiotics and classifies it as susceptible, resistant or intermediate.

## – Chromogen

Molecule that gives off a color under certain conditions. When incorporated into a culture medium, it reveals the presence of an enzyme specific to a given bacteria, thereby indicating the bacteria that is cultured.

## – DNA chips

DNA chips enable the rapid and simultaneous analysis of the nucleic sequences and expression of thousands of genes in a biological sample. A DNA chip is made of DNA fragments bound to a glass or silicon wafer.

## – Enumeration

Counting how many microbes (bacteria or fungi) are present in a sample.

## – Genotyping

Method of generating a unique DNA pattern (fingerprint) for an individual microorganism which allows it to be compared to other individuals of the same species.

## – Heart Failure

Symptoms (difficulty breathing, fatigue...) observed when the heart fails to pump blood with normal efficiency and to provide adequate blood flow to other organs.

## – Hemoculture

A culture made from blood to detect the presence of pathogenic microorganisms (bacteria, fungi...).

## – Immunoassays

Detection of infectious agents (bacteria, viruses, parasites) and pathogen markers based on an antigen/antibody reaction.

## – *In vitro* diagnostics

Examination based on the analysis of biological samples (urine, blood, etc.) and performed outside the human body.

## – Quality Indicators

Microorganisms whose presence give an indication of the microbiological quality of a food.

## – Microbiology

Study of microorganisms.

bioMérieux uses culture-based microbiology methods for the growth of bacteria from biological fluids, food and pharmaceutical samples. The bacteria are subsequently identified and their susceptibility to antibiotics tested in certain cases.

## – Molecular biology

New technology based on the detection of DNA or RNA genetic sequences that are specific to a bacterium, a virus, a protein, or a cell.

## – Healthcare-Associated Infection (Nosocomial Infection)

An infection that patients acquire during the course of receiving treatment for other conditions within a hospital or healthcare setting.

## – Oncology

Synonym of cancerology: the study of malignant tumors and processes in cancer.

## – Pathogen

That which causes or can cause disease.

## – Sepsis

A widespread infection characterized by the presence of bacteria in the bloodstream (viruses or fungi can also cause sepsis) and the deterioration of the patient's general condition as a result of the infection (host response).

## – Theranostics

The association of a diagnostic test with a therapy. The foundation of personalized medicine.

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bioMérieux Italy  
bioMérieux Japan  
bioMérieux Korea  
bioMérieux Mexico  
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bioMérieux Norway  
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bioMérieux Portugal  
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bioMérieux Turkey  
bioMérieux United Kingdom  
bioMérieux West Africa

*\* announced in 2008*

