



Press Release

## bioMérieux - First-Half 2011 Business Review

At constant exchange rates and comparable business base \*

- ▼ First-half sales up 4.3%
- ▼ Second-quarter sales accelerate: up 5.1%
  - Good performance in North America confirmed: up 5.1%
  - Strong increase in China: up 35%
- ▼ Two strategic acquisitions during the period
- ▼ Confirmation of the 2011 objective for sales growth
- ▼ Jean-Luc Bélingard, Chairman of the Board, takes on the role of CEO, heading the Management Committee, and Stéphane Bancel joins Institut Mérieux as Senior Advisor

**Marcy l'Etoile, France - July 19, 2011** - bioMérieux, a world leader in the field of *in vitro* diagnostics, today released its business review for the six months ended June 30, 2011.

Net sales for the first half of 2011 amounted to €673 million, a 4.3% year-on-year increase, at constant exchange rates and comparable business base (excluding the impact of discontinuing culture media for the routine clinical test business in North America). The increase was led by dynamic sales in North America, Latin America and Asia-Pacific.

Sales growth accelerated in the second quarter to 5.1% at constant exchange rates and comparable business base, led in particular by strong growth in China.

Sales by Region In € millions	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	% Change As Reported	% Change At constant exch. rates & comparable business base	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	% Change As Reported	% Change At constant exch. rates & comparable business base
	Europe <sup>(1)</sup>	359	357	+0.5%	+0.0%	181.9	183.7	-0.9%
North America	155	155	+0.2%	+5.9%	79.1	85.0	-7.0%	+5.1%
Asia-Pacific	99	88	+12.4%	+11.8%	52.7	47.5	+11.0%	+15.1%
Latin America	60	51	+18.9%	+17.7%	32.1	27.8	+15.2%	+18.9%
<b>TOTAL</b>	<b>673</b>	<b>651</b>	<b>+3.5%</b>	<b>+4.3%</b>	<b>345.8</b>	<b>344.0</b>	<b>+0.5%</b>	<b>+5.1%</b>

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

"In a still challenging environment, bioMérieux's teams made tangible progress throughout the first half of the year, resulting in faster sales growth during the second quarter," said Chairman and CEO Jean-Luc Bélingard. "North America confirmed its good momentum while China achieved a 35% rise in organic growth in the second quarter. Since the beginning of the year, we have announced two strategic acquisitions: AES Laboratoire, a major player in industrial applications, and ARGENE, which specializes in molecular diagnostics. Based on this growth trend and bioMérieux's solid fundamentals, we confirm our 2011 objective for sales growth."

\* Excluding the impact of discontinuing culture media for the routine clinical test business in North America

## SALES

Reported sales for the period ended June 30, 2011 were up 3.5%, including the currency effect and the impact of discontinuing culture media for the routine clinical test business in North America.

<b>Analysis of Sales</b>		
In € millions		In %
<b>Sales - Six Months Ended June 30, 2010</b>	<b>651</b>	
Currency Effect	-5	-0.6%
Organic Growth (at constant exchange rates and comparable business base)	28	<b>+4.3%</b>
Impact of discontinuing culture media for the routine clinical test business in North America	-1	-0.2%
<b>Sales - Six Months Ended June 30, 2011</b>	<b>673</b>	<b>+3.5%</b>

At constant exchange rates and comparable business base, sales rose by 4.3% for the six months ended June 30, 2011. Growth was adversely affected by the early delivery of certain orders in June and December 2010 to anticipate the Global ERP system launch in North America at the beginning of July 2010 and in France in early January 2011. Excluding this impact, organic growth would have reached 4.9% in the first half and 6% in the second quarter.

Growth was led, in particular, by dynamic sales in North America. Moreover, following a modest increase in the first three months of the year, organic growth in the Emerging 7\* returned to solid levels, rising by nearly 18% in the second quarter.

These results contrast with the difficulties encountered in Western Europe, where sales increased only slightly because of a difficult economic environment and clinical laboratory consolidation.

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

- ▼ Sales in the **Europe-Middle East-Africa** region (53% of the consolidated total) remained steady over the period:
  - Sales rose slightly in **Western Europe** (46% of the consolidated total) with highly contrasted performance from one country to another. Germany maintained its rapid growth dynamic, with sales rising by 8%. The United Kingdom and the Nordic countries achieved double-digit growth. In contrast, conditions remained extremely difficult in a number of European countries, such as Greece and Portugal, where sales contracted sharply, and Spain, where demand stagnated.
  - In **France**, sales were down by 3%, in the context of the laboratory reorganization brought about by the Ballereau legislative order, whose implementation was again discussed by the National Assembly. French deputies modified certain aspects of the order relating to the accreditation of clinical laboratories. The deadline was pushed back to October 31, 2018 (from 2016), accreditation will be required for just 80% of the analyses carried out and the date by which laboratories must be able to demonstrate that they have begun implementation has been delayed by one year to November 1, 2014. The ongoing laboratory consolidation has led to robust sales in clinical microbiology, driven by bioMérieux's automated solutions and, conversely, to a sharp drop in routine VIDAS® test sales.
  - Sales in **Turkey, Russia, the Middle East and Africa** varied widely. Sales in South Africa were considerably dampened by the end of the contract with the National Health Laboratory Services and by strikes in Botswana that slowed order flows. In Russia, sales decreased sharply due to the reorganization of the distributor network. On the other hand, sales expanded at a rapid pace in Turkey, West Africa, Sub-Saharan Africa and Eastern Europe.
- ▼ Sales in **North America** (23% of the consolidated total) were up 5.9% over the first half. In clinical applications, the BacT/ALERT® blood culture range and the VIDAS® range grew respectively by 8% and 10%. The VITEK® range saw mixed results, with VITEK® cards showing solid growth while sales of VITEK® instruments were penalized by unfavorable comparatives, due to particularly strong sales in first-half 2010. In a challenging economic environment, growth in industrial application sales accelerated, reaching 5.6% in the second quarter.

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

- In the **Asia-Pacific** region (15% of the consolidated total), sales rose by nearly 12%.

China (up 20%) and South Korea (up 19%) made significant contributions to this good performance. In the second quarter alone, sales in China accelerated strongly (up 35%), while a number of tenders are still being published or awarded. In addition, new products were registered with the SFDA (the country's State Food and Drug Administration).

In Japan, where bioMérieux teams stepped up their efforts following the March 11 earthquake and tsunami, sales rose by 9%. The increase attests to the commercial strength of the joint venture created with Sysmex.

In India, sales growth was held back by the discontinuation of clinical chemical product distribution, following the Company's decision to focus on strategic lines. Excluding the discontinuation's impact, sales in the first half would have risen by 17%.

In clinical applications, the microbiology lines and the VIDAS<sup>®</sup> range showed solid results, while the microplate market remained highly competitive. Sales of industrial applications rose 11%.

- In **Latin America** (9% of the consolidated total), sales were up nearly 18% for the period, with growth in all countries. In particular, Brazil and Argentina recorded increases of more than 20%.

In clinical applications, microbiology sales increased at a rapid pace and the VIDAS<sup>®</sup> range again enjoyed strong sales growth. In still limited volumes, industrial applications, whose sales had surged more than 40% in first-half 2010, turned in a gain of 12% in the first six months of 2011.

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

<b>Sales by Technology</b> In € millions	<b>Six Months Ended June 30, 2011</b>	Six Months Ended June 30, 2010	% Change As Reported	% Change At constant exch. rates & comparable business base
<b>Clinical Applications</b>	<b>568</b>	551	+3.1%	<b>+4.0%</b>
Microbiology	<b>353</b>	330	+7.3%	<b>+8.7%</b>
Immunoassays <sup>(1)</sup>	<b>175</b>	176	-0.5%	<b>+0.2%</b>
Molecular Biology	<b>32</b>	36	-13.2%	<b>-13.3%</b>
Other Lines	<b>8</b>	9	-10.7%	<b>-19.4%</b>
<b>Industrial Applications</b>	<b>105</b>	100	+5.4%	<b>+6.0%</b>
<b>TOTAL</b>	<b>673</b>	651	+3.5%	<b>+4.3%</b>

<sup>(1)</sup> Including VIDAS<sup>®</sup>: +4.4%

- Sales of **clinical applications** increased 4% for the period.

Microbiology sales (52% of the consolidated total) rose by 8.7%, led by VITEK<sup>®</sup>, BacT/ALERT<sup>®</sup> and the Full Microbiology Lab Automation (FMLA<sup>®</sup>) offering. During the first half, bioMérieux announced it had installed its 100<sup>th</sup> PREVI<sup>™</sup> Isola automated media streaker and signed an agreement with Labor Berlin to create a Center of Excellence for microbiology and enhanced laboratory automation. In addition, laboratories that choose to utilize mass spectrometry for bacterial identification showed a keen interest in bioMérieux's VITEK<sup>®</sup> MS system, which was CE-marked during first-quarter 2011.

Immunoassay revenue was virtually unchanged due to the decrease in microplate and rapid test sales. Although adversely impacted by weak sales of routine tests, especially in Western Europe, VIDAS<sup>®</sup> recorded growth of 4.4%, boosted by high medical value tests (up 22%) and by demand in emerging markets.

Molecular biology sales were down, due mainly to the end of the contract to supply quantitative HIV reagents to the National Health Laboratory Services in South Africa.

- ▼ **Industrial application** sales rose 6% during the first half and nearly 10% in the second quarter alone. In the public health crisis context, stemming from the outbreak of *Escherichia coli* O104:H4, a very rare enterohemorrhagic strain of the *E. coli* bacterium, sales in Western Europe expanded by 7% in the second quarter, despite the region's challenging economic environment. Sales were robust in emerging markets, especially the Emerging 7, which posted organic growth of 26% in the second quarter.
- ▼ **Instrument** sales were up 11%, led in particular by a 19% increase in sales of clinical microbiology systems. Sales of **reagents** and **services** increased by around 5%, excluding the impact of the end of the contract to supply quantitative HIV reagents to the National Health Laboratory Services in South Africa. In the first half, average reagent prices decreased slightly.

## OTHER FINANCIAL HIGHLIGHTS

### ▼ Consolidated income statement

Despite the announced loss in revenue from licenses for which patents have expired and the increase in selling, general and administrative expenses, the **consolidated income statement** should benefit from the increase in sales, the favorable change in currency rates and stable research and development expenditure (following an increase of 11.5% at constant exchange rates in first-half 2010).

### ▼ Consolidated balance sheet and cash flow statement

- As of June 30, 2011, the **installed base** reached about 62,000 instruments, an increase of 2,100 new instruments.
- At the General Shareholders' Meeting on June 15, 2011, the **payment of a dividend** of €0.98 per share, for a total payout of €38.7 million, was approved. The dividend was paid on June 22<sup>nd</sup>. Following the payment, **net cash** amounted to €17 million at June 30, 2011, compared with €24 million at December 31, 2010.

As of June 30, 2011, the acquisitions of AES Laboratoire (€183 million) and ARGENE (€37.5 million) had not been paid out. They will be financed by the €260-million syndicated line of credit that is available to bioMérieux until January 2013.

- In **Greece**, net receivables due from public hospitals have stabilized at around €20 million (including €5 million in bonds). The Company had to reduce its business with the public sector and to take legal action to assert its rights. In **Portugal**, net receivables due from public sector customers are approximately €12 million.

### ▼ Human resources

- The Company had 6,422 full-time-equivalent **employees** as of June 30, 2011, reflecting a reinforcement of the commercial operations and production teams. There were 6,306 employees at December 31, 2010.
- An **employee share-ownership plan** was deployed for the third year in a row, enabling employees to acquire bioMérieux shares on preferential terms. In May 2011, one-third of employees joined the new plan, meaning that over half of all employees are now bioMérieux shareholders.

### ▼ Dispute

The dispute with **D.B.V.** and International Microbio concerning a D.B.V. patent for a mycoplasma detection method has been definitively settled.

## CORPORATE GOVERNANCE

Starting July 20, 2011, Jean-Luc Bélingard, Chairman of the Board, will assume the role of Chief Executive Officer and will head the Management Committee, which is responsible for overseeing strategic projects, deciding on priorities and implementing the necessary resources within the Company's departments.

Stéphane Bancel will join Institut Mérieux as Senior Advisor to the President, Alain Mérieux, to contribute his expertise to strategic international projects.

Alain Mérieux, President of Institut Mérieux, said: "I would like to pay tribute to the work accomplished by Stéphane Bancel at bioMérieux during the past five years. He succeeded with his teams at making bioMérieux progress on many fronts and I extend my personal thanks to him. Stéphane's experience and knowledge of our companies and the challenges they face will continue to make him a valuable resource for Institut Mérieux."

"I am pleased to continue to help Mr. Mérieux as his advisor at Institut Mérieux, while engaging in a personal project to start a healthcare company," added Stéphane Bancel, Chief Executive Officer. "I would like to thank Mr. Mérieux, my executive team and all of the bioMérieux employees for these five very privileged years. Together, we were able to deploy an ambitious strategy. The bioMérieux pipeline has been enhanced with a very promising portfolio of systems in late-stage development. We succeeded at making bioMérieux the undisputed leader in clinical microbiology, where we now have a 15 point lead in market share over the number two company. Bolstered by high medical value tests and a solid footprint in emerging countries, we built the largest installed base of immunoassay systems in the world with VIDAS®."

"In a continuation of the work accomplished by Stéphane Bancel, which has been remarkable, we will deploy an ambitious strategy with the support of Institut Mérieux. This strategy focuses in particular on innovation and targeted acquisitions like those of AES Laboratoire and ARGENE," stated Jean-Luc Bélingard, Chairman and CEO.

## OPERATING HIGHLIGHTS

### Acquisitions

- Acquisition of AES Laboratoire in industrial applications

In May 2011, bioMérieux signed an agreement to acquire **AES Laboratoire**, a leading French group specialized in industrial microbiological control, for €183 million. The company reported sales of €76 million in 2010\* and has close to 400 employees.

The acquisition makes bioMérieux the world leader in food testing. Important commercial synergies will be obtained: bioMérieux and AES Laboratoire have highly complementary product lines, which will enable them to provide their customers with an extensive product portfolio. bioMérieux's global sales network will be leveraged to make AES Laboratoire's technologies more widely available. bioMérieux also plans to develop and invest in AES Laboratoire's cytometry solutions and other promising platforms, reinforcing its strong competitive position.

As all planned conditions have been met, in particular the approval of antitrust authorities, the transaction should be completed in the third quarter.

- Acquisition of ARGENE in molecular diagnostics

In a separate press release, bioMérieux today announced the acquisition of **ARGENE**, a French company specialized in molecular biology, for a price of €37.5 million, with contingent payments of up to €5 million. The company has 70 employees and reported 2010 sales of €10 million, with molecular diagnostics representing three-quarters of its business.

Its comprehensive range of diagnostics for immunocompromised patients will reinforce bioMérieux's infectious disease offering in this rapidly expanding field of medicine. This acquisition will also accelerate time to market of a broad test menu on the new molecular platform currently being developed with Biocartis.

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\* Annual sales estimated at March 31, 2011, excluding Agrobio (divested on May 17, 2011)

## Commercial offer

Since the beginning of the year, bioMérieux has launched **10 new products**, including:

- **VIDAS® UP Salmonella (SPT)** for the detection of *Salmonella* in food and environmental samples. Based on recombinant bacteriophage (phage) proteins, this new solution is especially rapid, reliable and easy-to-use. *Salmonella* is a bacterium that causes salmonellosis, one of the most common intestinal infections worldwide.
- **chromID™ Lmono**, a new chromogenic medium for the rapid enumeration, detection and presumptive identification of *Listeria monocytogenes* in food products and production environment samples. *Listeria monocytogenes* is a bacterium responsible for listeriosis, which can cause pathologies such as meningitis, septicemia, encephalitis and spontaneous abortion.

In May, bioMérieux received 510(k) clearance from the U.S. Food and Drug Administration (FDA) for its **EasyQ® MRSA** molecular test for Methicillin Resistant *Staphylococcus aureus* (MRSA). This automated test is reliable, fast and cost-effective. bioMérieux is actively involved in combating bacterial resistance and has the most comprehensive diagnostic product offering in the fight against MRSA, one of the leading causes of healthcare-associated infections.

The FDA has also authorized the **VIDAS® TOXO IgG Avidity** assay, which enables doctors to rule out recent *Toxoplasma* infections (i.e. acquired in the past four months) in patients with toxoplasmosis. In particular, it allows them to rule out the risk of fetal infection in pregnant women. The VIDAS® TOXO IgG Avidity assay is the first test of its kind to receive FDA approval.

The partnership in the area of rapid clinical diagnostics between **Quidel** and bioMérieux has been extended until December 31, 2011. Until this date, bioMérieux will be a non-exclusive distributor of Quidel's QuickVue® rapid diagnostics tests in all countries with the exception of the United States, Japan and Scandinavia.

In this field, bioMérieux is developing its **bioNexia®** line, which is manufactured at the Company's plant in Shanghai, China. The line's menu will be regularly enhanced.

## World HAI \* Forum

In June, bioMérieux organized the 3<sup>rd</sup> edition of its **World HAI Forum**, which brought together over 70 experts in medicine, infectious diseases, microbiology and epidemiology from 33 countries. The main topic addressed at this biennial event was bacterial resistance to antibiotics, recognized by the World Health Organization as one of the greatest threats to public health. At the end of the forum, a call to action was addressed to national and international authorities, the medical community, veterinarians, industry and the general public to avoid a public health catastrophe caused by the emergence and spread of bacteria that are resistant to all antibiotics.

## Innovation and research and development projects

Innovation is at the heart of the Company's strategy. The second quarter's main achievements in this area included:

- Pipeline of systems under development

The **R&D portfolio** includes the development of five instruments as well as new parameters, especially high medical value tests. During the quarter, further advances were made in preparing product launches scheduled for 2012 and 2013. The company **Biocartis** indicated that the validation phase of its molecular diagnostics platform, which is necessary for regulatory clearance, could begin at the end of the fiscal year 2012. The commercial launch by bioMérieux of the first CE-marked assays is expected by mid-2013.

- bioTheranostics data presented at ASCO

At the American Society of Clinical Oncology (ASCO) 2011 Annual Meeting in June, **bioTheranostics**, a bioMérieux company that develops innovative oncology diagnostic tests to drive personalized treatment, reported encouraging data\*\* from clinical studies of:

- **CancerTYPE ID®**, a molecular classification test for cancers that helps doctors determine the primary site of origin of tumors and select the most appropriate therapeutic options;
- **Breast Cancer Index®**, a molecular test that refines and improves risk stratification among certain patients with breast cancer;
- the novel **P95 assay** in Her2-positive breast cancer patients.

\* Healthcare-Associated Infections

\*\* Complete press release available at : <http://biotheranostics.com/>

- LyonBioTech Technological Research Institute  
Certified by the French government on June 9, 2011, LyonBioTech is the only **Technological Research Institute** dedicated to healthcare among the six selected. Focused on infectious diseases, LyonBioTech was developed by Lyonbiopole and its main founders, in cooperation with Institut Pasteur. It is supported by the Lyon "Pole for Research and Elite Studies" (PRES), the Greater Lyon Urban Community and the Rhône-Alpes region. It was founded by leading industrial groups (Institut Mérieux, Sanofi, Danone), research centers (Institut Pasteur, Inserm, CEA, CNRS, Inria) and an association representing around 50 small- and medium-sized companies. LyonBioTech's budget is estimated at more than €700 million for a nine-year period. A subsidiary of Institut Mérieux, bioMérieux will be involved in LyonBioTech R&D projects in diagnostics and technology platforms.

## INVESTOR CALENDAR

September 6, 2011: First-half 2011 financial results, after the close of trading

October 20, 2011: Third-quarter 2011 sales, after the close of trading

*The above forward-looking statements are based, entirely or partially, on assessments or judgments that may change or be modified, due to uncertainties and risks related to the Company's economic, financial, regulatory and competitive environment, notably those described in the 2010 Registration Document. Accordingly, the Company cannot give any assurance nor make any representation as to whether the above objectives will be met. The Company does not undertake to update or otherwise revise any forecasts or objectives presented herein, except in compliance with the disclosure obligations applicable to companies whose shares are listed on a stock exchange.*

## ABOUT BIOMERIEUX

Advancing Diagnostics to Improve Public Health

A world leader in the field of *in vitro* diagnostics for over 45 years, bioMérieux is present in more than 150 countries through 39 subsidiaries and a large network of distributors. In 2010, revenues reached €1.357 billion with 87% of sales outside of France.

bioMérieux provides diagnostic solutions (reagents, instruments, software) which determine the source of disease and contamination to improve patient health and ensure consumer safety. Its products are used for diagnosing infectious diseases and providing high medical value results for cancer screening and monitoring and cardiovascular emergencies. They are also used for detecting microorganisms in agri-food, pharmaceutical and cosmetic products.

bioMérieux is listed on the NYSE Euronext Paris market (Symbol: BIM - ISIN: FR0010096479). Other information can be found at [www.biomerieux.com](http://www.biomerieux.com).

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## Appendix: Quarterly Sales Data

Sales by Region - in € millions						
	First Quarter		Second Quarter		First Half	
	2011	2010	2011	2010	2011	2010
Europe <sup>(1)</sup>	176.9	173.3	181.9	183.7	<b>358.8</b>	357.0
North America	76.0	69.7	79.1	85.0	<b>155.1</b>	154.7
Asia-Pacific	46.6	40.8	52.7	47.5	<b>99.3</b>	88.3
Latin America	28.1	22.8	32.1	27.8	<b>60.2</b>	50.6
<b>TOTAL</b>	<b>327.6</b>	<b>306.6</b>	<b>345.8</b>	<b>344.0</b>	<b>673.4</b>	<b>650.6</b>

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

Change in Sales by Region - in %						
	First Quarter		Second Quarter		First Half	
	As Reported	% Change At constant exch. rates & comparable business base	As Reported	% Change At constant exch. rates & comparable business base	As Reported	% Change At constant exch. rates & comparable business base
Europe <sup>(1)</sup>	+2.0%	-0.5%	-0.9%	+0.5%	+0.5%	<b>+0.0%</b>
North America	+9.1%	+6.7%	-7.0%	+5.1%	+0.2%	<b>+5.9%</b>
Asia-Pacific	+14.2%	+8.2%	+11.0%	+15.1%	+12.4%	<b>+11.8%</b>
Latin America	+23.4%	+16.3%	+15.2%	+18.9%	+18.9%	<b>+17.7%</b>
<b>TOTAL</b>	<b>+6.8%</b>	<b>+3.5%</b>	<b>+0.5%</b>	<b>+5.1%</b>	<b>+3.5%</b>	<b>+4.3%</b>

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