



RESULTS

NEW
PRODUCTS

INNOVATION

INTERNATIONAL

INDUSTRIAL
INVESTMENTS

INITIATIVES

2008 ANNUAL REPORT

from diagnosis,
the seeds of better health





ADVANCING
DIAGNOSTICS TO IMPROVE
PUBLIC HEALTH

A world leader in the field of *in vitro* diagnostics for over 45 years, bioMérieux is present in 150 countries through 39 subsidiaries and a large network of distributors. In 2008, revenues reached €1.111 billion with 84% of sales outside of France.

bioMérieux provides diagnostic solutions (reagents, instruments, software) that 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.



PRESIDENT'S MESSAGE

13 RESEARCH
AND DEVELOPMENT
CENTERS

17 PRODUCTION SITES

39 SUBSIDIARIES
WORLDWIDE





DESPITE A PARTICULARLY TURBULENT AND DIFFICULT GLOBAL ENVIRONMENT, BIOMÉRIEUX HELD ITS COURSE IN 2008, MAKING PROGRESS IN EVERY DOMAIN

At the international level, four new subsidiaries have been established since December 2007 – in South Africa, Singapore, the United Arab Emirates and Algeria – bringing the total number of bioMérieux's subsidiaries worldwide to 39.

The year 2008 was pivotal at the industrial level, with the optimization of bioMérieux's production capacities and the integration of recently acquired companies. It was also the year that bioMérieux committed itself to making sustainable development an integral part of company policy.

bioMérieux made significant headway in its R&D strategy, particularly in the area of personalized medicine, which is central to its mission. In 2008, the European Commission approved the ADNA program, focused on theranostics, which can now become operational. This innovative program, initiated by Dr. Christophe Mérieux and carried out in partnership with Généthon, GenoSafe, Transgene and other scientific partners in the Rhône-Alpes region of France, is a priority for our group in the nine years to come. ADNA, which is expected to change clinical practice, would not have been possible without the critical support of the French government through OSEO (agency for innovation aid).

OSEO's support is indicative of the environment fostered by the French government that is particularly favorable to innovation, including the reform of the French research tax credit system.

The acquisition of AviraDx was also a major milestone last year in the area of theranostics. It provides bioMérieux with important new assets in this strategic sector by giving access to new expertise in the areas of oncology and diagnostics on tumor tissues.

bioMérieux stayed on target in 2008. Within an unprecedented context of global financial and economic turmoil, it maintained its long-term vision thanks to the support of its shareholders. The company intends to refocus on its in-house capabilities and to invest in the strengths that have been the foundations of its success throughout its history. To do this, bioMérieux will emphasize internal innovation programs, in close partnership with French public research and reinforce its industrial operations, supported by the motivation and professionalism of its personnel.

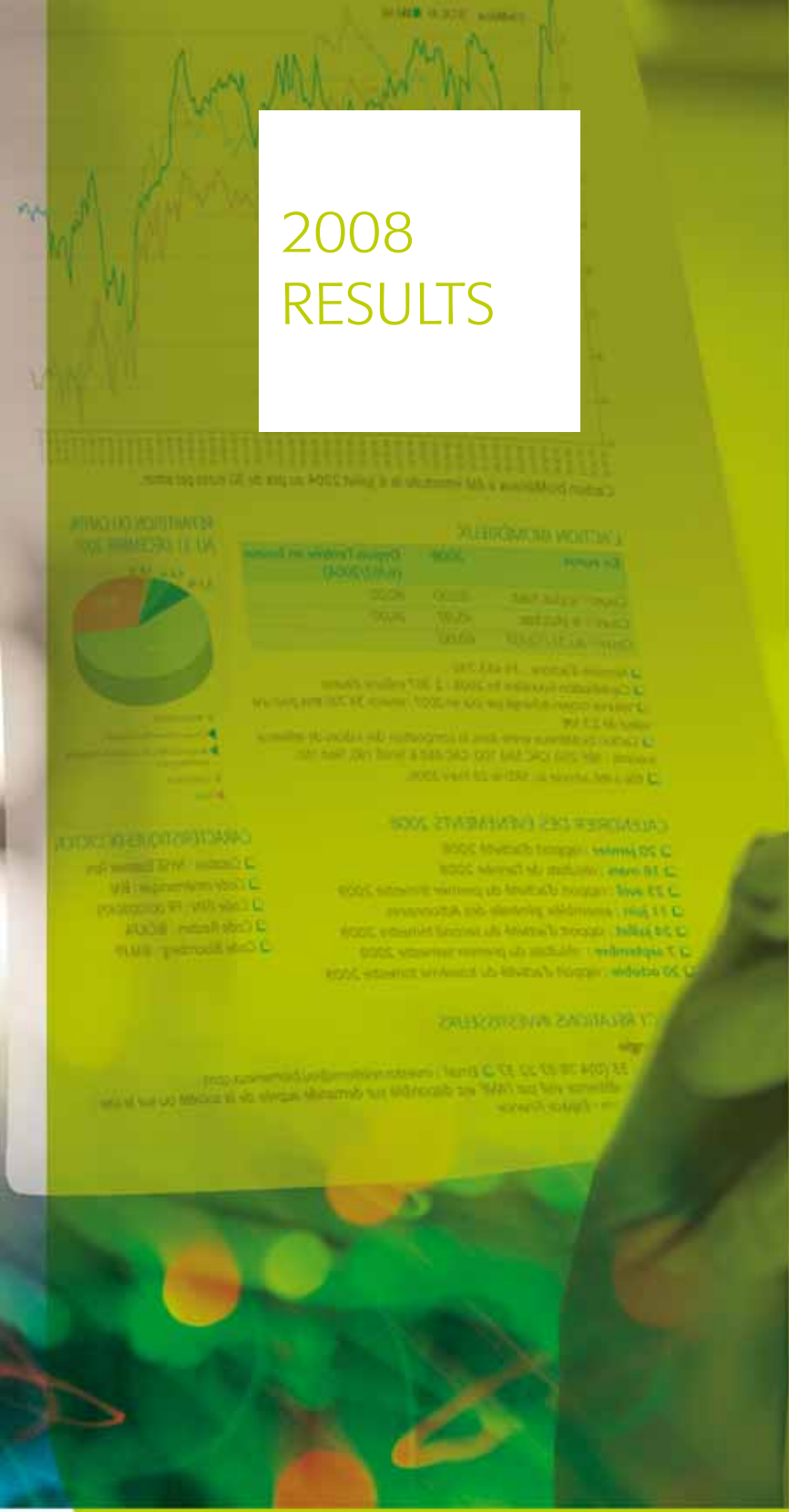
At the meeting of the Board of Directors held in December, Alexandre Mérieux was also appointed as "Directeur Général Délégué" of the company. This reinforces our family's commitment to and involvement in the affairs of bioMérieux for the years to come.

These are just some of the many factors that will enable bioMérieux to ensure its future and contribute to the medicine of tomorrow.

Alain Mérieux



2008 RESULTS





2008 DEMONSTRATED THE STRENGTH OF OUR BUSINESS MODEL AND OUR GROWTH POTENTIAL

The dedication of bioMérieux teams throughout the world enabled our company to deliver a solid performance in 2008 in the challenging context of the global financial and economic crisis. The effectiveness and robustness of bioMérieux's business model was demonstrated by solid sales growth (+9.8%), a rise in our operating income before non-recurring items (+12%), strong generation of operating cash flow (+19%) and management of our debt.

At a time of financial stress, with customers having difficulties obtaining credit, and faced with stiffening competition, bioMérieux achieved sales of 1.111 billion euros, a 7.5% increase at constant exchange rates and scope. Taking into account business development agreements, growth reached 9.8%. This performance exceeded the objectives set in our 2012 strategic plan (7-9% growth at constant exchange rates). The results achieved reaffirm the appropriateness of these objectives.

With a long-term view and a clear and ambitious strategy, bioMérieux made a record level of investments in 2008: 133 million euros for R&D, 55 million euros for industrial operations. New scientific, technological and commercial partnerships were forged. In one year, three strategic acquisitions were also made: AB BIODISK, AviraDx and PML Microbiologicals.

It is important to emphasize that the recent acquisitions of AB BIODISK and PML Microbiologicals, both microbiology companies focused on reagents and manual culture media, will enhance bioMérieux's recurring sales.

As we advance through this period of uncertainty, bioMérieux will remain alert and cautious, while keeping an eye on the future. The company benefits from significant assets: a highly diversified geographic base for its commercial operations, an extensive product portfolio and an installed base of more than 53,000 instruments worldwide. Its minimal debt and substantial operating cash flow will enable it to seize external opportunities, while continuing to invest in in-house innovation.

bioMérieux's independence and investment capabilities, highly motivated teams and the support and confidence of its majority shareholder will result in bioMérieux coming out of these difficult times as a stronger and more innovative company.

Stéphane Bancel
Chief Executive Officer

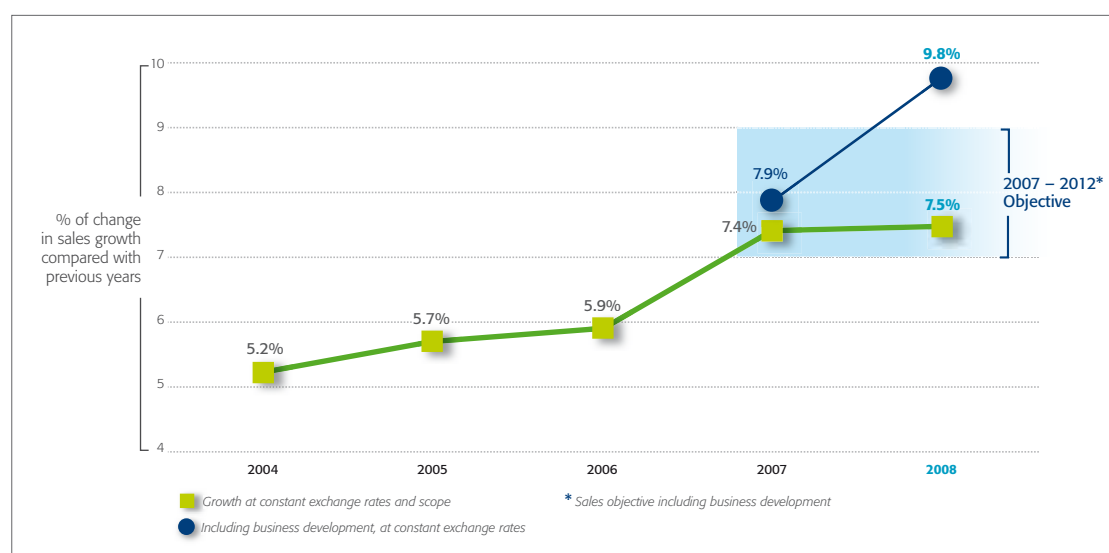
SALES GROWTH EXCEEDING OBJECTIVES ■

2008 net sales rose to 1,111 million euros compared with 1,063 million euros in 2007. Sales grew by 7.5%, at constant exchange rates and scope, above the objectives set at the beginning of the fiscal year.

Including the effects of new business development agreements, the increase reached 9.8% at constant exchange rates, exceeding the 2012 strategic plan objectives.

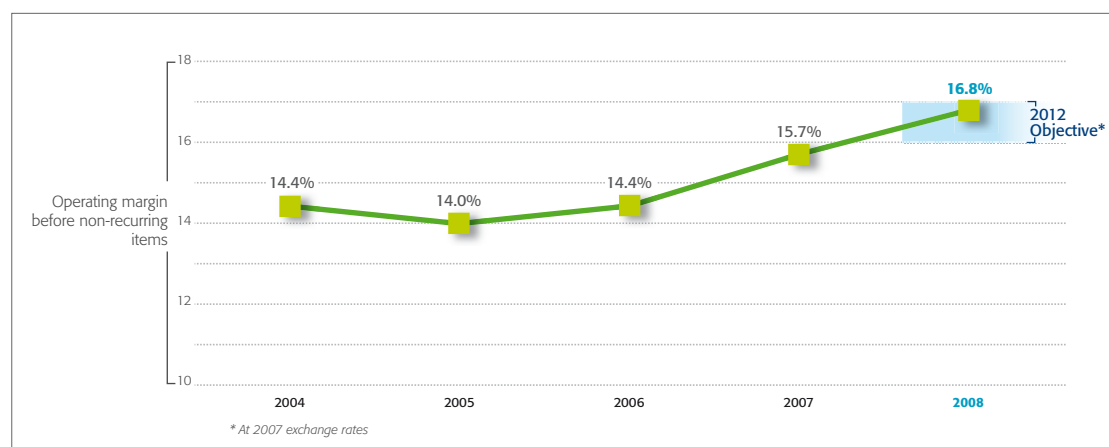
Sales growth was contrasted in the different regions. Sales remained strong in Europe, in Asia-Pacific and in Latin America. In North America, sales were dampened by flat demand, with customers delaying the purchase of new systems.

In 2008's unusual context, growth was powered by reagent sales, which rose by 9.6% and accounted for 83.9% of the consolidated total, versus 82.5% in 2007. Sales increased by 7.2% in clinical applications and by 9.7% in industrial applications.



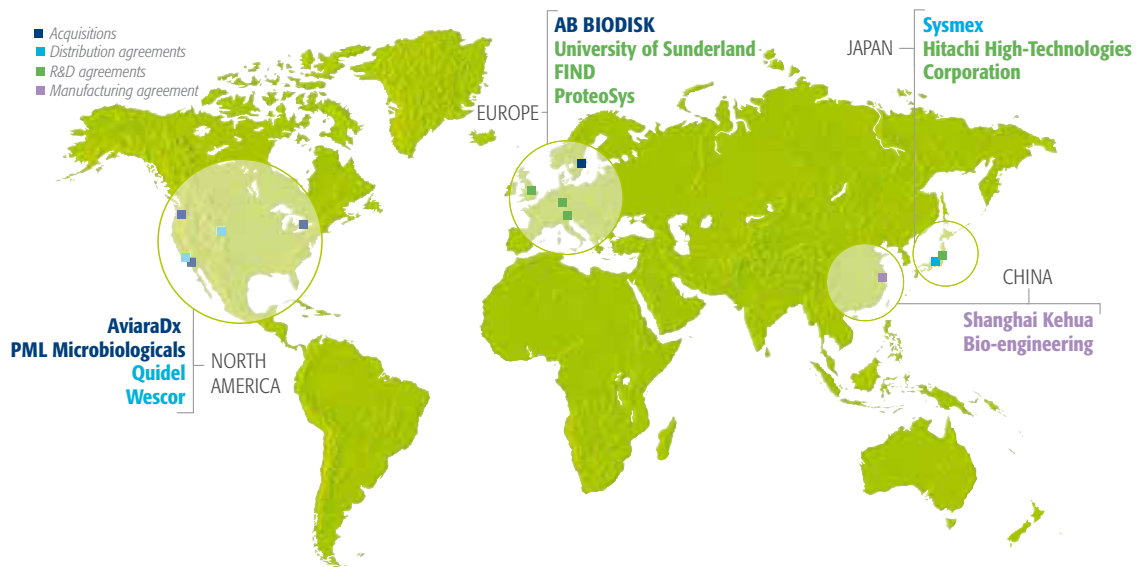
STRONG IMPROVEMENT OF OPERATING MARGIN BEFORE NON-RECURRING ITEMS ■

Operating income before non-recurring items reached 187 million euros and represented 16.8% of sales compared with 15.7% in 2007. This increase of nearly 12% results from the fast pace of business and strong reagent sales, the control of manufacturing costs and of operating expenses. Operating income before non-recurring items also benefits from booked grants for expenses incurred during the last two fiscal years in the ADNA program, as well as from non-recurrent received royalties from the patent portfolio.



27 NEW PRODUCTS LAUNCHED ■

The concerted efforts of R&D, Quality, Manufacturing and Commercial Operations teams enabled the launch of 27 new products, which complement and reinforce bioMérieux's global offer, in both clinical and industrial applications. In 2008, the FMLA™* concept was launched with two new systems, PREVI™ Isola and PREVI™ Color Gram. bioMérieux's offer was enhanced by the integration of new product references from the companies acquired in 2007, BTF and Biomedics, and should be further enriched by the 2008 acquisitions.



12 PARTNERSHIPS AND ACQUISITIONS ■

Three strategic acquisitions

- AB BIODISK, Swedish diagnostics specialist with particular expertise in antibiotic susceptibility testing of fastidious and unusual organisms.
- AviaraDx, Inc., company based in San Diego, California, specialized in molecular diagnostic tests on tumor tissue for applications in oncology and theranostics.
- PML Microbiologicals, Inc., North American *in vitro* diagnostics company that provides culture media and microbiological products for both clinical and industrial applications.

Three distribution agreements

- With the California-based company, Quidel, for distribution by bioMérieux of rapid clinical diagnostics (QuickVue® range) for the point-of-care. The agreement also covers co-development of tests.
- With the North American company, Wescor, to commercialize a new range of slide stainer instruments under the bioMérieux brand, PREVI™ Color.
- With the Japanese company, Sysmex Corporation, a commercial joint venture in Japan.

Five R&D partnerships

- With Hitachi High-Technologies Corporation in Japan to develop new microbiology and molecular diagnostics systems.
- With the University of Sunderland in England to improve the identification of *Pseudomonas aeruginosa*, a bacterium responsible for healthcare-associated infections.
- With the Foundation for Innovative New Diagnostics (FIND), a Swiss non-profit foundation, in the field of infectious disease diagnostics, particularly for tuberculosis.
- With the German biotechnology company, ProteoSys, for the development of a urine test on the VIDAS® platform to confirm prostate cancer diagnoses.
- Participation in the ADNA** program for the development of theranostic tests in the areas of infectious diseases and cancer.

One manufacturing agreement

- With the Chinese company, Shanghai Kehua Bio-engineering, a joint venture for microplate immunoassay manufacturing.

* FMLA: Full Microbiology Lab Automation™

** Advanced Diagnostics for New therapeutic Approaches



NEW
PRODUCTS



BIOMÉRIEUX BENEFITS TODAY FROM AN INSTALLED BASE OF OVER 53,000 INSTRUMENTS WITH ABOUT 3,900 NEW SYSTEMS INSTALLED IN ITS CUSTOMERS' LABS IN 2008

In keeping with its objectives, bioMérieux launched 27 new products in 2008, providing innovative solutions to improve the quality of patient care and to ensure consumer safety.

Full automation of the microbiology laboratory was taken to a new level in 2008 with the official unveiling of the FMLA™* concept. bioMérieux also launched high medical-value tests in the United States, extending the VIDAS® platform menu in this region. The automated TEMPO® range, with three new parameters launched in 2008, also proved its dominance in the industrial microbiology laboratory.

* FMLA: Full Microbiology Lab Automation™

CLINICAL DIAGNOSTICS ■

Clinical applications, which account for 85% of the company's sales, rose 7.2%, with the growth of the microbiology and immunoassay lines powered by reagent sales. The success of high medical-value tests launched in the United States this year (VIDAS® CD A/B, VIDAS® NT-proBNP, etc.) boosted sales of the VIDAS range. Growth of the molecular diagnostics line by more than 17% was driven by the excellent performance of sample extraction and HIV viral load measurement tests.

MAKING FULL LAB AUTOMATION A REALITY

The major milestone of 2008 was undoubtedly the launch of the FMLA concept, unveiled in April at the ECCMID (European Congress of Clinical Microbiology and Infectious Diseases) and in June at the meeting of the ASM (American Society of Microbiology). The world leader in microbiology, bioMérieux has become a precursor in automating the microbiology workbench. With six microbiology systems, it has the most complete offer on the market today.

Two new systems were launched in 2008. They streamline the full automation of the microbiology laboratory, from sample reception and distribution, analysis by different technologies, to result management and interpretation:

□ **PREVI™ Isola**, a pre-poured media streaker designed to automate routine agar plate processing, resulting from the license agreement signed with LabTech Systems Ltd. in 2007;

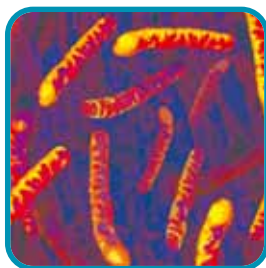
□ **PREVI™ Color Gram**, an automated Gram stainer system for all types of specimens. This automated system is the result of the partnership agreement signed with Wescor in February 2008 for commercializing under the bioMérieux brand, a new range of instruments for Gram stain and for staining the mycobacteria that cause tuberculosis. The new FMLA™ concept is the answer to microbiologists' constant efforts to reduce the time between the reception of a sample and the interpretation of its results. The aim is to provide clinicians with totally reliable and standardized solutions to enable them to prescribe the best treatment for a patient in the shortest time possible. Enhanced automation also has an economic impact on laboratory management and the organization of technicians' tasks, reducing the number of manual jobs with low added-value and offsetting the eventual lack of specialized personnel. It thus leads to significant productivity gains and contributes to the control of healthcare expenditures.



Full Microbiology Lab Automation™



HIGH MEDICAL-VALUE TESTS: A NEW PRODUCT LINE AND GEOGRAPHIC EXPANSION



In keeping with its strategy, bioMérieux pursued the commercialization of high medical-value tests, especially useful in emergency situations.

HEALTHCARE-ASSOCIATED INFECTIONS

bioMérieux has proven itself to be a preferred partner of the healthcare community in the fight against healthcare-associated infections. After an initial launch in Europe, the **VIDAS® C. difficile Toxin A&B** test was launched in the United States. The test allows rapid and reliable detection of A and B toxins in *Clostridium difficile*, the bacteria responsible for sometimes deadly nosocomial epidemics.



BACTERIAL RESISTANCE

The acquisition of AB BIODISK in June 2008 significantly increased bioMérieux's lead in the area of high medical-value diagnostics. The company is recognized worldwide for its antimicrobial resistance testing range and its particular expertise in susceptibility testing of fastidious and unusual organisms. Like the API® range for identification, **Etest®**, with a menu of over 100 antibiotics, is the reference technique for manual susceptibility testing for a large number of microbiology laboratories. These manual techniques are in total synergy with the automated VITEK® range for antibiotic susceptibility testing.

CARDIOVASCULAR DISEASES

VIDAS® NT-proBNP, a high medical-value test for the diagnosis of heart failure, received clearance from the U.S. Food and Drug Administration in the United States in March 2008. This test provides valuable aid to emergency departments for the management of life-threatening cardiac pathologies. It helps clinicians to distinguish heart failure from other disease states with similar clinical symptoms, such as lower respiratory tract infections, pulmonary embolism or other lung disorders. It thus leads to significant reductions in healthcare costs, through more efficient patient triage. It is a valuable addition to the VIDAS® emergency menu that already includes VIDAS® Troponin I Ultra, a specific marker used to identify cardiac (muscle) necrosis, VIDAS® D-Dimer Exclusion™, a marker of deep vein thrombosis and VIDAS® B.R.A.H.M.S PCT, a marker of bacterial infection.

CANCER

The U.S. Food and Drug Administration cleared the **VIDAS® AFP** test for monitoring testicular cancer, and the **VIDAS® CEA** test for monitoring cancer patients, particularly those with colon cancer. Two new parameters were thus added to the VIDAS tumor marker line in 2008 in the United States. This product range, which has high potential in the United States, should be enhanced soon with two new markers, currently being registered. The cancer product offer – one of bioMérieux's priorities – should also benefit from the expertise in theranostics of its new subsidiary, bioTheranostics.

VIDAS D-DIMER EXCLUSION: A KEY ROLE IN THE "REVERSE" STUDY



bioMérieux supported the "REVERSE" study (REcurrent VEnous thromboembolism Risk Stratification Evaluation), carried out in partnership with the Ottawa Health Research Institute (Canada) and the University Hospital of Geneva (Switzerland).

This multicenter study involving 646 patients with unprovoked venous thromboembolism (VTE) aimed at gathering clinical and biological data. Its purpose was to identify patients with a low risk of recurrent VTE, in order to safely discontinue their oral anticoagulant therapy.

The VIDAS D-Dimer Exclusion played an important role in this study. In fact, a high level of this thrombosis marker measured by the VIDAS instrument has been identified as one of the key risk factors of a recurrence. As such, the test may become an

objective and standardized tool of choice to help physicians determine the best adapted treatment.

Study results were published in August 2008 in the *Canadian Medical Association Journal*. After validation of these results in a large clinical study, the potential impact appears to be multiple:

- ❑ earlier discontinuation of treatment in 25% of patients,
- ❑ improved quality of life since anticoagulant therapy involves constraints and risk of hemorrhage,
- ❑ a reduction in healthcare costs estimated at between 20% and 25% compared to current practice.

INDUSTRIAL MICROBIOLOGY ■

Sales of industrial applications grew by almost 10% at constant exchange rates and scope. They account for 15% of bioMérieux's sales today.

At a time of increasing demand in the areas of quality control and risk prevention from the agri-food and biopharmaceutical industries, all of the product lines contributed to the growth, especially TEMPO®.

FOOD SAFETY

EXTENDING THE TEMPO MENU

The TEMPO line was enhanced in 2008. Living up to its launch expectations, it now includes the majority of routine indicators required for food safety control, with three new parameters:

- **TEMPO® YM**, automated solution for yeast and mold enumeration in food products. One of the fastest available tests in its field, it provides manufacturers with a major economic advantage by contributing to faster food product releases,
- **TEMPO® STA**, for the enumeration of coagulase-positive *staphylococci* (*S. aureus*), responsible for food poisoning,
- **TEMPO® LAB**, for the enumeration of lactic acid bacteria that can cause spoilage or degrade foods by affecting their taste, smell, etc.

To improve the management of the information flow within the industrial microbiology laboratory, bioMérieux also launched a new software application, **TANGO™**, which allows customers to connect the VIDAS® and TEMPO systems to their laboratory information system using a single interface.

ENHANCING THE CHROMOGENIC CULTURE MEDIA LINE

bioMérieux continued the launch of chromogenic culture media to satisfy the needs of agri-food laboratories:

- **chromID™ Sakazakii** is designed to screen infant food products, including powdered milk, for the pathogen, *Enterobacter sakazakii*, which can cause meningitis, sepsis and other serious infections in newborns. Thanks to its innovative formula, this product offers a high level of detection sensitivity after just 24 hours of incubation;
- **chromID™ Vibrio** is used to detect *Vibrio*, bacteria that are naturally present in environmental water. The bioMérieux test detects two species that are especially harmful for humans, *Vibrio parahaemolyticus* and *Vibrio cholerae*, responsible for severe intestinal infections, including cholera.



AN INNOVATIVE TECHNOLOGY TO PROTECT CONSUMERS AGAINST FOOD POISONING

bioMérieux relies on the most advanced technology available for food pathogen screening: phage recombinant proteins, which offer unique specificity and sensitivity. Bacteriophages are highly specific viruses that only infect bacteria. They are used for the targeted capture of bacteria and to isolate them in a sample.

This technology is used in the **VIDAS® UP** assay kit to detect *Escherichia coli* O157:H7, launched in 2008 on the automated VIDAS platform.

THE BIOPHARMACEUTICAL INDUSTRIES

INNOVATIVE CULTURE MEDIA

bioMérieux continued the launch of the 3P™ Pack +, a new range of high-performance culture media that can be stored at room temperature. Two innovative products were also made available to its customers, **Count-Tact™ 3P™ Pack +** and **TSA 3P™ Pack +**, for microbiological environmental monitoring. Ready-to-use, these high-performance culture media are designed for the rapid detection of clean room isolates and can be stored for their entire shelf-life at room temperature.



The **Clean Room range**, consisting of vials containing culture media for sterility testing in an innovative new format, was launched in 2008. This new product line provides additional safety and exceptional ease-of-use for the final testing phase of sterile pharmaceutical products.

NEW PROSPECTS THANKS TO RECENT ACQUISITIONS



2008 also saw the integration of the Australian company, BTF, acquired in 2007, with the commercial success and global distribution of its **BioBall®** line of quantitative reference standards. This patented technology, providing unprecedented accuracy, is used to make precise reference strains used by analytical laboratories for quality assurance and to verify the performance of control methods.

Thanks to the acquisition of PML Microbiologicals last December, bioMérieux will be one of the leading providers of microbiology testing solutions for the pharmaceutical industry in the U.S. This company's product offer is highly synergetic with that of bioMérieux; in particular, with specific presentations of culture media for sterility testing and environmental monitoring.

FROST & SULLIVAN AWARD FOR PHARMACEUTICAL MICROBIOLOGY

In October 2008, bioMérieux was awarded the Frost & Sullivan 2008 North American Market Leadership Award for Pharmaceutical Microbiology.

The company was particularly recognized for its unparalleled product quality and customer support, as well as for its automated solutions that increase laboratory workflow. This award confirms the relevancy of bioMérieux's development of rapid testing solutions for its biopharmaceutical customers.



INNOVATION



SCIENTIFIC INNOVATION IS AT THE CORE OF BIOMÉRIEUX'S STRATEGY

It has propelled the company from its historical area of infectious diseases expertise, into the fields of cancer and cardiovascular diseases.

Internal R&D programs, external partnerships, the expansion of the Christophe Mérioux Center for Molecular Biology and Microsystem research, and 133 million euros invested in 2008 are all fueling the development of innovative solutions to meet the needs of patients and consumers.

In 2008, bioMérieux made important headway in its innovation strategy through:

- major advances in personalized medicine, particularly in the area of biomarkers for cancers,
- acceleration of Full Microbiology Lab Automation™ and preparation for new generations of diagnostics platforms.

PERSONALIZED MEDICINE: STRATEGIC MILESTONES ■

APPROVAL FROM BRUSSELS FOR THE ADNA PROGRAM (Advanced Diagnostics for New therapeutic Approaches)

In October 2008, the European Commission approved research and innovation funding for the ADNA program from the French government agency, **OSEO**, amounting to a total of almost 90 million euros. Dedicated to personalized medicine, this ambitious program, coordinated by **Mérieux Alliance**, brings together four partners: **bioMérieux** and **GenoSafe** in diagnostics, **Généthon** and **Transgene** in therapeutics, with other partners from the Rhône-Alpes region of France contributing their expertise. ADNA intends to contribute to the development of personalized medical solutions, theranostics, in the areas of infectious diseases, cancer and rare genetic diseases, by making innovative products and services available to healthcare professionals.





The ADNA program will bring innovation in the identification and development of biomarkers that will enable physicians to prescribe new treatments for those patients who are likely to benefit from them. Biomarkers are indicators used for the early detection of a disease, for a better understanding of its progression and for monitoring a patient's response to treatment. They also open the way to new diagnostic tests associated with therapeutic solutions.

The EC's approval has made it possible to launch this program initiated by Dr. Christophe Mérieux, with a global investment for all of the partners of close to 400 million euros over the period 2008-2017. bioMérieux will receive 42.5 million euros in grants and reimbursable loans over the next 9 years. ADNA would not have been possible without OSEO's vital support.



Within the framework of ADNA, bioMérieux works in partnership with the **CEA** (French Atomic Energy Commission), the **CNRS** (French National Center for Scientific Research), the **Lyon University Hospitals**, **STMicroelectronics** and the **Claude Bernard University** in Lyon (France) to develop:

- new molecular biology platforms for infectious disease diagnostics and high medical-value tests for cancer,
- biomarkers for the diagnosis and prognosis of certain cancers and infectious diseases.

AVIARADX: A KEY ACQUISITION FOR THERANOSTICS AND ONCOLOGY

The acquisition of the California-based company, **AviaraDx**, specialized in molecular diagnostics for cancer patients, was a highlight of 2008 and a major milestone for bioMérieux's long-term innovation strategy.

AviaraDx's proprietary molecular tests on tumor tissues expand the group's expertise in oncology and boost its theranostics development capabilities.

AviaraDx had 19 employees at the time of acquisition and was founded in 1996 in San Diego, California. R&D driven, the company develops tests to classify cancers and to assist oncologists in making critical therapeutic decisions. Its tests are performed directly for doctors in the company's laboratory, which is CLIA (Clinical Laboratory Improvements Amendments) certified for high complexity tests.

The company also has a molecular R&D lab and a small sales and marketing team in direct contact with North American key opinion leaders in the field of oncology.

AviaraDx was renamed "bioTheranostics" and is managed as an independent legal entity to preserve the necessary flexibility and agility for its R&D activities.



The company has two innovative products on the market today, based on proprietary technologies:

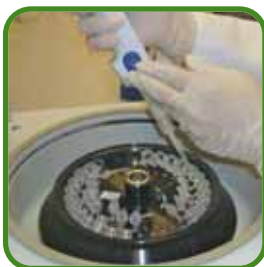
- **Theros CancerTYPE ID[®]**, which provides improved cancer classification, especially for patients diagnosed with metastatic cancer of uncertain or unknown origin (by determining the organ at the origin of the cancer),
- **Theros Breast Cancer IndexSM**, which offers a combined assessment of two proprietary markers (H/I and MGI) for risk prognosis and treatment response prediction for chemo and hormonal therapy for breast cancer. At the San Antonio Breast Cancer Symposium, held in Texas in December 2008, three independent studies validated the benefit of this test for improving risk stratification (predicting the risk of disease recurrence) in patients with early-stage breast cancer.

This acquisition is part of bioMérieux's shift from a strategy that is primarily technology-focused, revolving around the analytical laboratory, to a patient-focused strategy, with emphasis on working with physicians. While infectious diseases remain bioMérieux's core business, high medical-value tests, including those developed by bioTheranostics, will drive growth in the years to come, playing an important role in the company's long-term development.

There are many synergies between bioTheranostics and bioMérieux, whose programs in oncology will greatly benefit from access to the CLIA-certified laboratory. The CLIA lab allows validation and early introduction of biomarkers to the clinical community. Subsequently, bioMérieux will be able to make the tests more widely available by transferring them onto its automated diagnostics systems.

Thanks to this acquisition, bioMérieux now offers solutions spanning the entire range of diagnostics: reagents and laboratory systems, solutions designed for use at the patient's point of care and testing through a service laboratory.

The ADNA program and bioTheranostics have common goals and complementary approaches to developing theranostics. Studies are currently in progress to analyze and develop synergies between the two.



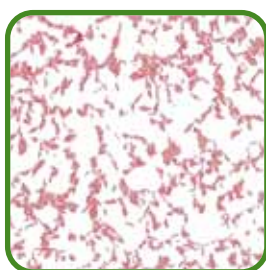
INFECTIOUS DISEASES



STRATEGIC ALLIANCE IN THE AREA OF RAPID TESTS

At the beginning of 2008, bioMérieux and the Californian company, **Quidel**, agreed to form a long-term global alliance in the area of rapid clinical diagnostics.

These high medical-value tests are particularly useful to clinicians for diagnosing patients at their point of care. They are very valuable in emergency situations and contribute to the reduction of healthcare costs by enabling physicians to prescribe targeted therapies. These rapid tests can be carried out under extreme and isolated conditions, making them well adapted to public health needs in developing countries.



The partnership includes a distribution agreement and the co-development of new rapid tests for infectious diseases.

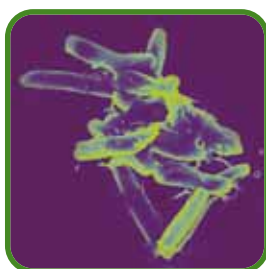
HEALTHCARE-ASSOCIATED INFECTIONS:

A RESEARCH PARTNERSHIP WITH THE UNIVERSITY OF SUNDERLAND

Researchers from the **University of Sunderland** in England and bioMérieux took an important step in 2008 in the fight against infections caused by *Pseudomonas aeruginosa*, a bacterium responsible for healthcare-associated infections, which kills tens of thousands of people worldwide every year. The research team developed a new technique for the highly specific detection of this bacterium,

which primarily infects the lungs of patients with cystic fibrosis and is also a major cause of infection among patients with compromised immune systems.

This new method is more accurate and rapid, detecting the bacteria within 24 to 48 hours. The discovery is important since *Pseudomonas aeruginosa* is extremely resistant to antibiotics and early detection makes a huge difference to a patient's chances of survival.



TUBERCULOSIS:

COLLABORATION WITH THE SWISS FOUNDATION, FIND

bioMérieux and **FIND** (Foundation for Innovative New Diagnostics) signed a memorandum of understanding to jointly develop tests in the field of infectious diseases, among which tuberculosis is a priority.

Despite the availability of effective and inexpensive antibiotic treatments, the number of deaths caused by tuberculosis is unacceptable in developing countries, exacerbated by co-infection with HIV and the emergence and spread of multidrug-resistant tuberculosis strains. These complex public health issues call for new diagnostic tools, adapted to the specific needs of disadvantaged countries.



CANCER: SIGNIFICANT PROGRESS IN 2008

TOWARDS A NEW HIGH MEDICAL-VALUE TEST FOR DIAGNOSING PROSTATE CANCER

bioMérieux signed a license and development agreement with the German biotechnology company, **ProteoSys**, to develop a test for prostate cancer.

This agreement, which concerns ProteoSys' biomarker, Annexin A3, will be used to develop a new urine-based, non-invasive and highly specific test for the diagnosis of prostate cancer. After an initial validation, the new test should be developed on the VIDAS® immunoassay platform. The combination of this innovative test with standard screening methods could potentially reduce the number of biopsies by up to 75% in comparison with current screening methods. This would offer a major benefit for public health as well as for reducing healthcare expenditures.

CREATION OF A NEW JOINT RESEARCH LABORATORY WITH THE LYON UNIVERSITY HOSPITALS

In December 2008, a new joint research laboratory opened at the Lyon Sud Hospital in France, devoted to the research and validation of new cancer biomarkers. The new laboratory benefits from the proximity and accessibility of physicians and direct access to clinical cases. bioMérieux has established a network of hospital research units, which includes one created in 2005 with the **Lyon University Hospitals** at the Edouard Herriot Hospital, concentrating on inflammation and sepsis.



LABORATORY AUTOMATION

STRATEGIC PARTNERSHIP WITH HITACHI HIGH-TECHNOLOGIES CORPORATION

bioMérieux aims at providing fully automated solutions for laboratories and took a major step toward this goal in 2008 with the launch of the FMLA™ (Full Microbiology Lab Automation) concept. Within the framework of this strategy, bioMérieux entered into a partnership with the Japanese company, **Hitachi High-Technologies Corporation**, to develop new microbiology systems. This partnership leverages bioMérieux's expertise in biology and Hitachi's know-how in engineering.





INTER-
NATIONAL

DESPITE A CHALLENGING ENVIRONMENT, BIOMÉRIEUX'S SALES TEAMS CONTINUED TO DELIVER GROWTH IN 2008, WITH 84% OF SALES OUTSIDE OF FRANCE

Even though the financial crisis had strong repercussions at the global level, wide disparities could be observed between North America and the other regions.

There were three major trends over the period:

- sustained pace of growth in the EMEA*, Asia-Pacific and Latin American regions, largely compensating for the difficulties encountered in North America,
- particularly slow growth in North America, the region most severely hit by economic erosion,
- continued international expansion, with the creation of four new subsidiaries since December 2007, bringing the total to 39 worldwide.

* EMEA: Europe, Middle East, Africa

EUROPE, MIDDLE EAST, AFRICA: SOLID PERFORMANCE ■

This region recorded overall sales growth of 7.5%, rising to 9.6% outside of France. Growth remained robust in Europe with good performance in Germany (+12%), Spain (+8%) and Great Britain (+7%), whose sales remained dynamic and considerably higher than the growth rates of domestic markets. For the second year in a row, France experienced positive growth (+2.2%) slightly above that of the market. A reorganization of the sector is planned, following recommendations made in the French Health Ministry's Ballereau Report. In anticipation of this change, laboratories are being cautious, slowing sales growth.

The new South African subsidiary, inaugurated in February 2008, got off to a good start and the contract to supply assays to measure HIV viral load was renewed for another year.

Clinical applications experienced strong growth, led by the VITEK® 2 range, VIDAS® immunoassay reagents (including high medical-value tests, particularly VIDAS® B.R.A.H.M.S. PCT and VIDAS® NT-proBNP) and molecular diagnostics. In spite of a greater sensitivity to the economic environment, industrial application sales expanded by more than 8%, with all of the lines contributing to growth. Spurred by the launch of new reagents, TEMPO® range sales surged by nearly 25%.

NORTH AMERICA: A PARTICULARLY CHALLENGING ECONOMIC CONTEXT ■

This region experienced low sales growth of 1.6% with the United States dragging Canada into the recession. Sales were dampened by flat demand with customers, mainly from the private sector with labs that are already extensively automated, postponing purchases of new systems because of difficulties obtaining credit. In this context, North American instrument sales fell by 20% during the year, compared with growth of nearly 25% in 2007. The 6% increase in reagent sales led overall growth in the region.

Commercial operations were reinforced and reorganized with the arrival of new sales teams in 2008.

The acquisition of PML Microbiologicals last December should consolidate bioMérieux's position in microbiology in the United States and in Canada by boosting the sales of manual reagents, less affected by the economic crisis. This investment will enable bioMérieux to become a leading provider of microbiology testing solutions for pharmaceutical companies in the U.S. and Canada's number one provider of culture media for clinical applications.

ASIA-PACIFIC: ROBUST GROWTH ■

The Asia-Pacific region achieved sales growth of 15.2%, reflecting gains in China (+24%), South Korea (+16%) and India (+27%). In Japan, sales by the joint venture with Sysmex were stable (up 1%) with a return to positive growth in a difficult market.

In clinical applications, growth was led by the microbiology product lines and the VIDAS® immunoassay range, up by nearly 17%. Sales of industrial applications rose more than 22%.

SUCCESS STORIES

China – Healthcare-Associated Infections:

bioMérieux signed an agreement for healthcare-associated infection control with the Chinese Ministry of Health, the first of its kind ever signed with a private company. Nine hospitals in five major Chinese cities are participating in this partnership, which includes screening for the prevalence of bacterial colonies as well as training of personnel. It will reinforce the presence of bioMérieux solutions such as VITEK® 2, DiversiLab® and chromID™ in Chinese hospitals.

India – Industrial Microbiology:

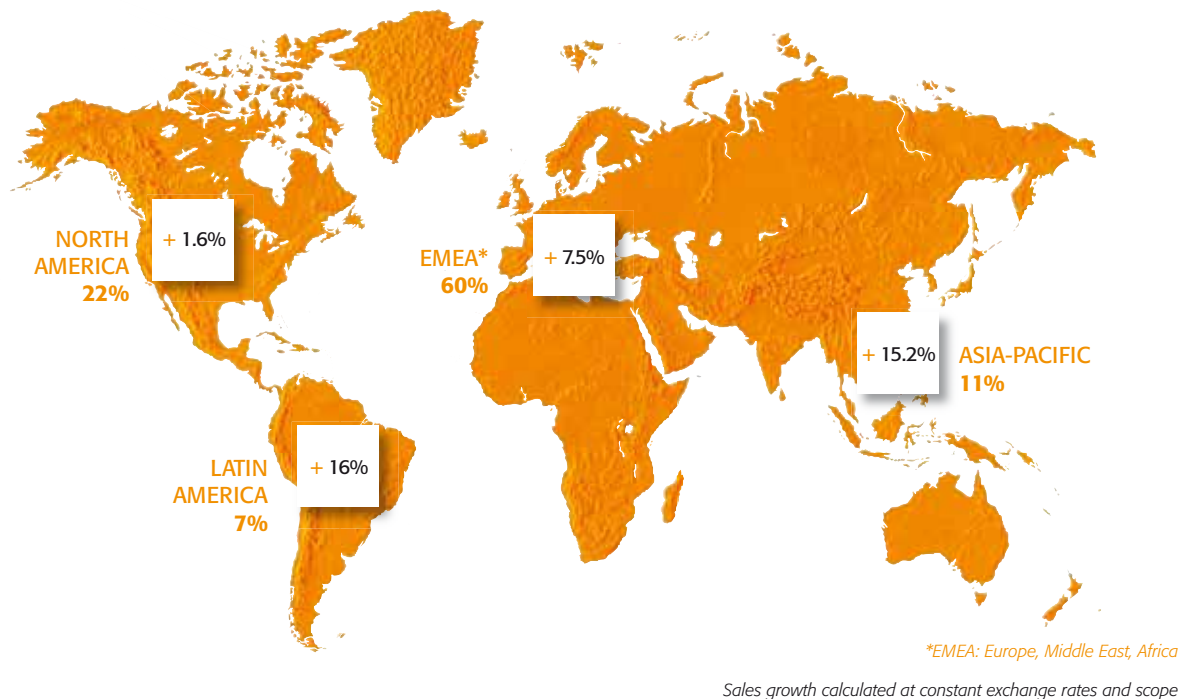
bioMérieux India won a tender offer to equip the Centre for Food Research & Development laboratory in Konni, Kerala. bioMérieux's Full Microbiology Lab Automation™ concept was a key factor in the Indian government's decision to choose bioMérieux. The laboratory is entirely equipped with bioMérieux systems: VIDAS, VITEK 2 Compact, TEMPO®, BacT/ALERT® 960, *airIDEAL*® and DiversiLab.

LATIN AMERICA: A STRONG MOMENTUM ■

Sales growth reached almost 16%. Growth was solid throughout the region, far superior to the preceding period (+4.5%). Brazil returned to positive growth, up 9%, boosted by robust sales at the end of the year.

Clinical application sales were lifted by the solid growth of the microbiology product lines. Microplate sales reported satisfactory growth in a highly competitive environment.

In the industrial segment, sales continued to expand rapidly in every country of the region.



FOUR NEW SUBSIDIARIES SINCE DECEMBER 2007 ■

The last annual report announced that two new subsidiaries would be open for business in 2008 in South Africa and in Algeria. After the opening of these new subsidiaries, bioMérieux continued to expand its global network by creating two other subsidiaries, one in the United Arab Emirates and one in Singapore.

A NEW SUBSIDIARY IN DUBAI

bioMérieux opened a subsidiary in Dubai, in the United Arab Emirates, a region where it has been active for over 25 years through its distributors.

This new subsidiary will serve as a base for sales teams in the Middle East. With 20,000 healthcare professionals in *Dubai Healthcare City* and first-rate international institutions such as *Harvard Medical School* and the *Mayo Clinic*, the United Arab Emirates offer excellent opportunities in the area of healthcare, and diagnostics, in particular.



BIOMÉRIEUX COMES TO SINGAPORE

With the opening of a subsidiary in Singapore, bioMérieux advances in its Asian strategy, a region with a very strong development potential. Two joint ventures have also been set up in China and in Japan.

bioMérieux's ASEAN* team will be part of this new subsidiary that will provide support for all of the ASEAN countries, Korea, Australia and New Zealand. In the initial stages, the bioMérieux team will include marketing managers, Application Specialists and Field Service Engineers supporting bioMérieux distributors, as well as Regional Business Managers.

The opening of this subsidiary will not only allow bioMérieux to reinforce its commercial operations at the local level, but also its business development activities, by being positioned as a potential partner for innovative companies in the region.



* ASEAN: Association of Southeast Asian Nations



INDUSTRIAL
INVESTMENTS

TO ADVANCE ITS STRATEGY, BIOMÉRIEUX HAS BUILT A GLOBAL NETWORK OF HIGHLY SPECIALIZED AND FLEXIBLE MANUFACTURING UNITS IN COMPLIANCE WITH THE MOST DEMANDING INTERNATIONAL QUALITY STANDARDS

For many years now, bioMérieux has invested steadily to streamline manufacturing and improve performance, while taking environmental protection into account.

In 2008, bioMérieux began integrating new, recently acquired manufacturing units, while optimizing and updating its industrial capabilities. The company invested in its historic sites to ensure an optimal level of quality and improve time to market. It also anticipated future growth, especially internationally and in the area of molecular biology, with a new manufacturing strategy for Asia. A total of 55 million euros were invested in 2008, an unprecedented level.

BOOSTING MANUFACTURING CAPACITY TO MEET CUSTOMER DEMAND IN THE SHORTEST TIME POSSIBLE ■

After the acquisition in 2007 of the Spanish company, Biomedics, specialized in culture media, bioMérieux reorganized its Madrid manufacturing site and expanded production capacity.

By tripling the output of this unit in just 12 months, bioMérieux significantly increased its global culture media manufacturing potential.

At the Durham, North Carolina site (United States), the extension of its BacT/ALERT® bottle production line began operating in July 2008, increasing its reagent manufacturing capacity by 25%.

In response to rising customer demand for VITEK® 2 cards, bioMérieux continued its investment plan in Saint Louis, Missouri (United States) to enhance the site's reagent manufacturing capacity.



CONFIRMING OUR COMMITMENT TO QUALITY ■

bioMérieux designs, manufactures and commercializes products and services involving high levels of complexity and accuracy, in highly regulated environments.

During 2008, the company successfully completed regulatory authority inspections at a number of its key facilities, confirming the quality of its processes and products.

All international sites and subsidiaries requiring recertification also had their ISO international quality standard certificates successfully renewed. In addition, new subsidiaries were added to the growing number achieving ISO certification for the first time, demonstrating bioMérieux's continued commitment to international Quality standards across its global organization.

The bioMérieux Global Quality Management System was reinforced with the addition of key personnel dedicated to quality standards across its global operations. Investment in processes and systems also continued, designed to further improve the company's capabilities as a Quality supplier.

OPTIMIZING MANUFACTURING NETWORK PERFORMANCE AT THE GLOBAL LEVEL ■



The decision to close the Boxel (the Netherlands) site by the end of 2009 required a redeployment and a reorganization of industrial operations worldwide in 2008, mainly involving immunoassays and molecular diagnostics.

An extremely ambitious investment of 18 million euros was launched in Grenoble (France) for molecular diagnostics manufacturing. At this site, devoted to research and development, a molecular diagnostics production facility is currently being built that will be one of the most advanced in the world. It should be fully operational in 2010 and will be a state-of-the-art center for this leading-edge technology.



In Marcy l'Etoile (France), the extension of a raw material production laboratory was initiated in 2008. The facility should be operational in 2009 and represents a highly strategic investment of almost three million euros in the group's principle site for immunoassays.

The renovation of a microplate immunoassay manufacturing plant was launched in Shanghai (China). The project follows the creation of a Shanghai-based joint venture in January 2008 with Shanghai Kehua Bio-engineering. The first products will be on the market by the end of 2009.



As proof of the group's strong commitment in Asia, bioMérieux established a Corporate Manufacturing Department in China, to establish and implement an industrial strategy in this region with major commercial stakes. In the short term, the new department will oversee the immunoassay manufacturing plant project with Shanghai Kehua Bio-engineering.

ENHANCING THE GLOBAL MICROBIOLOGY MANUFACTURING NETWORK

By acquiring AB BIODISK in Sweden and PML Microbiologicals in North America, bioMérieux is expanding its global network for the manufacturing of culture media and associated tests, a core competency. These sites join a network gravitating around Craponne (France), with regional sites in Lombard (U.S.), Madrid (Spain), Basingstoke (U.K.), Brisbane (Australia) and Rio de Janeiro (Brazil).

Major investments were made in Craponne to enhance the quality of its culture media and the safety of its teams. The manufacturing of dehydrated media necessary for the production of culture media, mainly done manually, is the focus of a technical improvement plan aimed at industrializing processes.



PRODUCTION FLEXIBILITY AND LOGISTICAL REDESIGN

In 2008, products developed by in-house R&D programs were launched and product references from newly acquired companies were added. bioMérieux thus went from some 2,000 product references in 2007 to 2,500 in 2008, creating new needs in terms of supply, manufacturing and distribution, which were addressed by a major redesign of logistics.

bioMérieux's industrial sites demonstrated a high degree of flexibility to ensure the manufacturing of new products. As an example, the La Balme (France) site handled three product launches in the TEMPO® line and a sharp increase in manufacturing output with no additional investments.





INITIATIVES

IN 2008, BIOMÉRIEUX TOOK MEASURES TO STRENGTHEN ITS MOST VALUABLE ASSET – ITS 6,000 EMPLOYEES – BY PROVIDING THEM WITH NEW METHODS OF DEALING WITH A COMPLEX AND UNCERTAIN ENVIRONMENT

bioMérieux established a human resources strategy equal to its ambitions. It also conducted business in keeping with the principles of sustainable development and the company's dedication to improving public health worldwide.

FOCUSING ON HUMAN RESOURCES ■

During 2008, bioMérieux employees carried out their jobs in the midst of unprecedented turmoil. They demonstrated a great capacity for mobilization, particularly in the field, as can be seen from the results. More than ever, bioMérieux is convinced that its teams – thanks to their professionalism, their know-how and their adaptability – are an extremely valuable asset. In 2008, bioMérieux took initiatives to develop the capabilities of its employees, providing them with the necessary tools to face increasingly complex challenges.

SPOTLIGHT ON TRAINING

Training was at the core of bioMérieux's initiatives in this area in 2008. Training budgets were therefore significantly increased compared to 2007.

The aim of these training programs is to develop a true culture of leadership and results within the company, to encourage teamwork, to strengthen know-how at every level, and to provide managers with the means to perform to their full capacity.

In 2008, more than 400 managers in France and in the United States participated in one of the "**bioMérieux Managers Essentials**" training modules. All bioMérieux employees - more than 6,000 people – took a course on the performance management process within the framework of "**bioMérieux Essentials**". bioMérieux plans to gradually extend this training program to other themes, such as conflict management, communication, marketing, and career management, etc.

STRENGTHENING IN-HOUSE MOBILITY

In-house mobility is also a priority for the group. bioMérieux therefore created an Intranet site that gives all employees access to job openings worldwide and the possibility of applying for them. To encourage this mobility, the company is also actively developing access to qualification training, particularly in biology. The aim is to decompartmentalize and create a truly multifunctional and multicultural knowledge pool.

A PILOT TRAINING PROGRAM IN LYON, FRANCE

To encourage employee advancement and mobility between its different subsidiaries, bioMérieux set up a biology training program in France, in partnership with a school in Lyon, the **Lycée Jean-Baptiste de la Salle**.

This program is targeted at employees who would like to advance within the company toward biology-related jobs, or operators and technicians who would like to develop their expertise in this area.

They are given the possibility, outside of their regular work schedule, to take 300 hours of college freshman-level courses, over a period of 10 months. Two classes of almost 25 people have now completed this program. As a result of its success, bioMérieux has requested government certification. It is also looking into the possibility of extending this exemplary partnership to other programs, particularly in industrial techniques and sciences.

IDENTIFYING THE LEADERS OF TOMORROW

bioMérieux is broadening its scope and must face challenges that require increasingly specific expertise. Given its size, it must be ready to anticipate the movement of employees. Forecasting needs for human resources has become a priority.

A succession plan was established in 2008 that initially applies to strategic positions within the company and that should be extended to all of the company's functions and departments. This type of plan is essential for dealing with unexpected events and for ensuring the continuity of the company's activities.

Moreover, in order to attract gifted new employees capable of playing a key role in years to come, bioMérieux is **building its relations with top universities around the world**. By doing so, it is developing partnerships with major academic institutions in North America and Europe, specialized in medicine, biology, pharmacy, engineering, business, and management.



ENVIRONMENTAL INITIATIVES: "BIOMÉRIEUX GOES GREEN" ■

Towards the end of 2007, bioMérieux created a Sustainable Development Committee responsible for setting environmental goals and actions for the organization. In 2008, the responsibility for our environmental initiative was further elevated with specific accountability given at the Corporate Vice President, Management Committee level to provide the visibility and ownership required to

clearly make sustainable development a top priority for all in the company. Building on past efforts, the mission of this new alignment is to take the company to a new level of awareness and delivery, moving bioMérieux towards **becoming an "eco-exemplary" company**.

The environmental action plan, "BIOMERIEUX GOES GREEN" was launched in 2008 with challenging targets for improvement set each year. The first phase of initiatives is focusing attention on five key areas: energy, water, paper, waste and emissions (CO₂, refrigerants, etc..).

"Green Champions", responsible for locally identifying and communicating relevant initiatives and sharing best practices, have been chosen in each of our sites and subsidiaries. Highly motivated, they participate as a global community of practice to contribute to the "BIOMERIEUX GOES GREEN" action plans worldwide and drive local execution.

STRONG EMPLOYEE MOBILIZATION LED TO REAL PROGRESS IN 2008

Water is undoubtedly the resource we use the most in our manufacturing processes. In 2008, water consumption came to 862,900 m³. At the Durham, North Carolina site (U.S.), aggressive efforts to reduce consumption led to significant savings in water (over 40%): water used in manufacturing was recycled; air conditioning in administrative buildings was reduced; watering of grass on the sites was stopped and plants requiring little water were selected. At the Craponne site (France), water used to cool production tanks is now systematically recycled in a closed loop circuit.

Paper consumption is also an important issue: 191 tons were used in 2008, or the equivalent of 3,500 trees. For a rapidly growing company like bioMérieux, decreasing paper consumption is a real

challenge. Our Jacarepagua (Brazil) and Geneva (Switzerland) subsidiaries have been using only recycled paper since the beginning of 2008, setting an example for other subsidiaries that will switch to recycled paper during 2009. In the United States, the use of electronic media is well-established.

The optimized management of waste, which represented 4,914 tons in 2008, is a top priority. Specialized companies handle hazardous waste, and non-hazardous waste is sorted and recycled. In France, a paper recycling system has been established for all of the sites. For the site of Marcy alone, 26 tons of paper were recycled in 2008. In Brazil, shipping in single-use polystyrene containers is gradually being replaced by shipping in refrigerated trucks.

IMPROVING THE ENVIRONMENT SUPPORTS THE GLOBAL COMPACT

bioMérieux has been a member of the Global Compact since 2003. Our Environmental Action Plan, launched in 2008, is part of our support of this international United Nations initiative. Promoting a greater environmental responsibility is one of the areas in which the Global Compact and its members address the impact of globalization.

CORPORATE INITIATIVES ■

In 2008, bioMérieux devoted 3.25 million euros to corporate sponsorship.

JOINING FORCES WITH THE MÉRIEUX FOUNDATIONS IN THE FIGHT AGAINST INFECTIOUS DISEASES

True to its mission in public health and committed to making quality healthcare accessible to a large population, bioMérieux supports the actions of the **Mérieux Foundation**, which has public interest status, and the **Christophe and Rodolphe Mérieux Foundation**, which operates under the aegis of the Institut de France. These foundations fight infectious diseases affecting developing countries by strengthening the clinical biology infrastructures and supporting research on diseases specific to these regions.

In 2008, construction of two new research and training laboratories, the Rodolphe Mérieux Laboratories, began at the GHESKIO* Center in Haiti and at the Christophe Mérieux Center in Laos. The Mérieux Foundation will also provide equipment and training for the staff of these units, intended to become reference laboratories and serve their surrounding regions.

bioMérieux thus contributed three million euros to the two foundations in 2008 as part of its corporate sponsorship. This support made it possible, above all, to partially finance the Mérieux Foundation research teams working on emerging pathogens. The two research units in Lyon (France) and Beijing (China) work on the detection and identification of new infectious agents. Some 20 researchers are actively studying pathogens responsible for a high number of deaths in children worldwide from tuberculosis, respiratory infections, malaria, HIV, hepatitis, etc.

PUBLIC HEALTH

In the area of public health, bioMérieux also works with various international organizations such as the **Bill Clinton Foundation**, the **United Nations**, the **World Bank** and the **European Commission**, by supporting certain initiatives (financing research projects, international programs, etc.). Through these different partnerships, bioMérieux intends to use its expertise to make healthcare more widely accessible throughout the world.

MERCY SHIPS: HUMANITARIAN AID IN AFRICA

bioMérieux supports the global charity, **Mercy Ships**, based in the United States. Mercy Ships owns a fleet of ocean-going vessels manned with large medical teams and equipped with state-of-the-art facilities to aid disadvantaged countries and to provide medical relief to their populations.

In 2008, bioMérieux provided technical support and donated reagents to a hospital ship, the Africa Mercy, docked off the coast of Monrovia, Liberia. Its 78-bed hospital ward, where about 7,000 surgical procedures are carried out each year, uses bioMérieux's **mini VIDAS®** immunoassay platform for its biological analyses. In particular, the donated reagents have made it possible to measure thyroid hormones for the follow-up of thyroid (goiter) surgery done on board, as well as to monitor pregnant women for toxoplasmosis and rubella.



*GHESKIO = Haitian Study Group on Kaposi's Sarcoma and Opportunistic Infections

CORPORATE GOVERNANCE



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BOARD OF DIRECTORS

The Board of Directors, chaired by Alain Mérieux, met 7 times in 2008.

The evolution of bioMérieux's Strategy for 2007-2012 was presented to our investors, financial analysts and the media on March 17, 2008.

The Board of Directors is comprised of 9 members:

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

COMMITTEES OF THE BOARD OF DIRECTORS

- The Audit Committee is comprised of **Michel Angé, Benoît Habert** and **Alexandre Mérieux**. In 2008, the committee met 6 times.
- The Remuneration Committee is comprised of **Georges Hibon, Michele Palladino** and **Jean-Luc Bélingard**. It met twice in 2008.

STRATEGY COMMITTEE

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

- **Alain Mérieux** Chairman
- **Stéphane Bancel** Chief Executive Officer
- **Alexandre Mérieux** Directeur Général Délégué and 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:

- 2 Stéphane Bancel Chief Executive Officer
- 1 Thierry Bernard Corporate Vice President, Commercial Operations
- 6 Eric Bouvier Deputy Managing Director
- 9 Richard Ding Corporate Vice President, Strategy & Business Development and Theranostics
Chief Executive Officer, bioTheranostics, Inc.
- 4 Jean-Marc Durano Corporate Vice President, Manufacturing and Quality
- 8 Peter Kaspar Corporate Vice President, Research and Development
- 7 Mojgan Lefebvre Chief Information Officer
- 3 Marc Mackowiak Chief Executive Officer, bioMérieux, Inc.
- 11 Alexandre Mérieux Corporate Vice President, Industrial Microbiology
- 12 Henri Thomasson Corporate Vice President, Finance
- 10 Steve Harbin Corporate Vice President, Quality Management Systems, Health, Safety and Environment, and Internal Control

KEY FIGURES

NET SALES AND GROWTH RATES (in millions of euros)

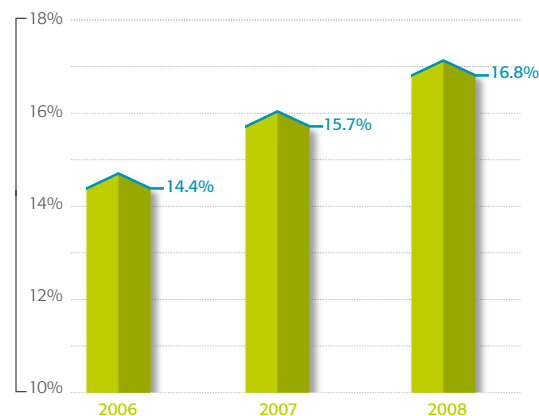
Sales growth was strong in 2008. Net sales rose to 7.5% on a like-for-like basis, confirming the acceleration that began in 2007. Including new business development agreements, the increase reached 9.8%.



* At constant exchange rates and scope

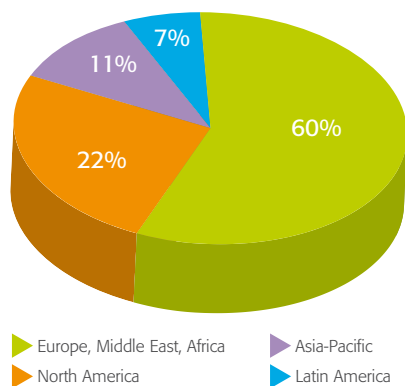
CHANGE IN OPERATING INCOME BEFORE NON-RECURRING ITEMS (% of sales)

At €187 million, growth in operating income was powered by higher reagent sales and benefited from the control of operating expenses.



BREAKDOWN OF SALES BY REGION

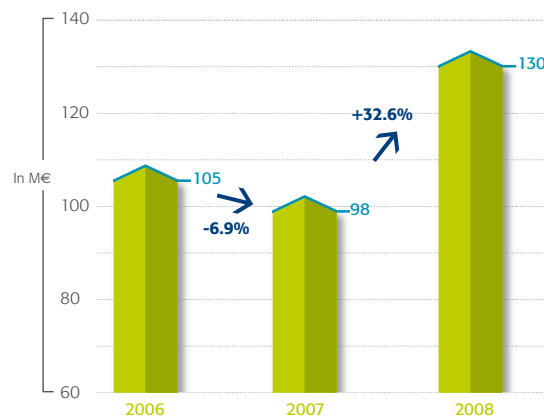
Sales were particularly vigorous in Europe (+9.6%* outside France), in Asia-Pacific (+15.2%*) and in Latin America (+15.8%*). In North America, sales were dampened by flat demand as customers postponed purchases of new systems.



* At constant exchange rates and scope

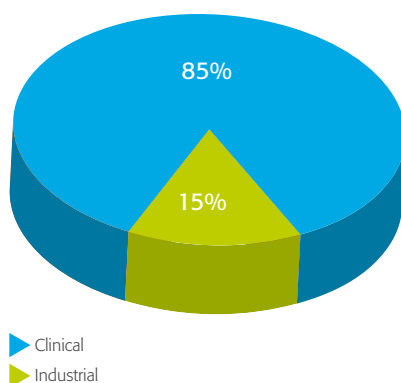
CHANGE IN NET INCOME (in millions of euros)

Net income increased by €32 million, positively impacted by an improved operating margin and a sharp drop in non-recurring costs.



BREAKDOWN OF SALES BY APPLICATION

Reagent sales, boosted by high medical-value tests, drove growth in clinical applications (+7.2%*). Industrial applications, more sensitive to the economic environment, increased by 9.7%*.



* At constant exchange rates and scope

R&D EXPENSES (in millions of euros)

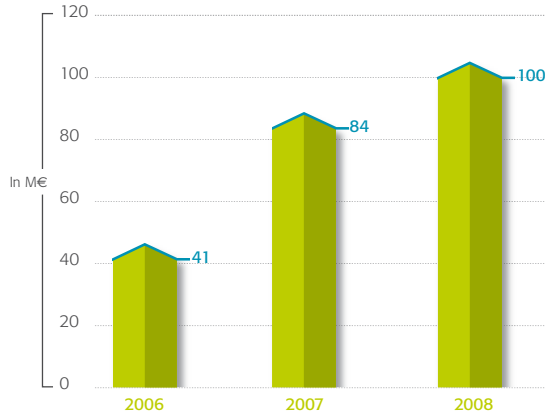
In keeping with its innovation strategy, bioMérieux continued its strong investment in R&D, which totalled €133 million. The Company intends to maintain its research expenses at between 12 and 13% of sales.



* In % of sales

FREE CASH FLOW (in millions of euros)*

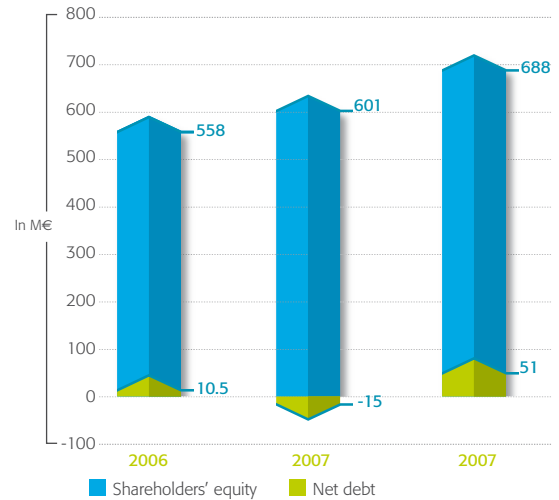
Free cash flow rose by €16 million. It benefited from the growth in sales and a change in operating working capital, which amounted to 20.6% of sales compared to 21.1% in 2007.



* Free cash flow before acquisitions, divested operations and dividends

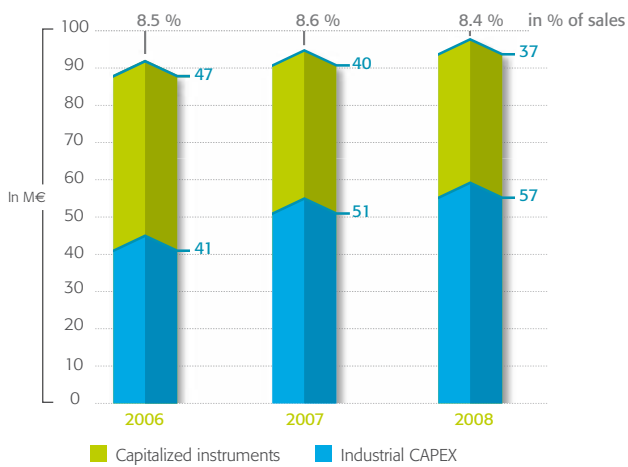
FINANCIAL STRUCTURE (in millions of euros)

Due to acquisitions and dividends paid during 2008, net debt stood at €51 million and represented 7% of equity.



CAPITAL EXPENDITURE (in millions of euros)*

With an increase of close to 40% since 2006, industrial investments primarily covered capacity extensions, building development projects and the "Global ERP" project.



* Excluding change in PPE payables

TOTAL WORKFORCE AS AT DECEMBER 31*

The number of full-time equivalent employees grew by 6.4%. The integration of the companies acquired in 2008 accounts for more than half of this increase.



* In full-time equivalents

CONSOLIDATED INCOME STATEMENT ■

In millions of euros	Jan 08-Dec 08	Jan 07-Dec 07	Jan 06-Dec 06
Net sales	1,110.5	1,062.8	1,036.9
Cost of sales	-517.5	-497.0	-495.0
Gross profit	593.0	565.8	541.9
Other operating income	12.6	10.6	9.8
Selling and marketing expenses	-198.9	-189.3	-186.7
General and administrative expenses	-87.1	-88.3	-86.0
Research and development expenses	-132.7	-131.8	-129.6
Total operating expenses	-418.7	-409.4	-402.3
Operating income before non-recurring items	186.9	167.0	149.4
Other non-recurring incomes (expenses)	-0.8	-17.1	3.1
Operating income	186.1	149.9	152.5
Cost of net financial debt	-2.5	0.0	-0.9
Other financial items	-0.8	4.7	1.8
Income tax	-51.5	-55.1	-46.6
Investments in associates	-1.3	-1.4	-1.4
Net income of consolidated companies	130.0	98.1	105.4
Attributable to the minority interests	0.1	0.1	0.1
Attributable to the parent company	129.9	98.0	105.3
Net income per share (a)	3.29	2.48	2.67

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

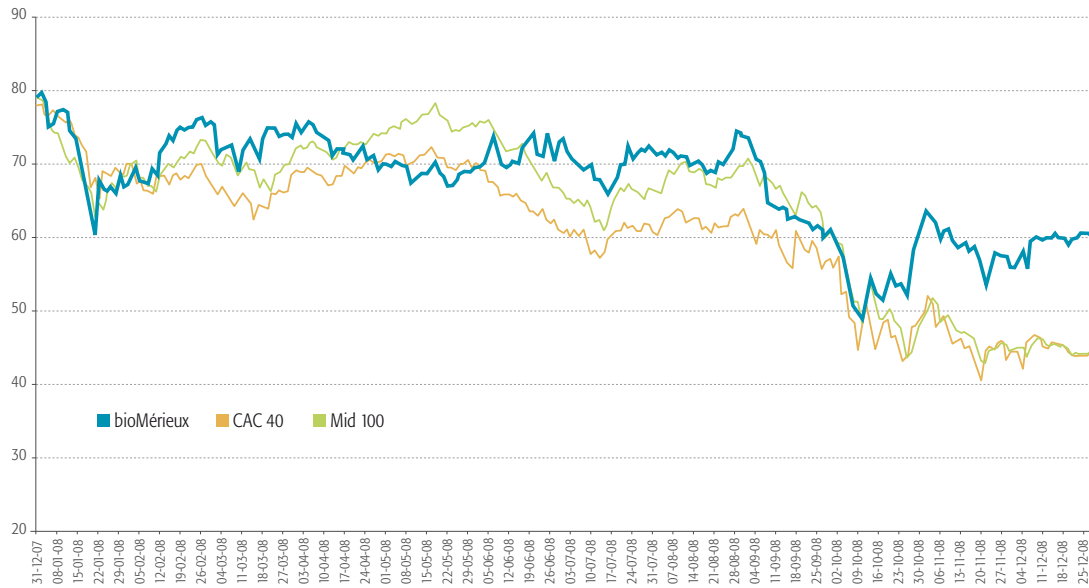
CONSOLIDATED BALANCE SHEET

Assets	Net	Net	Net
In millions of euros	12/31/2008	12/31/2007	12/31/2006
Non-current assets			
Intangible assets	78.1	42.8	31.1
Goodwill	168.0	76.9	74.8
Property, plant and equipment	300.2	284.3	271.7
Financial assets	16.6	17.8	14.9
Investments in associates	2.0	3.1	4.9
Other non-current assets	26.0	21.7	21.5
Deferred tax assets	21.7	20.1	24.9
Total	612.6	466.7	443.8
Current assets			
Inventories and work in progress	156.3	145.8	146.8
Accounts receivable	315.4	293.6	280.8
Other operating receivables	28.8	23.8	23.7
Tax receivable	11.6	10.8	2.5
Non-operating receivables	11.7	3.2	8.1
Cash and cash equivalents	52.8	54.5	33.9
Total	576.6	531.7	495.8
Total assets	1,189.2	998.4	939.6
Liabilities and shareholders' equity			
	12/31/2008	12/31/2007	12/31/2006
Shareholders' equity			
Share capital	12.0	12.0	12.0
Additional paid-in capital	63.7	63.7	63.7
Retained earnings	517.6	458.9	382.2
Other comprehensive income	7.1	0.6	0.9
Translation reserve	-45.6	-32.3	-7.0
Net income for the year	129.9	98.0	105.3
Total equity before minority interests	684.7	600.9	557.1
Minority interests	3.7	0.4	0.4
Total shareholders' equity	688.4	601.3	557.5
Non-current liabilities			
Net financial debt - long-term	78.1	18.2	17.3
Deferred tax liabilities	25.6	12.8	5.4
Provisions	34.4	71.4	59.9
Total	138.1	102.4	82.6
Current liabilities			
Net financial debt - short-term	25.6	21.3	27.1
Provisions	38.4	7.5	17.0
Accounts payable	120.2	98.1	95.8
Other operating liabilities	151.7	140.6	132.3
Tax liabilities	11.7	12.3	11.0
Non-operating liabilities	15.1	14.9	16.3
Total	362.7	294.7	299.5
Total liabilities and shareholders' equity	1,189.2	998.4	939.6

CONSOLIDATED CASH FLOW STATEMENT

In millions of euros	Jan 08-Dec 08 12 months	Jan 07-Dec 07 12 months	Jan 06-Dec 06 12 months
Net income of consolidated companies	130.0	98.1	105.4
Net depreciation and provisions, and others	72.7	95.2	59.0
(Increase) / Decrease in fair value of derivatives	0.2	-1.1	0.3
Net realized capital gains (losses)	-1.9	-3.5	-6.4
Cash flow from operating activities	201.0	188.7	158.3
Cost of net financial debt	2.5	0.0	0.9
Current income tax expense	56.0	48.9	47.0
Cash flow from operating activities before cost of net financial debt and income tax	259.5	237.6	206.2
Increase in inventories	-7.4	-1.4	-4.5
Increase requirements in accounts receivable	-20.9	-18.2	-21.7
Increase (Decrease) in accounts payable and other operating working capital	24.3	11.2	-2.3
Decrease / (Increase) in operating working capital	-4.0	-8.4	-28.5
Income tax paid	-57.6	-56.3	-53.5
Other	3.4	0.4	3.2
(Increase) / Decrease in non-current assets	-3.4	-2.3	-1.9
Decrease / (Increase) in working capital requirements	-61.6	-66.6	-80.7
Net cash flow from operations	197.9	171.0	125.5
Purchase of property, plant and equipment	-91.8	-89.7	-88.6
Proceeds on fixed asset disposals	7.5	8.0	8.0
Purchase of financial assets / Disposals of financial assets	-0.3	-1.1	0.8
Net cash from the sale of Hemostasis line of business	1.9	2.3	33.7
Impact of changes in the scope of consolidation	-130.6	-21.6	-18.4
Other investing cash flows	-3.2	-1.3	
Net cash flow from (used in) investment activities	-216.5	-103.4	-64.5
Purchases and proceeds of treasury stocks	-15.3	-5.0	-3.6
Dividends to bioMérieux SA shareholders	-29.8	-29.9	-18.1
Minority interests in capital increase	2.4		
Cost of net financial debt	-2.5	0.0	-0.9
Change in confirmed financial debt	61.5	2.5	-0.9
Net cash flow from (used in) financing activities	16.3	-32.4	-23.5
Net change in cash and cash equivalents	-2.3	35.2	37.5
Analysis of net change in cash and cash equivalents			
Net cash and cash equivalents at the beginning of the year	36.0	8.0	-25.1
Impact of currency changes on net cash and cash equivalents	-2.2	-7.2	-4.4
Net change in cash and cash equivalents	-2.3	35.2	37.5
Net cash and cash equivalents at the end of the year	31.5	36.0	8.0

SHARE PRICE PERFORMANCE IN 2008⁽¹⁾



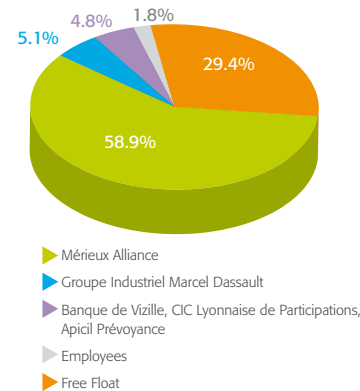
The bioMérieux share was listed on July 6, 2004 at an offer price of 30 euros per share.

SHARE VALUE

In euros	2008	Since July 6, 2004
Highest ⁽²⁾	80.00	80.00
Lowest ⁽²⁾	45.97	26.00
As at 12/31/2008* ⁽²⁾	60.00	

- Number of shares: 39,453,740
- Market capitalization as at end 2008: 2,367 million euros
- Average daily trading volume in 2008: approximately 34,700 shares, for a value of 2.3 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, 2008



2009 CALENDAR OF EVENTS

- **January 20th**: 2008 business review
- **March 16th**: 2008 results
- **April 23rd**: 2009 Q1 business review
- **June 11th**: Shareholders meeting
- **July 24th**: 2009 Q2 business review
- **September 7th**: 2009 first half results
- **October 20th**: 2009 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 CONTACT

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The Reference Document approved by the AMF is available upon request or on our Web site: www.biomerieux.com - Investor Relations

(1) Indexes rebased on bioMérieux's stock price as at December 31, 2007 (€79.08)

(2) Closing price

❑ ANTIBIOTIC SUSCEPTIBILITY TESTING

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

❑ BIOMARKER

Any indicator (nucleic acids, enzymes, metabolites and other types of molecules: histamines, hormones, proteins, etc.) present in the body or excreted by the body as a biological response to disease. A biomarker can make it possible to identify the presence, the effect and/or the measurement of specific phenomena, such as:

- the rapid or early detection of a disease, before the first symptoms appear,
- the progression of a disease,
- the impact of a drug or treatment.

❑ 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.

❑ ENUMERATION

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

❑ 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.

❑ HEART FAILURE

Symptoms (difficulty breathing, fatigue, etc.) 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, etc.).

❑ IMMUNOASSAYS

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

❑ *IN VITRO* DIAGNOSTICS

Analysis of biological samples (urine, blood, etc.) performed outside the human body.

❑ 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.

❑ ONCOLOGY

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

❑ PATHOGEN

That which causes or can cause disease.

❑ PHAGE RECOMBINANT PROTEIN

Phage tail protein that has been obtained by a biological process.

Bacteriophages: highly specific viruses that only infect bacteria. They are used for the targeted capture of bacteria and to isolate them from a sample.

❑ ROUTINE QUALITY INDICATORS

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

❑ 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.

❑ VENOUS THROMBOEMBOLISM (VTE)

A general term covering a thromboembolic event within the venous system, including deep vein thrombosis (DVT) and its main complication, pulmonary embolism (PE).

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