

— 2005 Results —

March 2006



BIOMÉRIEUX

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▶ Introduction

Another Year of Growth

Financial Review

Outlook for 2006



Introduction

▶ Another Year of Growth

▶ Business review

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Another year of growth



- ▶ **Sales up 5.7%***

- ▶ **Successful launch of new platforms:**
 - ▷ VITEK[®]2 Compact
 - ▷ easyMAG[™]
 - ▷ TEMPO[®]

- ▶ **New improvement in earnings:**
 - ▷ Operating income before non recurring items **up 3.4%**
 - ▷ Operating income **up 7.3%**
 - ▷ Net income **up 13%**

- ▶ **Ongoing investment programs**

**At constant exchange rates*

A changing environment

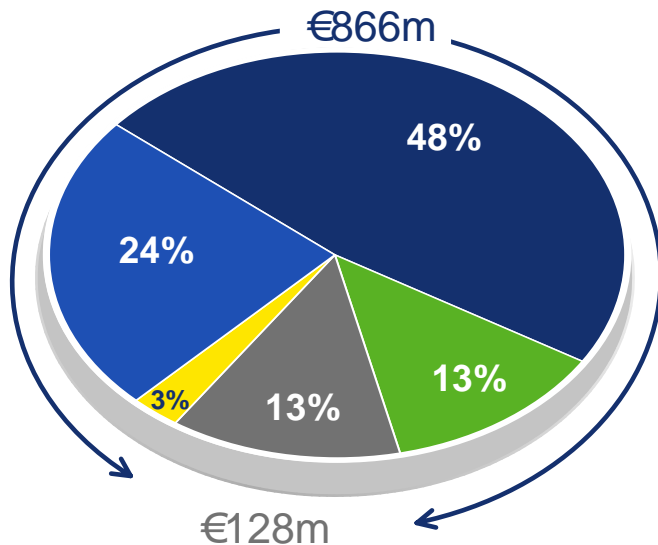


- ▶ Increasingly important role for IVD in meeting public health challenges
- ▶ Heightened competition
- ▶ Problems confronting the food industry
- ▶ Stricter regulatory requirements
- ▶ Raw material costs
- ▶ Rapid growth in China and India

Solid performance by the main product ranges



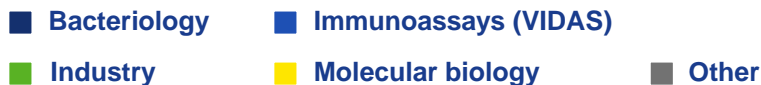
Strategic ranges: up 7.7%



Other ranges: down 6.0%

- ▶ **Clinical applications: €866m up 5.3%**
 - ▷ Bacteriology: €476m up 10%
 - ▷ Immunoassays (VIDAS): €235m up 2.6%
 - ▷ Molecular biology: €27m up 10.8%

- ▶ **Industrial applications: €128m up 8.3%**



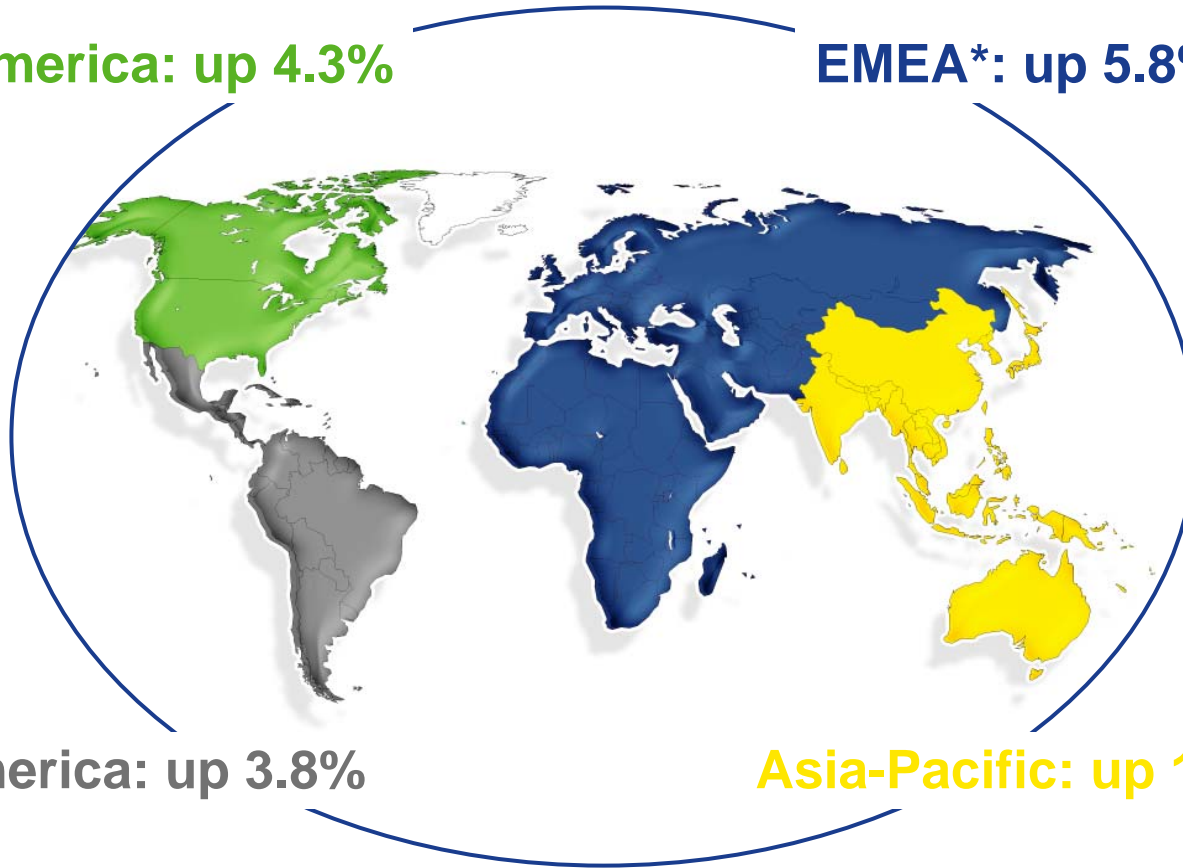
Growth rates calculated at constant exchange rates

Sharp growth in Europe and Asia-Pacific



North America: up 4.3%

EMEA*: up 5.8%



Latin America: up 3.8%

Asia-Pacific: up 10%

**Europe, Middle East, Africa*

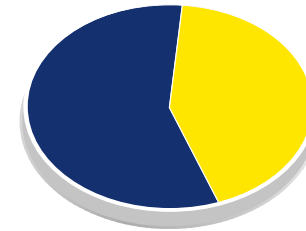
Growth rates calculated at constant exchange rates

Sales in Europe up 5.8%



Europe: 57% of sales

France: 18%



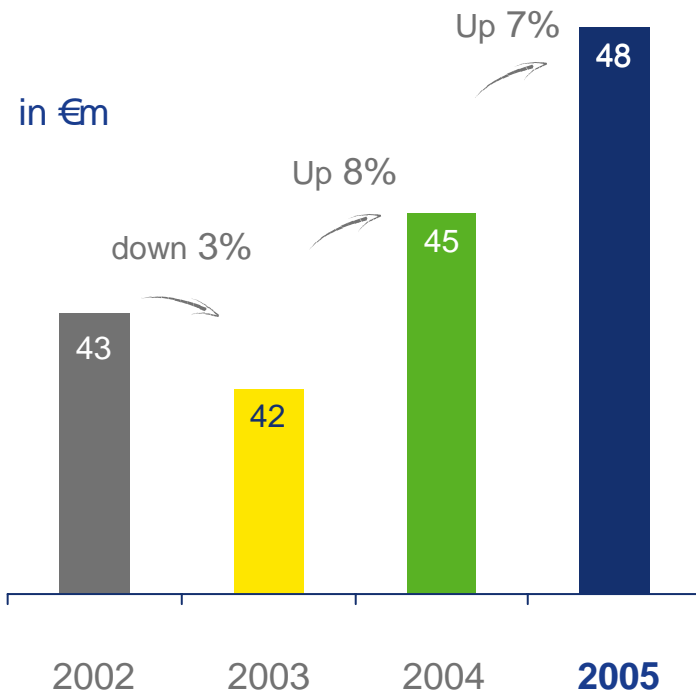
- ▶ Growth outside France up 6.7%
- ▶ Clinical bacteriology up 10.5%
 - ▷ Success of the VITEK[®]2 Compact
 - ▷ Success of the BacT/ALERT[®] range
- ▶ Stable immunoassays:
 - ▷ Fiercer competition in the VIDAS[®] range (routine tests)
- ▶ Molecular biology up 19%
- ▶ Industrial applications up 10%
- ▶ Creation of two new subsidiaries in Hungary and the Czech Republic
- ▶ Installation of healthcare cost management systems

Growth rates calculated at constant exchange rates

Installation of DRG: Germany



Sales - Germany

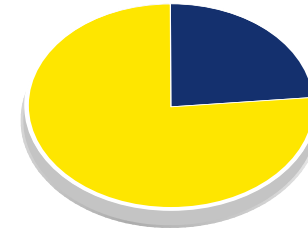


- ▶ Introduction of Diagnosis Related Groups (DRG) in 2003
- ▶ Obligation to deliver results within 48 hours to be reimbursed
- ▶ Bacteriological tests administered when patients admitted to hospital
- ▶ As a result, growth in the microbiology market

Sales in North America up 4.3%



North America: 26% of sales



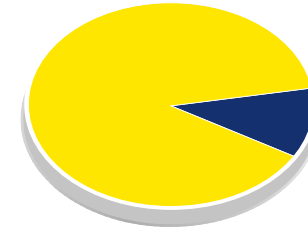
- ▶ **Clinical bacteriology up 8%**
 - ▷ BacT/ALERT®
 - ▷ Second-half launch of VITEK®2 Compact
- ▶ **Fast 13% growth in the VIDAS® range**
 - ▷ Emergency Rooms and Physician Office Labs (POL)
- ▶ **Industrial applications up 7.3%,
excluding the impact of prior-year comparatives**

Growth rates calculated at constant exchange rates

Sales in Asia-Pacific up 10%



Asia-Pacific: 11% of sales



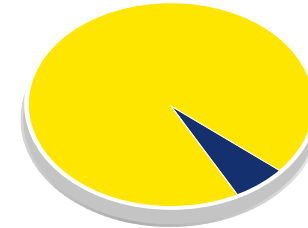
- ▶ **Clinical bacteriology up 11%**
 - ▷ VITEK® ranges
 - ▷ BacT/ALERT®
- ▶ **Industrial applications up 19%**
- ▶ **China, South Korea, India and Thailand:**
 - ▷ Sales increases of more than 20%
- ▶ **Hong Kong-based subsidiary transferred to Shanghai**

Growth rates calculated at constant exchange rates

Sales in Latin America up 3.8%



Latin America: 6% of sales



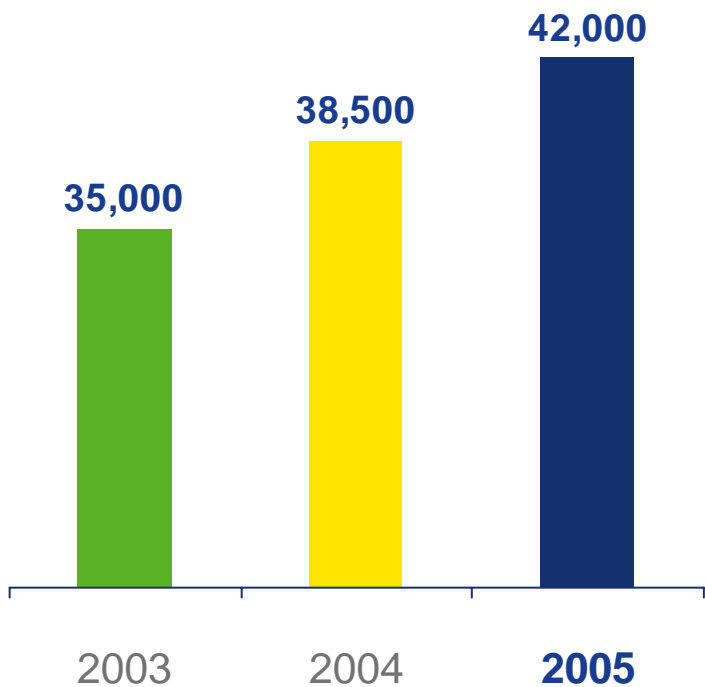
- ▶ **Brazil flat**
 - ▷ Non-renewal of the molecular biology tender for monitoring HIV viral load
- ▶ **Mexico up 4%**
 - ▷ Social security budgets reduced
- ▶ **Argentina up 13%**

Growth rates calculated at constant exchange rates

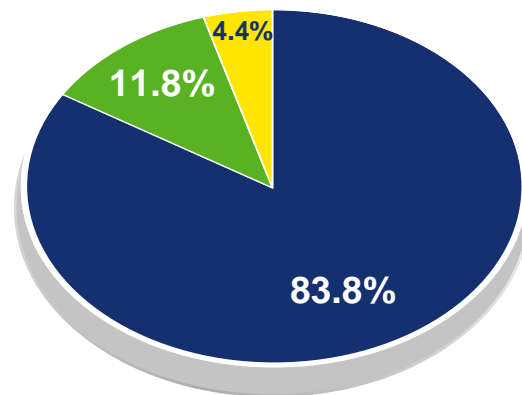
New increase in the installed base



Installed base - Number of instruments



Breakdown of sales



■ Reagents ■ Instruments ■ Services

- ▶ Approximately 3,500 new instruments installed
- ▶ No change in the instruments sold/instruments placed mix



Introduction

▶ **Another year of growth**

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Pursuing the launch program



**VITEK®2
Compact**



easyMAG™



TEMPO®



VIDIA™

VITEK®2 Compact



- ▶ Bacteriology
- ▶ Customers: small and medium-sized laboratories, clinical or industrial applications
- ▶ Launch:
 - ▷ France: late 2004
 - ▷ Rest of Europe: 1st half 2005
 - ▷ United States, Japan and rest of the world: 2nd half 2005

- ▶ Same reagents as the VITEK®2
- ▶ Full menu already available





- ▶ **Molecular biology:**
 - ▷ Extraction of genetic material using bioMérieux's proprietary BOOM® technology
- ▶ **Customers: commercial molecular biology laboratories, hospitals or research laboratories**
- ▶ **Launch:**
 - ▷ June 2005
 - ▷ 6 pilot countries, then global deployment

- ▶ **A broad, highly automated offer with EasyQ® (combining extraction, amplification and detection)**



- ▶ Immunoassays
 - ▶ Customers: medium-sized laboratories and large hospital infectiology laboratories
 - ▶ Pre-launch: late 2005
 - ▶ Launch:
 - ▷ Europe and Latin America: 2006
 - ▶ Combined with the VIDAS® range
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- ▶ Highly competitive environment
 - ▶ Mainly placed instruments
 - ▶ Menu being developed

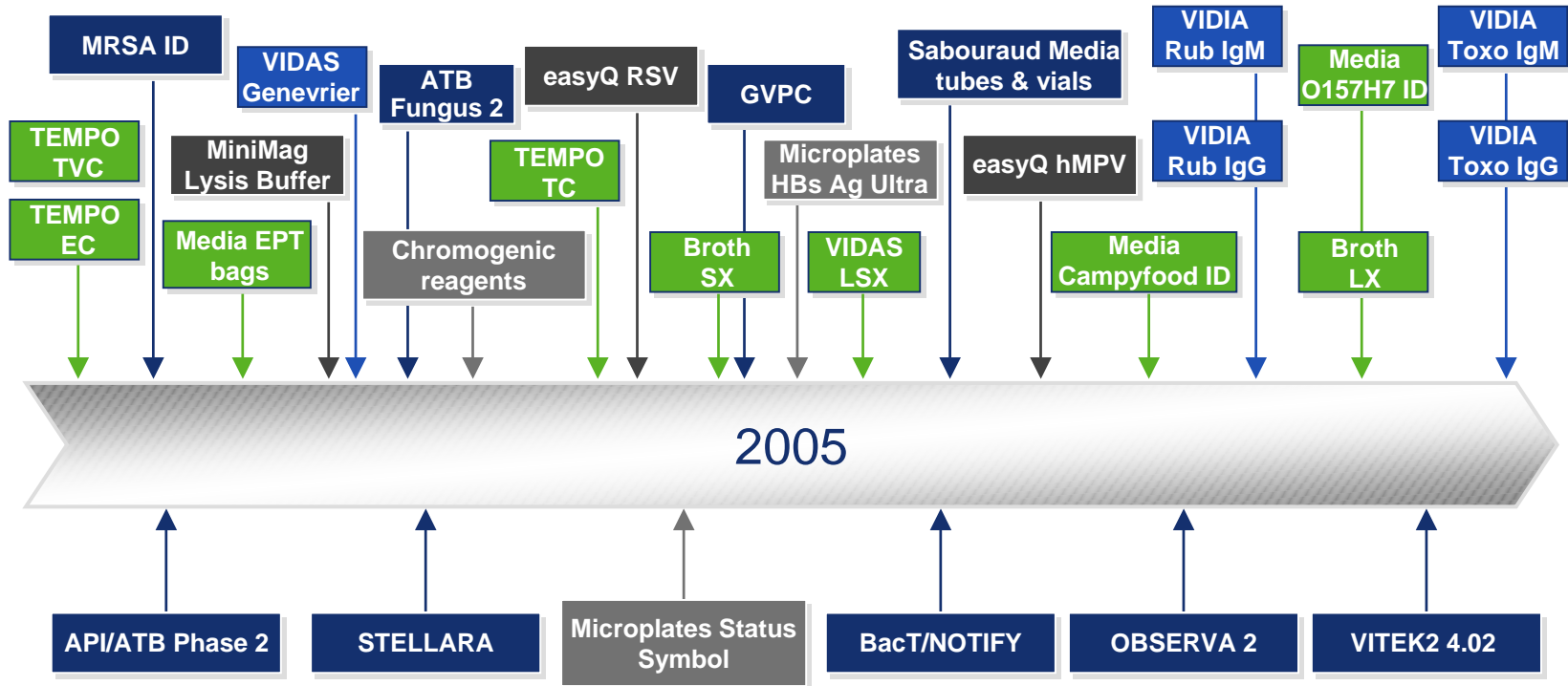


- ▶ **Industrial applications:**
 - ▷ Enumeration of quality indicators in a food matrix
 - ▶ **Customers: quality control laboratories**
 - ▶ **Launch:**
 - ▷ Europe and Asia
-
- ▶ Validation in a large number of food matrices
 - ▶ Validation underway in the United States
 - ▶ Gradual development of the installed based and menu

Broadening the menus



Reagents



Software



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Investments and quality management



- ▶ **Ongoing capital spending projects: €44m**
 - ▷ Grenoble: Molecular biology and micro-system R&D center
 - ▷ Craponne (near Lyon): to expand Petri dish production unit
 - ▷ Florence: to increase instrument production capacity
 - ▷ Durham (North Carolina): to strengthen quality assurance systems

- ▶ **Ongoing initiatives to improve quality systems**
 - ▷ Changes in the organization
 - ▷ Strengthened processes
 - ▷ Investments

New business development agreements



▶ Acquisition of bio-markers:

- ▶ BRAHMS - Procalcitonin (PCT): severe bacterial infections (sepsis)
- ▶ Roche - proBNP: congestive heart failure and acute coronary syndrome
- ▶ Gen-Probe: ribosomal RNA markers for bacterial targets

▶ Partnerships:

- ▶ Chinese Academy of Medical Sciences: emerging pathogens
- ▶ Affymetrix (US) and ExonHit Therapeutics (France): cancer
- ▶ diagnoSwiss: electrochemical chips, mainly in immunoassay
- ▶ Avestha Gengraine (India): tuberculosis



Introduction

Another Year of Growth

▶ Financial Review

▷ Update on IFRS

Consolidated statement of income

Statement of cash flows and balance sheet

Outlook for 2006

Impact of IFRS on financial statements



- ▶ **2004: adjustments to opening balance sheet and to income**
 - ▷ Elimination of goodwill amortization ⇒ €4.4m increase in net income
 - ▷ Reclassification of certain expenses ⇒ €2.7m reduction in operating income
 - ▷ IDC logistics center in Plaine de l'Ain:
Restatement of lease contract ⇒ €9m increase in debt
 - ▷ Overall, no change in equity at December 31, 2004

- ▶ **Beginning in 2005: financial statements prepared in accordance with IFRS**



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▶ Consolidated statement of income

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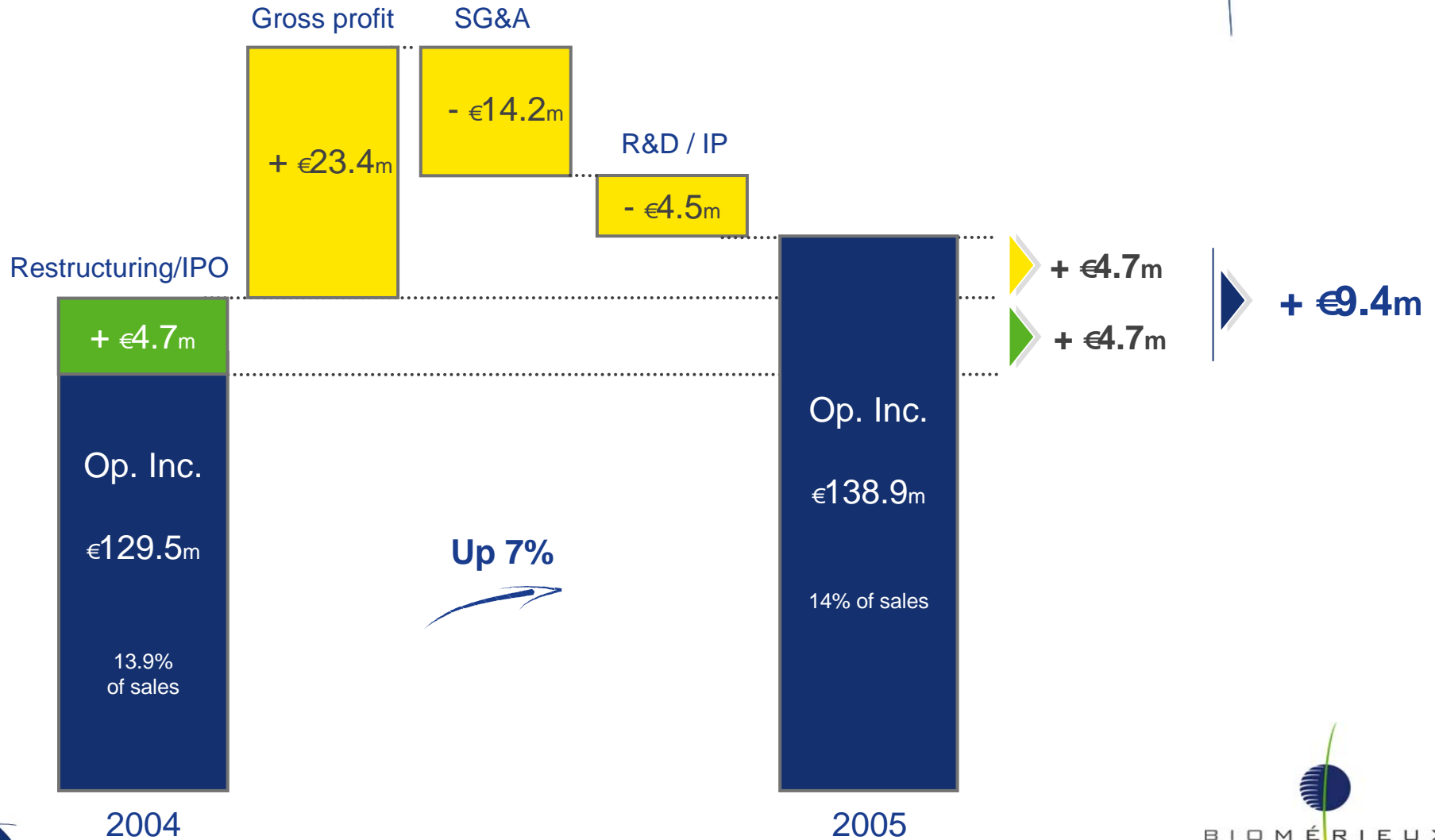
Consolidated statement of income



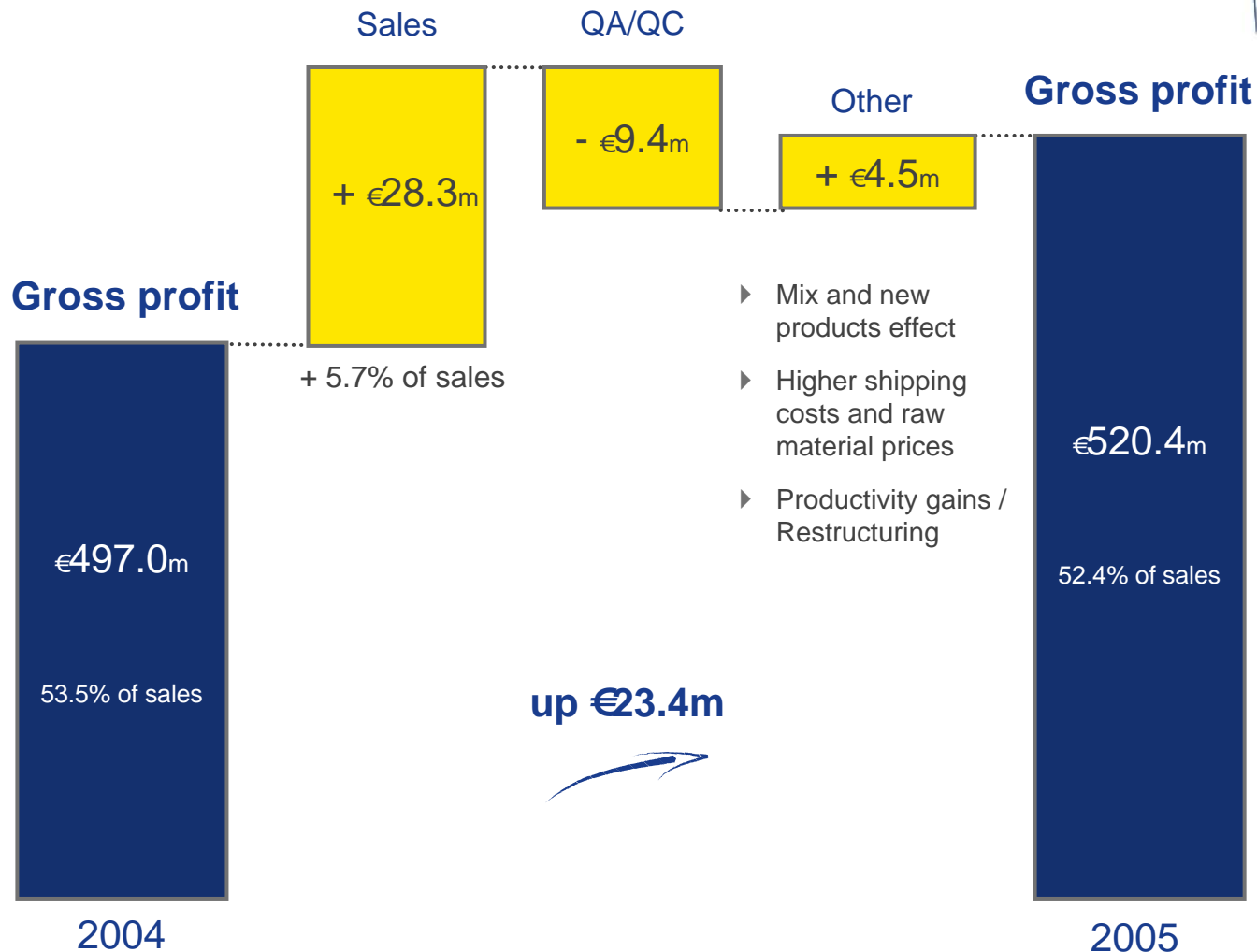
in €m	2005	2004	% change
Net sales	994	929	+ 7%*
Operating income <i>as % of sales</i>	139 14.0%	129 13.9%	+ 7%
Net income <i>as % of sales</i>	90 9.1%	80 8.6%	+ 13%

*Up 5.7% at constant exchange rates

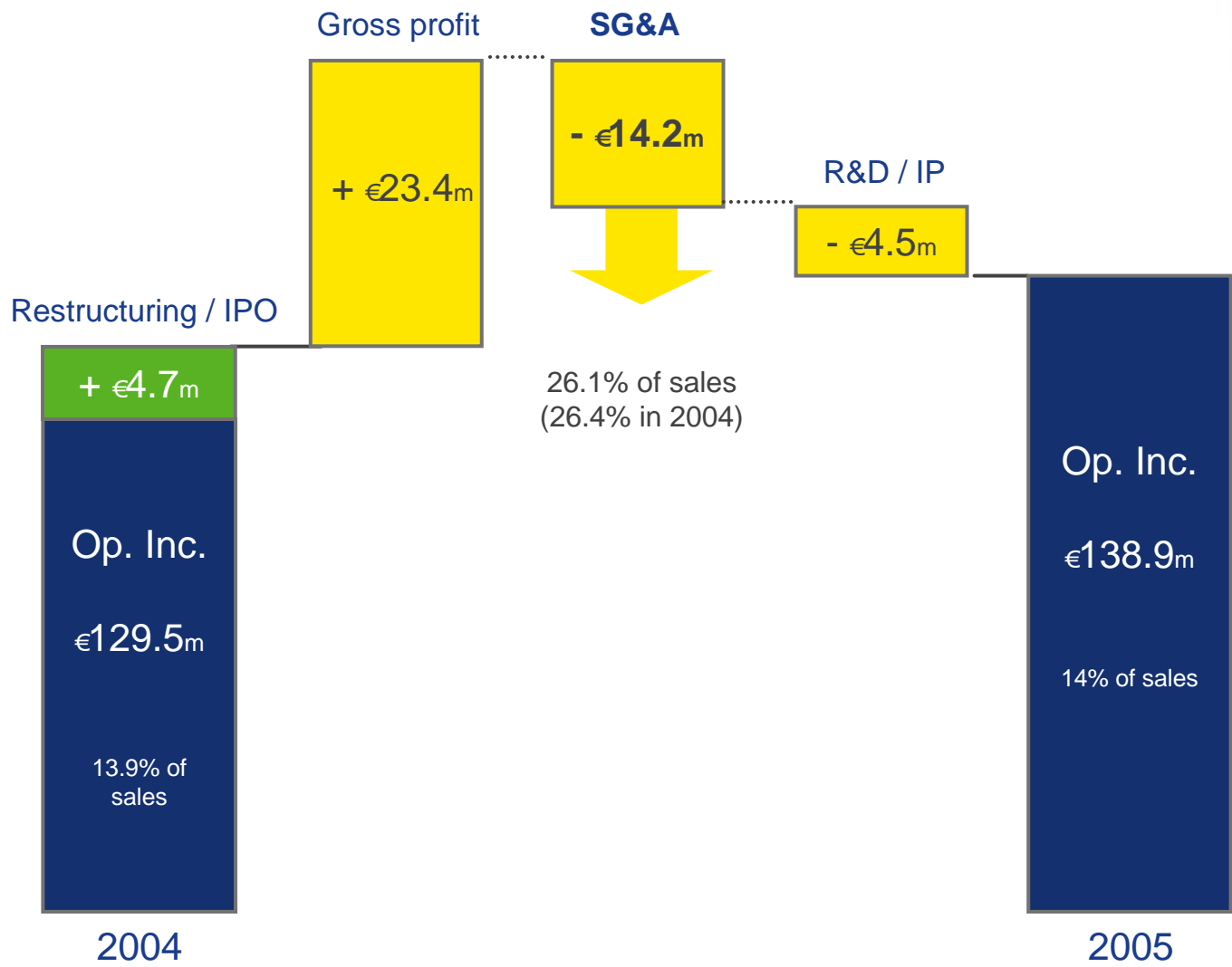
Improvement in operating income



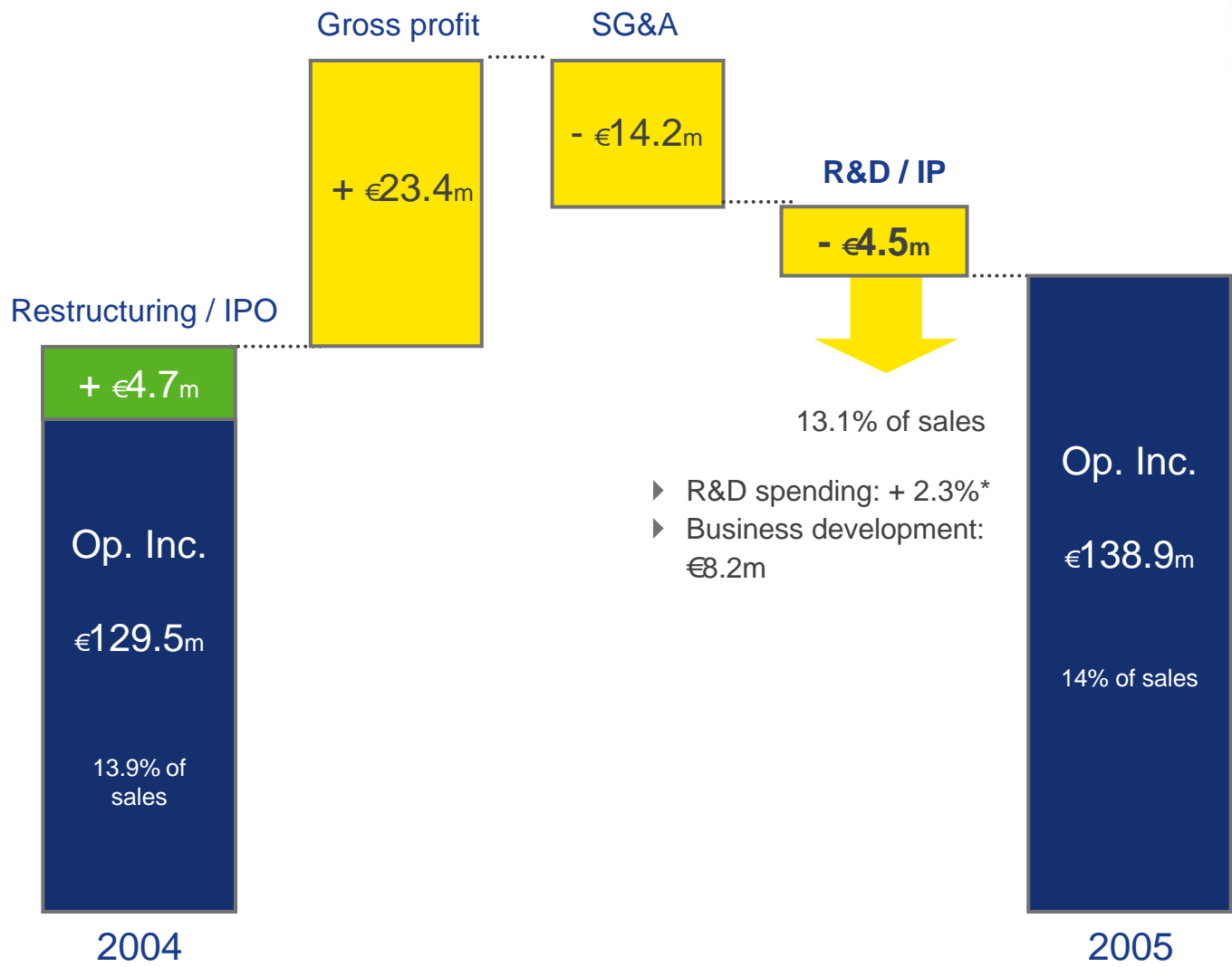
Gross profit: higher production costs



Tight control of operating costs



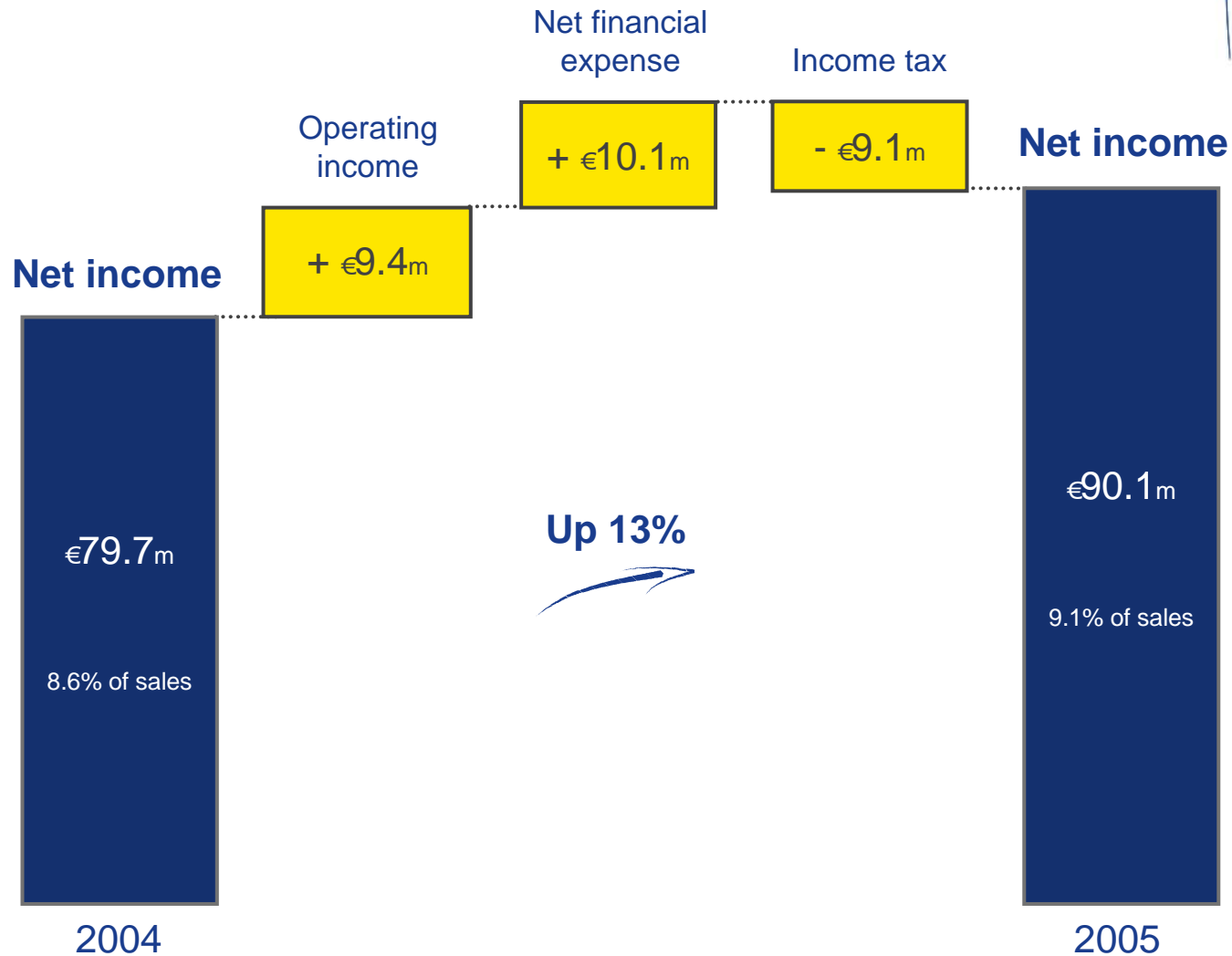
Ongoing R&D projects



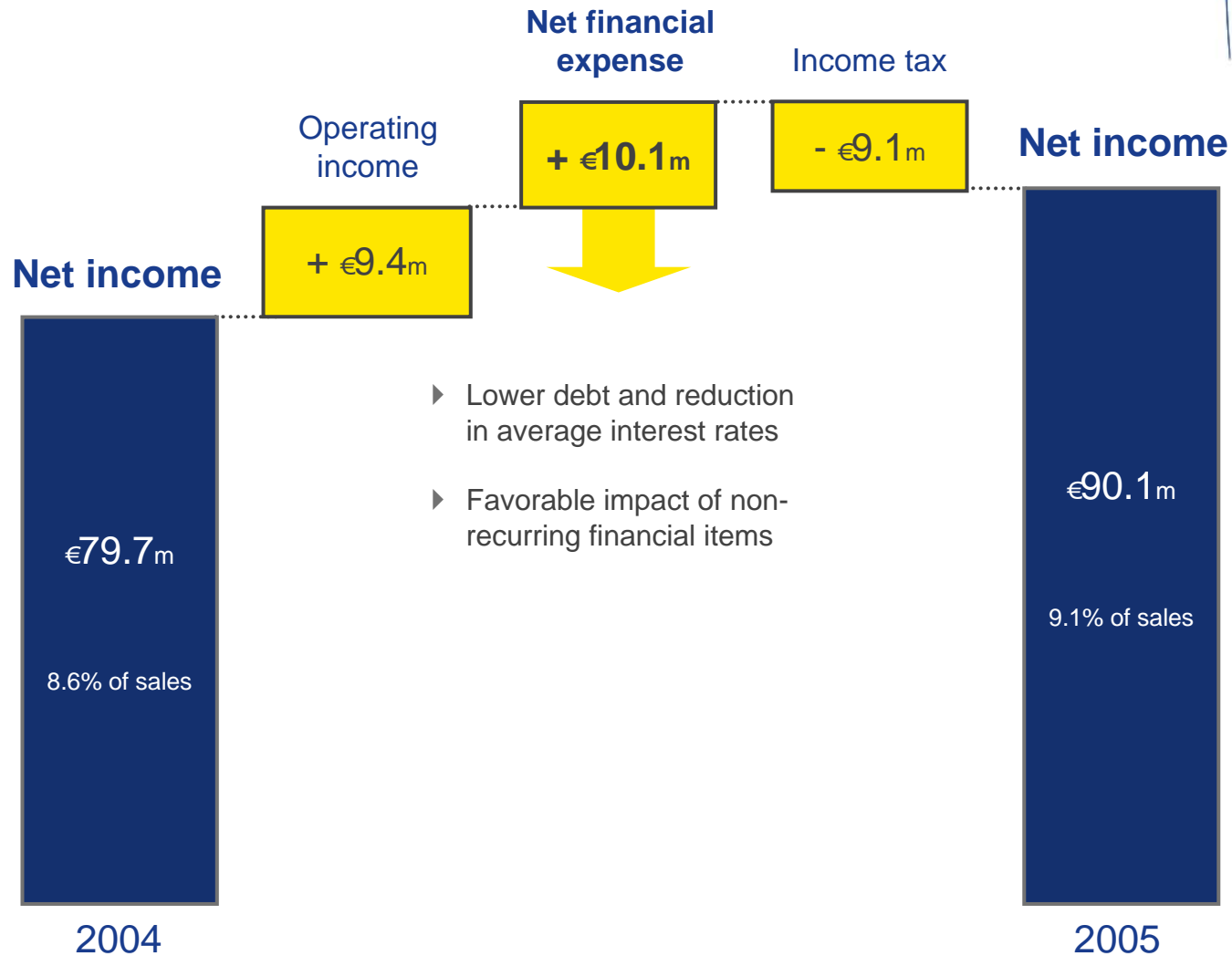
- ▶ R&D spending: + 2.3%*
- ▶ Business development: €8.2m

*At constant exchange rates

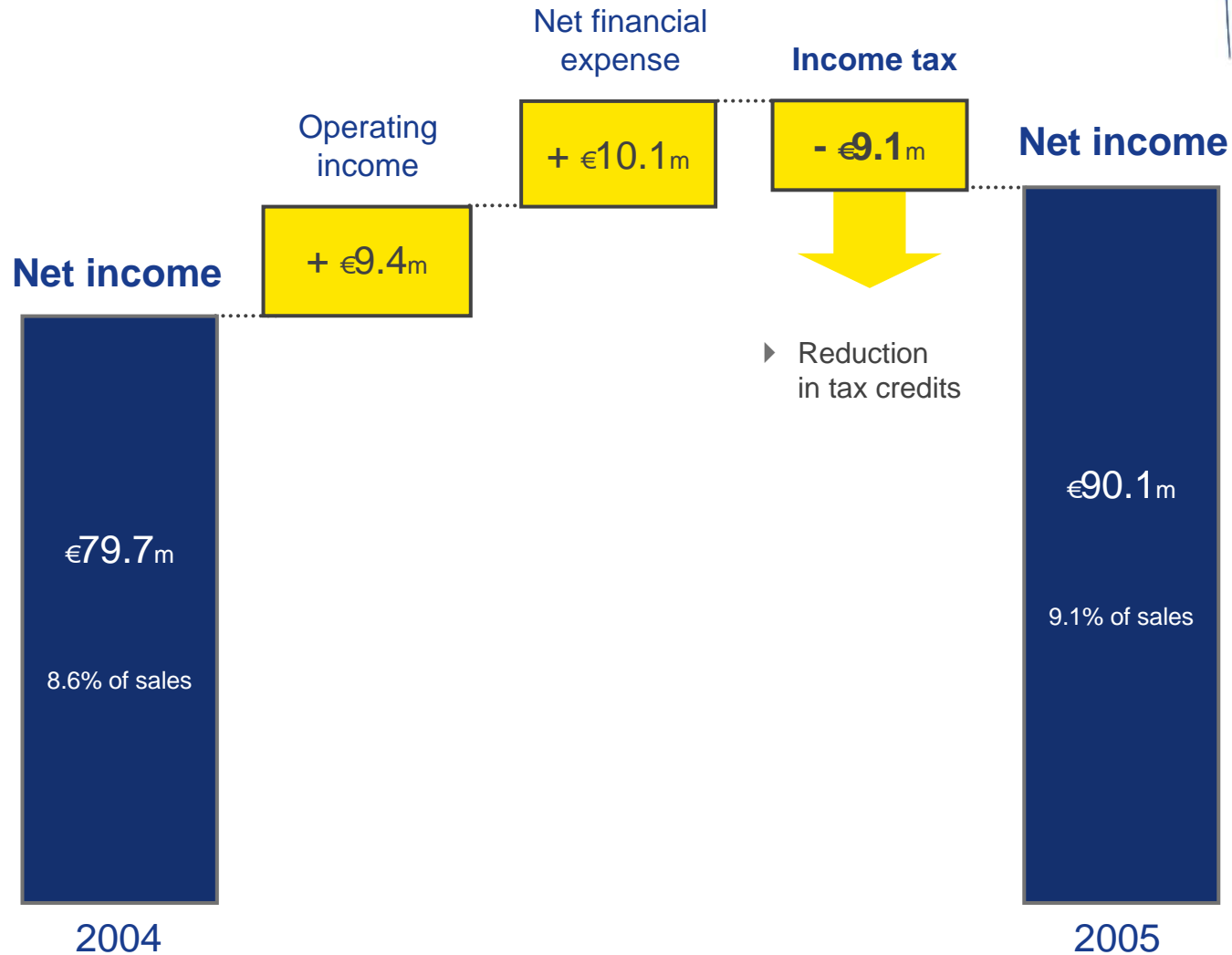
Net income up 13%



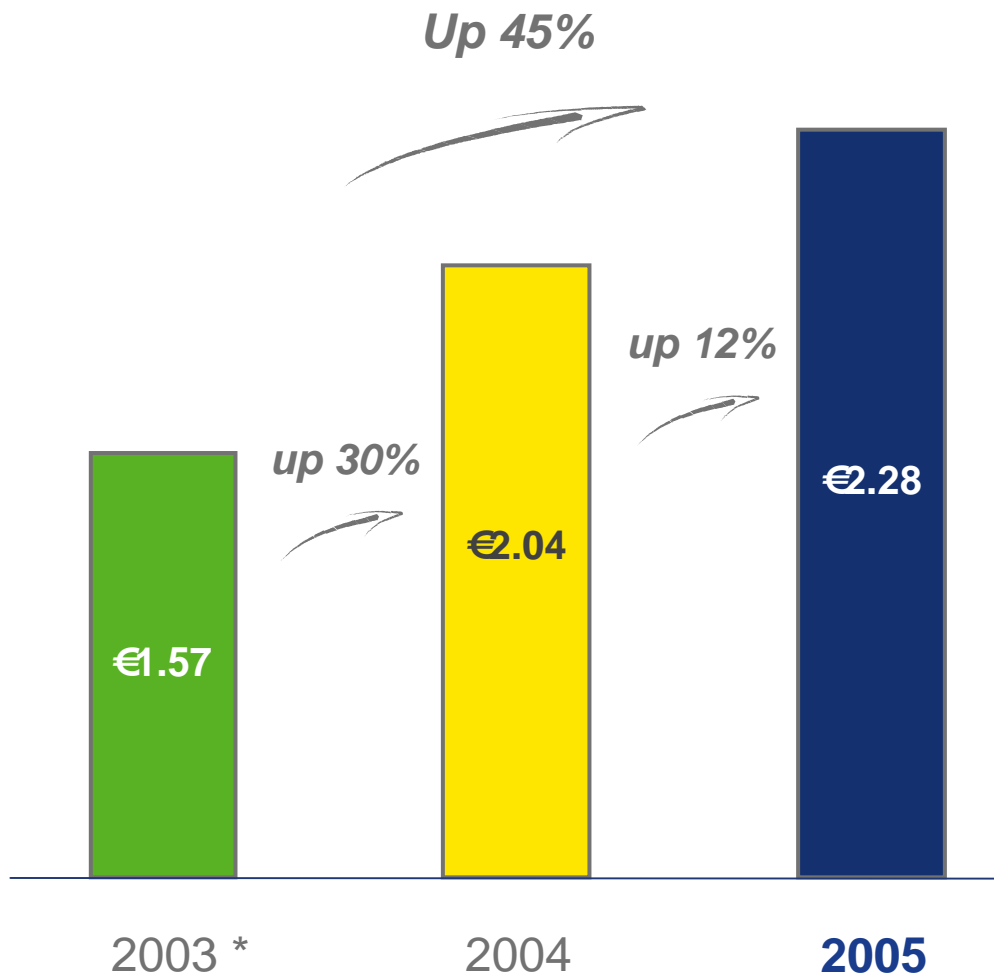
Lower financial expense



35% average tax rate



Earnings per share



**Dividend
recommended
at the Annual
Meeting
€0.46
per share
(€18m payout)**

*Net income (calculated according to French GAAP) before amortization of goodwill



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21% increase in free cash flow



in €m	2005	2004	Change
EBITDA	209 ⁽¹⁾	205 ⁽¹⁾	+ 4
Other income and expense	5	1	+ 4
Operating working capital requirement	1	(9)	+ 10
Income tax and financial expense	(48)	(43)	- 5
Capital expenditure ⁽²⁾	(82)	(83)	+ 1
Other	4	2	+ 2
Free cash flow	89	73 ⁽³⁾	+ 16
Dividends/Group	(16)	0 ⁽⁴⁾	
Currency effect	2	(3)	
Decrease in debt	75	70	

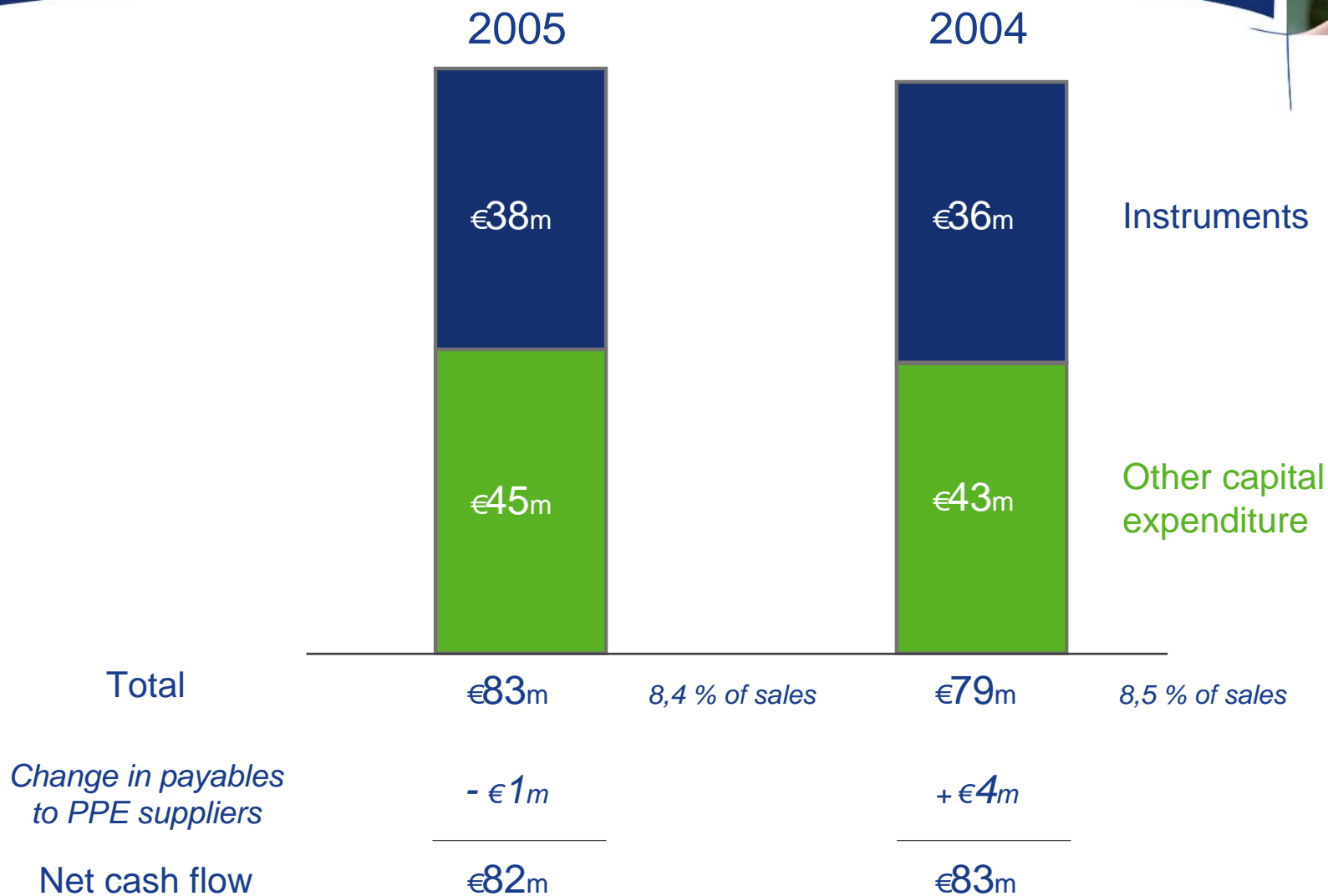
⁽¹⁾ Before depreciation and amortization of €70m in 2005 and €71m in 2004

⁽²⁾ Including change in payables to PPE suppliers

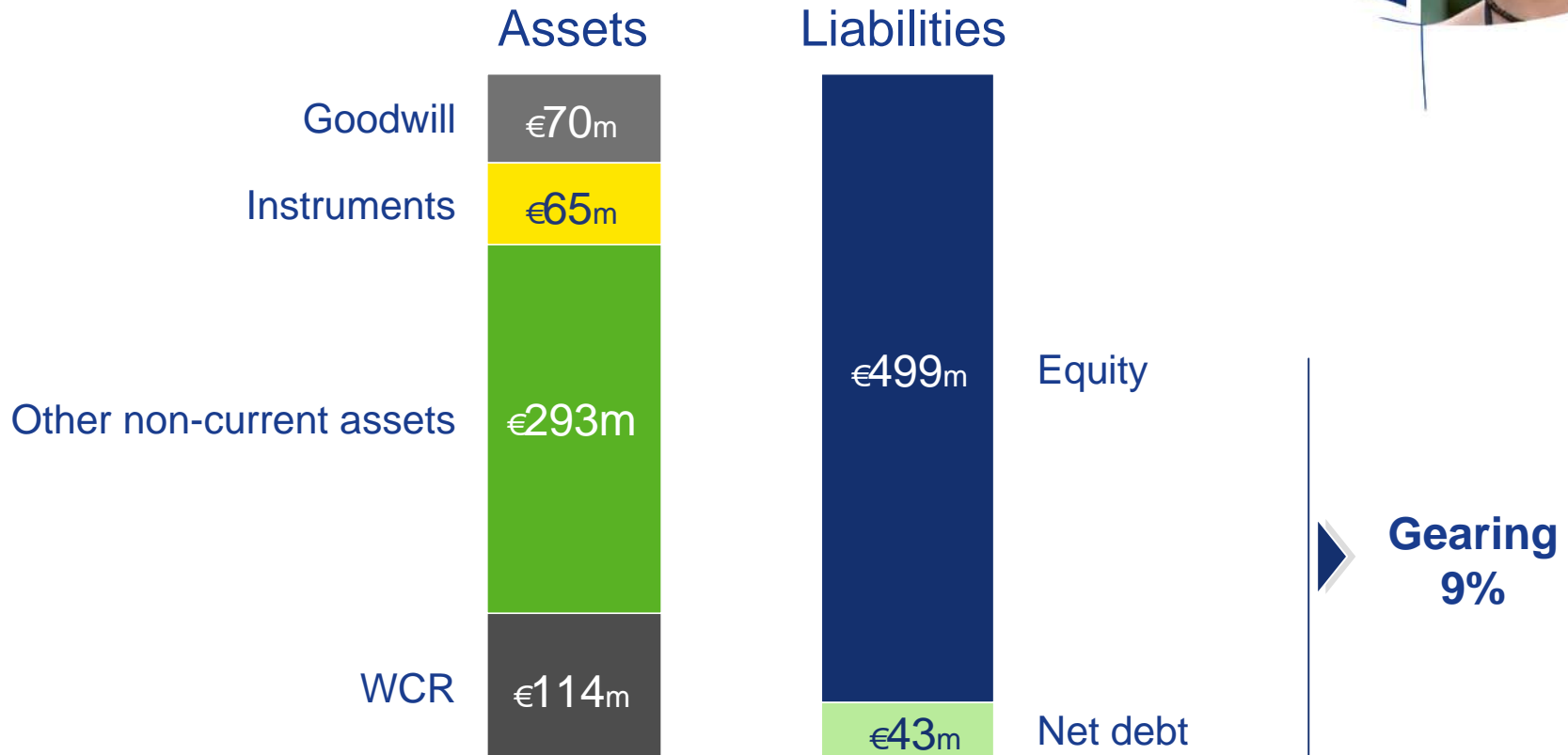
⁽³⁾ Excluding ⁽⁴⁾

⁽⁴⁾ In €m; dividend (-30), TSGH (+8), NBMA merger (-2), NBMA tax credit (+11), employee share issue (+13)

Continued implementation of the capital expenditure program



A stronger balance sheet



Op. WCR: 22% of sales

Syndicated loan in stand-by

- ▶ €260m

- ▶ Due in 2013



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Financial Review

▶ Outlook for 2006

Outlook for 2006



- ▶ **Sales growth of 5 to 6%***
 - ▷ Worldwide deployment of new platforms
 - ▷ Launch of new parameters
 - ▷ Ongoing geographical expansion
 - ▷ Strengthening our strategic product ranges

- ▶ **Target: 2006 operating margin on a par with 2005***
 - ▷ Heightened competition in immunoassays and industrial applications
 - ▷ Full-year impact of higher raw material costs
 - ▷ Launch of VIDIA®
 - ▷ Continued investment in quality assurance systems
 - ▷ Ongoing measures to improve productivity

**At constant exchange rates and scope of consolidation*

— 2005 Results —

Appendices



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- ▶ **Transition to IFRS:**

Reclassifications in the 2004 consolidated statement of income

Impact of IFRS on 2004 financial statements



- Classification changes impacting operating income but not net income

Reclassifications (Dec. 31, 2004)	Original caption		New caption	
	French GAAP	in €m	IFRS	in €m
Customer discounts	Financial expense	1.0	Sales	(1.0)
IPO costs	Non-recurring income	5.2	Other operating income and expense	(5.2)
Capital gains/losses on sale of fixed assets and other non-recurring income/expense		(1.5)		1.5
Time value of cash-flow hedges	Cost of sales	1.0	Financial expense	(1.0)
Debt-arranging fees	General expenses	1.1	Financial expense	(1.1)