



2006 Results

March 19, 2007



Disclaimer



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► Sustained Growth

Financial Results

2007 News and Objectives

Questions and Answers



- ▶ **Sustained Growth**
 - ▶ Operating Highlights
 - Other Events

Financial Results

2007 News and Objectives

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Sustained growth



▶ Higher sales and earnings, in line with objectives

- ▶ Sales: **€1,037m** **+ 5.9%***
- ▶ Operating margin before non-recurring items: **14.4%**, vs. 14% in 2005
- ▶ Net income: **€105m** **+ 17%**

▶ Refocusing on strategic businesses

- ▶ Divestment of the hemostasis line
- ▶ Discontinuation of microplate production in North America

▶ Strong growth in both applications

- ▶ Clinical: **+ 5.1%***
- ▶ Industrial: **+ 11.5%***

**Like-for-like (excluding changes in scope of consolidation and exchange rates)*

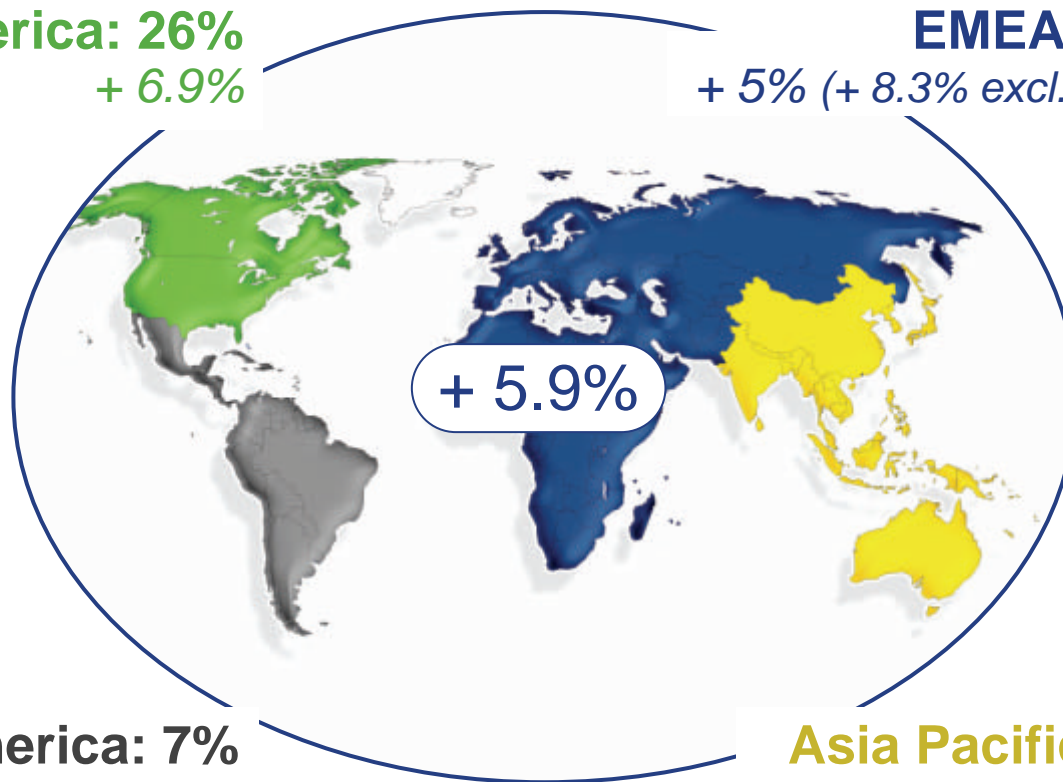


Sales growth by region



North America: 26%
+ 6.9%

EMEA*: 56%
+ 5% (+ 8.3% excl. France)



Latin America: 7%
+ 7.1%

Asia Pacific: 11%
+ 7.9%

*Europe, Middle East and Africa

Growth rates are like-for-like

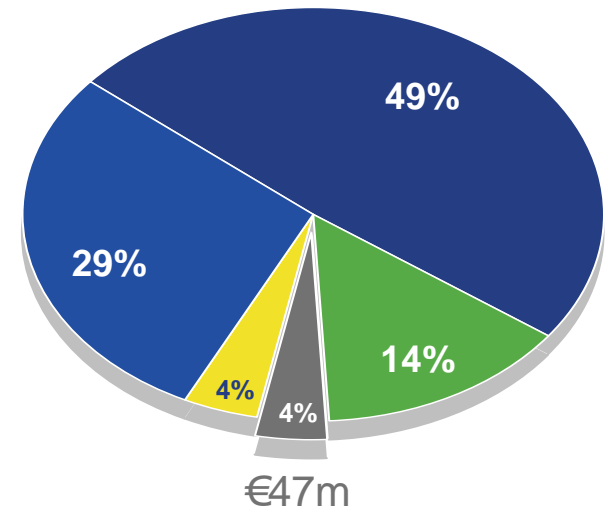


Sales by technology



- ▶ **Clinical applications:** €894m + 5.1%
 - ▷ Bacteriology: €506m + 6.5%
 - ▷ Immunoassays*: €302m + 1.4%
 - ▷ Molecular biology: €40m + 45.9%

- ▶ **Industrial applications:** €143m + 11.5%



- Bacteriology
- Immunoassays
- Industry
- Molecular biology
- Other

**Including the VIDAS / VIDIA lines, microplates and manual tests*

Growth rates are like-for-like

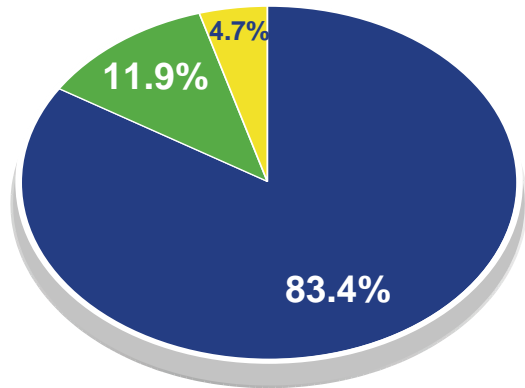


Steady growth in the installed base



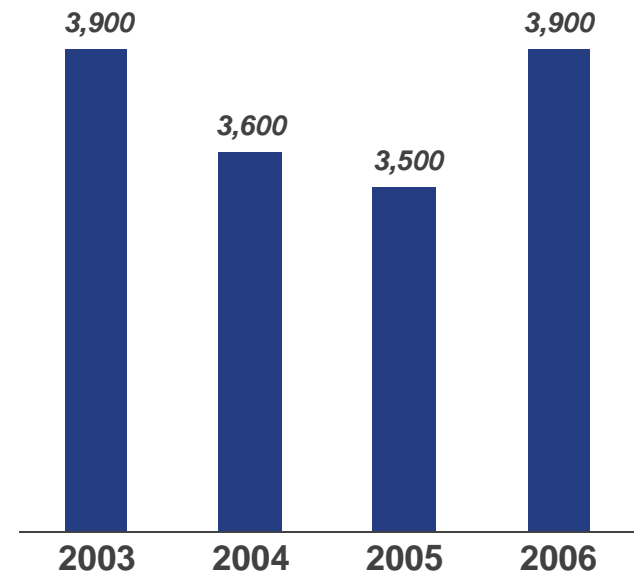
- ▶ No change in the “instruments sold/instruments placed” mix

Sales by segment



■ Reagents ■ Instruments ■ Services

*Installed base:
Number of new instruments installed**



*Excluding hemostasis instruments and DiversiLab®





▶ Sustained Growth

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Refocusing on the strategic lines



▶ Divestment of the hemostasis line

- ▶ Non-strategic, highly competitive segment
- ▶ Sales:
 - › 2005: €45m
 - › 2006: €28m
- ▶ €10m capital gain at December 31, 2006

▶ Discontinuation of microplate production in North America

- ▶ Insufficient prospects for growth and profitability
- ▶ 2006 sales: €15m
- ▶ €7m provision at December 31, 2006



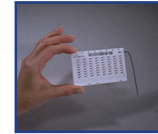
The microbiology laboratory



BacT/ALERT[®]



PPM / ChromID[™]

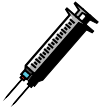


VITEK[®] 2



AES[™]

Blood sample



Blood culture

Gram+ / Gram-

Culture

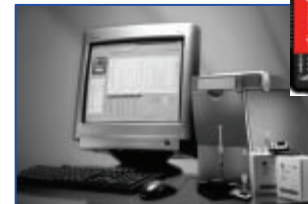
Identification and/or
antibiogram

Interpretation
of results

Urine sample



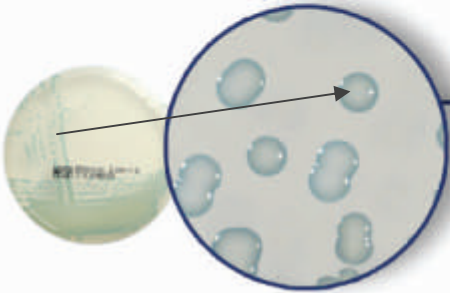
Slides



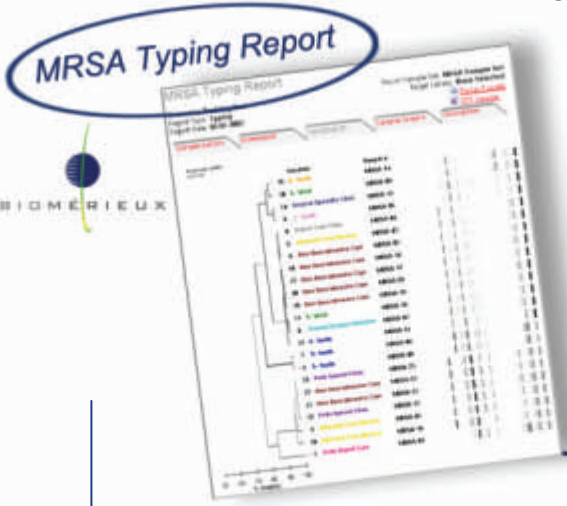
DiversiLab[®]



DiversiLab[®]



Extraction and amplification of genetic material



Real-time results analyzed by expert software



Detection

- ▶ Fast fingerprinting: process completed in 4 hours vs. 10 to 72 hours
- ▶ Cost: half as much



Business development



- ▶ **Acquisition of a 15% stake in ReLIA**
 - ▷ Enhanced presence in the point-of-care segment
 - ▷ Rapid identification tests
 - ▷ Platform distributed by bioMérieux in certain countries
 - ▷ Cost: \$8 million



Other highlights of the year



- ▶ **Exclusive agreement with Profos AG:**
 - ▷ Solutions to improve the preparation of food samples
 - ▷ For faster, more selective, more reliable pathogens detection

- ▶ **Agreement with Fudan University Cancer Hospital:**
 - ▷ Creation of a tumor marker research laboratory in Shanghai

- ▶ **ADNA* program:**
 - ▷ New molecular diagnostic platforms to perform high medical-value tests
 - ▷ Biomarker identification and validation
 - ▷ Funding from Agence de l'Innovation Industrielle: up to €54.5m over the next ten years**

**Advanced Diagnostics and New Therapeutic Approaches*

***In the process of being approved by EU authorities*



New products



Bacteriology

Molecular biology

Immunoassays

▶ *Internal R&D:*

25 reagents, including

PPM Strepto B ID
VITEK2 N, Haemophilus ID
VITEK2 VRSA AST

PPM CampyFood
Media β lactamase
TEMPO Enterobacteria

EASYQ H5N1 ruo
EASYQ HSV

VIDAS TOROPonin I Ultra
VIDIA Ferritine, TSH,
FT3, FT4

VIDAS LDUO

6 software programs,
including

VITEK2 4.03
API ID 32

1 instrument

DA VINCI Quattro

▶ *Business development:*

Bacterial Barcodes, Inc.

DiversiLab





Sustained Growth

► Financial Results

▷ Income Statement

Statement of Cash Flows and Balance Sheet

2007 News and Objectives

Questions and Answers

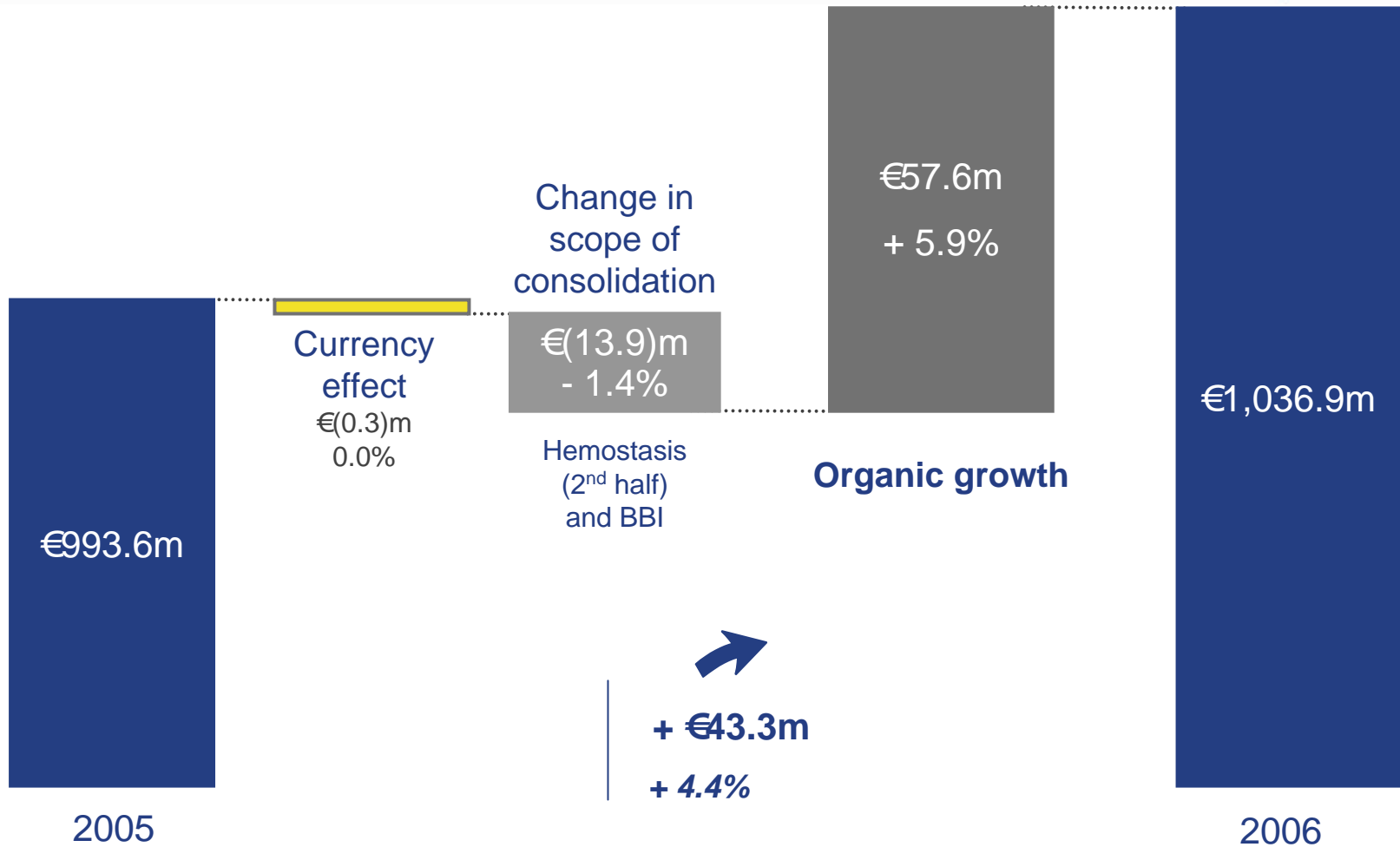
Consolidated income statement



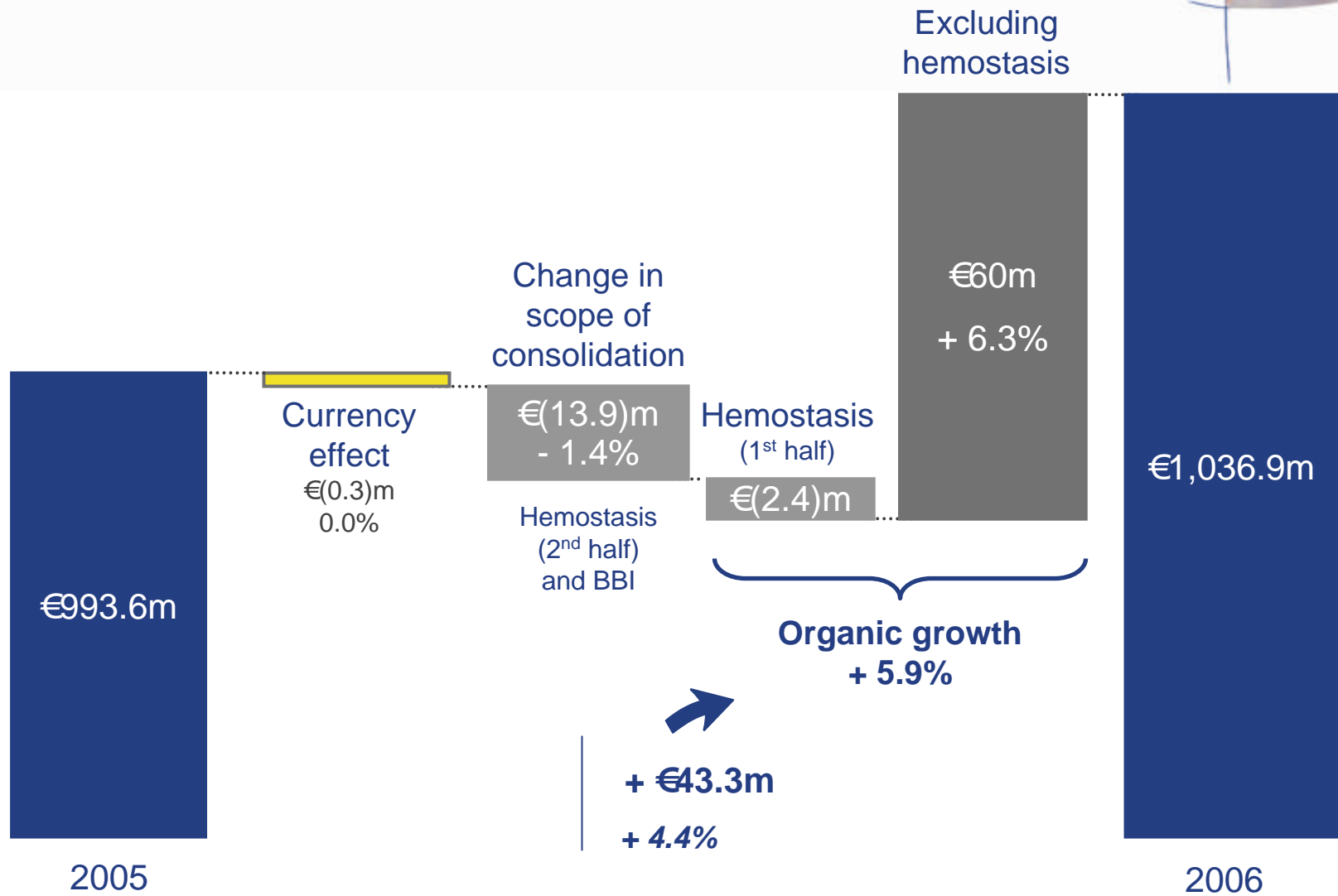
in € millions	2006	2005	% Change
Net sales	1,037	994	+ 4%*
Operating income before non-recurring items <i>As a % of sales</i>	149 <i>14.4%</i>	139 <i>14.0%</i>	+ 8%
Operating income <i>As a % of sales</i>	152 <i>14.7%</i>	139 <i>14.0%</i>	+ 10%
Net income <i>As a % of sales</i>	105 <i>10.2%</i>	90 <i>9.1%</i>	+ 17%

*5.9% like-for-like

Analysis of growth in net sales



Analysis of growth in net sales



Consolidated income statement



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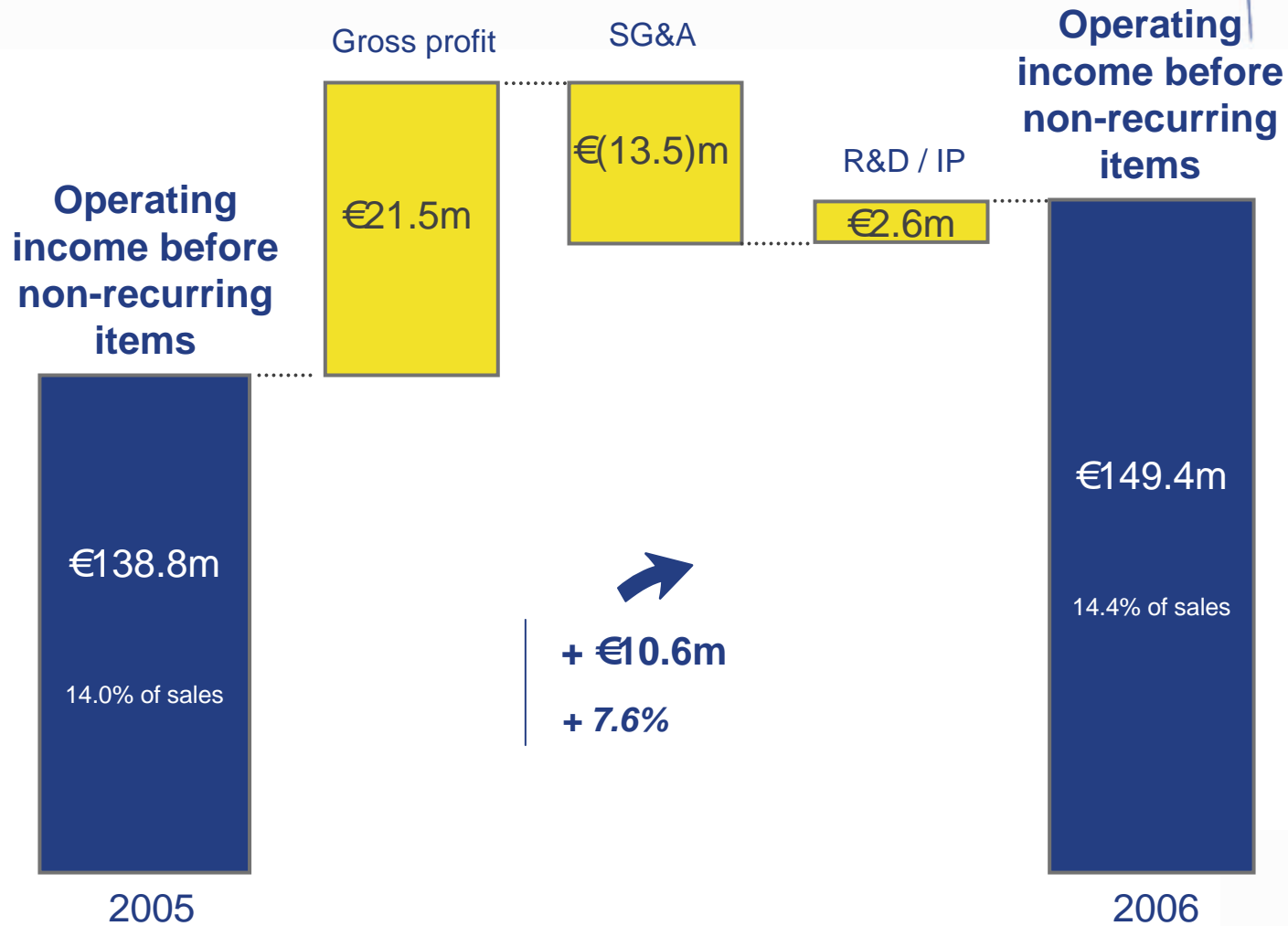
Consolidated income statement



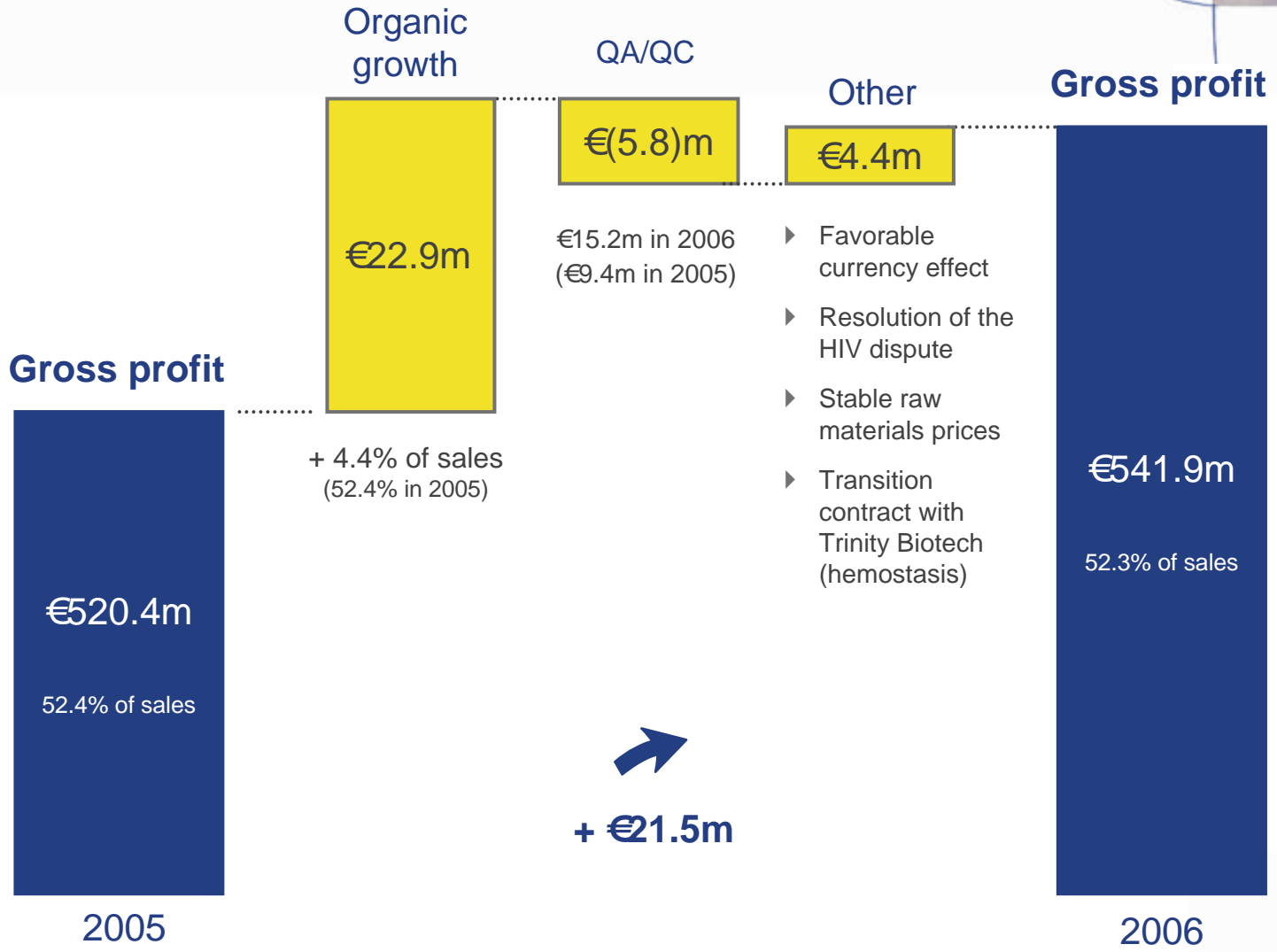
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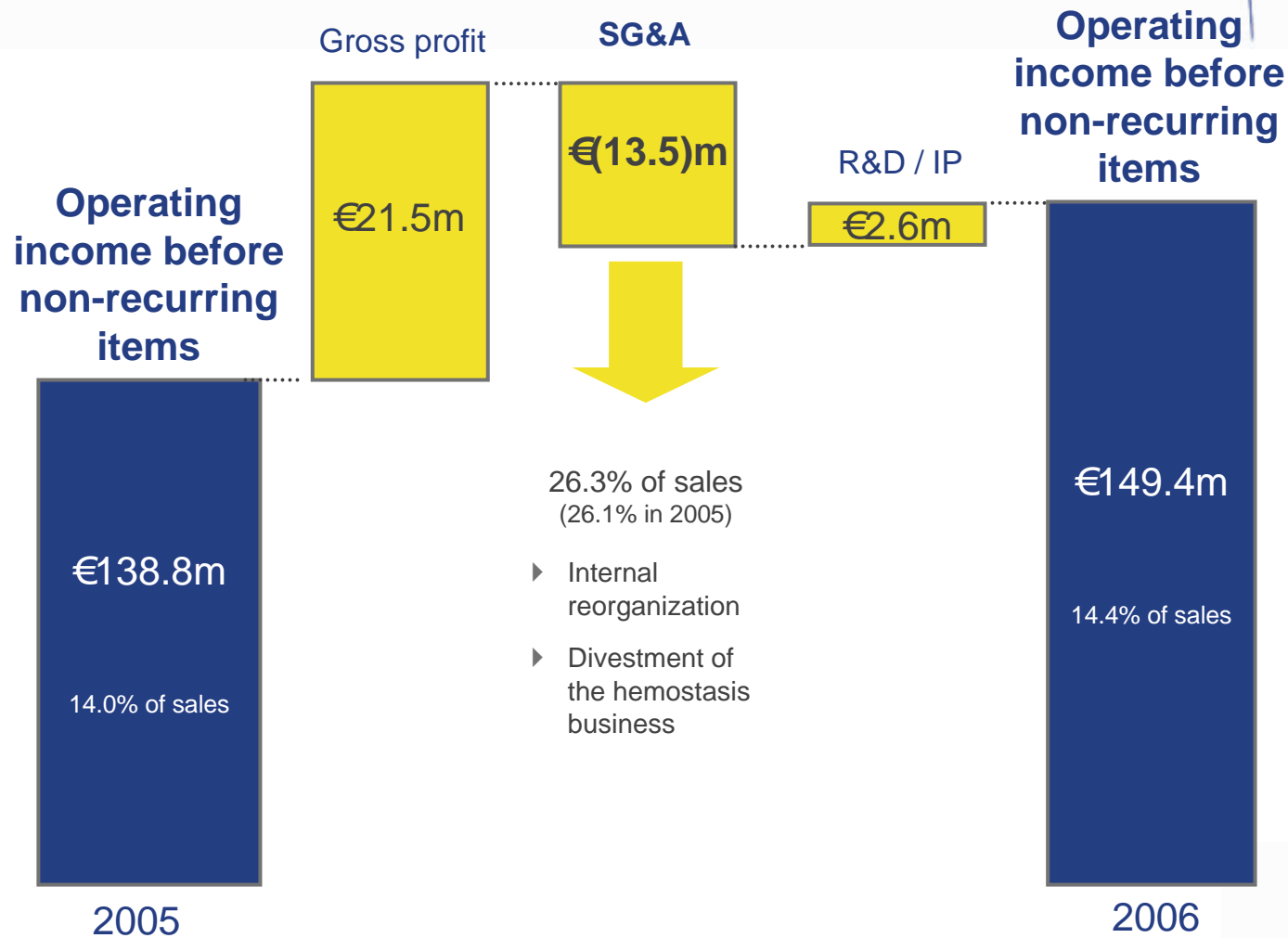
Analysis of growth in operating income before non-recurring items



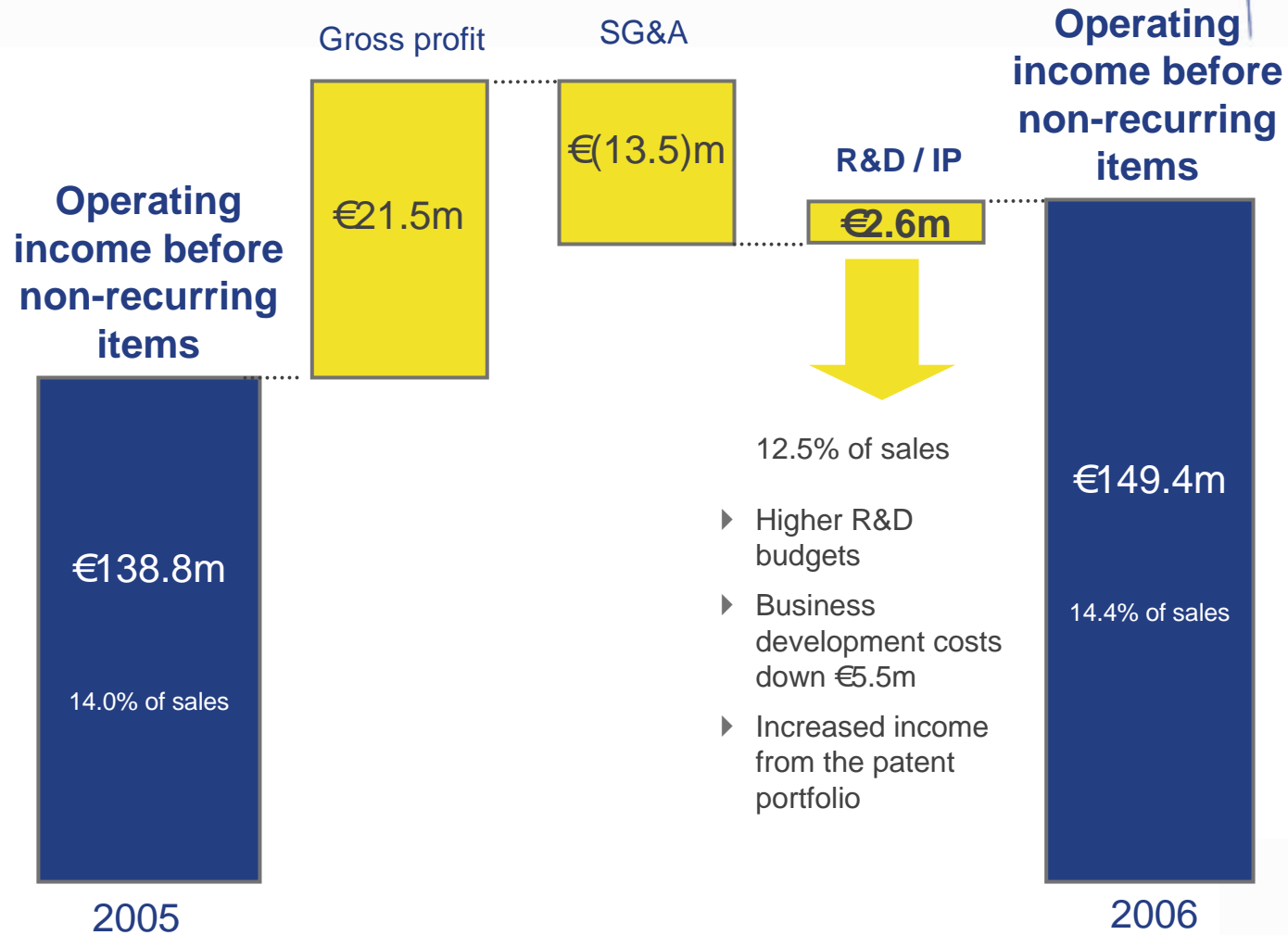
Gross profit



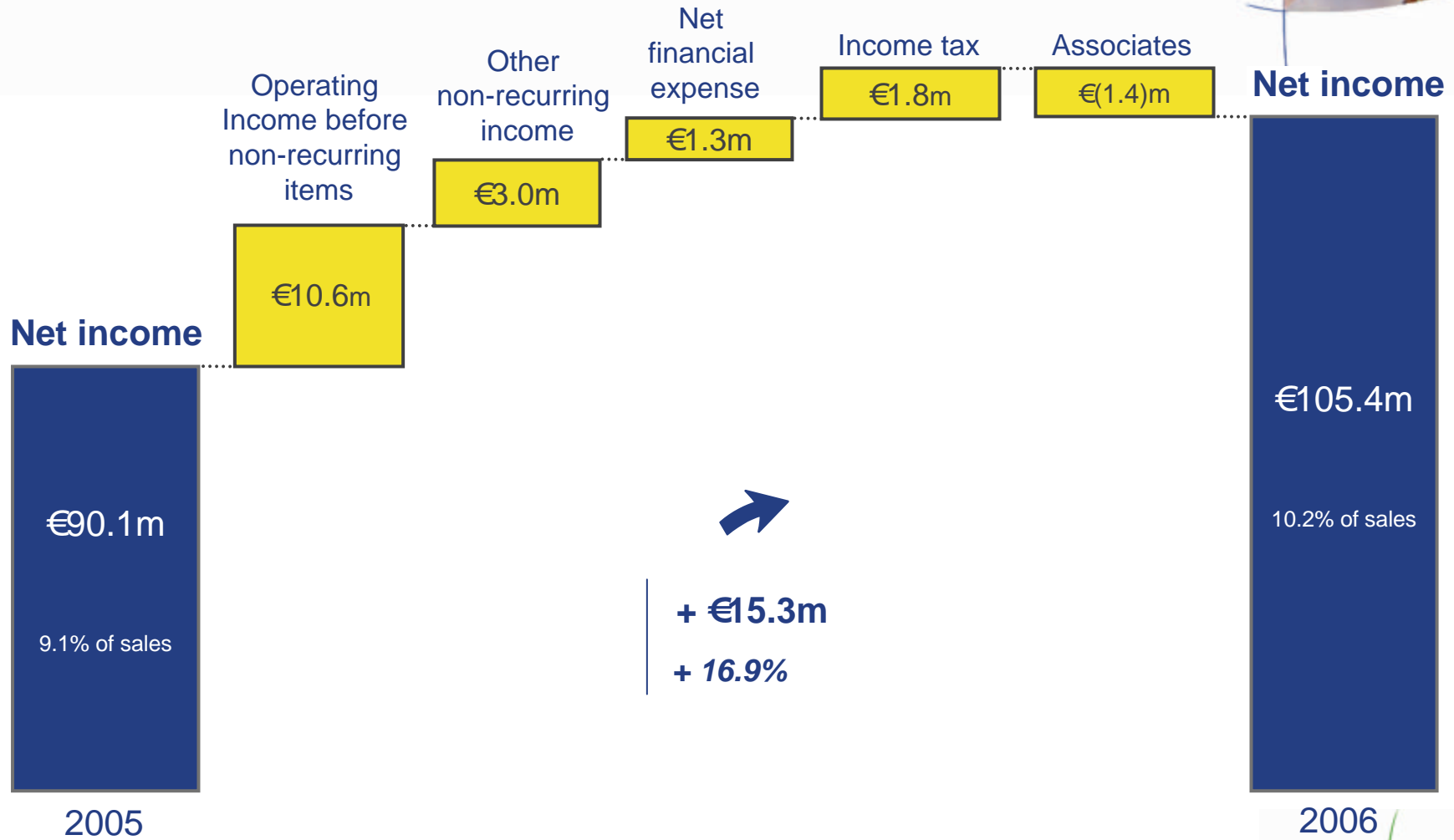
Selling, general and administrative expense



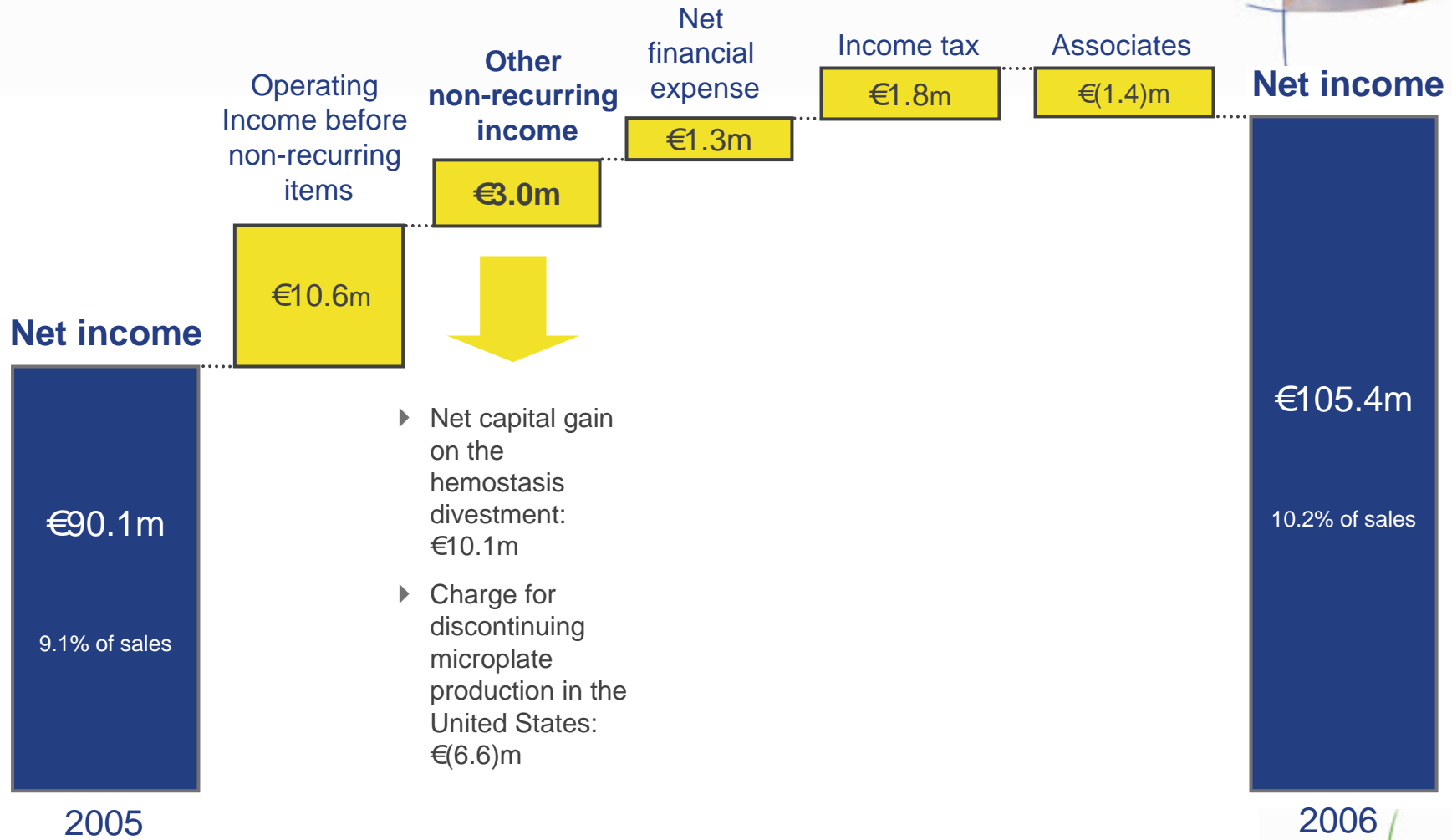
R&D costs stable



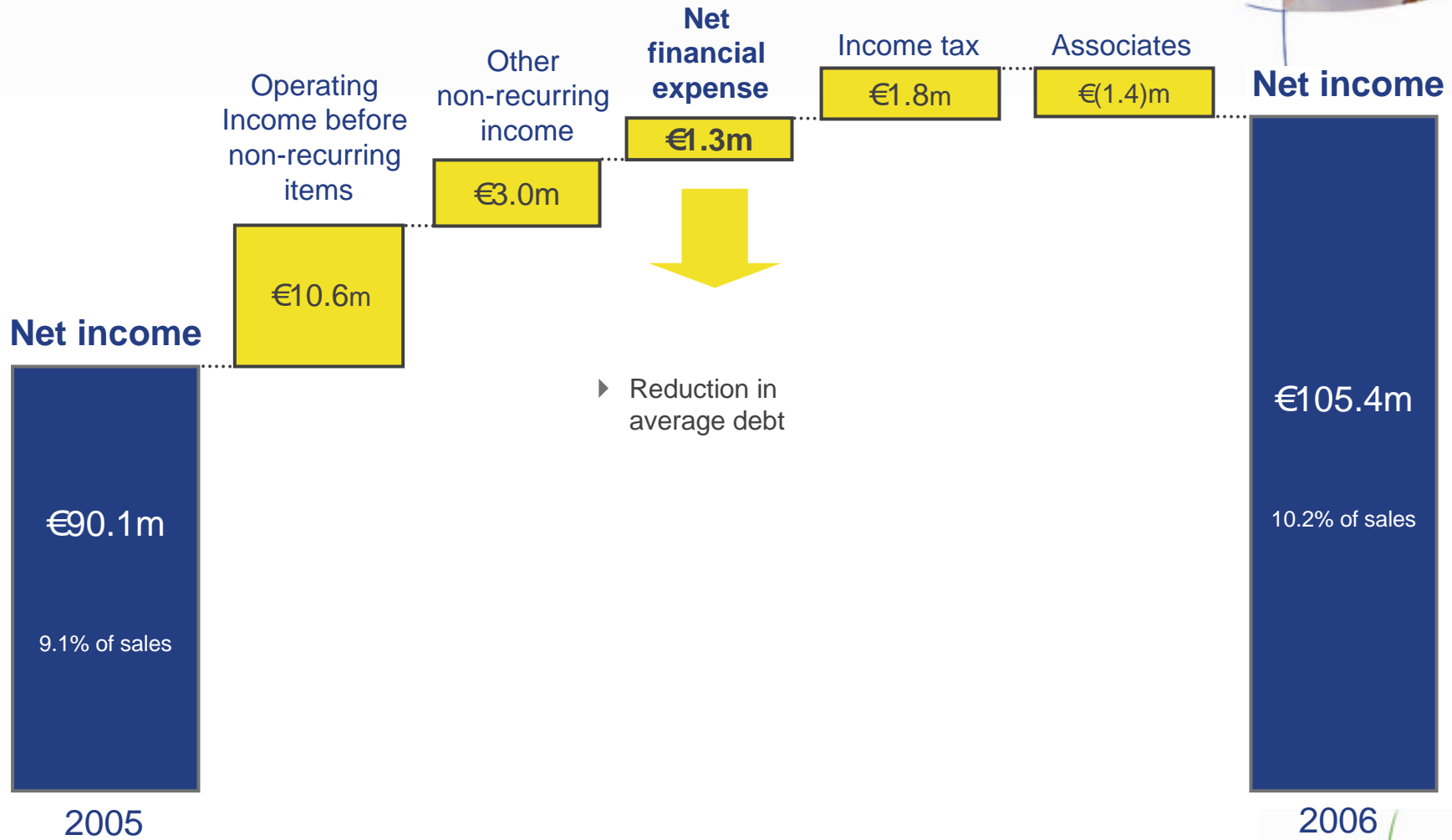
Analysis of growth in net income



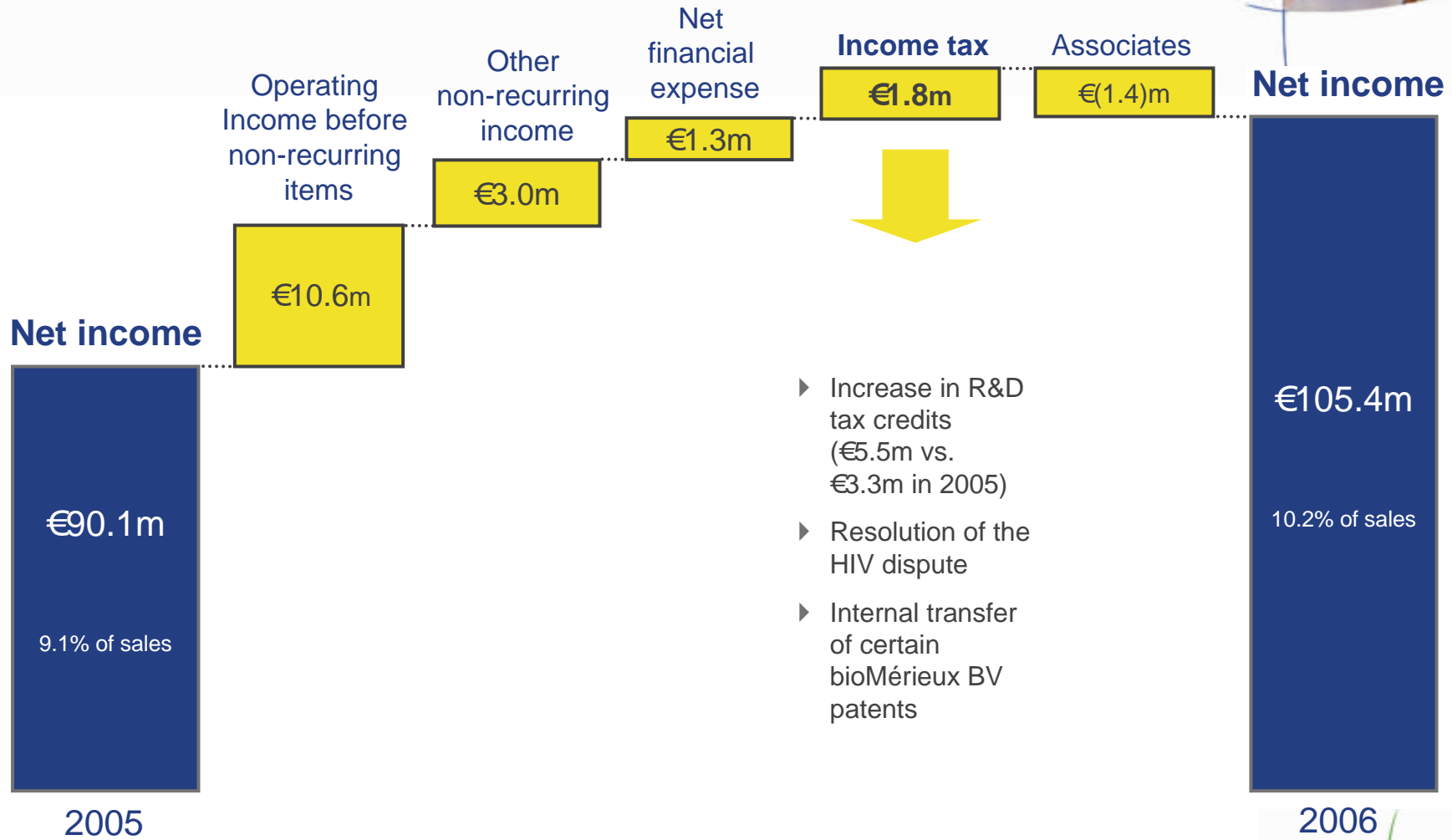
Refocusing on strategic lines



Improvement in net financial expense



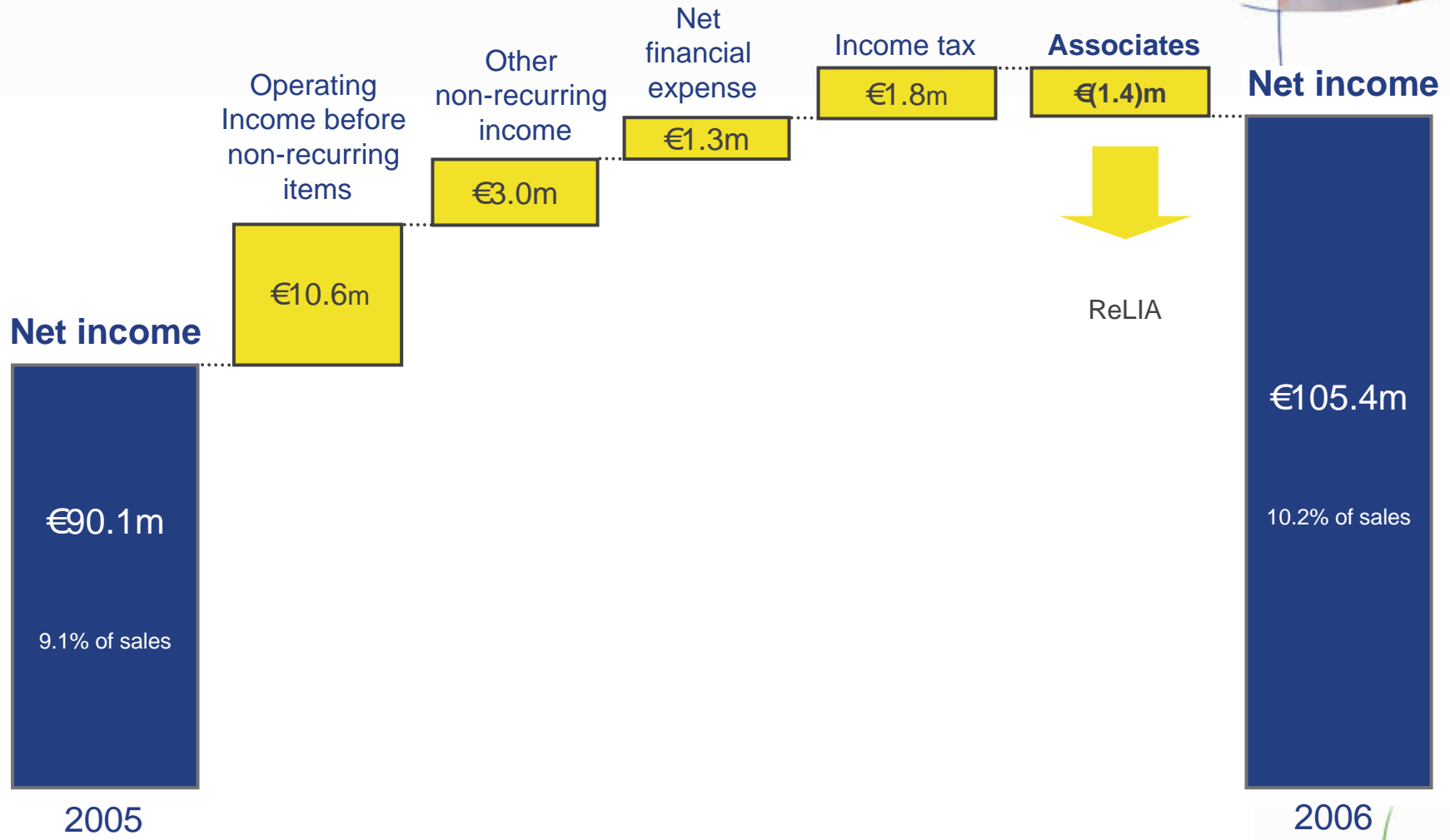
Tax rate: 30.4%



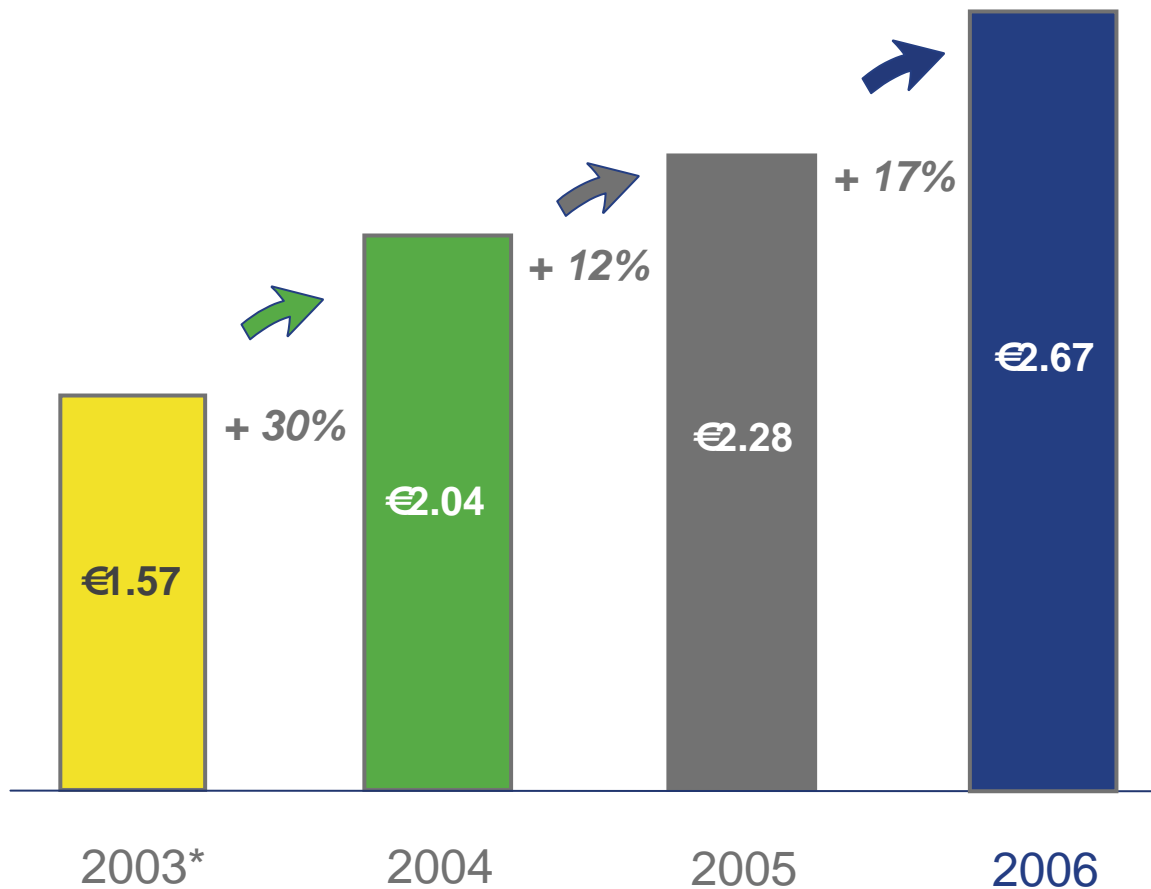
- ▶ Increase in R&D tax credits (€5.5m vs. €3.3m in 2005)
- ▶ Resolution of the HIV dispute
- ▶ Internal transfer of certain bioMérieux BV patents



Associates



Earnings per share



Dividend recommended to shareholders
€0.76 per share (or €30m payout)

Payout ratio raised to 30% beginning with the dividend to be paid in 2008

*Based on French GAAP net income before amortization of goodwill



Sustained Growth

▶ Financial Results

Income Statement

▷ Statement of Cash Flows and Balance Sheet

2007 News and Objectives

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Free cash flow: €57m

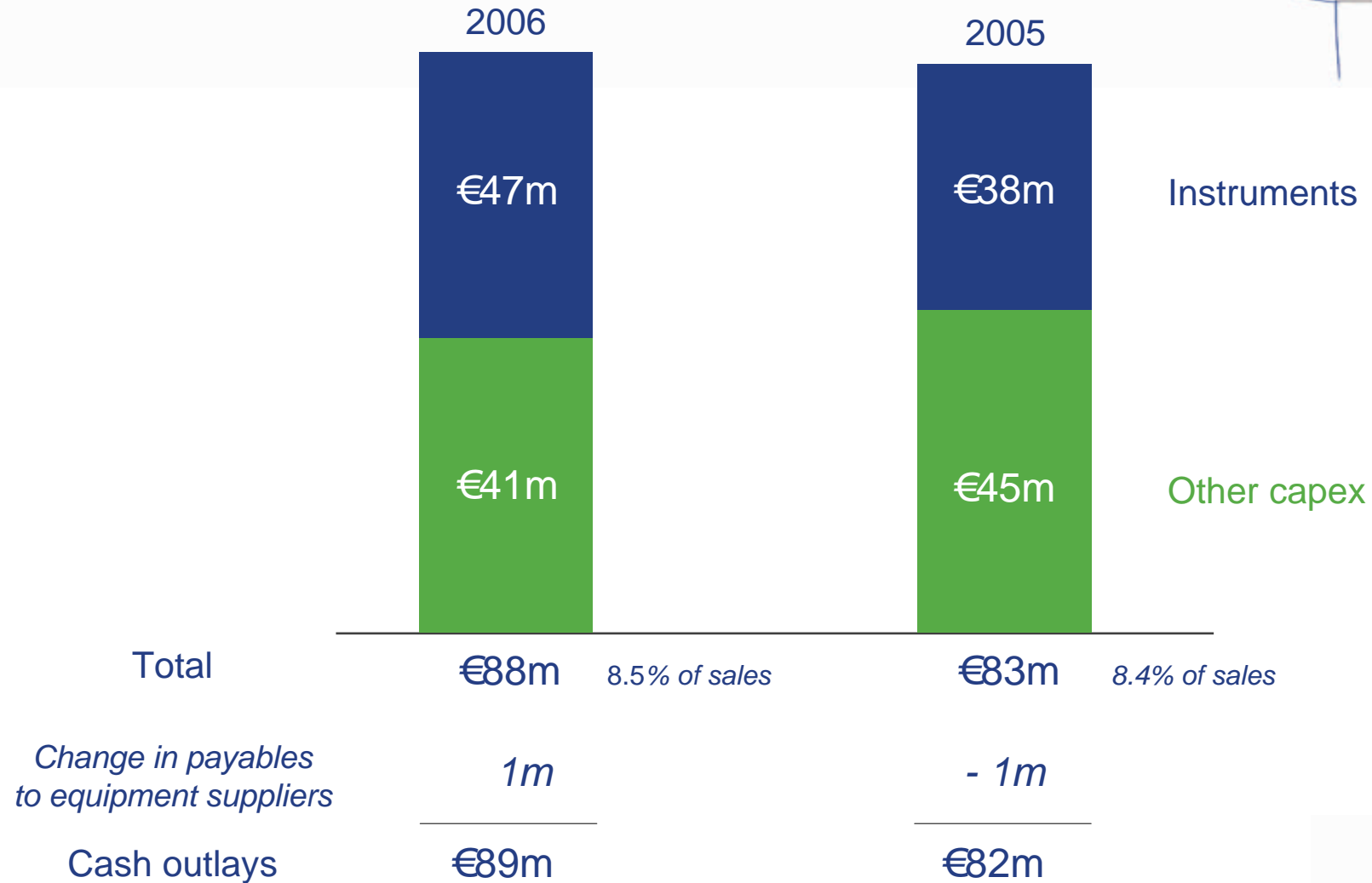


in € millions	Dec. 31, 2006	Dec. 31, 2005	Change
EBITDA ⁽¹⁾	220	209	11
Provisions and other	-14	5	-19
Cash flow before tax and financial expense	206	214	-8
Operating working capital requirement	-29	1	-30
income tax and financial expense	-55	-48	-7
Capital expenditure ⁽²⁾	-89	-82	-7
Hemostasis disposal	34		34
Equity investments	-18	-5	-13
Other	7	8	-1
Free cash flow	57	89	-32
Dividends	-18	-16	
Net cash flow	38	73	

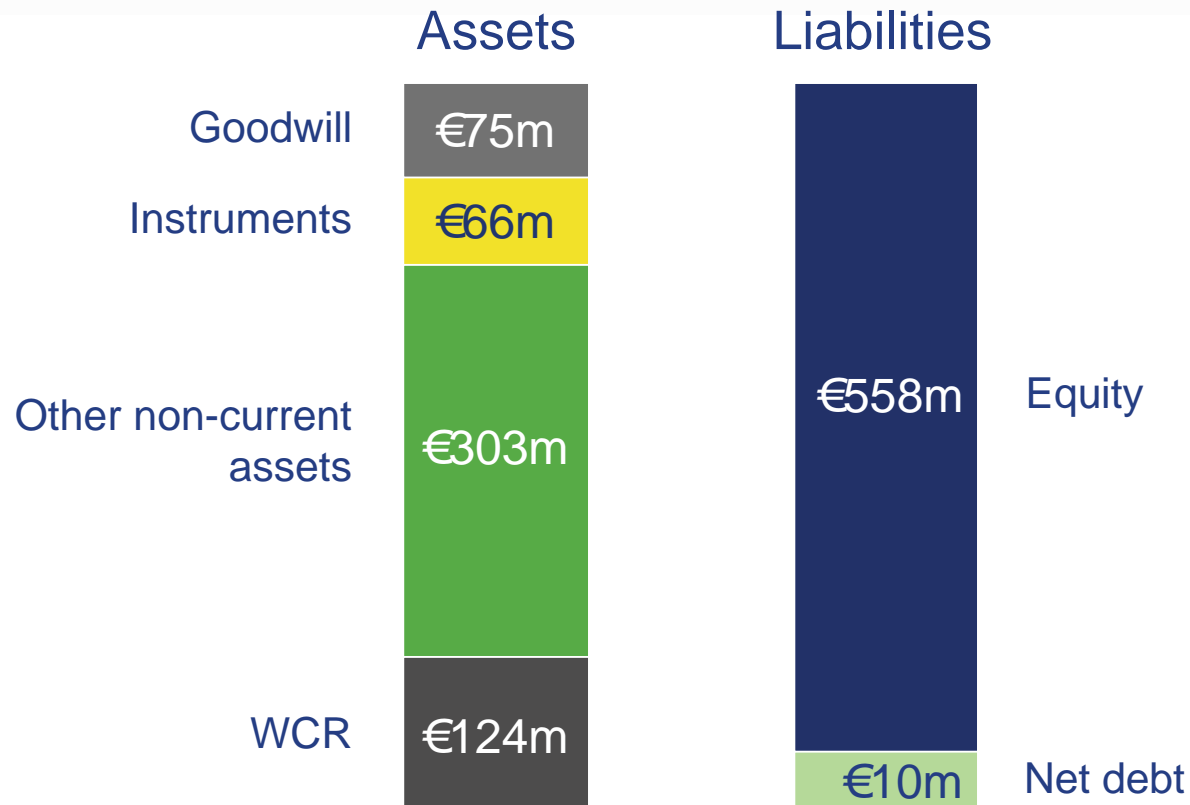
⁽¹⁾ Operating income before non-recurring items (respectively €149m and €139m) plus depreciation (respectively €71m and €70m)

⁽²⁾ Cash outlays, including change in payables to equipment suppliers

Sustained capital expenditure



A solid balance sheet



Operating WCR: 22% of sales



Sustained Growth

Financial Results

▶ **2007 News and Objectives**

Questions and Answers

Executing the strategy



- ▶ Focusing on pathologies and clinicians' needs

2007 News

Bacteriology

Molecular biology

Immunoassays

▶ Infectious agents

Biomedics*

▶ Clinical applications

- Sepsis

GeneXpert

- Hospital-acquired infections

ChromID VRE
ChromID ESBL

DiversiLab (USA)

- Tuberculosis

- HIV/hepatitis

▶ Industrial applications

Copan

▶ High medical-value tests

ExonHit
NorChip HPV

*Acquisition talks underway



Strengthened operations



- ▶ **Geographic focus:**
 - ▷ Japan: VITEK[®]2 XL order from BML
 - ▷ United States: launch of TEMPO[®]

- ▶ **Time to market:**
 - ▷ Introduction of a cross-functional team

- ▶ **Information technologies:**
 - ▷ Appointment of Mojgan Lefebvre

2007 objectives



▶ Sales

- ▷ Sustained deployment of the new platforms and enriched reagent menus
- ▷ Refocusing on the strategic lines

➔ 6 to 7% growth in net sales*

▶ Operating margin before non-recurring items

- ▷ 2012 objective: gradual 100 to 150 bp improvement on 2006 (at constant exchange rates)
- ▷ Growth in 2007:
 - › Impacted by the fixed costs remaining from the strategic refocusing undertaken in 2006 and by the ongoing deployment of the new platforms
 - › Supported by the growth in sales and sustained commitment to optimizing costs

**At constant exchange rates and scope of consolidation*





Sustained Growth

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