



# 2011 Financial Results Strategic Initiatives & 2012 Operational Ambitions

Paris - March 14, 2012



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► 2011 Operating Performance

2011 Financial Results

Strategic Initiatives and 2012 Operational Ambitions

Objectives and Conclusion

# Solid 2011 performance

## Preparing for bioMérieux's future

- ▶ Effective strategic positioning
  - ▼ 2 highly selective acquisitions
    - AES Laboratoire, fully dedicated to industrial applications
    - ARGENE, specialized in molecular diagnostics for immunocompromised patients
  - ▼ Reinforced # 1 position in clinical microbiology
    - Sales up 8.2%\*
  - ▼ Reinforced # 1 position in industrial applications
  - ▼ Advances in VIDAS® strategic repositioning
    - Double-digit sales growth in emerging countries
    - Sales up 18%\* in high medical value tests
  - ▼ A well-balanced geographic footprint and a long experience in emerging countries

\* Growth rates at constant exchange rates and comparable business base, excluding the impact of the recent acquisitions and of discontinuing culture media for the routine clinical test business in North America

# Solid 2011 performance

## Preparing for bioMérieux's future

### ▶ Strong achievements

- ▼ **Resistance** in a deteriorated economic context: bioMérieux's sales up 4.1%\*
- ▼ **Solid financials**
  - Operating income before non-recurring items: €258m - 18% of net sales
  - Free cash flow generation: €118m
- ▼ **Rapid expansion of the installed base**: 4,900 new instruments

### ▶ Continuous focus on R&D

- ▼ 25 new products launched
- ▼ **5 innovative / game-changing instruments under development**

### ▶ Reinforced foundations

- ▼ Optimized manufacturing operations
- ▼ Strengthened teams
  - > 7,000 full-time equivalent employees (FTE) worldwide
  - Reinforcement of production and sales & marketing teams
  - Optimized organization and enhanced role of Technology Units

- **VIDAS® New Generation**
- **New blood culture system**
- **Incubator integrating imaging tech.**
- **Molecular biology platform - Biocartis**
- **Point-Of-Care device - Philips**

\* Growth rates at constant exchange rates and comparable business base, excluding the impact of the recent acquisitions and of discontinuing culture media for the routine clinical test business in North America

# Solid 2011 performance

## 2 highly selective acquisitions

### ▶ AES Laboratoire, building the world leader in food testing

- ▼ €31m revenues since acquisition, 385 FTE

- ▼ Upsides

- **Commercial:** highly complementary product lines, leveraging bioMérieux's global customer base
- **Production:** capabilities for custom products in Combourg (France)
- **Innovation:** industrial cytometry



### ▶ ARGENE, an important milestone in bioMérieux's molecular biology strategy

- ▼ €5m revenues since acquisition, 66 FTE

- ▼ Upsides

- **Commercial:** comprehensive range of diagnostics for transplant patients, leveraging bioMérieux's extensive commercial network
- **Production:** high quality production site in Verniolle (France)
- **Innovation:** adapting ARGENE's tests to the Biocartis platform



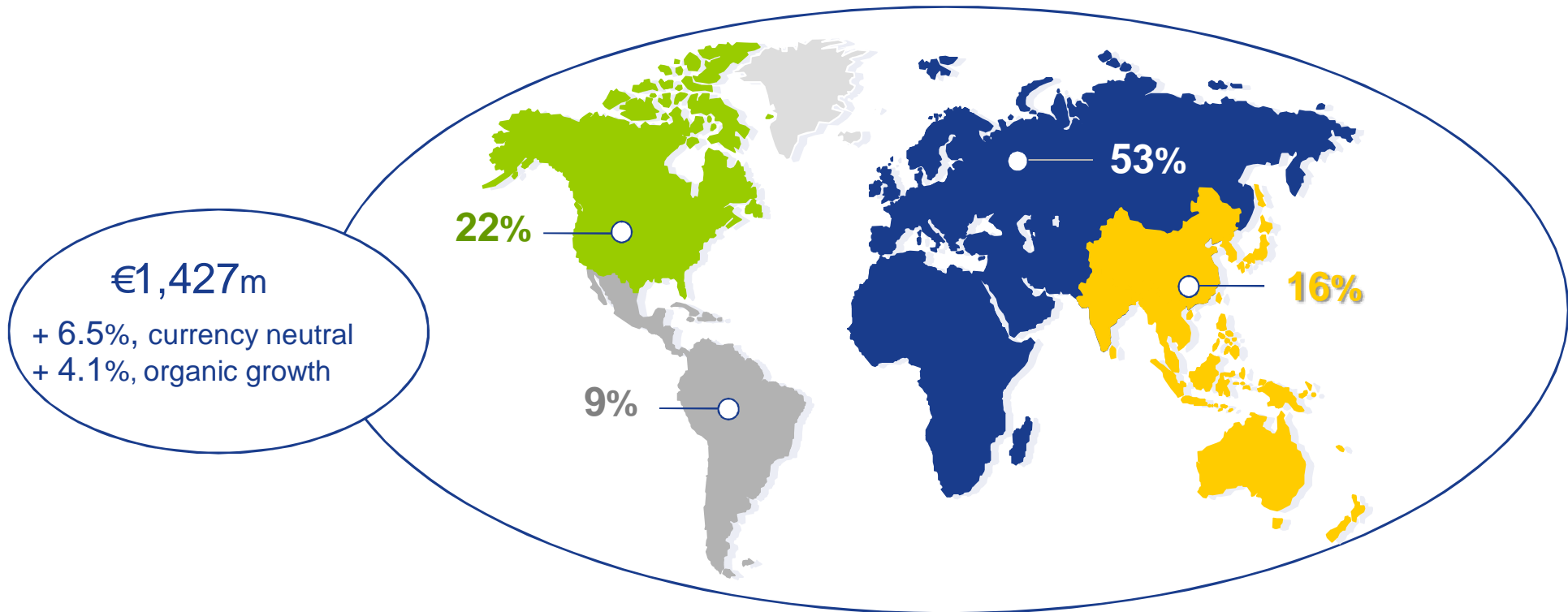
### ▶ Integration plan on track

2 cornerstones for our future development

## Resistance in a deteriorated economic environment

North America: + 5.4%

EMEA\*: - 0.4%



Latin America: + 15.5%

Asia-Pacific: + 12.2%

Emerging countries: ~ 27% of sales, > 50% of Group's growth

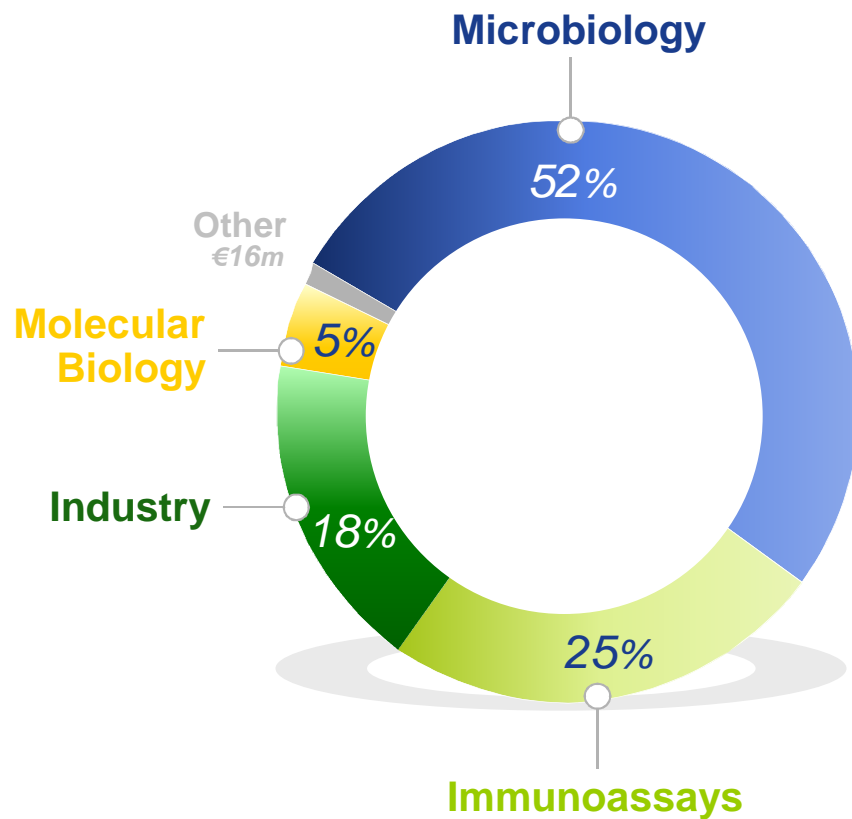
*Growth rates at constant exchange rates and comparable business base, excluding the impact of the recent acquisitions and of discontinuing culture media for the routine clinical test business in North America*

\* EMEA: Europe, Middle East and Africa

# 2011 Sales

## Effective strategic positioning

► A highly diversified company



	2011	% Change
<b>Clinical Applications</b>	<b>€1,177m</b>	<b>+ 4.0%</b>
Microbiology	€737m	+ 8.2%
Immunoassays	€355m	- 0.6% <sup>(a)</sup>
Molecular Biology	€69m	- 9.0% <sup>(b)</sup>
<b>Industrial Applications</b>	<b>€250m</b>	<b>+ 4.5%</b>
<b>TOTAL</b>	<b>€1,427m</b>	<b>+ 4.1%</b>

<sup>(a)</sup> Incl. VIDAS® + ~ 4%  
<sup>(b)</sup> Incl. easyMAG® + ~ 10%\*

bioMérieux's core business, clinical microbiology, continues to conquer strategic positions

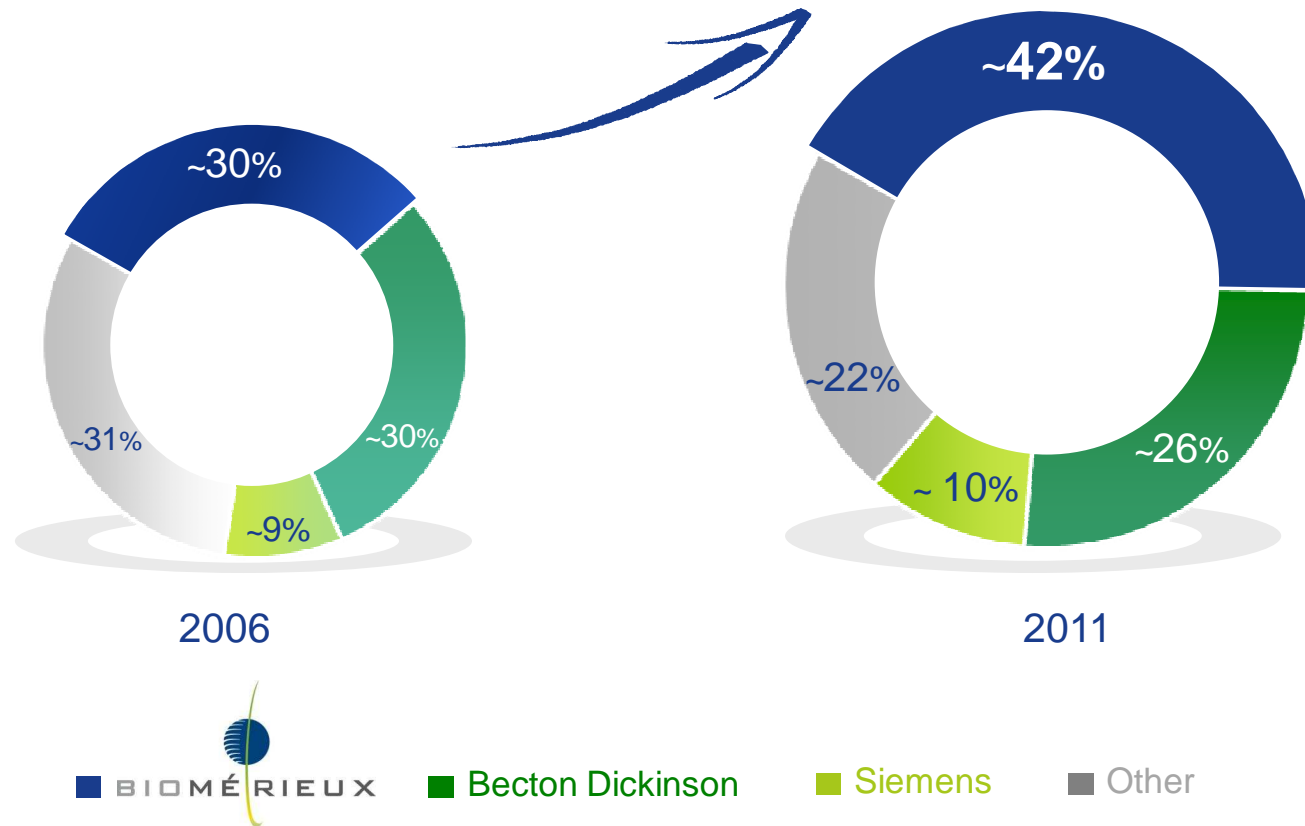
Growth rates at constant exchange rates and comparable business base, excluding the impact of the recent acquisitions and of discontinuing culture media for the routine clinical test business in North America  
 \* Excluding the impact of the end of the NHLS contract in South Africa



# 2011 Microbiology market share

## Growing leadership

- ▶ Strong increase in bioMérieux's market share

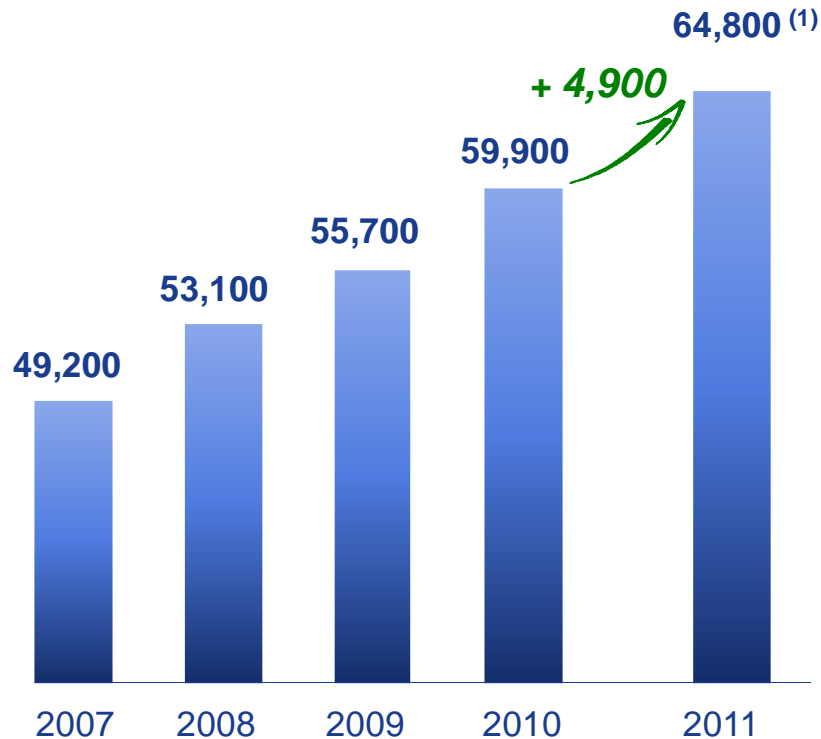


Proven ability to maintain our leadership position

\* bioMérieux estimates based on internal analysis  
and on a report from a major U.S. independent diagnostics consulting firm  
€/\$ = 1.39 in 2011

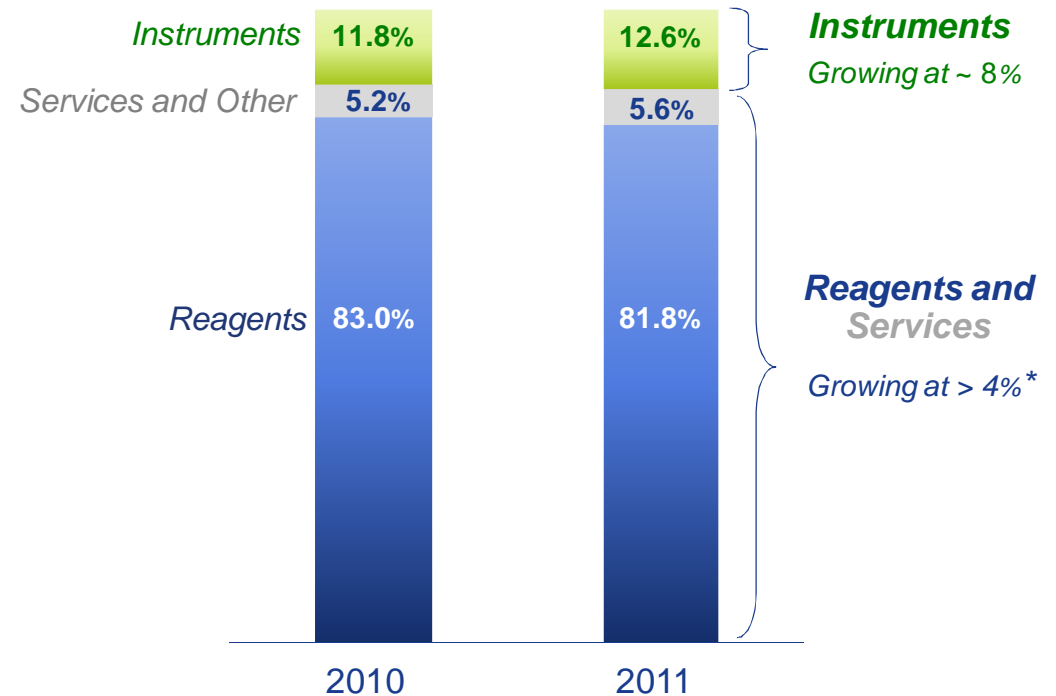
# 2011 Rapid expansion of our installed base

Installed base - number of instruments



<sup>(1)</sup> Including ~ 30,000 VIDAS<sup>®</sup> and mini VIDAS<sup>®</sup> (with ~ 26,000 in clinical labs)

Analysis of 2011 sales



Strong instrument sales preparing for tomorrow's growth

Growth rates at constant exchange rates and comparable business base, excluding the impact of the recent acquisitions and of discontinuing culture media for the routine clinical test business in North America

\* Excluding the impact of the end of the NHLS contract in South Africa

# Solid 2011 performance

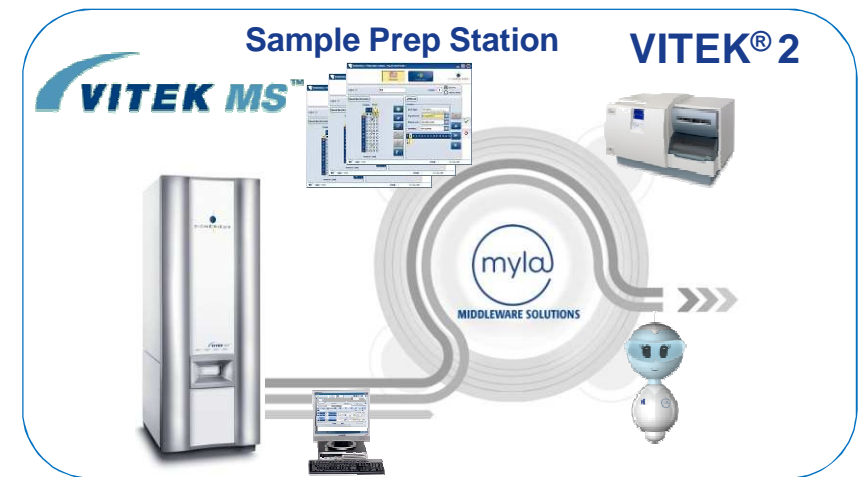
## Continuous focus on innovation

### ▶ Enhanced commercial offer

- ▶ Successful launch of VITEK<sup>®</sup> MS
- ▶ 24 new reagents
- ▶ New service offer
- ▶ Streamlining of the rapid diagnostic offering
- ▶ Launch of a new MYLA<sup>®</sup> version and further geographic expansion
- ▶ New CE-marked VITEK<sup>®</sup> 2 AST\* test for Piperacillin / Tazobactam

### ▶ Strong focus on R&D

- ▶ Rich pipeline with 5 systems under development
- ▶ 3 new strategic collaborations
- ▶ bioTheranostics: clinical utility of CancerTYPE ID<sup>®</sup> further demonstrated by clinical studies with positive outcome
- ▶ 3<sup>rd</sup> edition of the World HAI\*\* Forum
- ▶ Creation of LyonBioTech Technological Research Institute



\* Antibiotic susceptibility testing

\*\* Healthcare-Associated Infections

2011 Operating Performance

▶ **2011 Financial Results**

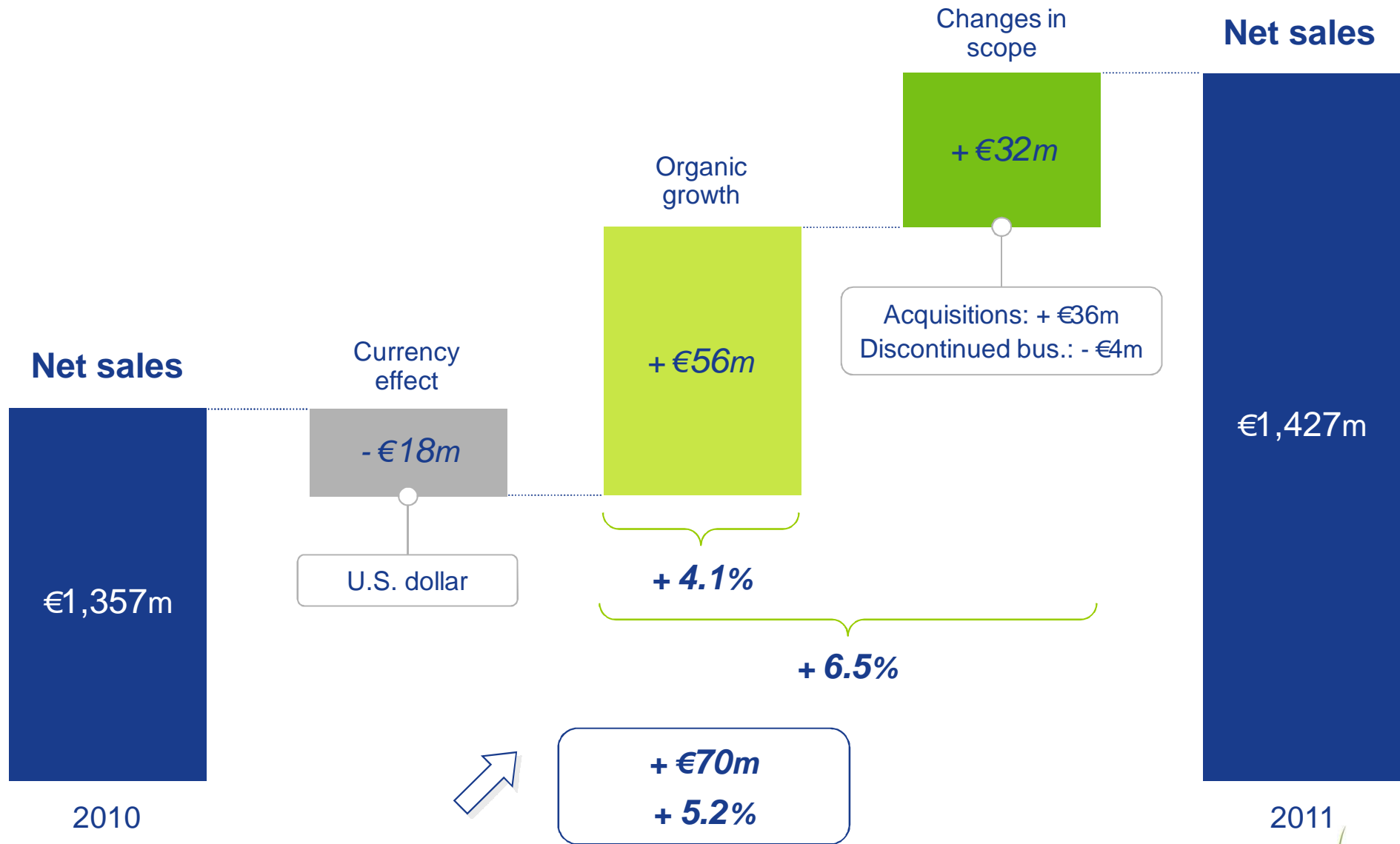
Strategic Initiatives and 2012 Operational Ambitions

Objectives and Conclusion

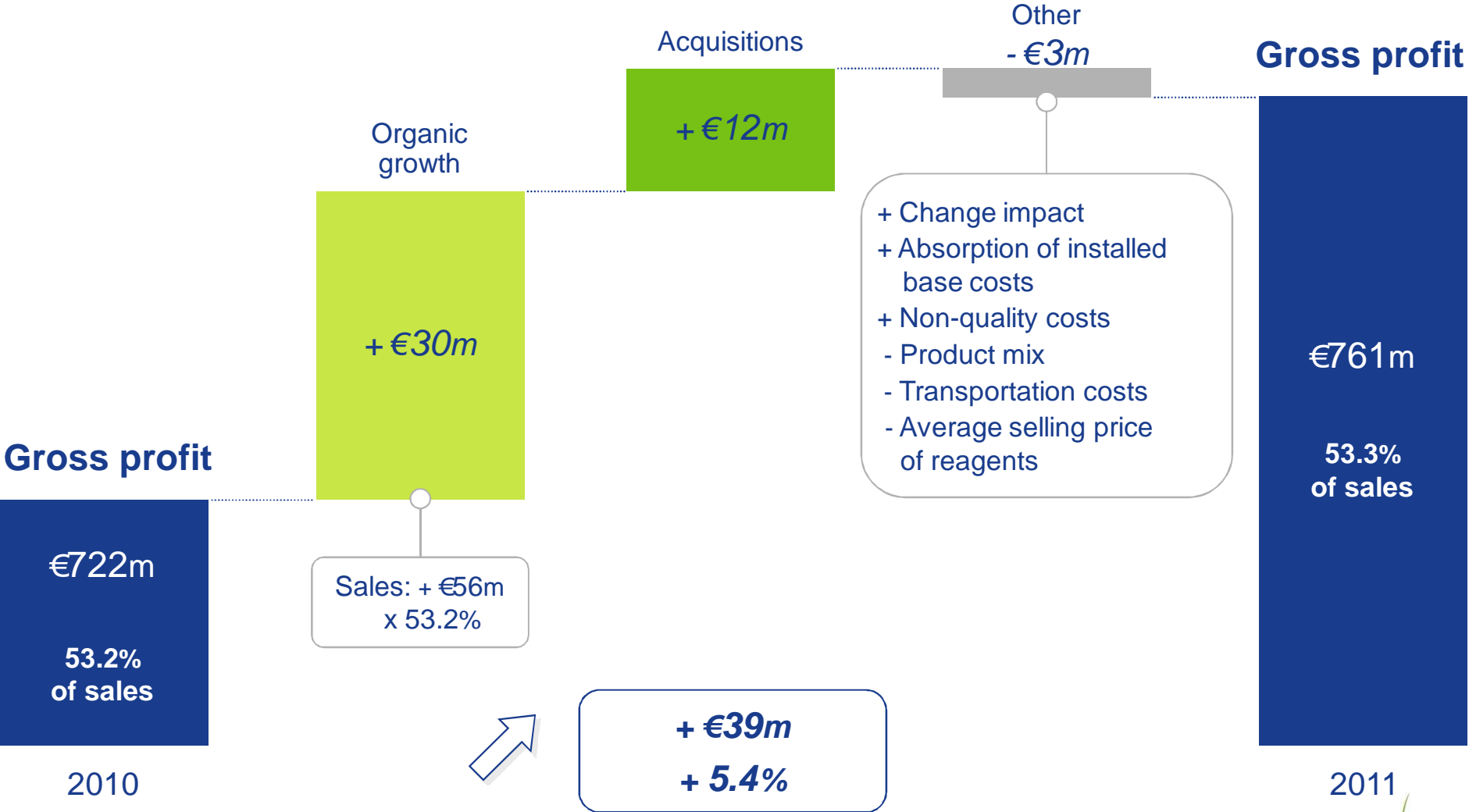
# Consolidated income statement (in € millions)

	2011	As a % of sales	2010	As a % of sales	Change 2011 / 2010
Net sales	1,427	100%	1,357	100%	+ 5.2%*
Gross margin	761	53.3%	722	53.2%	+ 5.4%
Operating income before non- recurring items	258	18.0%	254	18.7%	+ 1.6%
Operating income	245	17.2%	244	18.0%	+ 0.6%
Net income	161	11.2%	160	11.8%	+ 0.3%

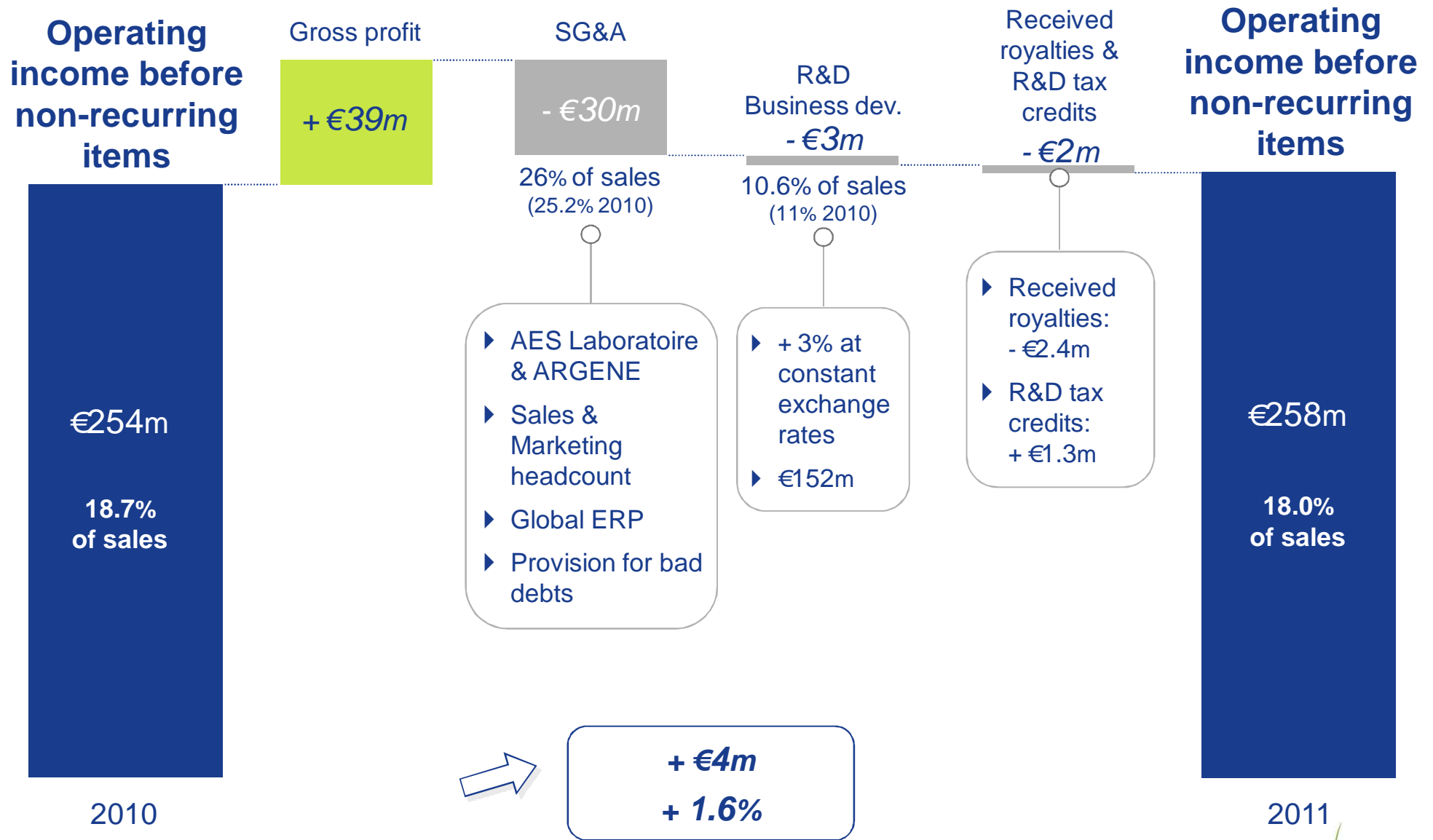
\* Organic growth: + 4.1%



# Gross margin



# Operating income before non-recurring items





## Net result (in € millions)

	2011	As a % of sales	2010	As a % of sales	Change 2011/2010
Operating income before non- recurring items	258	18.0%	254	18.7%	+ 1.6%
Non-recurring items	- 13	- 0.8%	- 10	- 0.7%	
Operating income	245	17.2%	244	18.0%	+ 0.6%
Net financial expense	- 7	- 0.5%	- 3	- 0.2%	
Income tax (tax rate)	- 77	32.5%	- 81	33.7%	
Net income	161	11.2%	160	11.8%	+ 0.3%

Recommended dividend **€0.98 / share (€38.7m)**

# Cash flow statement (in € millions)

	2011	2010	Change
EBITDA <sup>(1)</sup>	343	334	+ 9
Income tax and financial expense	- 70	- 78	+ 8
Operating working capital requirement	- 50	- 42	- 8
Capital expenditure <sup>(2)</sup>	- 102	- 123	+ 21
Other	- 3	- 11	+ 8
<b>Free cash flow</b>	<b>118</b>	<b>80</b>	<b>+ 38</b>
Acquisition of shares <sup>(3)</sup>	- 233	- 25	- 208
Dividends	- 39	- 36	- 3
<b>Net cash flow</b>	<b>- 154</b>	<b>19</b>	<b>- 173</b>
<b>Net cash at closing</b>	<b>- 131</b>	<b>+ 24</b>	

(1) Operating income before non-recurring items (2011: €258m and 2010: €254m), depreciation and amortization (2011: €85m and 2010: €80m)

(2) Capital expenditure outlays, including change in PPE payables

(3) Acquisition cost (net of acquired cash at date of acquisition) and equity stakes:  
in 2011: AES Laboratoire, ARGENE, Knome, Meikang Biotech  
in 2010: Meikang Biotech, Dima Diagnostika, Zenka, Knome and Biocartis

2011 Operating Performance

2011 Financial Results

▶ **Strategic Initiatives and 2012 Operational Ambitions**

Objectives and Conclusion



2011 Operating Performance

2011 Financial Results

**Strategic Initiatives and 2012 Operational Ambitions**



**Strategic Initiatives**

2012 Operational Ambitions

Objectives and Conclusion

# Adapting to the changes in our market environment

## Market environment

Deterioration in macro-economic environment and market's slowdown (est. growth rate: < ~ 5%\*, down ~ 1%)

- ▼ Austerity measures in Southern European countries
- ▼ Acceleration in lab consolidation in France
- ▼ Uncertainties in the U.S.

## bioMérieux's strategy

A well-balanced geographic footprint and a strong focus on innovation

- ▼ Continuous international expansion
- ▼ Microbiology offer adapted to lab consolidation + VIDAS® repositioning
- ▼ Reorganization of U.S. commercial operations

## bioMérieux's results

Adaptability and resistance:  
Microbiology sales: + > 8%\*\*  
Extraction sales: + ~ 10%\*\*\*  
VIDAS® high medical value test sales: + 18%\*\*

- ▼ South of E.U: strict commercial measures + expansion in emerging countries
- ▼ Microbiology: + ~ 5%\*\* in 2011 in France
- ▼ Robust instrument sales in 2011 and renewed contracts with all major lab chains

\* Market data are based on internal analysis and exclude the blood glucose monitoring business

\*\* 2011 sales growth at constant exchange rates and comparable business base

\*\*\* Excluding the impact of the end of the NHLS contract in South Africa

# Mid- to long-term vision proven to be effective

## Market environment

Solid foundations make IVD attractive, mid- to long-term

- ▼ High-growth emerging countries
- ▼ Strong need for innovation: reinforced automation, shorter time-to-result...
- ▼ Explosion of medical knowledge: new technologies, new biomarkers...
- ▼ Increasing role of *in vitro*\* diagnostics, delivering health economic and medical value

## bioMérieux's strategy

An ambitious strategy with a long-term vision

- ▼ Focus on emerging countries (China, in particular)
- ▼ Innovation-focused strategy  
⇒ R&D: ~ 11% of sales
- ▼ Extensive science and technology watch, research, and selective partnerships
- ▼ A pure player in IVD

## bioMérieux's results

Solid performance and confidence

- ▼ More than 25% of our net sales and vigorous growth
- ▼ FMLA® offer and robust pipeline of new systems
- ▼ Successful launch of VITEK® MS and innovative tests under development
- ▼ 3 complementary technologies and high medical value test offer (incl. VIDAS® B.R.A.H.M.S PCT)

IVD is a growing market  
even in this challenging economy

\* In vitro diagnostics = IVD

# Confirmed strategic priorities

## ▶ Our strategy

- ▼ Improving **patient health** through a complete range of *in vitro* diagnostic solutions for the management of
  - Infectious diseases
  - Cardiovascular diseases
  - Targeted cancers
- ▼ Improving **laboratory operational efficiency**
- ▼ Ensuring **consumer safety and product quality** with solutions for detecting microorganisms to track and prevent product contaminations
  - Food
  - Biopharmaceutical

## ▶ 3 areas of focus

- ▼ Innovation
- ▼ Geographical expansion
- ▼ Targeted acquisitions and partnerships

A unique positioning with attractive growth opportunities

# Undisputed leadership positions = 70% of our net sales

## ▶ 2 strategic pillars with leadership positions

	Clinical Microbiology	Industrial Applications
% of sales	52%	18%
Estimated market share	~ 42%	~ 20%*
Size	~ 5% of IVD market	€1.4b
Main market needs	Time-to-result Cost effectiveness	Cost effectiveness
Competition	Becton Dickinson New entrants / technologies	Fragmented market
bioMérieux's main assets	<b>Unique biology expertise</b> Largest offer, incl. FMLA® & MYLA®	<b>Clinical expertise</b> International network

Market data are based on internal analysis

\* After AES Laboratoire acquisition – Estimation on a 12-month basis



# Undisputed leadership positions = 70% of our net sales

## ▶ Continue to expand our leadership positions in clinical and industrial microbiology

### ▼ Be the market's innovator...

#### Clinical Microbiology

- **2013**: launch of 2 innovative platforms, with strong added-value

#### **New blood culture system**

#### **Incubator integrating imaging technologies**

- Analyze **new generation of mass spectrometry**
- Evaluate the pertinence of **sequencing** for infectious disease diagnosis

#### Industrial Applications

- Develop **flow cytometry**
- Enhance portfolio with **molecular biology**  
AES Laboratoire products  
Partnership with Idaho Technology

### ▼ ...And develop solutions adapted to the new economic context

- Full microbiology laboratory automation **FMLA®** solutions
  - 2012: launch of a new version of **MYLA®**
  - 2012: stronger take-off of “Performance Service Solution”
- **Fast microbiology**



# An astute, focused player

## ► Key assets to build upon

	Immunoassays	Molecular Biology
% of sales	25%	5%
Estimated market share	~ 4%	~ 2%
Size	~ 28% of IVD market	~ 9% of IVD market
Main market needs	Laboratory consolidation New innovative biomarkers	New technologies Cost effectiveness
Competition	Large IVD companies	Dominant players
<b>bioMérieux's main assets</b>	<b>VIDAS® installed base</b> <b>VIDAS® menu</b> <b>Philips collaboration</b>	<b>easyMAG® franchise</b> <b>ARGENE menu</b> <b>Biocartis collaboration</b>

Market data are based on internal analysis

# An astute, focused player

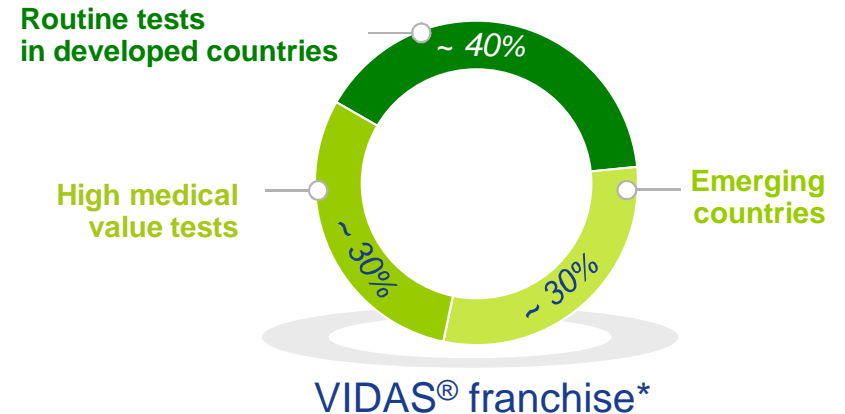
## ▶ Maximize our immunoassay assets

### ▼ Leverage our VIDAS® franchise

- **End of 2012:** launch of **VIDAS® New Generation**
- Enhance menu with new tests, in particular high medical value tests: Galectin-3, hsCRP...
- Expand in emerging countries

### ▼ Enter new fields

- Manual (BIONEXIA®) and automated point-of-care (handheld solution with **Philips**)



## ▶ Strengthen our molecular biology franchise through effective asset consolidation

### ▼ Extraction franchise: easyMAG® New Generation

### ▼ Integration of ARGENE

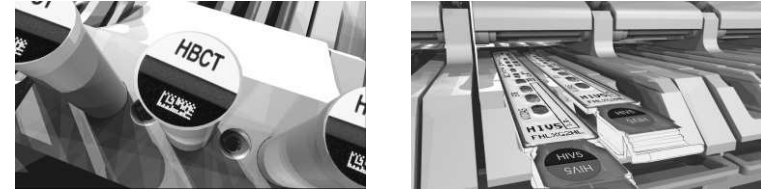
### ▼ 2013 **Biocartis platform** launch, bioMérieux focusing on infectious diseases

### ▼ Progress in personalized medicine

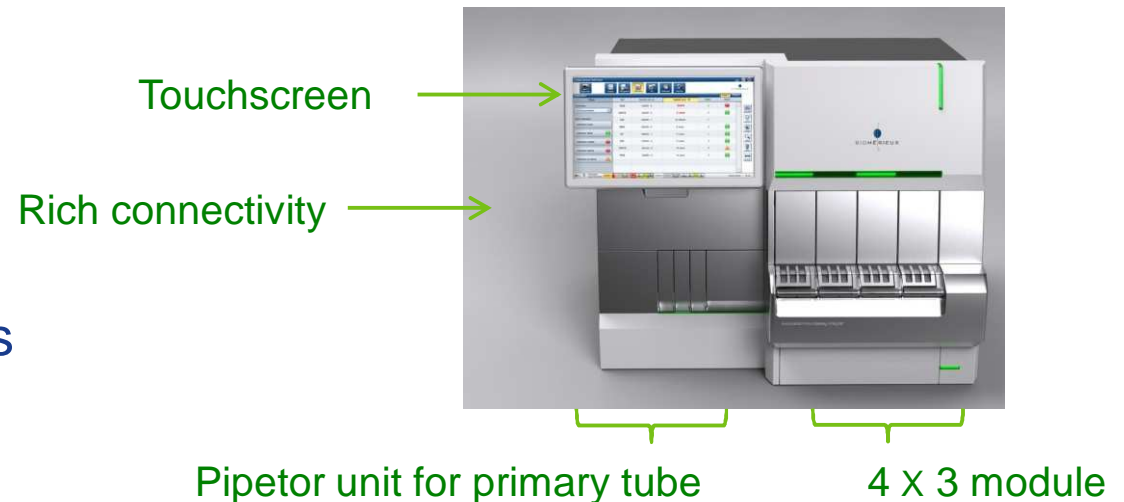
\* Based on 2011 VIDAS® reagent sales

# VIDAS® New Generation: a major launch

- ▶ Same **biology**
  - ▼ Extensive menu: **97** clinical parameters and 16 industrial parameters
  - ▼ Strong focus on high medical value tests
- ▶ Same **philosophy**
  - ▼ Easy-to-use
  - ▼ Robust
  - ▼ Flexible
- ▶ Reinforced automation
- ▶ New **services** for a large **community** of customers
  - ▼ Accreditation
  - ▼ Quality control



Full SPR / strip traceability



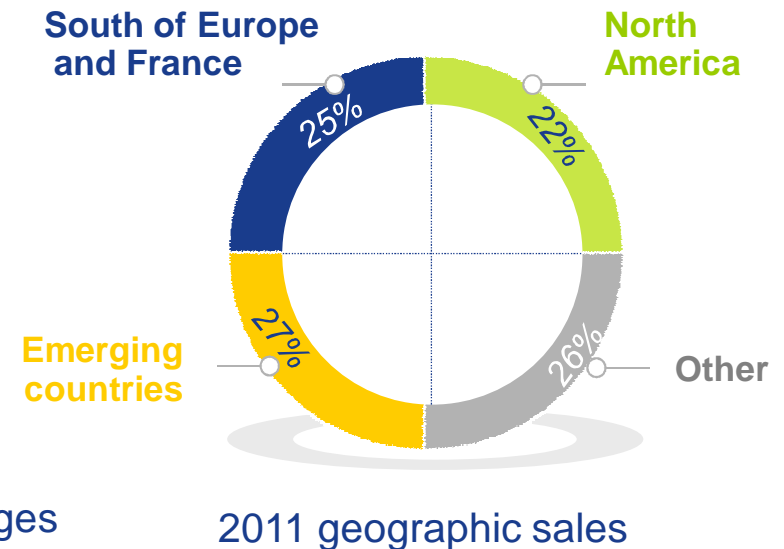
An offensive strategy for growth  
in emerging countries and high medical value tests

# A global company for a global market

- ▶ A well-balanced geographic footprint to benefit from the fastest growing economies

- ▶ Geographic priorities

- ▼ Fast-growing emerging markets, focusing on
  - Equipment needs
  - Infectious diseases and microbiology = major challenges
  - China, to become the 3<sup>rd</sup> largest Group company by 2015
    - Establish a nation-wide presence
    - Continue to build manufacturing and R&D capabilities
- ▼ North America, the most homogeneous market, building on
  - Automated microbiology offer
  - VIDAS<sup>®</sup> high medical value test success



Balanced sales across 4 geographic quadrants ensuring mid- to long-term momentum

# 2 new subsidiaries planned in fast-growing markets

## ▶ Objectives

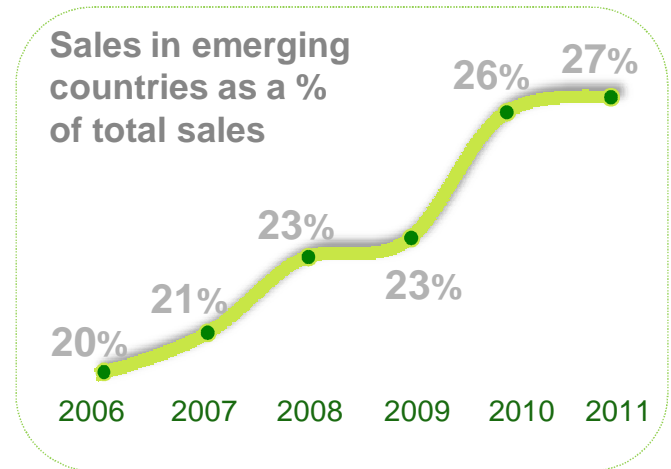
- ▼ Fast-paced development in emerging countries
- ▼ Reinforce bioMérieux's market shares and brand
- ▼ Be closer to end-consumers

## ▶ Malaysia

- ▼ IVD market estimated at ~ \$45m, growing at ~ 15% a year
- ▼ Population: 27m inhabitants (2x in 30 years)

## ▶ Vietnam

- ▼ IVD market estimated at > \$50m, growing at ~15% a year
- ▼ Population: 87m inhabitants (up 150% over 50 years)



Reinforcing and optimizing our commercial network

2011 Operating Performance

2011 Financial Results

**Strategic Initiatives and 2012 Operational Ambitions**

Strategic Initiatives

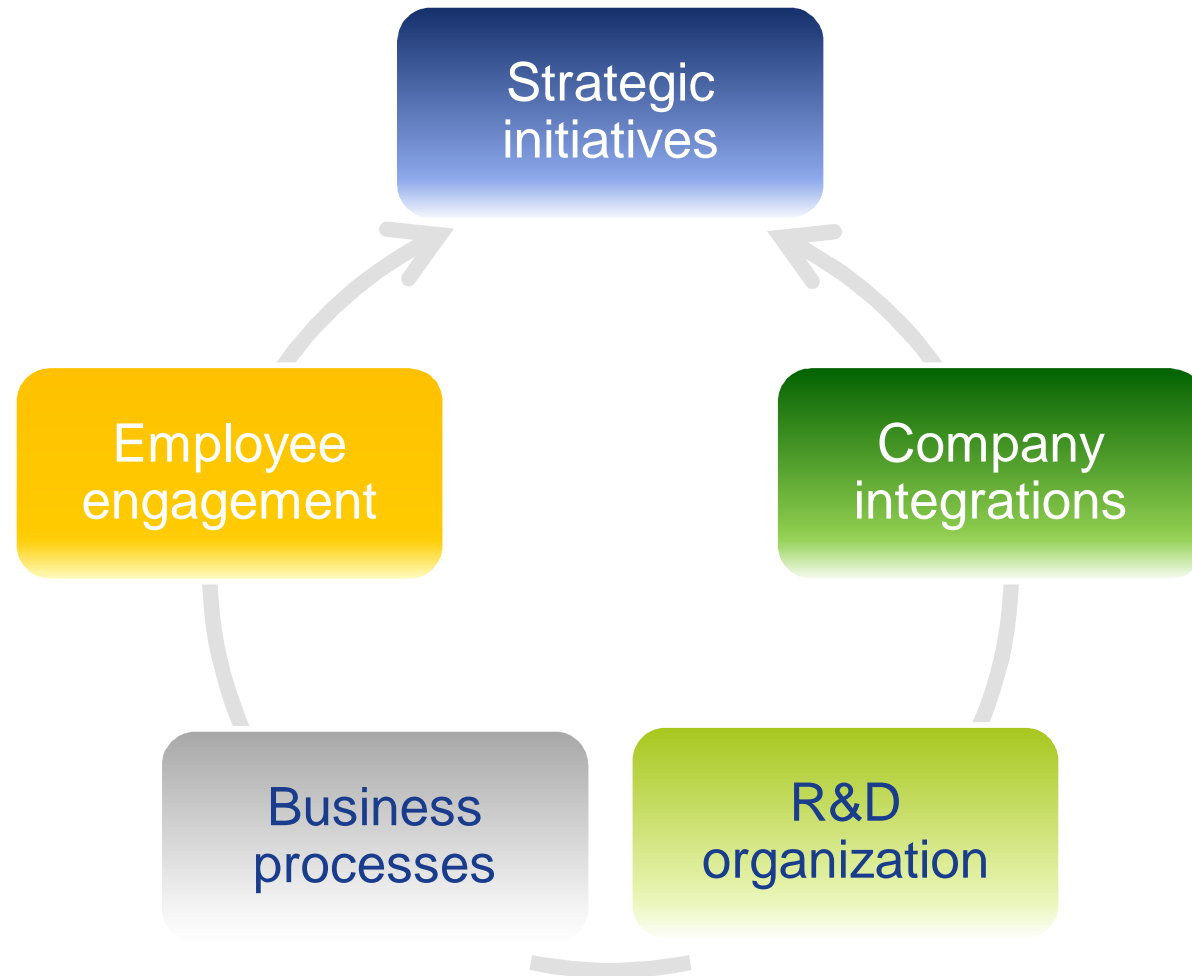


**2012 Operational Ambitions**

Objectives and Conclusion



# 2012 Operational ambitions



Driving operational excellence  
to successfully execute our strategic initiatives



# AES Laboratoire integration 2012 milestones

## Commercial

Market products in H1 2012 for bioMérieux's customers:

- AES Laboratoire “blue range” for sample preparation
- AES Laboratoire innovative culture media

First promotional actions for cytometry platforms

Rationalize both companies' culture media ranges

## Innovation

Leverage and integrate AES CHEMUNEX expertise in flow cytometry into bioMérieux's technology portfolio

Specialize R&D teams based on their specific skills

## Production

Establish plan to optimize site network based on capacities and know-how

Align quality standards to meet customer needs



“blue range”



ChemScan® RDI

A seamless transition of customer base  
& product offer for undisputed leadership

# ARGENE integration 2012 milestones

## Commercial

Commercialize ARGENE products through bioMérieux's distribution network

Distribute ARGENE products under bioMérieux's brand

Register ARGENE products wherever necessary

## Innovation

Adapt ARGENE's current RT-PCR immunocompromised products on the Biocartis platform

## Production

Transfer 2 high-volume products to Grenoble site to allow ARGENE site to absorb next year's increasing volume

Progressively adapt ARGENE's production site to bioMérieux's IS infrastructure and operating software standards



ARGENE products

A smooth integration  
to maximize sales growth opportunities

# Lean R&D organization for revolutionary solutions

- ▶ Key changes in R&D: R&D Council and Innovation & Systems Department
- ▶ Optimized launch of 5 priority systems...

New blood culture system →



← Incubator with imaging tech.



...and including 2 new instruments for our FMLA® offer

- ▶ ...designed for the increasingly important role of *in vitro* diagnostics
  - ▼ Medical information  
64%\* of patient information for doctors comes from diagnostic tests
  - ▼ Laboratory operations  
shorter time-to-result, optimized workflow, enhanced traceability,...

Investor Day: November 29, 2012

\* Source: EDMA

# Global ERP for operational efficiency

- ▶ A major project: implement a **single Global ERP**
  - ▼ **Worldwide**
  - ▼ For **nearly all operations**: supply chain, production, sales admin. & finance
- ▶ Deployment of SAP standard version

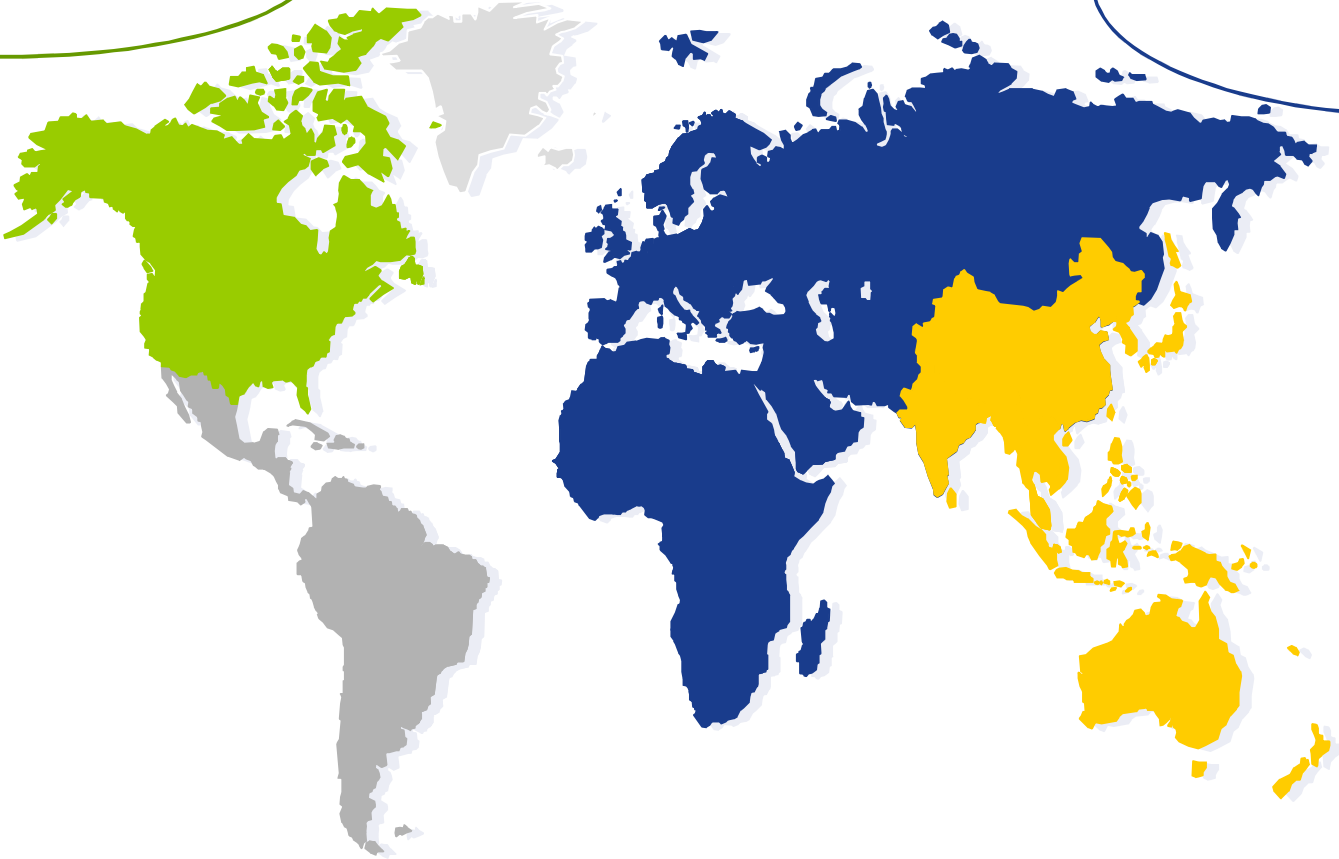


**2012 and beyond: increase Global ERP utilization and enhance efficiency gains**

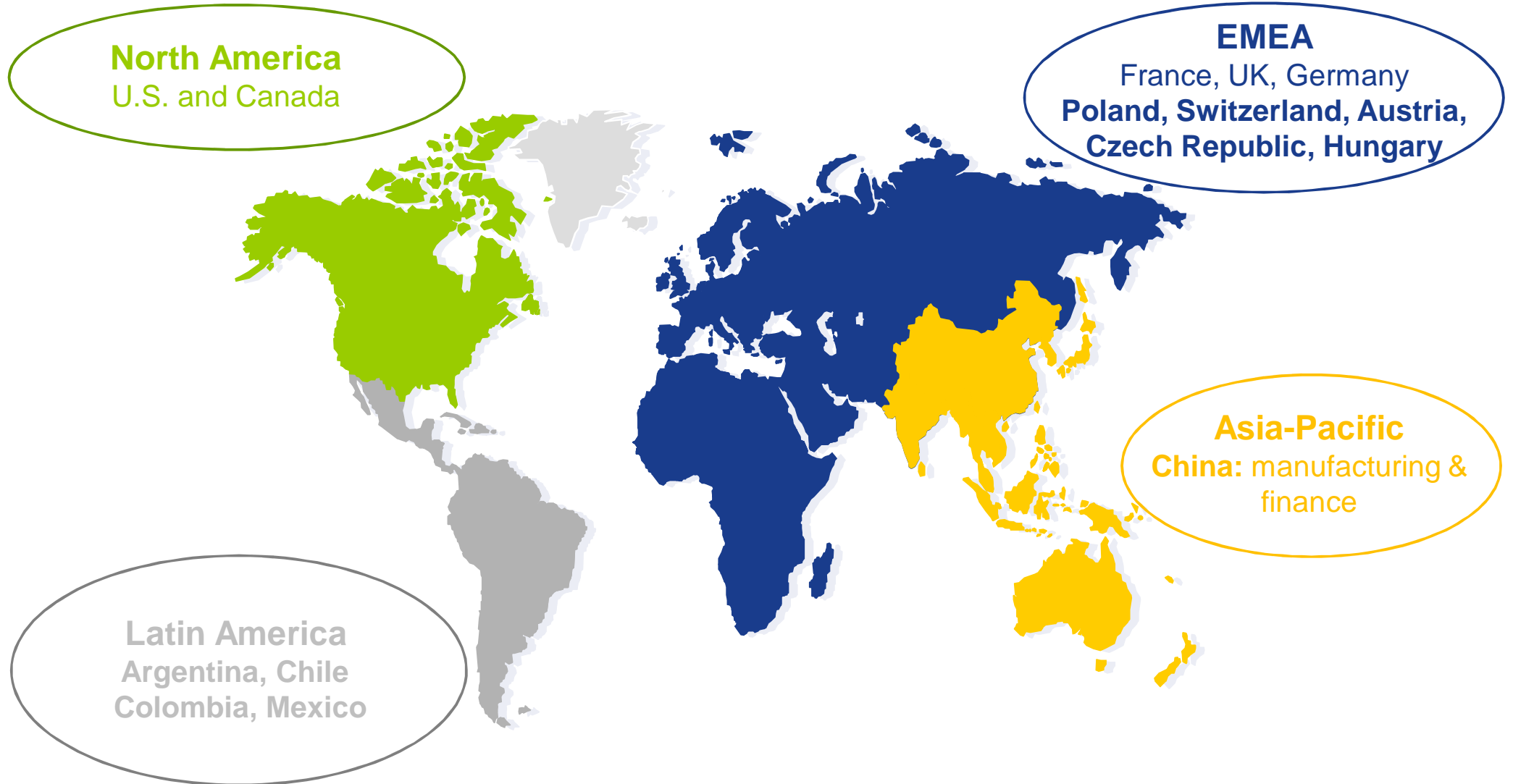
# End of 2011: global ERP landscape

**North America**  
U.S. and Canada

**EMEA**  
France, UK, Germany



# End of 2012: global ERP landscape



2012: efficient, worldwide deployment

# Human resources

## Key for our competitiveness

- ▶ Employee engagement program
  - ▼ Full mobilization behind strategic initiatives
  - ▼ Compensation aligned with results
- ▶ Focus on bioMérieux University
- ▶ Marketing teams included in Technology Units to better integrate customer needs in product development

Aligning our teams behind our ambitions

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## bioMérieux's commitment

Drive **market growth** for selected positions, leveraging our assets

Provide a continuous rollout of **innovations** for growth

Seize **strategic opportunities**, while maintaining financial **solidity**

Strictly manage **operating costs**, while launching **5 new systems**

## Action plan

Expand **leadership in clinical and industrial microbiology**

Strengthen our franchises in **high medical value tests (VIDAS®)** and **molecular biology extraction**

Expand **geographical reach**, especially in emerging countries

- ▼ Create at least 2 new subsidiaries
- ▼ China to become # 3 subsidiary

Integrate **AES Laboratoire and ARGENE**

Focus on **5 new system launches**

Commercialize **innovative tests and services**

Evaluate + select **promising technologies and biomarkers**

Engage in **targeted acquisitions and partnerships**

- ▼ With strong strategic fit
- ▼ At a price enabling value creation for our shareholders

Focus on **execution and operational excellence**

▶ 2012

A challenging economic context  
2011 trends to continue  
An **investment year**

▶ 2012 sales growth objective

between **3 - 5%**  
at constant exchange rates  
and comparable business base



between **6 - 8%**  
at constant exchange rates

▶ 2012 operating result  
before non-recurring items

between **€255 - 270m**  
taking into account R&D and commercial costs  
to prepare for system launches, “Global ERP”  
deployment costs and negative currency impacts

# Conclusion: ability to adapt in tough times thanks to strong fundamentals

## ▶ Ability to execute our mid- to long-term commitments

### ▼ A clear strategy...

- Focus on innovation for high clinical value and customer-centric solutions
- Drive geographic expansion
- Seize external opportunities

### ▼ ...leveraging the Company's assets

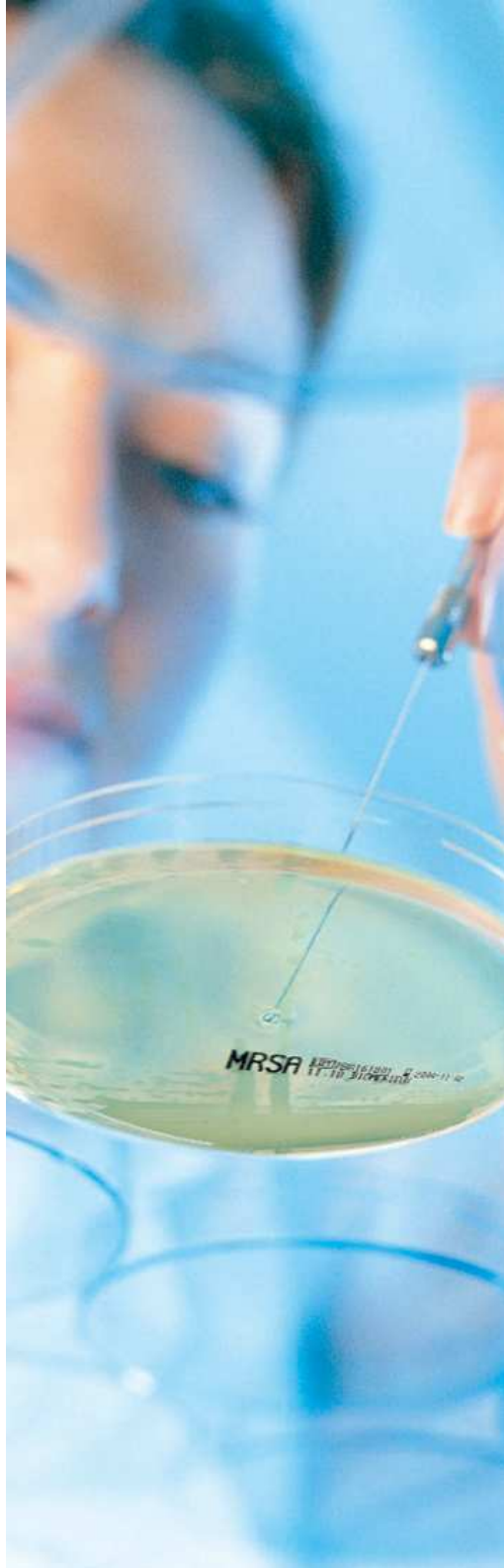
- Unparalleled leadership in clinical and industrial microbiology
- Extensive commercial network and broad installed base
- Strong financials

## ▶ Capacity to deliver our 2012 objectives

- ▼ Resistant business model, with proven capacity to adapt to a changing environment
- ▼ Clear operational ambitions, enhanced organization, and leaner processes

High confidence in our business model's resistance to deliver sustainable growth and execute our 2012-2015 roadmap

## ► Finance



# Public customer receivables in Southern Europe

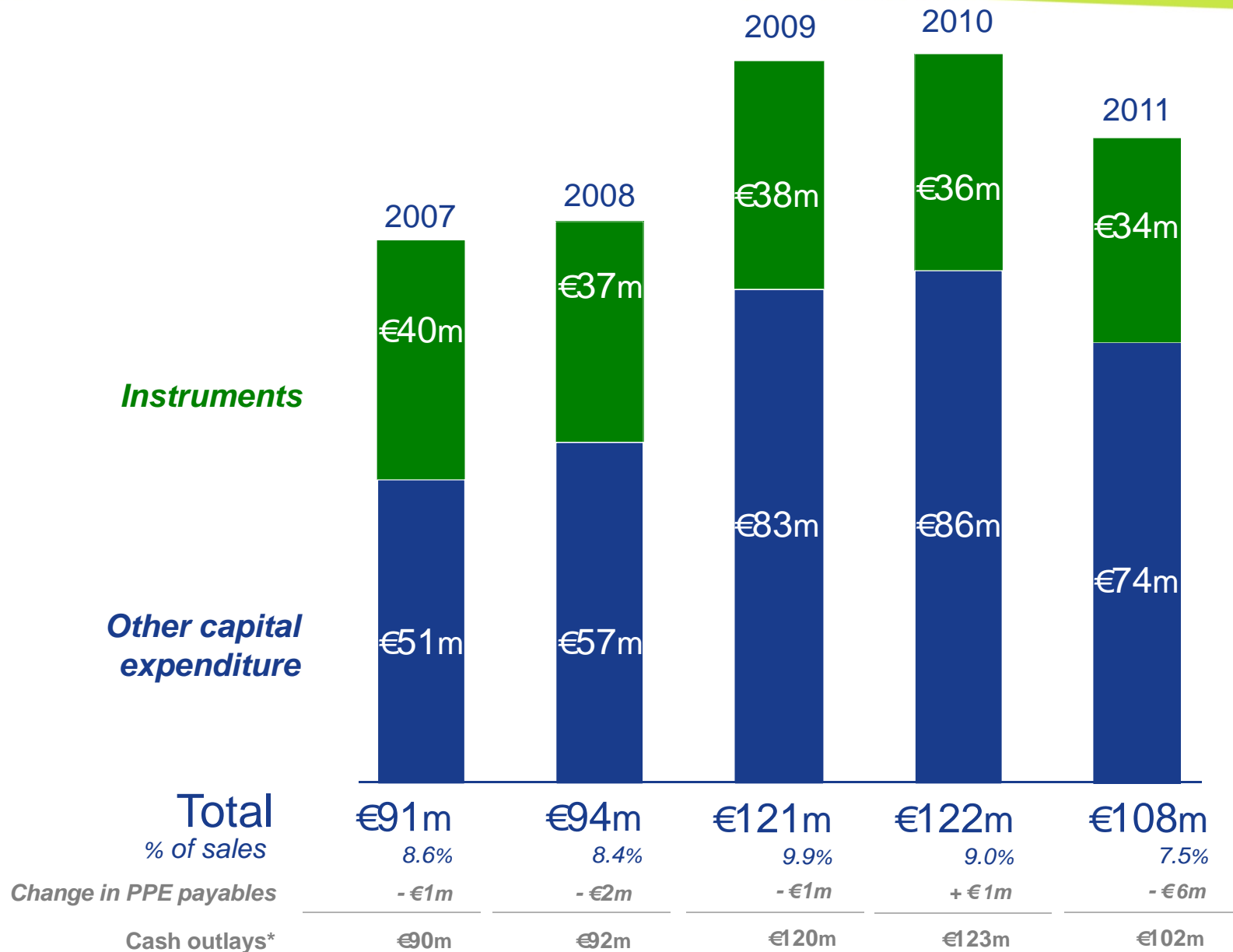
- ▶ In Greece: provision for depreciation\* of receivables prior to 2010  $\cong$  75%

Public customer receivables	Net amount In € millions	DSO** December 2011 In days	Change in 1 year
Italy	48	317	+ 20
Spain	32	400	+ 119
Portugal	11	455*	+ 141
Greece	9	1,086	- 71
<b>Total</b>	<b>100</b>		

- ▶ Implementation of strict commercial measures with public-sector customers
  - ▼ Prepayments
  - ▼ Instruments repossessed
  - ▼ Legal actions

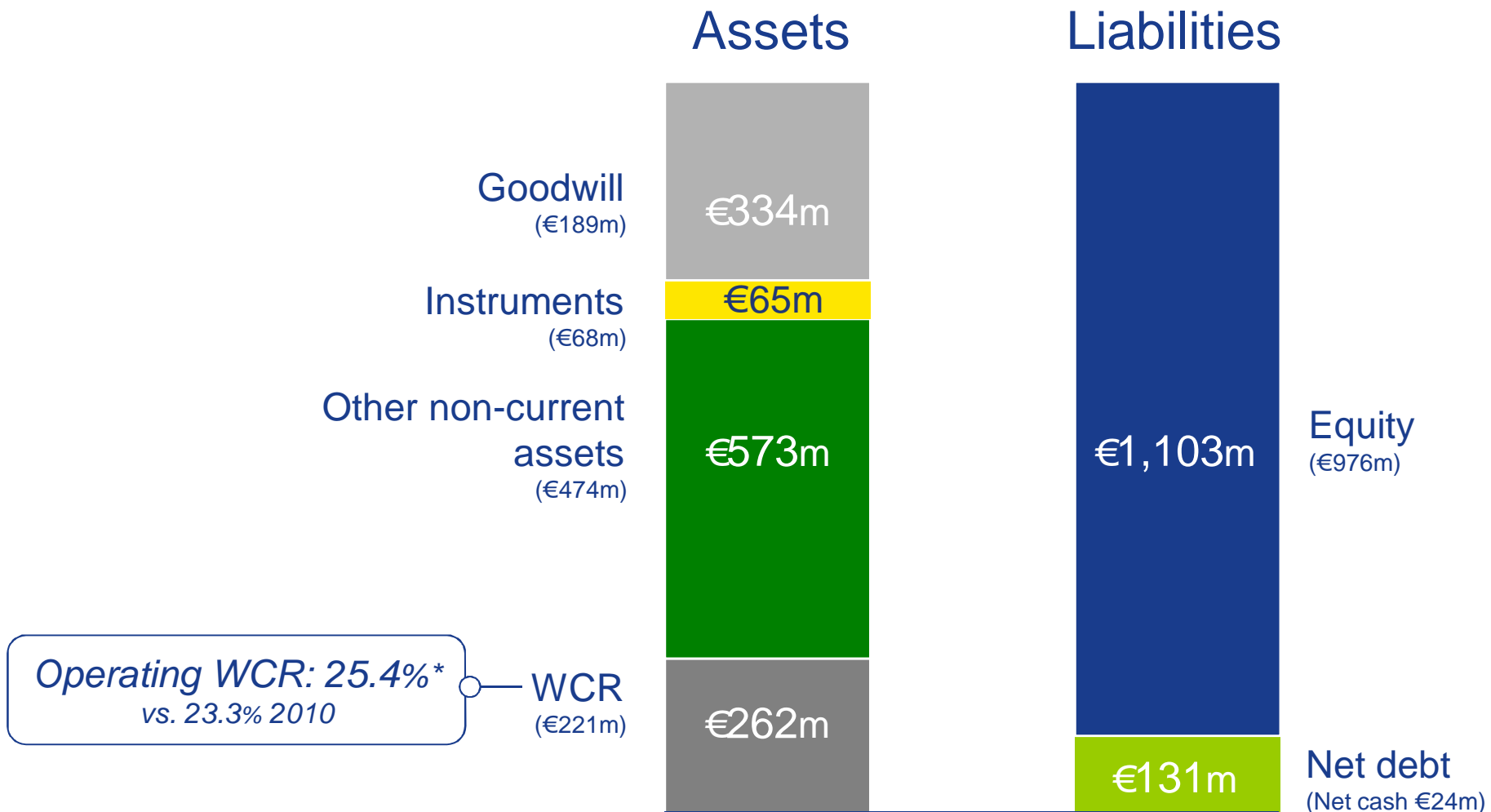
\* Including bonds \*\* Day sales outstanding

# Capital expenditure



\* Acquisition of PPE and intangible assets

# Summarized balance sheet



\* At constant scope of consolidation  
2011 Operating WCR: 26.1% after AES Laboratoire and ARGENE consolidation



# 2011 Financial Results Strategic Initiatives & 2012 Operational Ambitions

Paris - March 14, 2012

