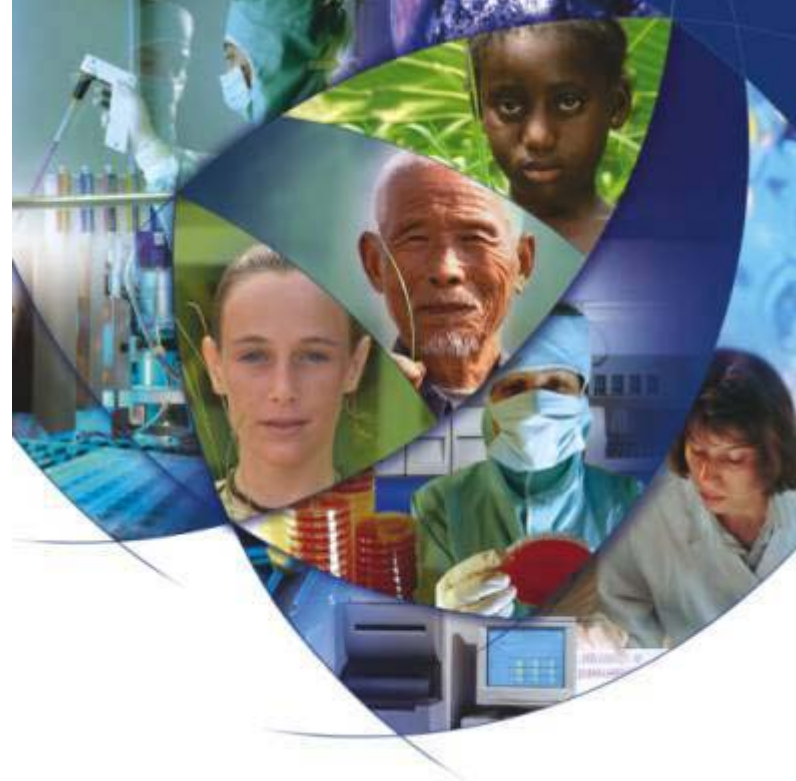




BIOMÉRIEUX



2004

Results

The present presentation contains information, assumptions and estimates that were used to determine these objectives. They are subject to change or modification due to economic, financial and competitive uncertainties in France or in other countries. Further information regarding these assumptions, risks and estimates are described in the documents registered with the "Autorité des Marchés Financiers". The forward-looking statements contained in the present presentation should only apply up to date. Accordingly, the company cannot give any assurance as to whether it will achieve the objectives described in this section, and makes no commitment or undertaking to update or otherwise revise such information.



## 1. Business Review

# 2004: very good results, while investing in the future

## ▶ Very good results ...

- Organic growth: 5.2%, *at constant exchange rates*
- Operating income up 30%
- Net income up 37%
- Sustained fast debt reduction:  
gearing lowered to 28% from 51%

## ▶ ... while investing in the future

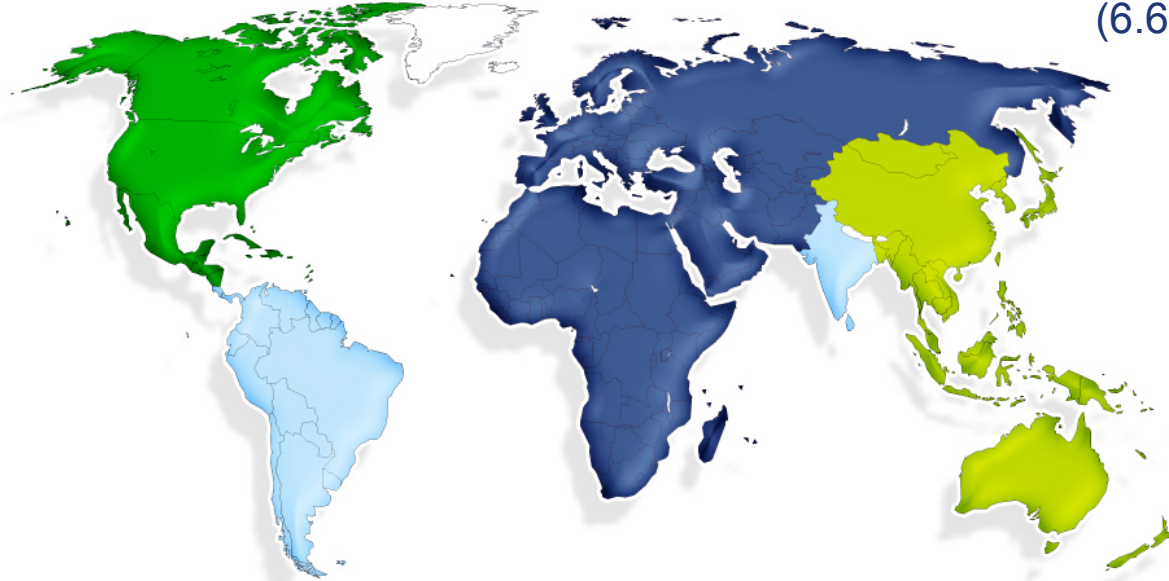
- Extensive new product launches: VITEK<sup>®</sup>2 Compact, MiniMAG<sup>™</sup>, new assays, etc.
- Capital expenditure:
  - Manufacturing base
  - Quality assurance
- Business development

# 2004: All regions reported growth

Growth outside France: 6.7%\*

**North America: 6.1%\***

**EMEA (Europe, Middle East, Africa): 3.7%\***  
(6.6% outside France)



**Latin America and India: 9.1%\***

**Asia Pacific: 8.8%\***

## Growth by region

\*At constant exchange rates

2004:

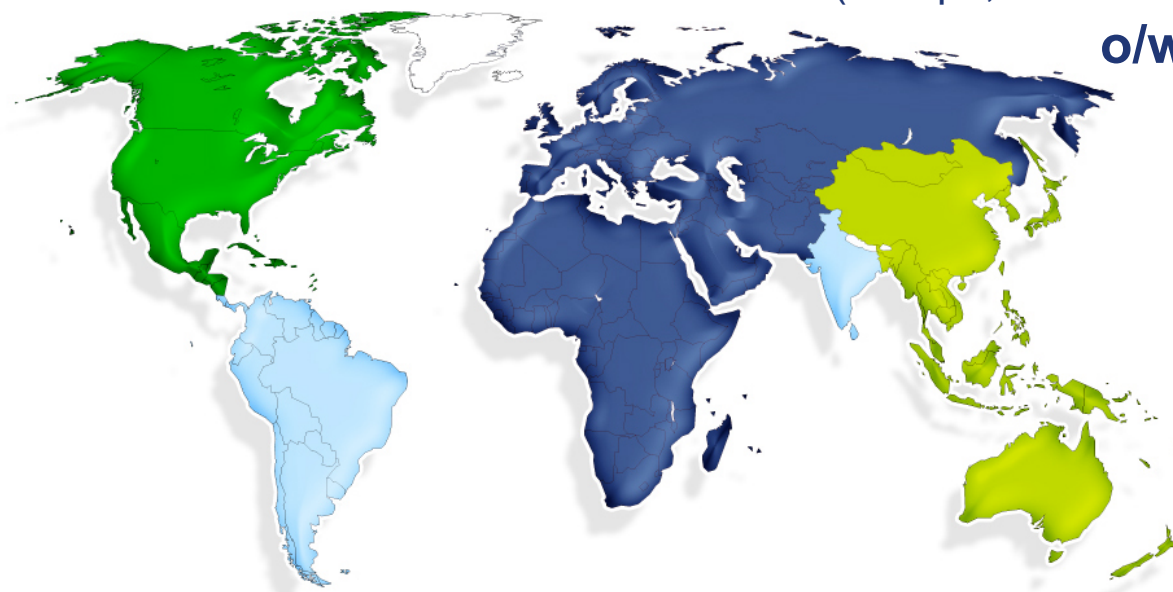
More than 80% of sales outside France



## Net sales by region

**North America: 26%**

**EMEA (Europe, Middle East, Africa): 57%**  
**o/w France: 18%**

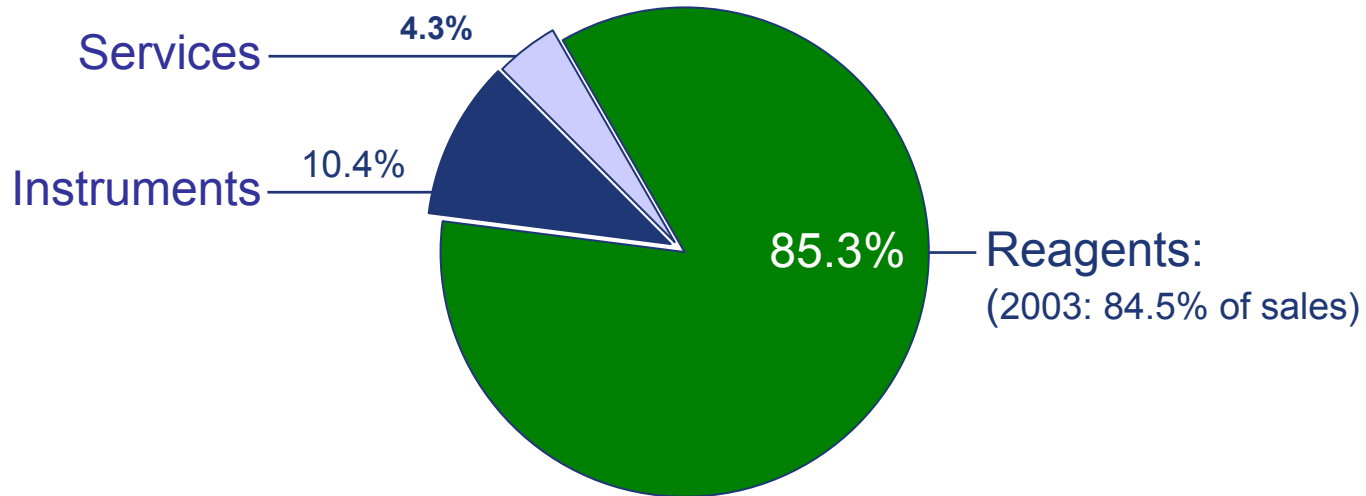


**Latin America and India: 7%**

**Asia Pacific: 10%**

# 2004: faster growth in reagent sales

► Reagent sales up 6%\*



► About 3,500 new instruments installed on customer premises

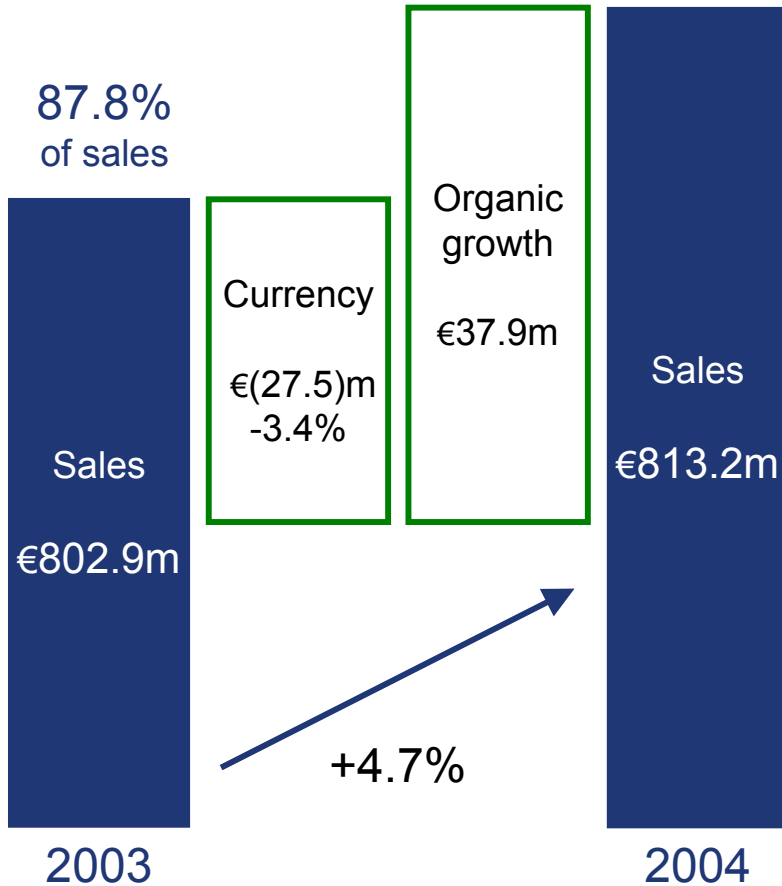
\*At constant exchange rates

# Organic growth in both fields of application



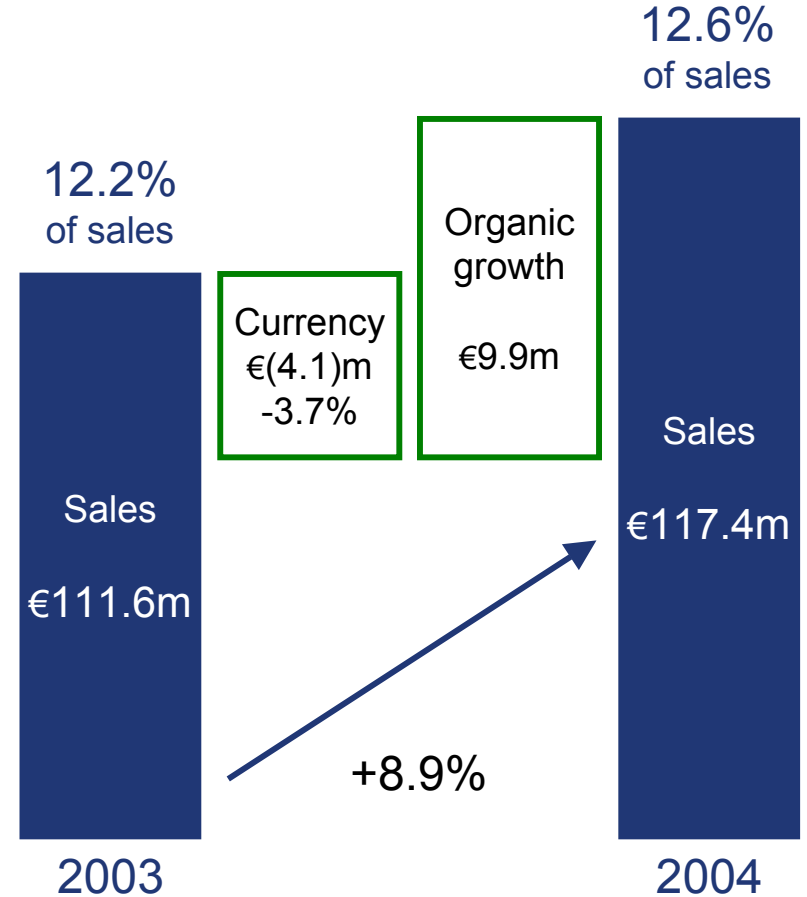
## Clinical

87.4%  
of sales



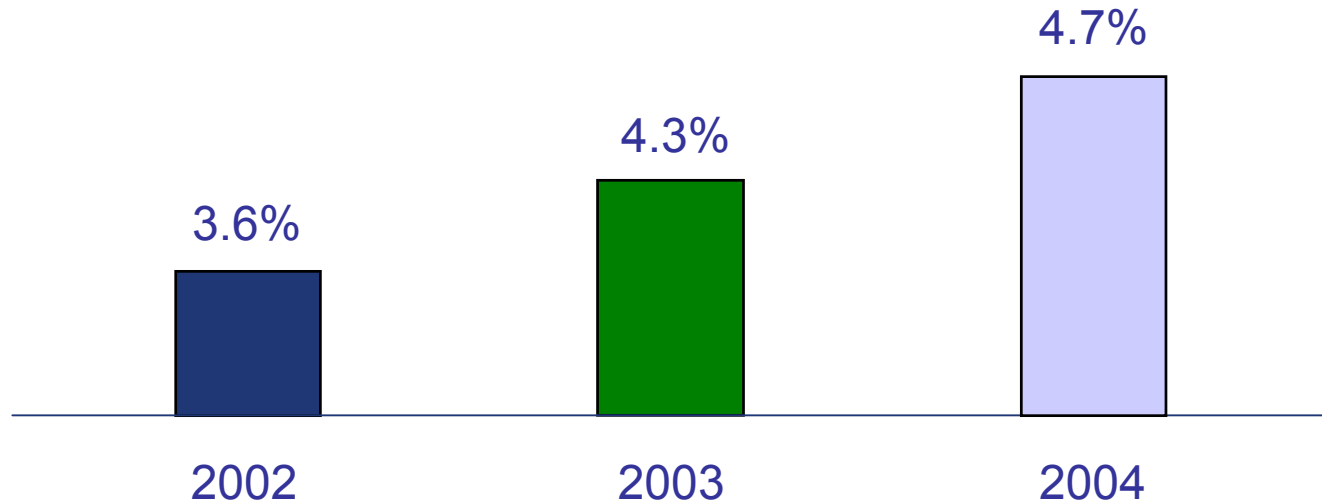
## Industrial

12.6%  
of sales





# 2004: Sustained growth in clinical applications



## ► 2004 Growth in the main clinical segments\*:

- Bacteriology: + 6%
- Immunoassays: + 6%
- Molecular biology: + 11%

\*At constant exchange rates

# Industrial applications: an attractive, but increasingly competitive market

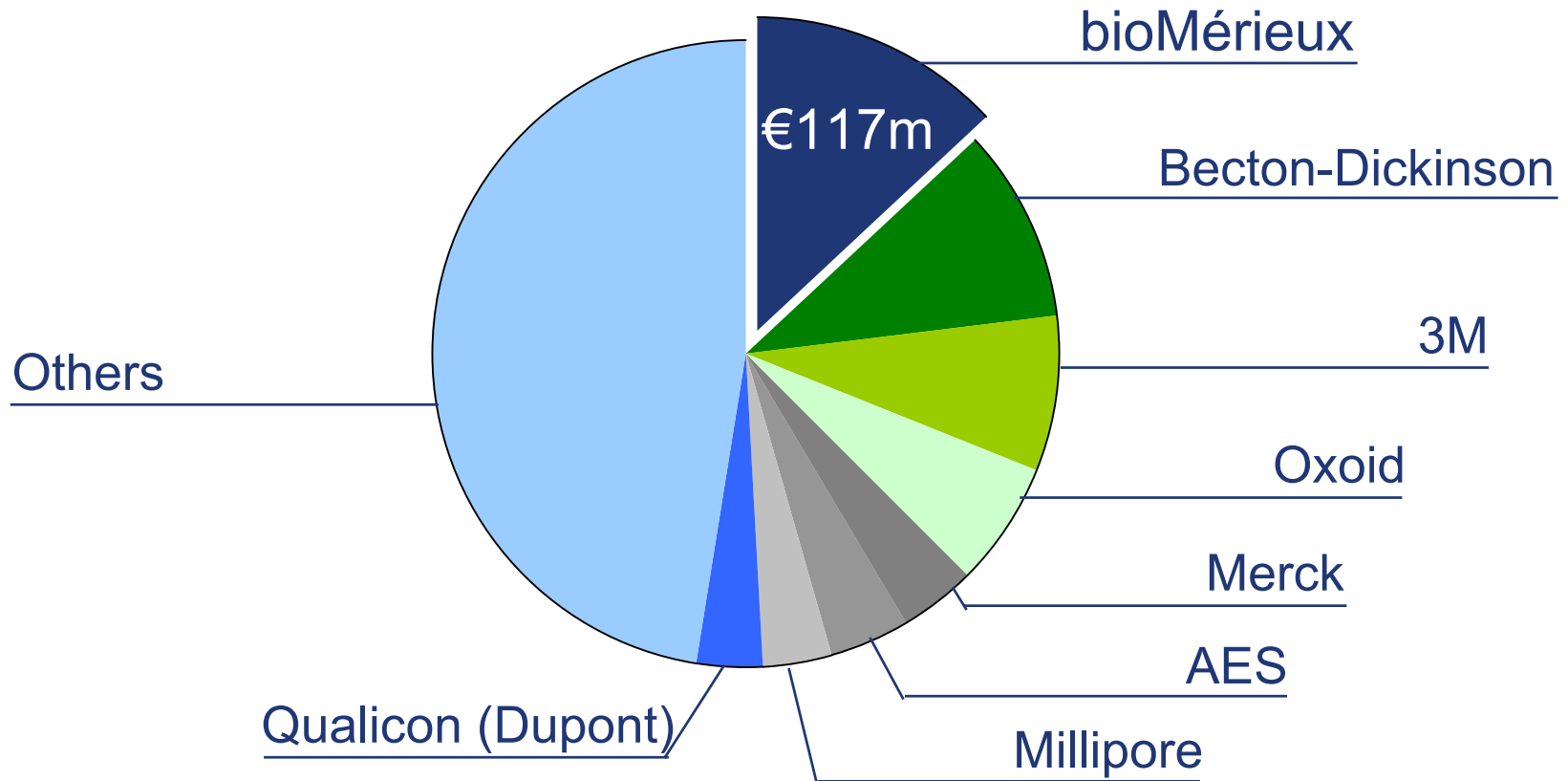
## ▶ Agrifoods

- Growth driven by changing regulation and food scares
- Intensifying competition
  - New entrants
  - Strong price sensitivity
- Trend towards more placed instruments

## ▶ Pharmaceuticals

- Growth fairly steady
- Highly quality sensitive
- But also growing price awareness

# bioMérieux is the market leader in industrial applications



## Breakdown of the industrial applications market\*

\*bioMérieux estimates

# 2004: very good results, while investing in the future

## ▶ Very good results ...

- Organic growth: 5.2%, at constant exchange rates
- Operating income up 30%
- Net income up 37%
- Sustained fast debt reduction:  
gearing lowered to 28% from 51%

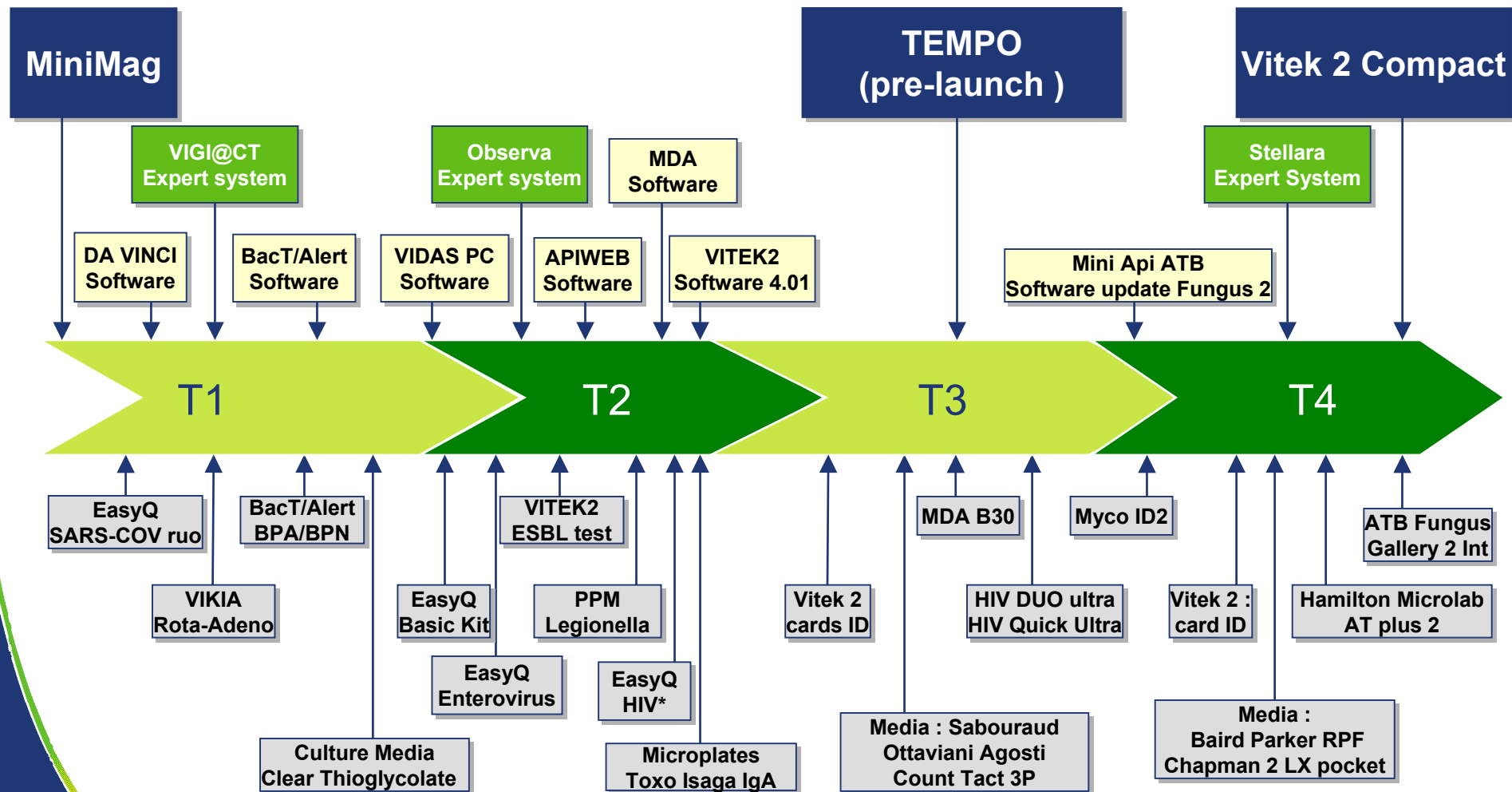
## ▶ ... while investing in the future

- Extensive new product launches: VITEK<sup>®</sup>2 Compact, MiniMAG<sup>™</sup>, new assays, etc.
- Capital expenditure:
  - Manufacturing base
  - Quality assurance
- Business development

# Extensive new product launches



## Main products launched



\*With MiniMag extraction

2004:

# VITEK<sup>®</sup>2 Compact introduced



# VITEK<sup>®</sup>2 Compact: a real competitive advantage

- ▶ **Separate identification and susceptibility testing**
- ▶ **Automated system**
  - The most advanced on the market
  - The most user-friendly: one-day training
  - Throughput and traceability
- ▶ **An integrated solution**
  - Observa, database management software compatible with the BacT/Alert<sup>®</sup> platform
  - Vigi@ct, a software for Hospital Acquired Infections alerts
  - Stellara, a software for therapeutic advice

A platform especially suitable  
for small and medium-sized laboratories

# VITEK<sup>®</sup>2 Compact: a real competitive advantage

- ▶ **Same-day results: 6 hours mean time**  
versus 12-18 for the competition
  
- ▶ **More effective results:**
  - "Advanced Colorimetry<sup>™</sup>": sensitivity and specificity
  - Higher accuracy in identification: 98% versus 85/90%
  - A broad reagent menu, with possibility of extensions
  - AES<sup>™</sup> expert system identical to VITEK<sup>®</sup>2:  
worldwide database reference for the detection of resistance  
and for therapeutic advice



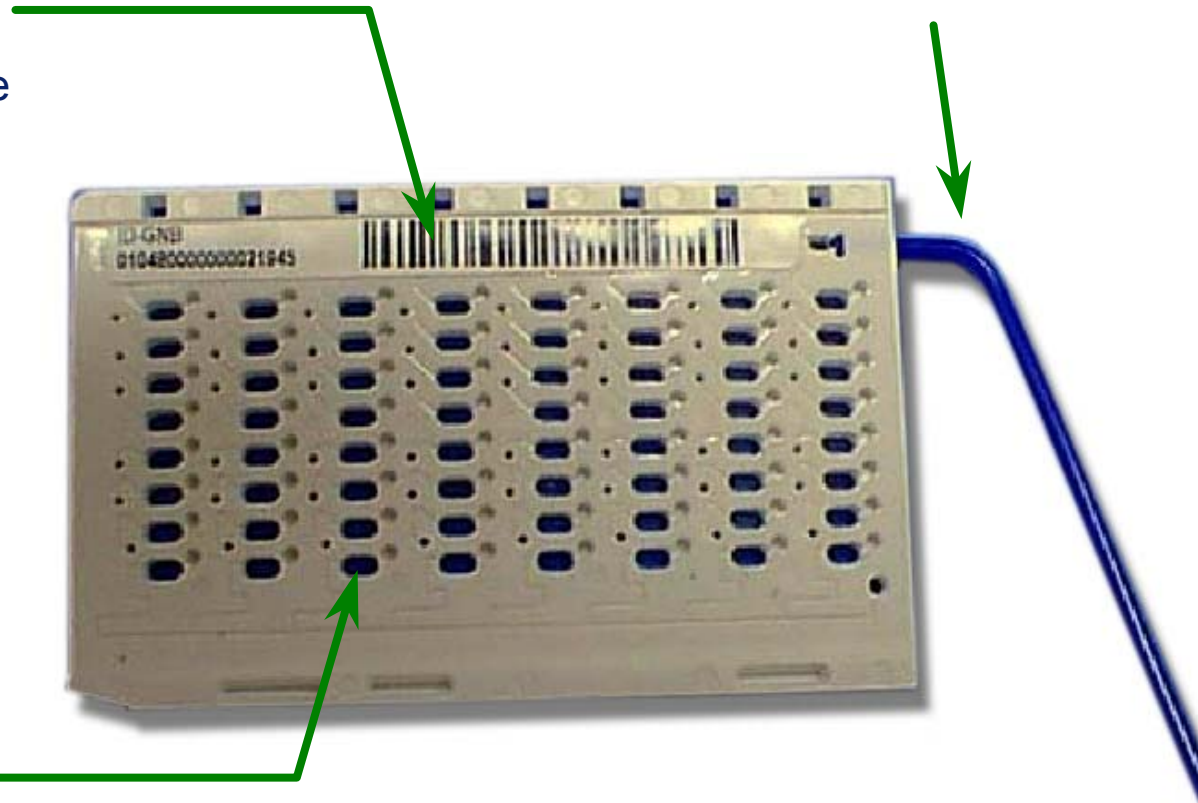
# A single reagent for the entire VITEK2 range

## Bar code

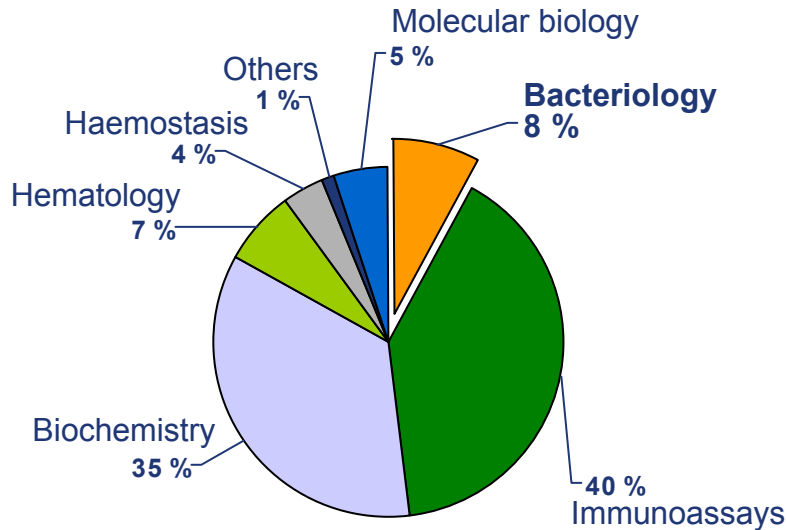
- Expiration date
- Card type
- Lot number
- Unique card number

## Pre-inserted transfer tube

## 64 wells



# The most comprehensive range in the bacteriology market



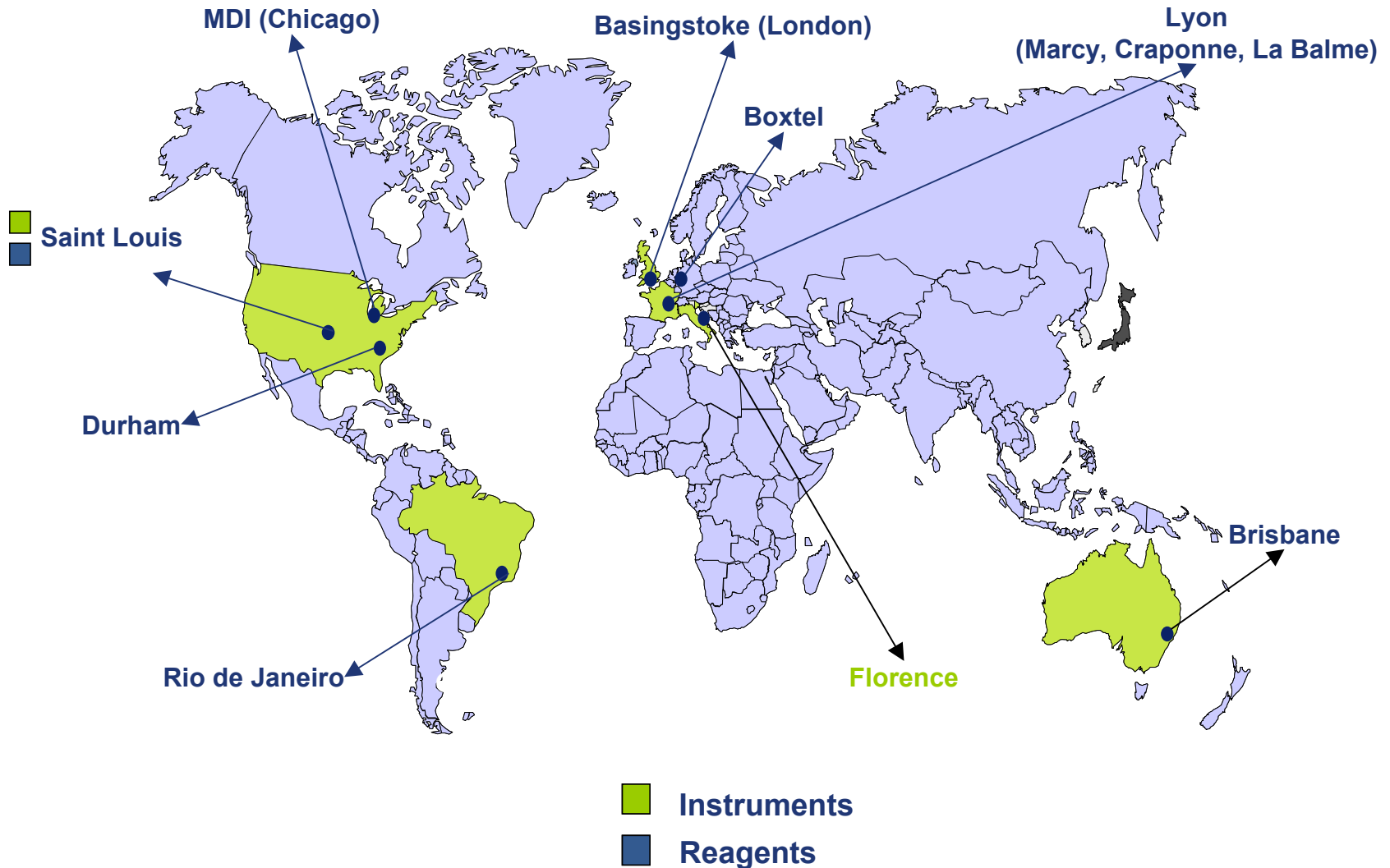
IVD market by technology\*

	Competitive positioning			
	Culture	Manual ID/AST	Auto ID/AST	Blood Culture
Becton-Dickinson	X	X	Launch	X
<b>bioMérieux</b>	X	X	X	X
Dade-Behring			X	

A strong position in bacteriology:  
25% of the market

\*bioMérieux estimates

# bioMérieux: a bio-industrial company



# bioMérieux: a bio-industrial company

- 11 manufacturing plants
- Several hundred million reagent units produced every year
- Four productivity improvement drivers:
  - Economies of scale: one product line per plant
  - Continuous process optimization
  - Standardized product lines
  - Capital program

# A capital expenditure program to prepare for the future





## ▶ FDA

## ▶ Capturing the value of the patent portfolio and licensing in:

- Capturing portfolio value: Bayer, Eppendorf, Gen-Probe, etc.
- Acquisition of licenses: Gen-Probe, Novel Diagnostics, Applied NeuroSolutions

## 2. Financial Review

- Consolidated statement of income
- Statement of cash flows and balance sheet
- IFRS

# Consolidated statement of income

	2004	2003	% Change
Sales	€931m	€915m	+2%
Operating income	€132m <sup>(1)</sup>	€102m <sup>(2)</sup>	+30%
<i>As % of sales</i>	14.2%	11.2%	
Cash net income <sup>(3)</sup>	€80m	€61m	+31%
<i>As % of sales</i>	8.6%	6.7%	
Net income	€76m	€55m	+37%
<i>As % of sales</i>	8.1%	6.0%	

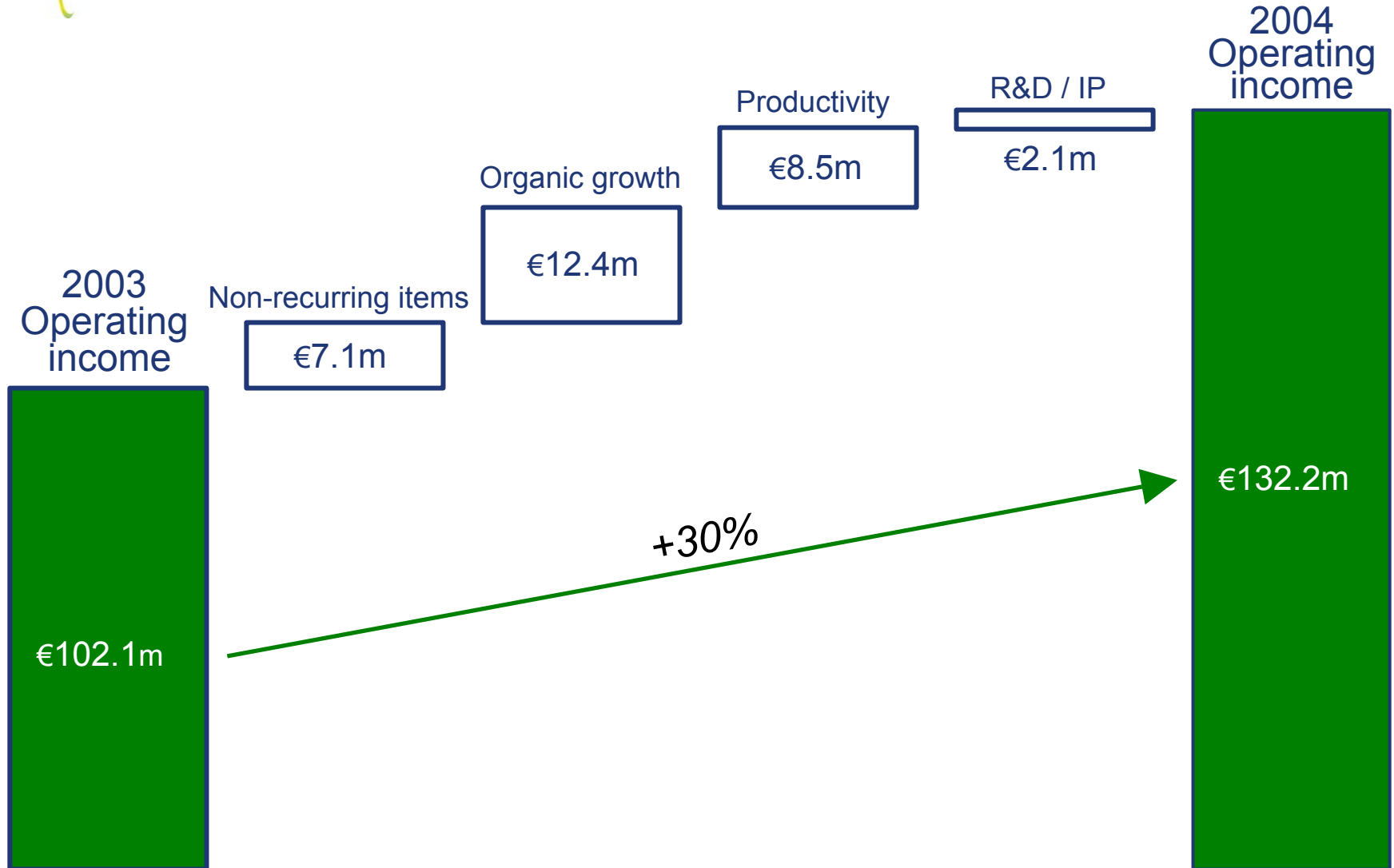
(1) Including restructuring costs of €(0.9)m

(2) Including restructuring costs of €(11.7)m

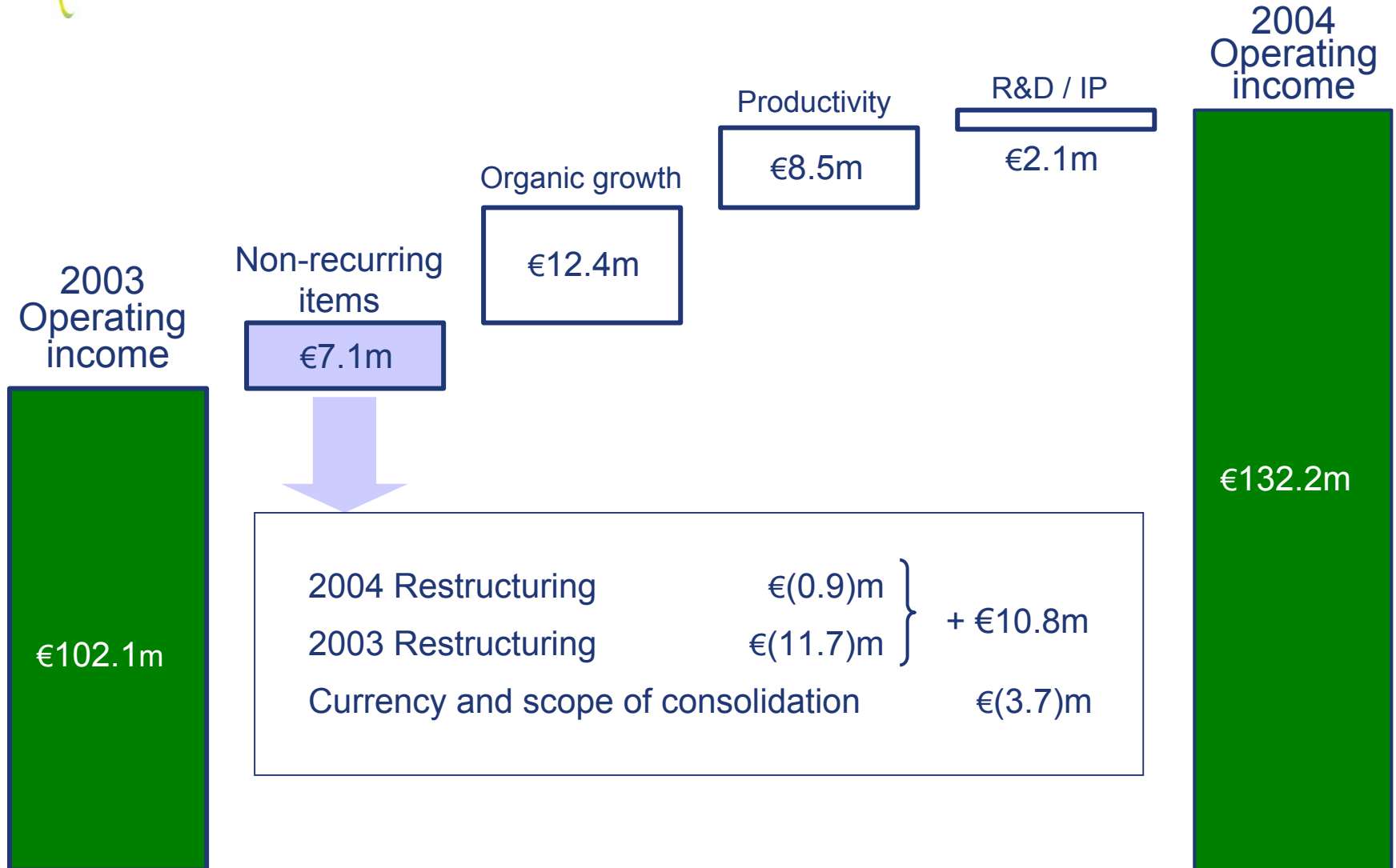
(3) Before amortization of goodwill



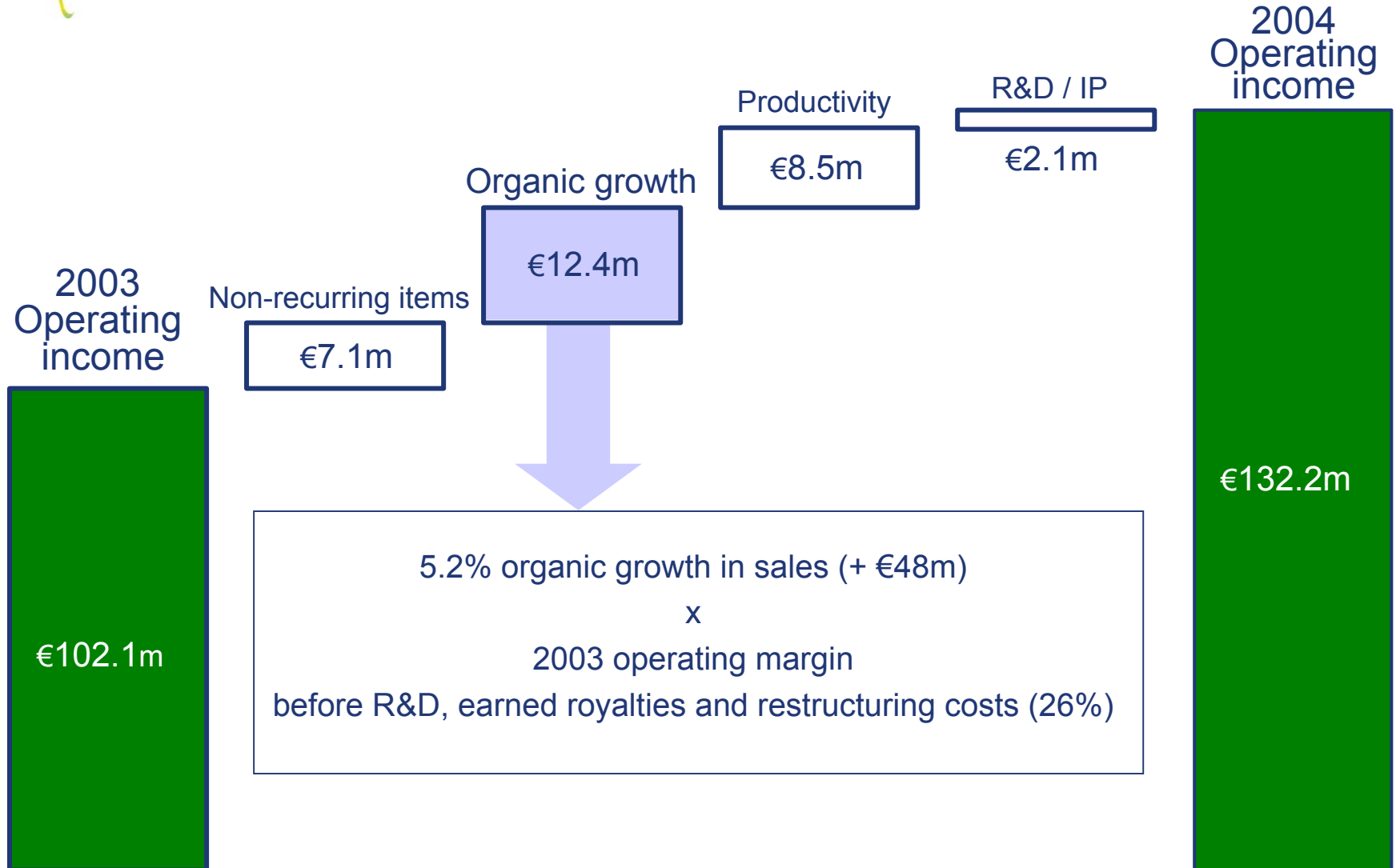
# A sharp improvement in operating income



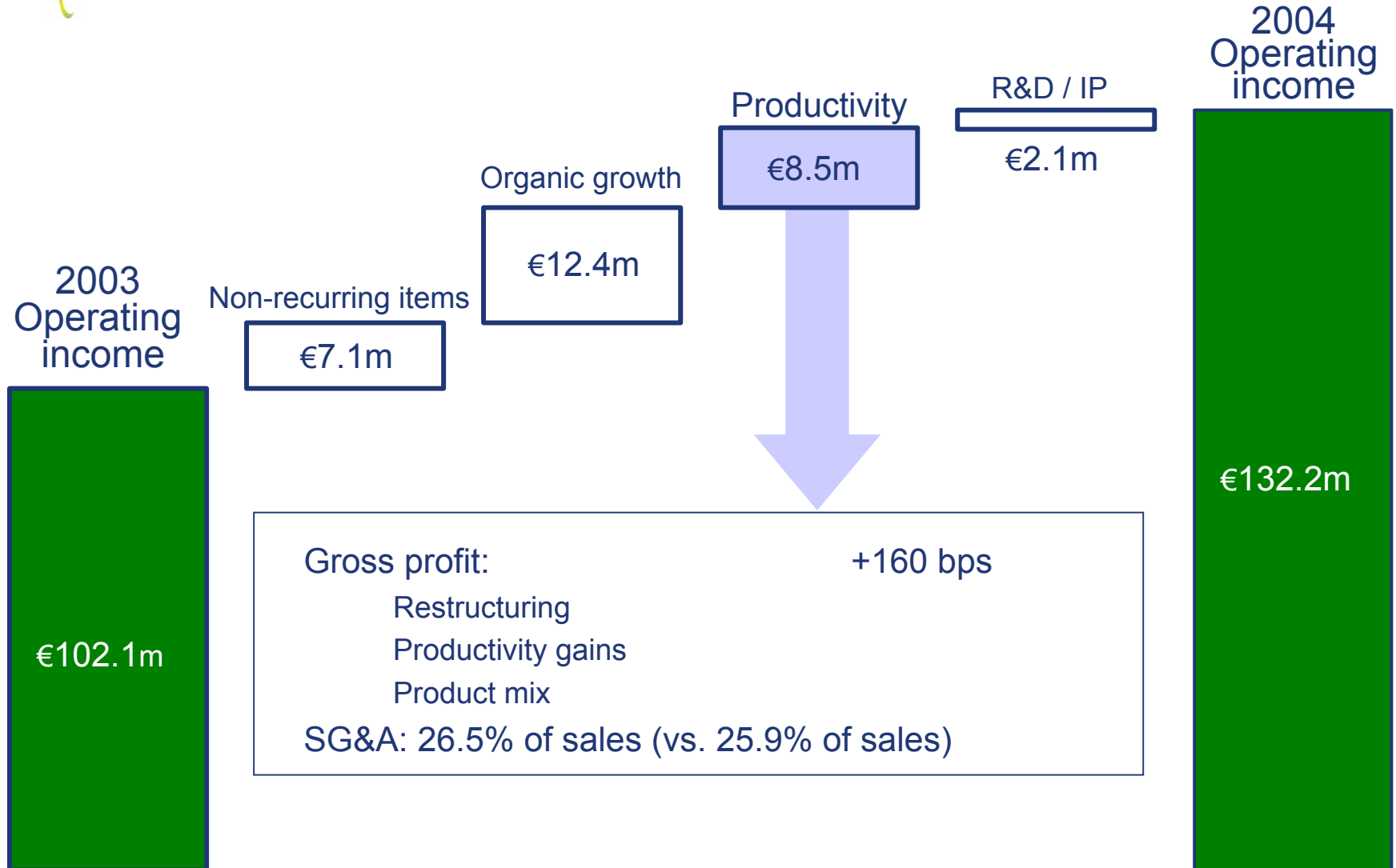
# Non-recurring items declined



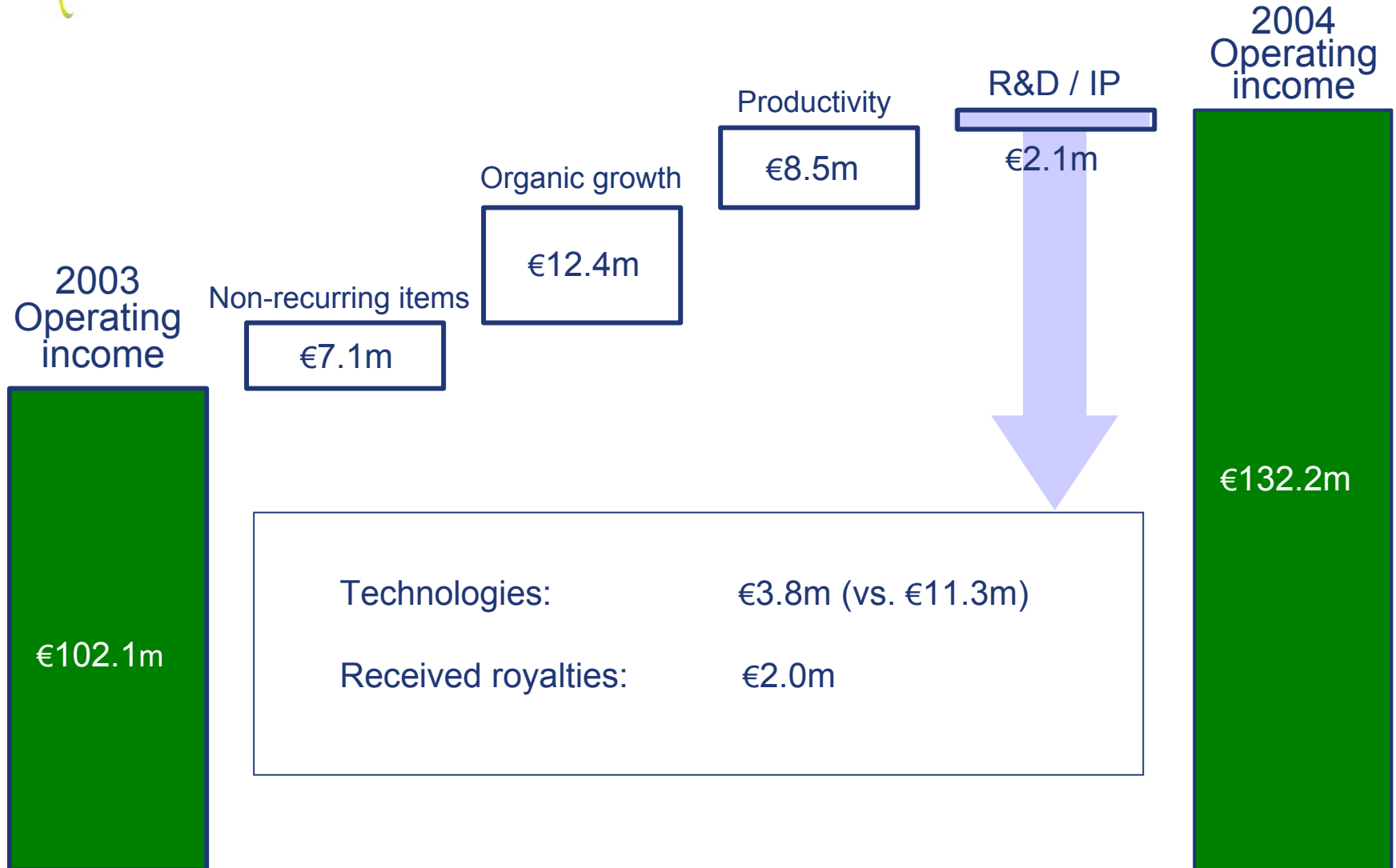
# Organic growth



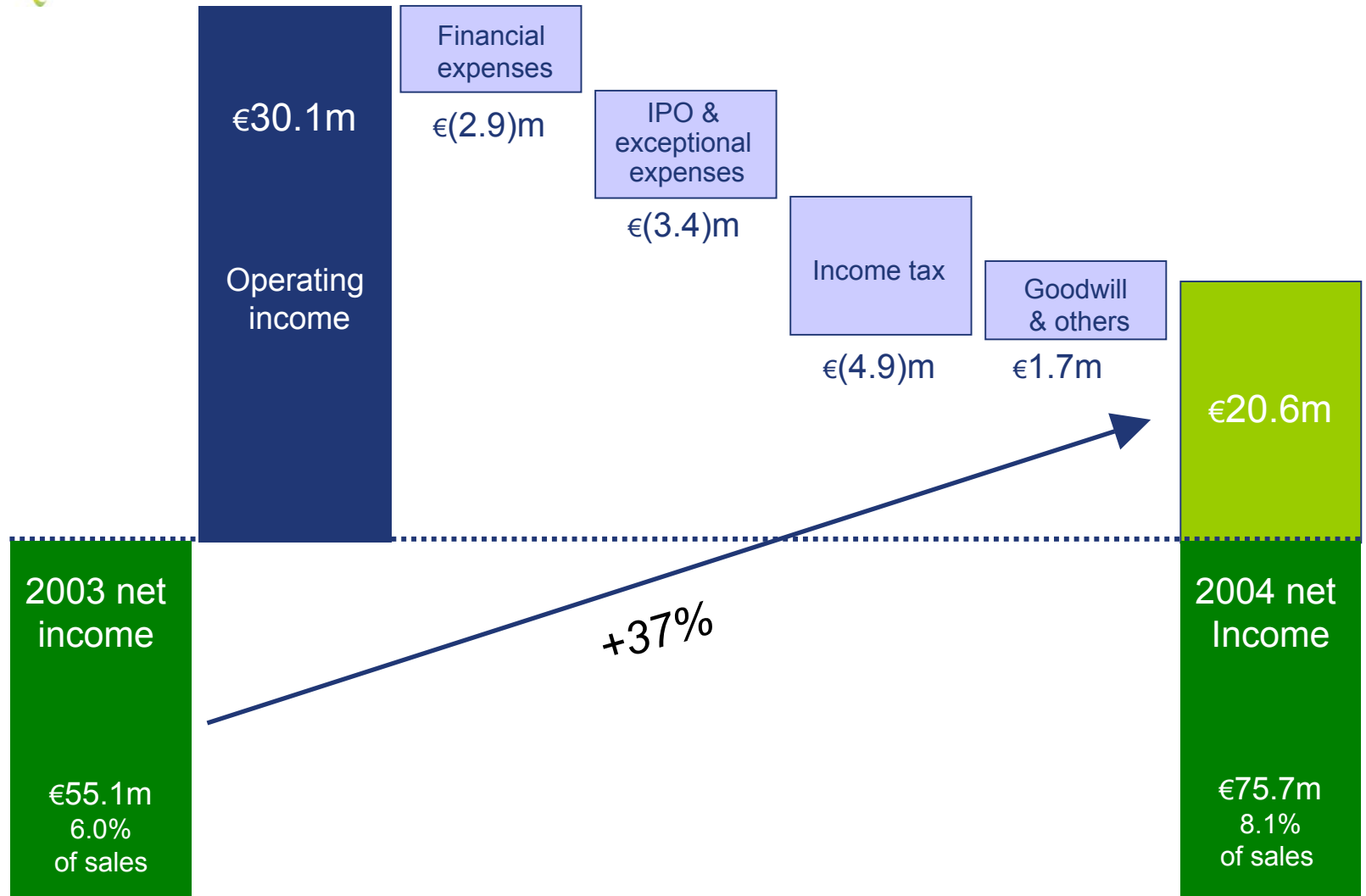
# Productivity gains



# Sustained research commitment



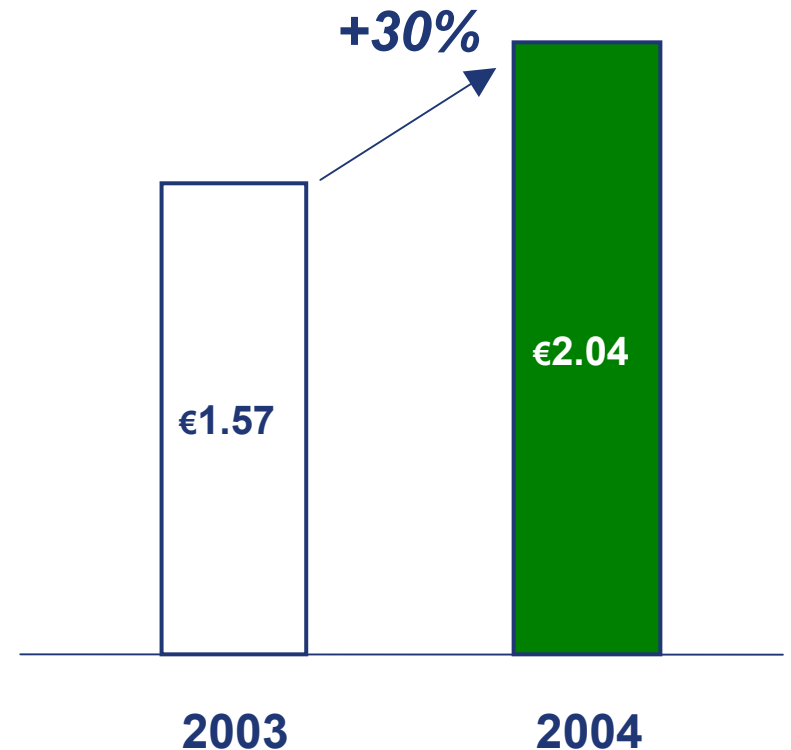
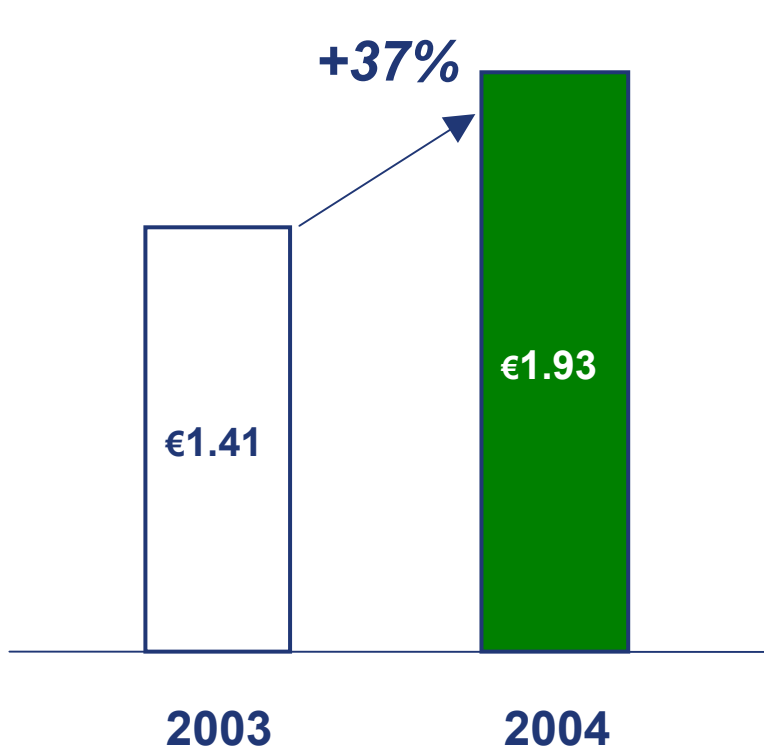
# Robust growth in net income



# Earnings per share

After amortization of goodwill

Before amortization of goodwill



# Significant free cash-flow

	2004	2003	<i>Growth</i>
Net income	€76m	€55m	+37%
Non-cash P&L items	€87m	€83m	+3%
Change in operating WC	€(4)m	€11m	
Capital expenditure	€(79)m	€(81)m	-2%
Other	€(7)m	€(7)m	
Free cash flow	€73m	€63m	+16%



# Continued reduction in debt

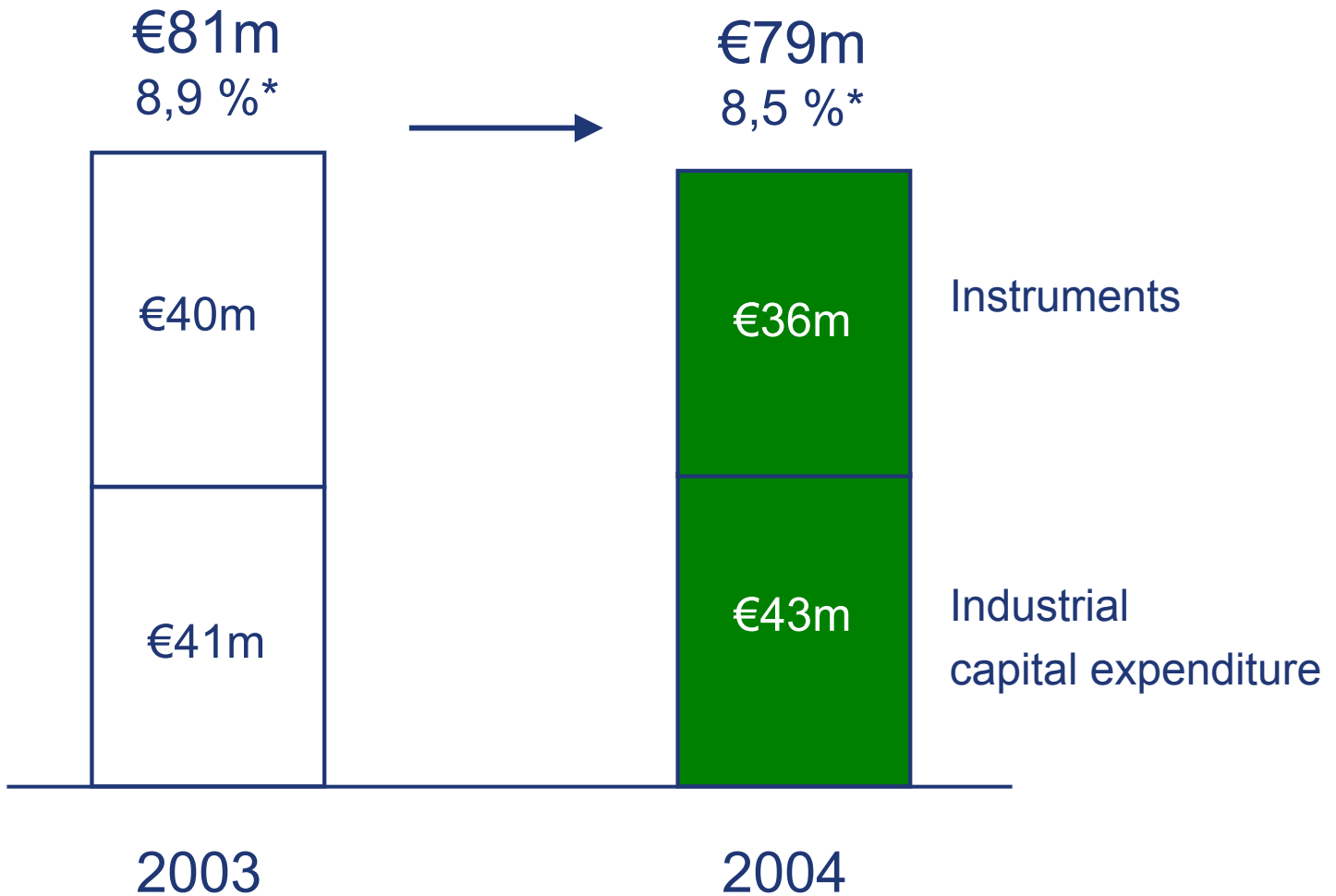
	2004	2003	Growth
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Change in operating WC	€(4)m	€11m	
Capital expenditure	€(79)m	€(81)m	-2%
Other	€(7)m	€(7)m	
Free cash flow <sup>(3)</sup>	€73m	€63m	+16%
Dividends / Group	0 <sup>(1)</sup>	€(8)m <sup>(2)</sup>	
Currency effect	€(3)m	€3m	
Decrease in debt	€70m	€58m	+19%

(1) Exceptional items in €m: exceptional dividend (-30), NBMA merger (- 1.7), NBMA receivables (taxes: 11.3 ; TSGH: 7.8), employee offering (+12.6)

(1) In €m, Dividends (-19), NBMA (+8.7), ABL (+3.3 - 1)

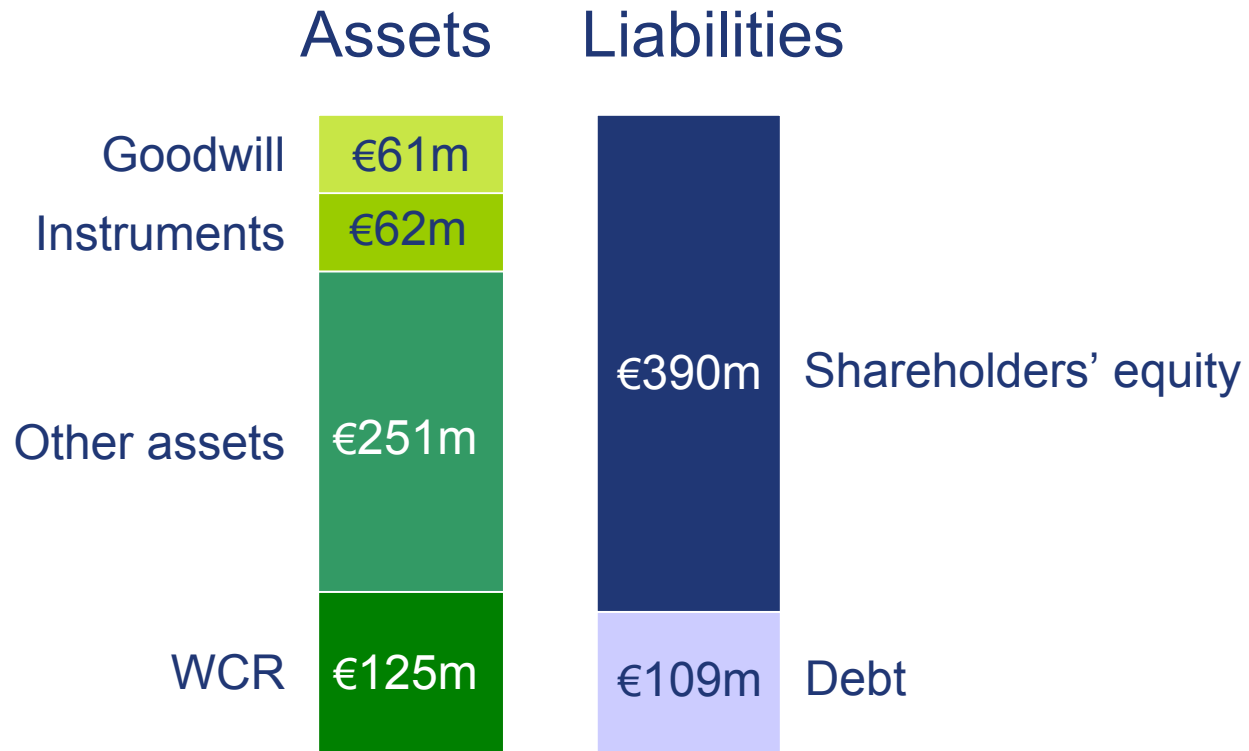
(3) Without (1)(2)

# Continued implementation of the capital expenditure program

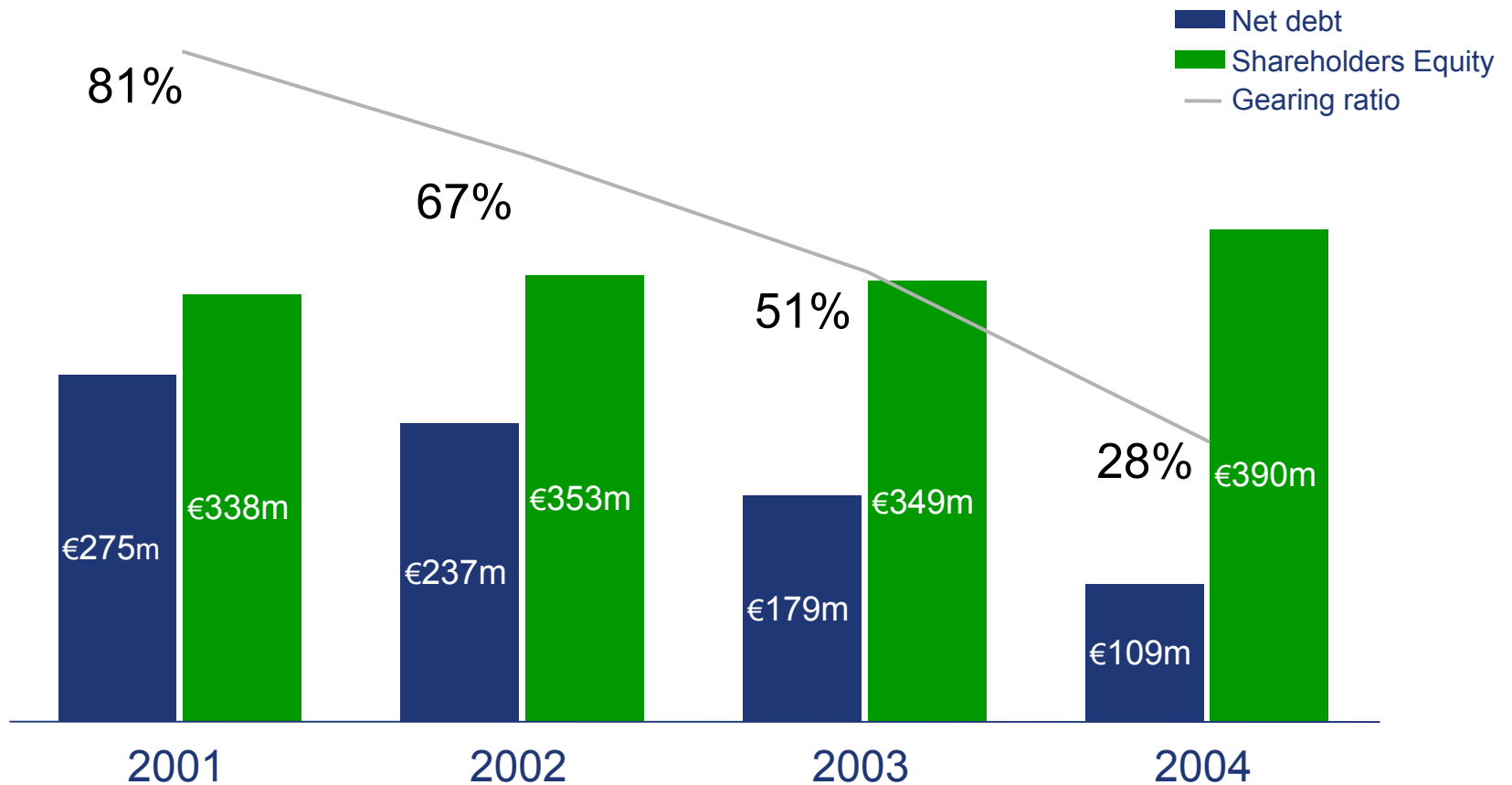


\*As % of sales

## Balance sheet at Dec. 31, 2004



# Continued deleveraging



# Impact of the transition to IFRS

- ▶ 2004 consolidated financial statements:
  - Under French GAAP
  - Impacts on the opening shareholders' equity and the 2004 net income disclosed in the notes
  
- ▶ All standards having a material impact on shareholders' equity or net income have been reviewed
  - Limited impact:
    - Main impact on income: elimination of goodwill amortization
    - Main impact on balance-sheet: IDC logistics center
  - All significant employee benefit liabilities were recorded in line with IAS 19 in 2003
  
- ▶ The impacts on presentation are being analyzed

## 3. Outlook for 2005

- ▶ **The IVD market remains attractive**
  - Growing public healthcare needs
  - *In vitro* diagnostics help to monitor healthcare costs
  - New technologies ⇔ new opportunities
  
- ▶ **A changing competitive environment**
  - Increased competition in certain lines
  - New entrants in industrial applications
  
- ▶ **An economic environment characterized by:**
  - Volatile currencies, especially the US dollar
  - Higher raw materials and energy prices
  - Gradual extension of DRG programs in Europe

# 2005: a year of growth and investments

## ▶ 2004:

- Sales growth in line with targets
- Faster than expected productivity gains
- Some non-recurring received royalties

## ▶ 2005:

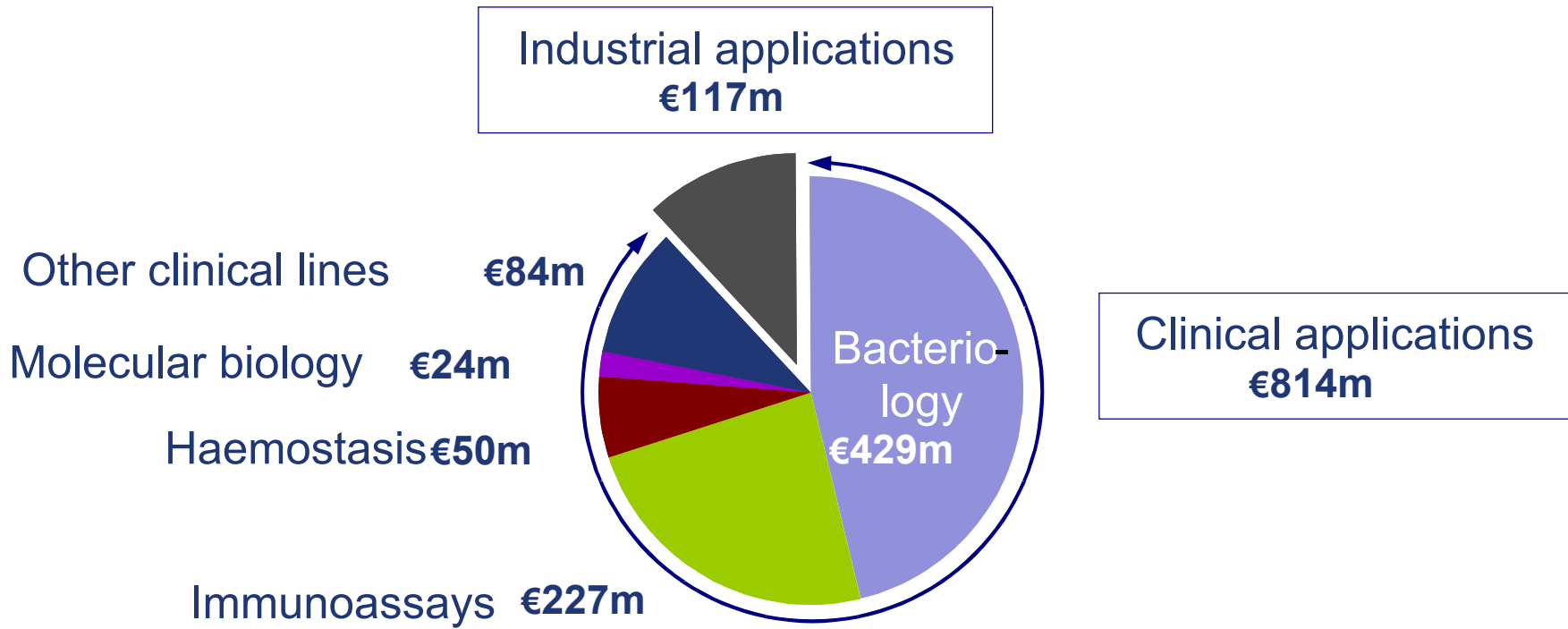
- Steady growth in sales in line with 2004
- Sustained new product launch program: TEMPO<sup>®</sup>, VIDIA<sup>®</sup>, etc.
  - Enhanced resources: sales, marketing, R&D
  - Impact on the product mix
- Quality control plan: capital expenditure and hirings
- Sustained productivity efforts
- Lower exceptional and financial expenses





B I O M É R I E U X

1. 2004: Breakdown of sales by technology
2. IFRS: Additional information



## Impact of the transition to IFRS

	2004 net income	Equity Jan. 1, 2004
<p><b>IFRS 1 Options</b></p> <ul style="list-style-type: none"> <li>Goodwills prior to Jan 1, 2004 not restated (NBV= €67m)</li> <li>Accumulated translation reserves reset to 0 (€40.9m)</li> <li>Fixed assets not revalued</li> <li>Application of IAS 32/39 from Jan. 1, 2004</li> <li>No material change in the balance sheet</li> <li>No increase in future costs</li> </ul>		
<p><b>IAS 16 Property, Plant and Equipment</b></p> <ul style="list-style-type: none"> <li>Classification of PPE by components</li> <li>Depreciation period defined for each component</li> <li>Retrospective application</li> <li>Slight decrease in shareholders' equity</li> <li>Slight increase in 2004 depreciation expenses</li> <li>Machinery and Equipment: no impact</li> <li>Capitalized instruments: no impact</li> </ul>	<p>€(0.1)m</p>	<p>€(2.4)m</p>

## Impact of the transition to IFRS

		2004 net income	Equity Jan. 1, 2004
IAS 17	<p>Capitalization of IDC</p> <p>Increase in financial debt (€9.5m at Jan. 1, 2004)</p> <p>Recognition of IDC as an asset (€8.6m at Jan. 1, 2004)</p> <p>Slight decrease in shareholders' equity</p> <p>Impact on income not material</p>	€(0.1)m	€(0.6)m
IAS 18	<p>Placed instruments ≠ sold instruments</p> <p>Public receivables not discounted</p> <p>Commercial discounts deducted from sales</p> <p>Slight impact on sales (discounts: €1.2m)</p>		
IAS 19	<p>Pension and other post-retirement benefits in compliance at year-end 2003</p>		

## Impact of the transition to IFRS

	2004 net income	Equity Jan. 1, 2004
<b>IAS 32/39 Foreign currency and interest rate hedges</b> Time value = financial result Remainder recognized in equity if cash flow hedge In operating income if hedge accounting In financial result (accrued interests if hedge accounting) Mark-to-market of hedges	€(0.2)m	€(1.1)m
<b>IAS 36 Elimination of goodwill amortization</b> Impairment tests: no impairment loss identified	€4.4m	
<b>IAS 38</b> <ul style="list-style-type: none"> <li>- Development costs capitalized from phase 4 (not material, still recognized as an expense)</li> <li>- Capitalization of technology access costs if related to already or nearly marketable products</li> </ul> No change / current rules		
<b>TOTAL</b>	<b>€4.0m</b>	<b>€(4.1)m</b>