



2009 ANNUAL REPORT





ADVANCING DIAGNOSTICS TO IMPROVE PUBLIC HEALTH

A world leader in the field of *in vitro* diagnostics for over 45 years, bioMérieux is present in more than 150 countries through 39 subsidiaries and a large network of distributors. In 2009, revenues reached €1.223 billion with 85% of sales outside of France.



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



ALAIN MÉRIEUX

President



For bioMérieux, 2009 ended with a very fine performance that highlights the validity and strength of our business model in an international environment that remains challenging. In addition to our financial results, the Company made progress on every front. Reinforcing our long-term innovation capabilities, we initiated

strategic partnerships with major public research institutes in France, such as the CEA and the Institut Pasteur, under an agreement with the Institut Mérieux. In the field of personalized medicine, we provided our customers with new high medical-value tests and confirmed our leadership position in the clinical and industrial microbiology markets.

Internally, we built on our achievements through sustained investments at all our bioindustrial sites, bolstering our international network, particularly in China, and implementing an ambitious training policy for all employees.

bioMérieux has thus established a solid base from which to address the extraordinarily complex challenges facing the Company today.

The medical field is changing. Medicine is becoming increasingly personalized, based upon the genetic profile of each patient. *In vitro* diagnostic tests are being performed close to the patient, with a growing emphasis on rapid diagnostics and point-of-care testing.

Although the importance of *in vitro* diagnostics has been validated from a medical perspective and healthcare professionals widely recognize its value for patients, the field is also undergoing sweeping changes in terms of:

- biology, with the emergence of unknown pathogens and global pandemics. At the same time, new areas of scientific investigation are opening up, such as biomarkers and metagenomics;
- technology, with the rise of innovative approaches in sectors such as imaging, nanotechnology and informatics.

bioMérieux is equipped to anticipate new developments in our environment by making the right scientific and technological choices and being poised to react swiftly. To this end, our company has several important assets: a stable share ownership ensuring long-term commitment and vision, a robust financial structure with minimal debt, an exceptional international commercial and scientific network, and multicultural teams that are agile and readily mobilized. I am convinced that with the active support of the Board of Directors, our shareholders and our scientific partners, bioMérieux will be able to meet these complex challenges and the needs of medicine and public health across the globe.



STÉPHANE BANCEL

Chief Executive Officer



bioMérieux is strengthening its operating base and preparing for the future, bolstered by a strong financial performance in 2009.

The significant increase in bioMérieux's sales and profitability in 2009, despite a persistently challenging economic environment, attests to the strength of our business model and the deep dedication of our teams throughout the world. Driven by the launch of innovative products and the dynamism of emerging markets, sales reached 1.223 billion euros, an increase of 7.7% at constant exchange rates and scope of consolidation. Operating income before non-recurring items increased by 14% to reach 213 million euros, representing 17.4% of sales. This is a result of strong sales growth and controlled operating expenses.

In addition to strong financial performance, bioMérieux reinforced its operating base in 2009.

Placing innovation at the core of its strategy, with investment in R&D growing by 11% in local currency, we optimized the organization of our teams and created the position of Chief Technology Officer to anticipate new developments in the industry and enhance bioMérieux's technology portfolio.

We also enhanced our international network by expanding sales teams in the Asia-Pacific region, particularly in China, a country with huge potential. With 25% growth in 2009, the Chinese subsidiary now ranks sixth among the Group's subsidiaries.

While optimizing our global manufacturing network, we also made particularly substantial industrial investments at all of our sites; an increase of 45%.

The Company began implementation of a new system for centralized information management (ERP) to support long-term growth. We also pursued an ambitious human resources strategy. This included hiring the caliber of talent needed for our global development and expanding our training initiative, bioMérieux University.

In light of the advances we have made, bioMérieux has set its strategic plan for 2015.

With highly motivated teams, a strengthened organization and an extremely solid financial structure, we have set our strategic plan for the next 6 years. This plan is based on innovation and international development with the ultimate goal of serving public health.

STRONG SALES GROWTH

2009 net sales rose to 1,223 million euros, compared with 1,111 million euros in 2008. Sales increased by 7.7% at constant exchange rates and scope and reached 10.4% at constant exchange rates, taking into account recent business development agreements. The favorable impact of the influenza A (H1N1) epidemic generated approximately 18 million euros in sales thanks to bioMérieux's ability to adapt its product offering and play an active role in combating the pandemic.

Sales for clinical applications increased by 7.4%* and industrial applications grew by 9%*, with a net acceleration at the end of the period. Sales of reagents and services, corresponding to the recurring portion of revenue, showed solid growth of 8.4%*, representing nearly 90% of sales. Instrument sales experienced an upturn during the second half of 2009, resulting in a slight overall increase for the full year.

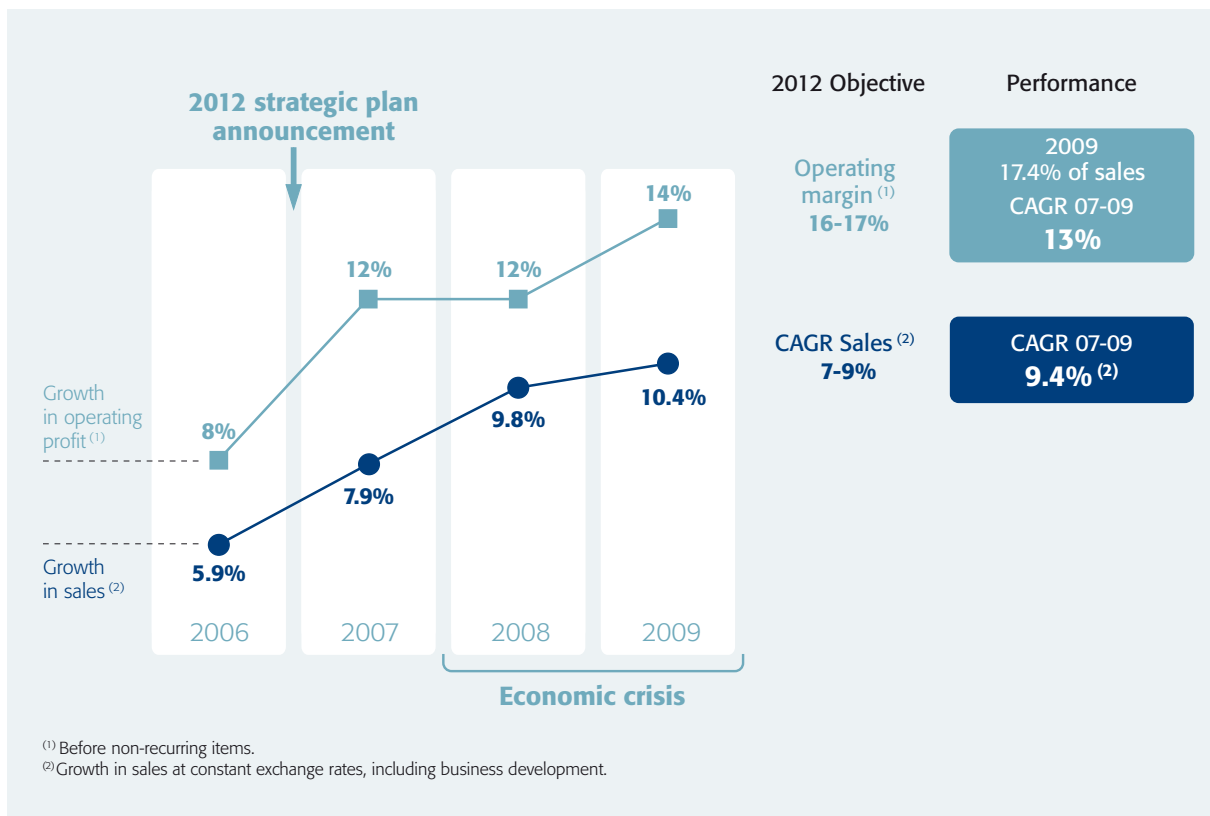
* At constant exchange rates and scope of consolidation

From an international perspective, beyond some recovery in countries severely impacted by the economic crisis, such as the United States, the potential of emerging countries was confirmed in 2009, especially in the Asia-Pacific and Latin America regions.

NET RISE IN OPERATING INCOME BEFORE NON-RECURRING ITEMS

Operating income before non-recurring items rose by over 14% to 213 million euros, or 17.4% of sales.

This rise reflects strong growth in sales and disciplined management of operating expenses.



NEW PRODUCTS

Committed to innovation-driven growth, bioMérieux brought 17 new products to market in extremely varied sectors, making valuable additions to its product offering for infectious diseases, in particular for healthcare-associated infections. The Company also enriched the FMLA™ (Full Microbiology Lab Automation) concept with an expanded range of applications.

Among the products launched:

- For the identification of Methicillin-resistant *Staphylococcus aureus* (MRSA), one of the leading causes of healthcare-associated infections:
 - in Europe, NucliSENS EasyQ® MRSA,
 - in the United States, chromID™ MRSA,
- VIDAS® EBV, for the detection of the Epstein-Barr virus,
- VILINK™ new software application for remote maintenance and incident resolution on VITEK® 2,
- VITEK® 2 PC 4.02, new software application,
- TSB 3P™ (Media Fill Test), for sterility control of aseptic production processes in the pharmaceutical industry.

A NEW THERANOSTICS AGREEMENT

Making headway in its personalized medicine strategy, bioMérieux entered into an agreement with GlaxoSmithKline to develop a predictive test that will help physicians determine the most appropriate treatment for different segments of breast cancer patients.

A STRONGER OPERATIONAL BASE

OPTIMIZING THE BIOMANUFACTURING NETWORK

- 83 million euros invested in 2009 across all sites, representing a 45% increase.
- The start-up of operations at the new molecular biology manufacturing facility in Grenoble to accommodate the transfer of activities previously located at the Boxel site (the Netherlands).
- The first bioMérieux products to be manufactured at the site of its joint venture with Shanghai Kehua Bio-engineering in China.
- Investments at the La Balme site (France) to relocate the manufacturing of the Etest® range, previously produced at the Solna site (Sweden).
- Preparations at the Lombard, Illinois and Portland, Oregon sites (United States) for the transfer of manufacturing from the Toronto site.

"BIOMÉRIEUX GOES GREEN"

The environmental action plan gained momentum at all sites worldwide with a number of successes in reducing water, energy and paper consumption and limiting emissions.

A NEW INFORMATION MANAGEMENT SYSTEM: GLOBAL ERP

- A single Enterprise Resource Planning (ERP) platform was created to provide global visibility of activities and optimize Group management.
- Pilot phases were successful in Germany and the UK as well as in various corporate functions such as Global Customer Service.
- By 2014, the system will be implemented throughout the entire Group.

BIOMÉRIEUX UNIVERSITY

More than 6,000 employees received training in 2009.

Among the curriculum developed in 2009-2010:

- "Project Manager Essentials", for all project managers (R&D, Information Technologies, Information Systems...),
- "Manufacturing Essentials", based on the Corporate guideline *bioMérieux Best Practices*, "2BP",
- "Sales Excellence", with online evaluation of sales skills.





NEW PRODUCTS

In 2009, bioMérieux launched 17 new products within its clinical and industrial business lines. Its offerings for infectious diseases and, in particular healthcare-associated infections, were enhanced. The FMLA™ (Full Microbiology Lab Automation) offering was enriched through the introduction of new software applications and services. bioMérieux also played an active role in combating the Influenza A (H1N1) pandemic. In industrial applications, the Company expanded its flagship lines to ensure the safety of agri-food, pharmaceutical and cosmetic products.

The Company's global installed base reached 55,700 instruments by the end of 2009. The VIDAS® range alone accounts for 26,000 systems, making it the second largest installed base of any immunoassay system in the world. Sales of reagents and services across all product lines grew by 8.4%*.

CLINICAL DIAGNOSTICS

Clinical applications, which represent 85% of global sales, increased by 7.4%*, and the microbiology line grew by 5.5%*, led by reagent sales. Due to a trend of laboratory consolidation, there is growing interest among customers for FMLA solutions, especially the PREVI™ Isola for automated plate streaking and the PREVI™ Color Gram for automated gram staining. Customers are also interested in lab efficiency audits to optimize their laboratory workflow. Immunoassays, primarily the VIDAS range, microplates and rapid tests, increased by 6.7%*; a decline in routine VIDAS tests in industrialized countries was offset by additional VIDAS penetration in emerging markets and the success of high medical-value tests (PCT and BNP). Sales in molecular biology grew by almost 31%*, spurred by the success of the NucliSENS® easyMAG® system for nucleic acid extraction.

* At constant exchange rates and scope of consolidation

HEALTHCARE-ASSOCIATED INFECTIONS: ENHANCED EXPERTISE

New high medical-value tests

bioMérieux expanded its product range for the identification of Methicillin-resistant *Staphylococcus aureus* (MRSA), one of the leading causes of healthcare-associated infections. As part of the Company's commitment to provide customers with a comprehensive and versatile product offer in the fight against MRSA, in 2009 it introduced:

- in the United States, **chromID™ MRSA**, chromogenic media that enables direct visual observation of bacterial colonies cultivated from patient samples,
- in Europe, **NucliSENS EasyQ® MRSA**, a new molecular diagnostics test on the EasyQ automated platform. This test is CE marked and bioMérieux will be submitting for 510k approval with the U.S. Food and Drug Administration in 2010.

With these two products, bioMérieux now offers hospitals and healthcare providers alternatives for all patient scenarios, including emergency and routine testing.

To continue developing its HAI solutions portfolio, bioMérieux plans to launch other tests for the identification of resistant bacterial strains in the near future on the NucliSENS EasyQ® platform.

Committed to serving public health

The launch of these products is fully aligned with bioMérieux's historical commitment to the fight against bacterial resistance, which made new advances in 2009.

■ Along with the U.S. Centers for Disease Control and Prevention (CDC), bioMérieux sponsored a **study conducted by the Alliance for the Prudent Use of Antibiotics (APUA)***. The study examined the economic impact of antibiotic overuse and antibiotic-resistant infections for the U.S. healthcare system. The study estimated that healthcare-associated infections amount to over 35 billion dollars in societal costs on an annual basis, and that the

impact in terms of hospital stays represented 8 million days that could have been avoided. These findings emphasize the importance of having a policy of prevention and monitoring for this type of infection.

■ Since 2007, bioMérieux has organized a scientific meeting held every two years, the **World HAI Forum**, on healthcare-associated infections, as well as symposia in various countries to foster exchange and develop a global network of experts.



TUBERCULOSIS: IMPROVING A DIFFICULT DIAGNOSIS

In March 2009 at the Mériieux Foundation's Les Pensières Conference Center, bioMérieux hosted a forum devoted to the detection of latent tuberculosis in so-called "healthy" or asymptomatic carriers of the infection: "Meeting the challenges of tuberculosis control: towards a new era in diagnostic testing." One of the issues addressed during this event was how to contribute to improving a diagnosis that is not always easy, particularly the identification of the transition between latent infection and active disease.

In the United States alone, it is estimated that there are 10 to 15 million healthy carriers (source: WHO). Seventy specialists (clinicians, biologists, immunologists, etc.) participated in this forum to assess technological advances with new tests to identify latent tuberculosis. These tests offer improved sensitivity and specificity when compared to the tuberculin skin test, which is still considered to be the reference standard. The goal was to consider possible scenarios to organize screening among target populations and thus propose new solutions to combat a disease that, with 8 million new cases annually, causes 2.7 million deaths.

* Roberts R. et al. Hospital and Societal Costs of Antimicrobial-Resistant Infections in a Chicago Teaching Hospital: Implications for Antibiotic Stewardship. *Clinical Infectious Disease* 2009;49:1175-84.

In September 2009, the World HAI Forum was held for the second time at the Mériéux Foundation Conference Center, Les Pensières. It brought together 60 international experts, clinicians and microbiologists, who shared their experience in the prevention and surveillance of these infections. Their discussions highlighted the need to quickly implement prevention initiatives that have proven to be effective in several countries to combat Methicillin-resistant *Staphylococcus aureus* (MRSA): patient isolation, screening and decolonization of carriers, as well as improved hygiene measures.

The participants also called for swift action to avoid certain multi-resistant strains from becoming endemic. ESBL (extended spectrum beta-lactamases) and carbapenemases are enzymes produced by bacteria that confer resistance to numerous antibiotics. They turn the most common bacteria into multi-resistant, potentially fatal, bacteria. Physicians and specialists are highly concerned about the spread of these bacteria, which are omnipresent in hospitals and the community; they are spreading even faster than MRSA. This alarming situation represents a genuine challenge for all healthcare professionals.



NEW SOLUTIONS TO FIGHT INFECTIOUS DISEASES

HIV: Improved monitoring of seropositive patients

Active in the fight against AIDS for 25 years, bioMérieux expanded its product offer with a new molecular test, **NucliSENS EasyQ® HIV-1 v2.0**, designed to improve monitoring of patients with HIV. The test is able to detect even very low viral load levels for patients living with AIDS, offering a very high degree of sensitivity. Results are obtained in less than three hours, making it the most rapid test of its kind currently available on the market.

NucliSENS EasyQ HIV-1 v2.0 represents a major innovation since it can be used with both plasma samples and **Dry Blood Spot** samples, for which bioMérieux is the only company offering this CE approved technique for viral load measurement. With this simple protocol, no preparation of the blood is needed and the sample is absorbed onto filter paper, eliminating the need for refrigerated transport and storage (even in tropical climates), unlike liquid blood samples. Samples can be collected at local health clinics with no need for a laboratory and skilled technicians. This new product enables screening in remote settings, and makes it considerably easier to ensure quality care for patients.

NucliSENS EasyQ HIV-1 v2.0 joins the complete range of solutions for the diagnosis of HIV infections. This range includes a variety of 3rd and 4th generation screening test formats: NucliSENS EasyQ® (molecular tests for real-time viral load monitoring), VIDAS® (automated immunoanalyzers), VIRONOSTIKA® (microplates for high volumes) and VIKIA® (rapid manual tests).

Infectious mononucleosis: a new VIDAS® test

bioMérieux also launched a new automated test, **VIDAS® EBV**, for the detection of the Epstein-Barr virus (EBV), which causes 80% of cases of infectious mononucleosis, often known as “the kissing disease” because it is transmitted through saliva.

The test is especially useful for physicians, since the symptoms of infectious mononucleosis are similar to those of other infectious diseases (strep throat, toxoplasmosis, rubella, primary HIV infection, etc.) as well as non-infectious diseases. As a result, it should help avoid the unnecessary administration of antibiotics.

CE approved, the test provides rapid results in 40 minutes. It makes a valuable addition to the tests already available on the VIDAS platform for the detection of toxoplasmosis and cytomegalovirus infections, two diseases that exhibit the same symptoms as infectious mononucleosis.

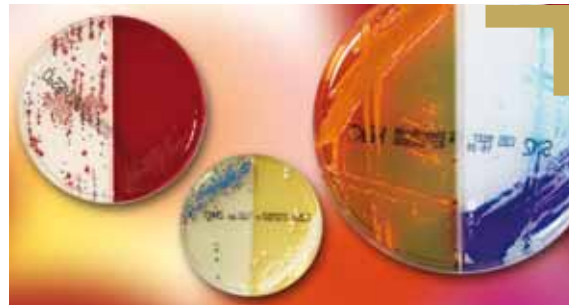
Today the VIDAS menu includes 91 clinical parameters covering a wide variety of diseases.



Launch of a new culture media range: Biplates

bioMérieux continues to bring novel solutions to microbiology laboratories with the launch of the new Biplate range. Biplates make it possible to contain two complementary culture media in the same Petri dish, combining conventional as well as chromogenic culture media. The key advantages offered by this new media include the fact that it requires less storage space on the workbench and in the

incubator, allows simultaneous readings for the same patient, and minimizes costs. Launched in September 2009, the Biplate range offers two combinations: **chromID™ Candida/Sabouraud** for yeasts and **chromID™ Salmonella/Hektoen** for fecal specimens. In addition, a broad spectrum of innovative combinations is on the horizon and other media should be launched in 2010.



FMLA™: NEW APPLICATIONS

In 2009, bioMérieux continued its strategy to deliver full microbiology lab automation, which in 2008, led to the introduction of the FMLA concept and the development of new automated applications as well as audit and consulting services.



■ **bioMérieux now offers microbiologists a new audit tool: The LeanSigma® Method**, which is, to date, the most successful in terms of process and flow improvement. To provide this new service, bioMérieux has an exclusive contract with LeanSigma specialist Guidon Performance Solutions. bioMérieux now offers an assessment of customers' organizations and processes to help them streamline their laboratory workflows, reduce time to results, and generate substantial productivity gains.

Used by industrial giants, the LeanSigma method, when applied to microbiology labs, makes it possible to pinpoint efficiency losses in specific areas, such as the transfer of a sample from one instrument to another, the time it takes for a technician or an instrument to perform a task, the use of tools and procedures, and even laboratory ergonomics. Actions are then recommended to improve laboratory workflow and better manage workload.

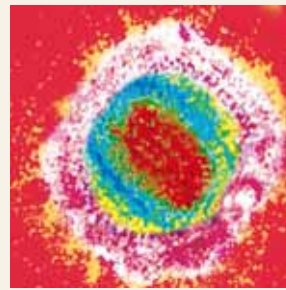
■ **New informatics, software applications, were also developed to improve the connectivity of certain systems:**

VILINK™: provides a fast secure network connection that enables VITEK® 2 customers to have remote maintenance and incident resolution on VITEK 2 platforms,

VITEK® 2 PC 4.02 : software application compatible with European antimicrobial susceptibility standards (EUCAST*).



* European Committee on Antimicrobial Susceptibility Testing



INFLUENZA A (H1N1): COMBATING THE PANDEMIC

bioMérieux played an active role in fighting Influenza A (H1N1), a clear sign of its ability to mobilize its teams in the event of a pandemic.

To meet the needs of reference laboratories conducting pandemic surveillance, bioMérieux included the new A (H1N1) strain in its molecular NucliSENS EasyQ® Influenza A/B test, which detects the presence of the new H1N1 strain in less than three hours. It is used for clinical research only and should receive CE approval in 2010.

bioMérieux was able to provide healthcare professionals with a diversified product offering: preliminary screening of patients suspected of having influenza with Quidel's QuickVue® Influenza A+B rapid test.

For confirmation of the results, bioMérieux's range covers the complete cycle of molecular biology analysis: extraction of nucleic acids with NucliSENS® easyMAG® and detection with the EasyQ Influenza A/B test. In addition, the Company increased its production capacity and stock of culture media used by pharmaceutical companies for vaccine quality control testing.

INDUSTRIAL MICROBIOLOGY CONTROLS

In 2009, sales of industrial applications grew by 9%* and today account for 15% of bioMérieux's total sales.

Although this sector of activity clearly felt the impact of the economic crisis, in the agri-food industry in particular, as of September, an upturn in sales occurred. It was driven by dynamic product lines and the launch of new microbiology control solutions for the agri-food and biopharmaceutical industries.

New products with innovation technologies, such as BioBall®, the "Media Fill Test" range and VIDAS® UP (with bacteriophages), gained momentum. In addition, automated solutions such as TEMPO®, VIDAS®, VITEK® 2 Compact and BacT/ALERT® 3D, were increasingly used in industrial microbiology labs.

Other welcome developments this year included official and international certifications (AFNOR/ISO and AOAC) for certain products, confirming their excellent level of performance.



FOOD SAFETY AND QUALITY

The VIDAS system continues to contribute to improving food safety with the launch of two new simple and rapid tests for the detection of pathogenic microorganisms.

■ VIDAS® SLMX, a method for the detection of *Salmonella* in meat

VIDAS SLMX received certification with the "AFNOR Validation" in compliance with the ISO 16140 international standard. This new test provides results in record time: just 17 hours, compared to traditional methods that may take up to three days.

■ VIDAS® LMX for the screening of *L. monocytogenes* in food and environmental samples

The VIDAS LMX test enables a simple sample preparation, with minimal manipulations, for an optimized laboratory workflow. It delivers results in as little as 28 hours, where traditional methods can take up to three days.

VIDAS is one of the most widely installed automated systems in the world, with a broad menu for the detection of food-borne pathogens (including *Escherichia coli* O157, *Salmonella*, *Listeria spp*, *Listeria monocytogenes*, *Staphylococcus enterotoxins* and *Campylobacter*).

■ A new DiversiLab® kit for *Saccharomyces* DNA fingerprinting

The *Saccharomyces* DNA Fingerprinting Kit was developed to address an unmet need for quality control measures in the beer brewing industry. The kit enables the accurate strain typing of critical and specific proprietary yeast strains in a beer within a few hours. bioMérieux is the first company to offer these features on an automated system with a high level of accuracy and reproducibility.

* At constant exchange rates and scope of consolidation

DiversiLab® is already used for the early identification of contamination events in breweries, resulting in substantial savings for businesses. The *Saccharomyces* DNA Fingerprinting kit enhances the range of 30 testing solutions that bioMérieux offers for microbial genotyping.

New certifications in 2009

Various products were granted certification in 2009 from international quality standards organizations, a sign of recognition for their excellent performances.

■ Two certifications for VIDAS® UP *E. coli* O157 (including H7)

bioMérieux was granted AOAC-RI certification for its VIDAS UP *E. coli* O157 (including H7) method used for screening beef, selected produce and irrigation water. This new method, introduced in 2008, is based on the latest technology available for food pathogen screening: the recombinant phage protein, which offers unique specificity and sensitivity. It can deliver results in eight hours, where traditional methods can take up to 24 hours, and thus considerably improves protection from food-borne illness for consumers. This AOAC recognition is especially important because the agri-food industry in the United States and many other countries relies on AOAC certified testing methods to release its products onto the market.

VIDAS UP *E. coli* O157 (including H7) received another important sign of recognition by obtaining "AFNOR Validation" certification in compliance with the ISO 16140 international standard.

■ **The TEMPO® EC automated method**, used for the rapid enumeration of *E. coli* in food samples, received AOAC-OMA certification. This label once again confirms the TEMPO® tests' level of excellence. The system offers most quality indicators required today and is highly appreciated by customers in the agri-food industry.



PHARMACEUTICAL INDUSTRY

TSB 3P™: a range of innovative culture media for sterility control of aseptic production processes (Media Fill Test)

bioMérieux has introduced two new culture media to simulate sterile filling, or Media Fill Test (MFT): TSB 3P™ (TSB for Trypticase Soy Broth) with animal peptones and TSB 3P™ with vegetable peptones and a color indicator to enhance the efficiency of quality controls and reduce potential errors.

Good Manufacturing Practices (GMP) require that pharmaceutical companies regularly verify the sterility of their production processes for injectable medical products such as vaccines, insulin, intravenous fluids and therapies, etc. Media Fill Tests are used for this microbiological control. They simulate normal manufacturing conditions by replacing the product with culture media. Both media are TSE-free to prevent any risk of transmitting animal spongiform encephalopathy. This new media range brings additional safety for aseptic pharmaceutical control laboratories and greater ease of use. In addition, these new solutions complement the BacT/ALERT® 3D automated solution for process sterility control.





INNOVATION

In vitro diagnostics is a highly complex field at the point where biology, instrumentation and information technology all converge. Today it must adapt to far-reaching new developments: a biological revolution with the emergence of new pathogens, the expansion of antimicrobial resistance, global pandemics and, at the same time, new possibilities offered by extraordinary fields of investigation to aid research: genomics, proteomics and biomarkers, to name a few.

Parallel to this trend, a technological revolution is underway with the rapid ascendancy of new approaches in medical imaging, physical methods such as mass spectrometry, high throughput sequencing, nanotechnologies and informatics. These developments will make it possible to invent innovative, cross-disciplinary tools for increasingly adaptable and personalized medicine focused on the patient.

To address the needs of global public health and the rapidly changing world of medicine, bioMérieux places innovation at the core of its strategy, adopting a global, multi-disciplinary approach.

The Company invests approximately 12% of annual revenues on R&D, one of the highest percentages in the *in vitro* diagnostics industry. Nearly 900 employees are working in research and development across 12 sites worldwide. In 2009, bioMérieux created a new position, Chief Technology Officer, as well as the Technology Triage Council to broaden its technological portfolio.

To spearhead this strategy, bioMérieux engages in international scientific alliances and partnerships at the highest level: joint research laboratories and collaboration agreements with both public and private research organizations drive innovation. In 2009, important strides were made in partnerships initiated with French research bodies: the Institut Pasteur and the French Atomic Energy Commission (CEA). These collaborations will enrich and accelerate in-house research and projects undertaken by joint research laboratories, as well as the ADNA* Program in the field of personalized medicine.

* Advanced Diagnostics for New Therapeutic Approaches

INFECTIOUS DISEASES

A LONG-TERM PARTNERSHIP WITH THE INSTITUT PASTEUR

The partnership agreement signed between the Institut Pasteur and the Institut Mérieux in May 2009, should enhance bioMérieux's innovation potential.

In this long-term agreement, the Institut Pasteur and the Institut Mérieux, through its companies (bioMérieux, Silliker and Transgene), will work together in joint research projects to combat infectious diseases in the following fields:

- clinical diagnostics and theranostics (with bioMérieux and Transgene),
- food safety and microbiological control, nutrition, health and environment (with bioMérieux and Silliker),
- immunotherapy (with Transgene).

The research projects within the scope of this partnership focus on sepsis, healthcare-associated infections, dengue fever, fungal infections and the effects of the intestinal metabolome. Research will involve, in particular, molecular biology, microbiology and immunology, and the projects should ultimately strengthen bioMérieux's offer in areas where public health needs are substantial.

This agreement between a world-renowned scientific institute and a key bioindustrial group is emblematic of the cross-disciplinary approaches that are indispensable today to develop new weapons in the fight against infectious diseases.

CEA AGREEMENT

STRATEGIC MILESTONE FOR THE DEVELOPMENT OF INNOVATIVE TECHNOLOGIES

Another advance made in 2009 was the partnership agreement with one of the premier research institutes in the world, the CEA, which will provide bioMérieux with additional means to meet technological challenges.

Signed in early December, this agreement is a continuation of years of cooperation between bioMérieux and the CEA, which gave rise to the creation of joint research laboratories in Saclay and Grenoble devoted to protein engineering and microtechnology.

This long-term multidisciplinary research partnership will focus on the development of new technologies to improve and accelerate the management of infectious diseases.

DIAGRAM: INNOVATION FOR THE DIAGNOSTICS OF TOMORROW

Within the framework of the French government's "Nano-INNOV" plan to promote cooperation between the worlds of basic and industrial research, the French National Research Agency (ANR) launched a research partnership program in 2009 known as "Nano-INNOV/RT." Among the nine projects accepted by the ANR is a collaborative project coordinated by bioMérieux, called DIAGRAM (DIAGnostic RAMan). Other project participants include the manufacturer HORIBA Jobin Yvon, specialized in optical spectroscopy, and two research institutes, the CEA and the Troyes University of Technology.

DIAGRAM makes use of the SERS (*Surface-Enhanced Raman Spectroscopy*) technique for faster bacterial detection. The SERS technique uses Raman spectroscopy, named for the Nobel prizewinner who discovered it, in which a monochromatic laser beam illuminates the study sample and the resulting scattered light is analyzed. Scientists have already demonstrated that it is possible to identify certain bacteria using Raman spectroscopy but the SERS technique also utilizes a new surface enhancement approach based on placing samples on specific substrates. This method makes it possible to amplify the signal by several orders of magnitude, paving the way to potentially develop ultra-sensitive identification techniques.

Over the next four years, 100 scientists from bioMérieux research centers in France and the CEA centers in Grenoble and Saclay will work together on joint projects. This partnership gives bioMérieux access to the CEA's unique expertise in imaging technologies, data processing and analysis and ultra-sensitive molecule detection methods. bioMérieux's expertise in microbiology and systems development, its vast network and commercial know-how will make the innovative solutions developed with the CEA widely accessible.

The joint research projects will focus primarily on rapid bacterial detection and characterization using new spectroscopic and imaging techniques. These methods are increasingly important for "rapid microbiology".



PERSONALIZED MEDICINE

RECOGNIZED EXPERTISE

Announced as a strategic priority in 2006, theranostics, innovative diagnostic tools for personalized medicine, made great strides in 2009. This is a new field in which bioMérieux has established itself as a globally recognized player.

Advances at bioTheranostics

In 2009 bioTheranostics, a company established in 2008 through the acquisition of AviraDx, was successfully integrated into bioMérieux's theranostics initiatives. Dedicated to molecular diagnostics in oncology, bioTheranostics develops innovative tests that help oncologists classify cancers and predict risks in order to select the best therapeutic option for each patient. The bioTheranostics team was enhanced in 2009 by bringing on board medical and scientific affairs specialists, to reinforce the research and development team, and expanding the marketing and sales force.

■ **Strong marketing development:** bioTheranostics established a fully integrated U.S. sales force. The product focus in 2009 was **CancerTYPE ID®**, which established itself as the leading molecular classifier for metastatic cancers in the United States. To distribute its products outside the U.S., bioTheranostics entered into an agreement last October with **Lab21**, a British firm specializing in the distribution of diagnostic products and services in the field of personalized medicine. Within the scope of this two-year partnership, Lab21 will market the CancerTYPE ID test in the United Kingdom, Ireland and the Middle East. This test, used to classify cancers of uncertain or unknown origin, will be performed by bioTheranostics at the Company's San Diego laboratory, which is CLIA (Clinical Laboratory Improvements Amendments) certified for high complexity tests.

■ **Clinical trials also confirmed the relevance and scientific value of two bioTheranostics products.** These results were announced in publications presented at major medical congresses in oncology.

At the annual meeting of the American Society of Clinical Oncology (ASCO) in June 2009, bioTheranostics presented data from a clinical study involving CancerTYPE ID. According to the study, this diagnostic assay accurately identified tumor origin in the majority of cancer patients, where conventional diagnostic modalities such as immunohistochemistry (IHC) failed to deliver a definitive diagnosis. These findings mark a true breakthrough to greatly eliminate diagnostic uncertainty in metastatic cancer patients.

bioTheranostics also announced findings from three clinical trials of its product Breast Cancer IndexSM at the San Antonio Breast Cancer Symposium (SABSC) in December. These three independent studies, conducted on large patient cohorts, validated the benefit of this test for improving risk stratification (predicting the risk of disease recurrence) in patients with early-stage breast cancer as well as predicting the therapeutic response to a currently-used inhibitor of the aromatase enzyme. The data confirm that Breast Cancer Index is a valuable tool that provides oncologists and their patients with reliable quantitative and predictive information about therapeutic response and an individual's risk of disease recurrence. This test's ability to identify low-risk patients in particular could make it possible to significantly reduce the number of aggressive treatments that some patients receive unnecessarily.

GSK agreement: a milestone in bioMérieux's theranostics strategy

bioMérieux took an important step in its collaboration with the pharmaceutical industry to develop theranostics in the fields of infectious diseases and cancer, by entering into an agreement with GlaxoSmithKline in November 2009 for the development of a test to predict the effectiveness of breast cancer treatments. This agreement is in line with similar partnerships initiated in 2007 with the firms Ipsen and Merck & Co.

This predictive test, which is based on using new biomarkers, is designed to help oncologists determine the most appropriate treatment for different segments of breast cancer patients. With more than 500,000 new cases of breast cancer diagnosed each year in the United States and Europe, this test represents a major public health milestone, in particular because it would give many breast cancer patients the chance for a better outcome.

Development of the new test, co-funded by both companies, will be carried out by bioMérieux's global R&D teams and those at bioTheranostics. It will leverage GSK's expertise in oncology and experience in conducting clinical studies.

Upon completion of clinical evaluation, the test will be launched by bioTheranostics in its CLIA-certified laboratory. bioMérieux will subsequently develop an *in vitro* diagnostic kit to be commercialized worldwide.

Deployment of the ADNA Program

The Advanced Diagnostics for New Therapeutic Approaches (ADNA) Program, devoted to personalized medicine, entered the implementation phase in 2009 after obtaining approval from the European Commission in October 2008 to receive government support from the French Agency for Innovation Aid (OSEO).

This ambitious program, coordinated by the Institut Mérieux, brings together four partners: bioMérieux and GenoSafe in diagnostics and Généthon and Transgene in therapeutics, with various other partners in the Rhône-Alpes region. ADNA intends to contribute to the development of more personalized medical solutions for patients with infectious diseases, cancer and rare genetic diseases by making innovative theranostic products and services available to healthcare professionals. Working in partnership with the CEA (French Atomic Energy Commission), the CNRS (French National Center for Scientific Research), Lyon University Hospitals (CHU), Lyon Civil Hospitals (HCL), STMicroelectronics and the Claude Bernard University, bioMérieux plans to develop:

- biomarkers for the diagnosis and prognosis of certain cancers and infectious diseases,
- a new molecular biology platform to perform high-medical value testing for patients with cancer.

The ADNA Program will also benefit from the scientific collaborations signed in 2009 with the Institut Pasteur and the CEA.

In the infectious diseases field, research conducted in 2009 made it possible to validate markers for septic shock, which will lead to better care for patients in intensive care:

- a marker associated with more targeted care and prediction of patient survival,
- markers for the risk of healthcare-associated infections and organ failure.

In oncology, bioMérieux pursued efforts to identify biomarkers for the early detection of colorectal cancer, the diagnosis of prostate cancer, and hepatocarcinoma.



A DYNAMIC NETWORK TO ENHANCE INNOVATION

Innovation at bioMérieux is driven by a unique R&D structure with in-house teams, its subsidiary, bioTheragnostics, the center in Grenoble devoted to molecular biology, and joint research laboratories in partnership with the hospital community and research organizations in Europe and China.

Teams conduct research as part of a global network with close interaction among the different entities: validation of bioTheragnostics products in joint research laboratories, utilization of bioTheragnostics' CLIA-certified laboratory to launch new tests, etc.

Over the course of 2009, bioMérieux reinforced this network by expanding its joint laboratory in Shanghai within the Fudan University Cancer Hospital. This facility doubled in size and its team was expanded.

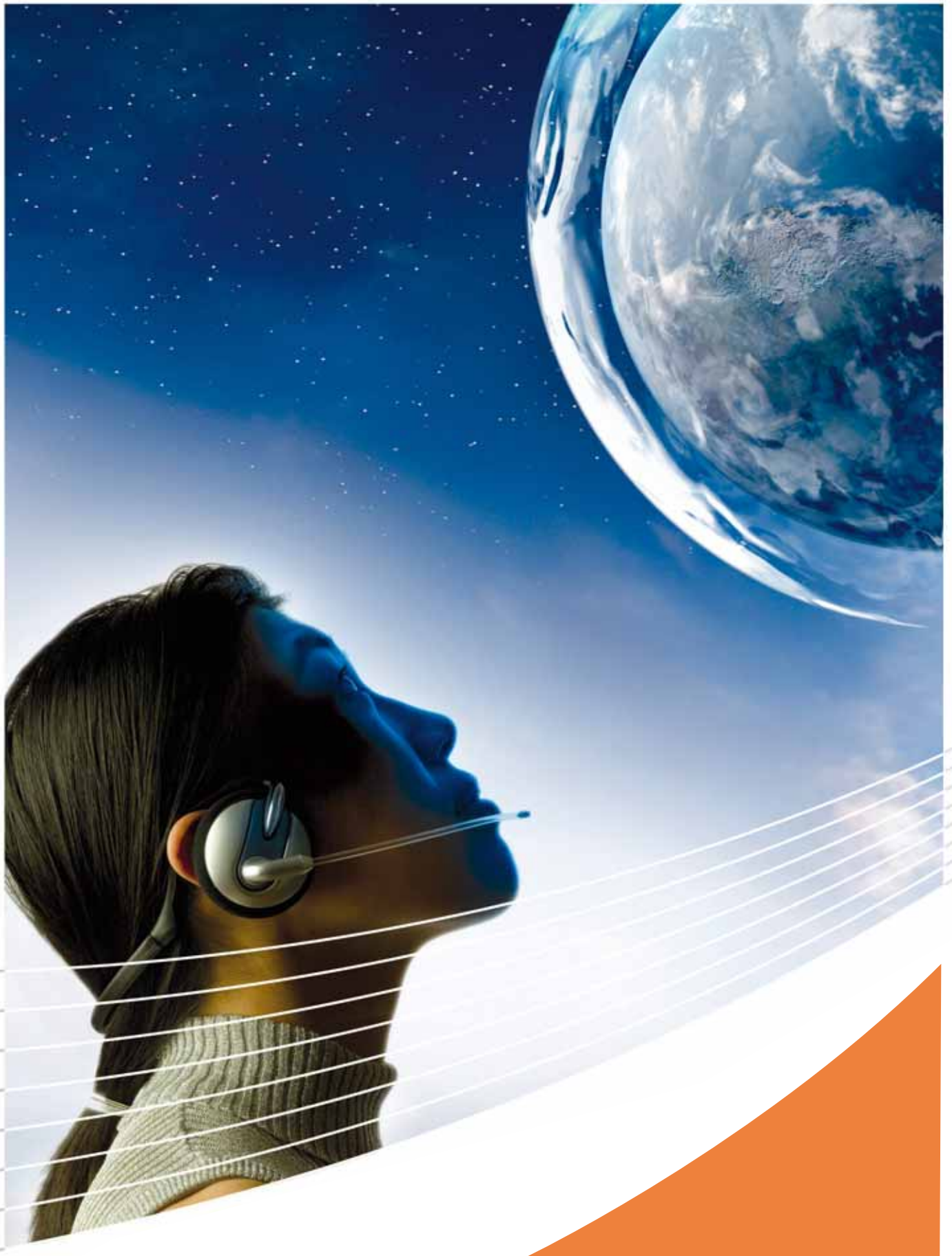
LABORATORY AUTOMATION: DEVELOPING NEW IT SOLUTIONS

Microbiology laboratory automation is one of bioMérieux's priorities. It aims to deliver reliable results, as quickly as possible, for improved patient care while, from an economic standpoint, optimizing microbiology lab management.

To further enhance the efficiency of FMLA™ (Full Microbiology Lab Automation), launched in 2008, the bioMérieux development teams are currently working on a variety of projects, including the integration of information processing for all aspects of laboratory workflow. This IT program has a three-fold objective:

- improving connectivity between the instruments themselves, with the laboratory information system, as well as with the hospital information system,
- developing an IT platform (middleware) that will manage the different laboratory workflows to further enhance result traceability, quality management and productivity,
- optimizing the management of patient results and, more broadly, providing clinicians with high medical-value information (statistical and epidemiological data, access to the knowledge base, decision-making support, etc.).

These new information technology solutions are designed to deliver even more rapid and reliable results while ensuring compliance with regulatory quality standards. Thanks to these solutions, both the lab and the hospital will be equipped with new tools to provide better patient care and heightened prevention of healthcare-associated infections.





INTERNATIONAL

In a challenging economic and financial environment, bioMérieux's global presence was a key factor for growth. The Company's performance in 2009 was driven largely by an exceptional international network of distributors and 39 subsidiaries that together cover more than 150 countries and enable the group to provide diagnostic solutions to professionals in healthcare and industry across the globe. The Company's presence in emerging countries also contributes to a strong dynamic for growth.

In addition to results in line with objectives, 2009 was highlighted by:

- growth in sales that continued at a fast pace,
- the confirmation of China's potential; with growth of 25%*, the Chinese subsidiary has established itself as the group's sixth largest company in terms of sales, ahead of the United Kingdom, with a highly promising sales outlook for both clinical and industrial applications,
- sound performance worldwide for bioMérieux Industry, which ended the year with 9%* growth despite the fact that its business, especially in the agri-food sector, was more exposed to the economic crisis.

EUROPE MIDDLE EAST AFRICA

ENCOURAGING RESULTS

Thanks to the strength and mobilization of teams in Europe, the region showed sales growth of 5.8%* and 7.3%* outside of France, in spite of a poor economic climate.

Sales grew across the region except in the Netherlands, Central European countries and the Baltic States. Of particular note were results in Germany (+10%*), the United Kingdom (+12%*), Scandinavia (+11%*) and South Africa (+20%*),

which recorded strong growth in sales that far exceeded growth in their domestic markets.

For clinical applications, growth was driven by microbiology reagents, in particular VITEK® 2 and demand related to the Influenza A (H1N1) pandemic. Sales for the VIDAS® range rose by over 3%*. Sales in industrial applications gained momentum, registering growth of over 10%* during the fourth quarter.

* At constant exchange rates and scope of consolidation

NORTH AMERICA

SIGNS OF RECOVERY

Sales in North America were up by 6.3%*.

The improvement in the economic outlook enabled some investment programs to resume. However, the hospital environment continued to be subject to a number of budget restrictions.

Sales in clinical applications were spurred by VIDAS® reagents, boosted by the strong start-up of VIDAS® B.R.A.H.M.S PCT, and by molecular biology, which grew by over 50%*.

Industrial applications experienced a robust year in the United States, climbing by over 12%* during the period. They benefitted overall from the public's increasing sensitivity to food safety issues and by the delivery of instruments whose orders had been postponed by some customers since 2008, in light of the economic outlook.



LATIN AMERICA

ROBUST GROWTH

For Latin America, growth reached nearly 20%*. All the countries in the region experienced robust growth in sales.

Brazil and Columbia registered growth of 13%*, Argentina rose 23%* and Chile climbed 32%*. Mexico's sales experienced a sharp increase due to the Influenza A (H1N1) pandemic. Sales of microbiology reagents, VIDAS tests and rapid tests spurred growth in clinical applications.

With the exception of Mexico, industrial applications continued to report gains across the region.

* At constant exchange rates and scope of consolidation

ASIA-PACIFIC

EXCELLENT PERFORMANCE IN CHINA AND INDIA

The Asia-Pacific region met expectations, with global sales growth of close to 13%*, and remarkable performances for China (+25%*), India (+24%*) and South Korea (+14%*). Sales of clinical applications were strong for all product ranges with the exception of the microplate line, which is subject to intense competition. The VIDAS® range achieved growth of over 17%*.

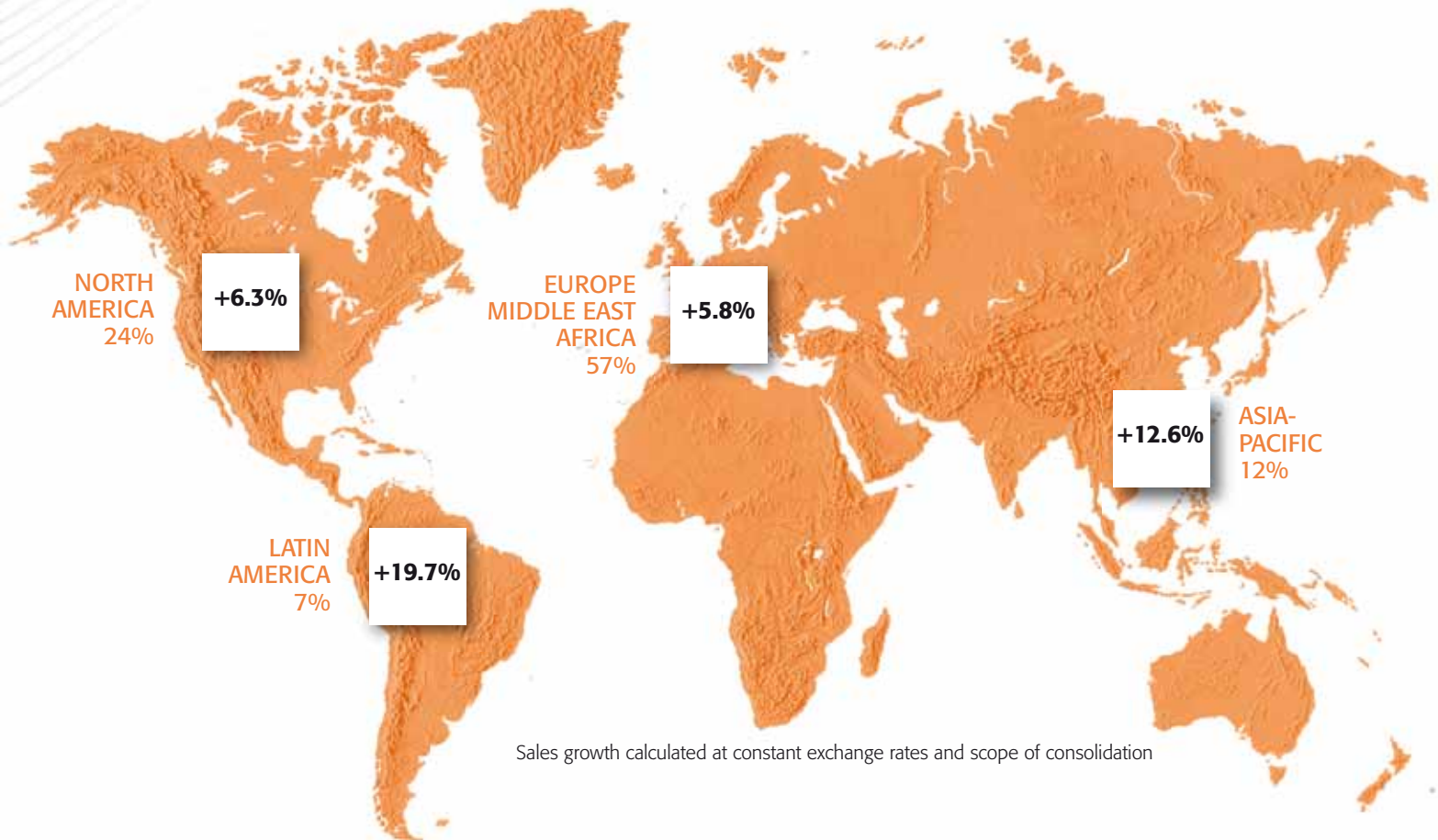
China, which is experiencing rapid growth, became the Group's sixth largest subsidiary in 2009, ahead of the United Kingdom. China confirmed its great potential: bioMérieux's ambition is to see the Chinese subsidiary become the Group's third largest subsidiary, after the United States and France, by 2015. bioMérieux China will progressively become a fully integrated company with sales, research and manufacturing activities. Shanghai will thus be bioMérieux's third corporate hub, along with Marcy l'Etoile (France) and Cambridge, MA (USA).

* At constant exchange rates and scope of consolidation



bioMérieux should also benefit from a favorable healthcare environment in China, with new growth opportunities in both clinical and industrial businesses.

For clinical applications, healthcare reforms should lead to the decentralization of much of the care that is currently provided by Community Hospitals. Neighborhood hospitals will consequently need to equip their facilities with diagnostic systems: an opportunity for VIDAS and mini VIDAS® systems. Similarly, in the area of industrial applications, the government plans to implement a far-reaching program to promote food safety, an issue considered to be a national priority.







INDUSTRIAL INVESTMENTS

Today there are more than 2,800 employees working on the teams that produce the 2,500 different kinds of products sold in Europe, the United States, Latin America and Asia.

A strategic factor for its development, bioMérieux has invested steadily for a number of years in its industrial capabilities, constantly adapting to the most demanding international quality standards. Manufacturing is currently organized into a network of 20 specialized sites* across the globe, designed to provide customers with reliable, high performance products. It must meet growing demand and have the agility to adapt to a rapidly changing environment.

A combination of specialization, flexibility and quality lie at the core of the bioindustrial strategy.

In 2009, 83 million euros were invested in all bioMérieux manufacturing sites worldwide, which represents an exceptional level of investment. The year's highlights included the completion of the Grenoble center, dedicated to molecular biology; the start-up of manufacturing at the first bioMérieux bioindustrial site in China; and a high level of performance in terms of service rates and productivity. A number of industrial investments initiated in 2008 were successfully completed in 2009.

NEW PRODUCTION UNITS

GRENOBLE: EXCLUSIVELY DEDICATED TO MOLECULAR BIOLOGY

The Christophe Mérieux Center in Grenoble (France) for R&D in molecular diagnostics, which has been operating since 2006, was expanded to accommodate the transfer of manufacturing activities from the Boxtel site in the Netherlands, which will be closed definitively in mid-2010.

Site expansion was completed in 2009 and the new manufacturing facility began operating in September, with the first batches in the NucliSENS® easyMAG® molecular diagnostics range successfully released

in December. This project, which represents an investment of 18 million euros, confirms the Christophe Mérieux Center's focus on molecular biology. The Center employs over 200 people in R&D and manufacturing. Located in an exceptional scientific environment within Grenoble's Scientific Polygon near the CEA-LETI** and Minatec, the center spearheads bioMérieux's innovation strategy.

THE FIRST BIOMÉRIEUX PRODUCTS MANUFACTURED IN CHINA

The first products manufactured in China by the joint venture created in 2008 between bioMérieux and Shanghai Kehua Bio-engineering (leader in

* 3 of these sites will be closed by the end of the 1st semester 2010

** Atomic Energy Commission - Laboratory for Electronic and Information Technology

microplates in China) came out of the production facility in late 2009. These microplate immunoassays, which bear the bioMérieux label, are manufactured using raw materials developed in Marcy l'Etoile (France). These initial products will be commercialized worldwide starting in 2010. This experience marks a "first" for bioMérieux. Through the local Chinese team and the Asia-Pacific Corporate Manufacturing Department in Shanghai, after one year, the Company has gained manufacturing know-how and experience in this country. This is a pivotal step for bioMérieux's production strategy in China.

BRAZIL: STRONG MANUFACTURING GROWTH

Manufacturing at the Rio de Janeiro site increased significantly to meet demand due to particularly strong sales in Latin America in 2009. Thanks to recent investments, the production of culture media and immunoassays grew by over 30%. A new R&D building was constructed on this site to house research teams working on diseases specific to the countries of the region (Chagas disease, etc.).



AMBITIOUS TRANSFERS

As part of efforts to streamline the Company's international biomanufacturing network, bioMérieux undertook several microbiology activity transfers in 2009, making targeted investment decisions:

- Following the planned closure of the Solna site in Sweden, which produced the Etest® range, investments were made in La Balme (France) to relocate the manufacture of these reagents and related R&D activities. Building renovations and the hiring of additional personnel are set to continue in 2010. With this new production, the La Balme site is becoming even more specialized, honing its expertise in manual and semi-manual microbiology.
- Ready-to-use media that were previously manufactured in Toronto (at the Canadian facility that is being closed) will be redirected to U.S. sites in Lombard, Illinois (near Chicago) and Portland, Oregon. In 2009, the two sites were readied for the transfer of manufacturing and the distribution center in Lombard was expanded.



CREATING A “CAMPUS” ENVIRONMENT

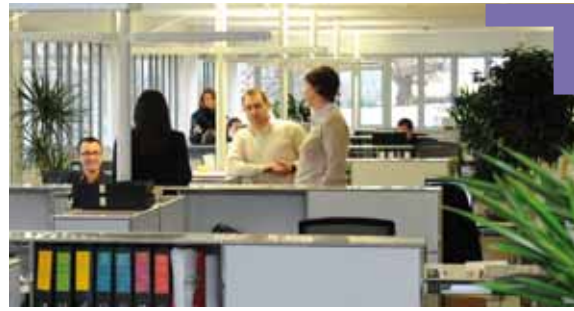
In addition to investments to bolster manufacturing capacity, bioMérieux is enhancing all Company sites worldwide by creating a genuine “campus” setting. The goal is to bring together different functions (R&D, production and administrative services) in the same location to create a pleasant working environment and the right conditions to facilitate innovation and interpersonal communication. The investments are also aligned with the Company’s environmental protection and sustainable development policy.

In 2009, a number of projects were carried out at different sites.

- Substantial investments were made at Marcy l’Etoile, where two new buildings were constructed: one to house the bioMérieux Industry Corporate teams, and the other for the production of biological raw materials (begun in 2008, the extension has been operational since 2009).

- The Craponne (France) site renovation also made great progress, with reconstruction of the logistics building and the creation of a closed-loop cooling system meeting environmental requirements and making it possible to save 40,000 cubic meters of water a year. In addition, the lay-out of this site, currently separated into two distinct parts, is being revised to create a unified site.

- At Saint Louis, Missouri in the United States, a new eco-efficient building has been constructed for the VITEK® R&D teams working in biology and instrumentation.



QUALITY: STRONG PERFORMANCE

In 2009, operational performance levels were strong, with positive quality indicators in all areas: delivery times, product compliance and environmental and personal safety.

Within the scope of a quality approach designed to bring the entire Group into compliance with the most demanding international standards, bioMérieux received ISO 9001 and ISO 13485 certification in 2009 for the Chinese site of its joint venture with Shanghai Kehua Bio-engineering and an extension of these certifications to manufacturing for the Grenoble site. In addition, an FDA inspection was conducted at the Saint Louis, MO site in North America with a successful outcome.

These particularly satisfactory results, obtained in a context of activity transfers for some countries, were achieved thanks to the broad involvement of Quality and Manufacturing teams. They also attest to bioMérieux’s sustained industrial investment policy, in place for several years across all Company sites, to optimize the Company’s biomanufacturing potential.

“2BP” FOR OPERATIONAL EXCELLENCE

To further improve and ensure excellence in industrial processes, the Industrial Development teams published a guideline in 2009, *bioMérieux Best Practices “2BP”*, which applies to all of the Group’s manufacturing and supply sites. Its ultimate goal is to increase customer satisfaction and improve patient care.







INITIATIVES

In 2009, bioMérieux sought to bolster the Company's internal capabilities by implementing an ambitious human resources enhancement policy worldwide and adopting a new Enterprise Resource Planning (ERP) system to further its development.

As a corporate citizen, bioMérieux has been a member of the Global Compact since 2003 and renewed its commitment to uphold and promote the Principles of this United Nations program through corporate social initiatives in 2009. bioMérieux's actions are also part of a sustainable development approach that includes the "BIOMERIEUX GOES GREEN" environmental action plan and a proactive corporate sponsorship policy to aid the disadvantaged.

HUMAN RESOURCES

CULTIVATING TALENT

Identifying and cultivating individual and collective talent and focusing it on common goals are key priorities for the Group today, and a decisive advantage in what has become a highly competitive industry.

In a constantly changing, complex scientific and medical environment, bioMérieux is determined to provide the Company's teams with the new tools that are needed to address these challenges. bioMérieux invests massively in training at the global level and implements new performance measurement systems to strengthen a results-based corporate culture at every level. Additionally, bioMérieux engages employees in the Company's growth by offering an attractive company share ownership plan that is accessible to employees worldwide.

bioMérieux University: an initiative driving change

Promoting greater professionalism, developing the capacity to adapt and take initiative, and encouraging new behaviors are some of bioMérieux University's objectives. The University oversees all the

Company's technical and managerial training programs with the ambition of federating employees around a shared global vision.

bioMérieux University offers training for each profession and curricula that are tailored to specific responsibilities or departments within the Company.

The "bioMérieux Manager Essentials" program, devoted to employees with management responsibilities, is a key component of bioMérieux University. It provides cross-functional training modules covering corporate culture and fundamentals, management, the human resources process, and leadership, to name a few. This highly comprehensive course offering is designed for the long term and comprises 25 days of training over a four year period. After being introduced in France and the United States in 2008, the "bioMérieux Manager Essentials" program was launched in China in April 2009 and Latin America in July 2009.

Parallel to this initiative, the "bioMérieux Essentials" program, targeting all employees, was introduced in 2008 in the United States and in April 2009 in France. The program includes 10 days of training over four years and shares a number of modules in common with the "bioMérieux Manager Essentials" program. In addition to these cross-functional programs, employees have access to specific modules

created for each function. Modules developed in 2009-2010 include: "Marketing Excellence" for the Marketing function, "Project Manager Essentials" for project managers, and "Manufacturing Essentials" based on the good manufacturing practices guideline, *bioMérieux Best Practices, "2BP"*.

Worldwide, over 6,000 people - nearly all Group employees - received training through bioMérieux University in 2009.

bioMérieux University also offers customer training at centers worldwide.

Training programs to gain credentials

In France, bioMérieux University also offers employees without a degree the opportunity to take courses for credit towards a diploma that is recognized by the VAE program (accreditation for work experience). Employees may also receive training to become a laboratory assistant, which is offered at a school in Lyon (France), the **Lycée Jean-Baptiste de La Salle**. Twelve employees took advantage of this program to earn credentials in 2009 and were able to progress in their career development.

In addition, bioMérieux is reinforcing **on-the-job training programs** within the Group. This is part of bioMérieux's commitment as a corporate citizen to support its economic and corporate environment. It also contributes to the long-term management of the Company's workforce and talents. In 2009, nearly 100 young people were hired via apprenticeship contracts and programs combining school and work-based learning, across all functions and disciplines. These training programs, which are offered at many different levels, from the certificate of professional competence to engineering and industrial pharmacist degrees, enable bioMérieux to strengthen ties with schools and universities and prepare for the future.

New management tools to improve training programs

To facilitate human resources programs, bioMérieux expanded its "**coRHus, HR information system**" in 2009. One of the system's features enables automatic management of personalized training programs for each employee.

In France, coRHus has been running for five years; it was introduced in the United States, Germany and the United Kingdom in 2009.

A NEW GLOBAL INFORMATION SYSTEM TO SUPPORT DECISIONS IN REAL TIME

To ensure the global implementation of the Group's medium- and long-term development strategy and support rapid decision-making, bioMérieux is strengthening its internal resources, in particular its information system.

The various IT solutions existing within the Group were brought together in a single **Enterprise Resource Planning (ERP)** platform. The SAP management system will support bioMérieux's international development by providing a global vision and uniform functional processes in all countries where the Group operates.

The advantages offered by this solution include standardized processes, risk reduction and improved coordination between commercial and manufacturing operations. Using a single platform also enables improved budget and financial planning based on information received in real time. Implementing this new information system, which is very important for the Group's future, represents a substantial investment.

Thanks to the project teams' efforts over the past two years, in 2009 the pilot phases were successfully validated in Germany and the UK, as well as in various corporate functions such as Customer Service. The system will gradually be deployed in all the subsidiaries by 2014, contributing to significantly strengthen the Group's operational base.

OPUS 2009: engaging employees in the Group's success

bioMérieux launched an attractive company share ownership program for employees worldwide, designed to increase the involvement of all employees in the Group's development. It provides for a system of matching contributions for employees who have acquired shares in the Company. Known as OPUS 2009, the initiative was a great success, with over one third of all employees enrolling in the program (50% in France). OPUS is slated to continue in 2010.



BIOMERIEUX GOES GREEN

Considering the environment and promoting sustainable development in all aspects of business activity follows naturally from bioMérieux's conviction that we belong to a community. The BIOMERIEUX GOES GREEN environmental action plan launched in 2008 is an example of this commitment.

Phase One of the plan (2008-2010) is intended to raise awareness among all employees and suppliers about priority initiatives to be carried out in five areas: **energy, water, paper, waste and emissions**. An international network of 40 volunteer correspondents, the "Green Champions," provide leadership and relay information about bioMérieux's environmental policy at the Group's various sites. Thanks to the active involvement of employees, 2009 was a productive year at the Group level and locally at the Company's sites and subsidiaries worldwide.

Reducing energy consumption, increasing efficiency at facilities and developing renewable energy sources

When combined, all Group initiatives in 2009 generated a reduction in energy consumption of about 5%.

Newly constructed, "eco-efficient" buildings and the use of energy-efficient technologies make it possible to limit energy consumption at Company facilities. In 2009, buildings that were constructed at Marcy l'Etoile and Grenoble (France) were given green (plant-covered) roofs, which provide enhanced thermal insulation. They were also equipped with double-flow ventilation, contributing to improved energy efficiency.

Since December 2009, a portion of the electricity used at the Durham, North Carolina (USA) site has been provided by 2,000 square meters of solar panels. This initiative makes it possible to generate 150,000 kWh annually, reducing carbon dioxide emissions by 113 tons.

Reducing water consumption

Water is the most widely used resource in bioMérieux's manufacturing processes and therefore a priority focus for action. Among the Company's programs designed to reduce water consumption were:

- the creation of a closed-loop cooling system at the Spanish site of Tres Cantos, which resulted in an annual decrease in water consumption of 14,000 cubic meters,
- in Craponne (France), implementation of a closed-loop cooling system, which also led to a significant drop in water consumption,
- rainwater recovery systems such as the one in the new building at Marcy l'Etoile, used for watering the grounds.

Reducing paper consumption and encouraging the use of recycled paper

Various initiatives have been devised to reduce paper consumption; whenever possible, electronic media is used instead of printing on paper. Efforts are being made to change people's printing habits (limiting the number of printed documents, printing on both sides of the paper) and encourage the routine use of recycled paper (in particular for communication materials such as annual reports, employee newsletters, etc.). As a result, paper consumption at the main sites in North America was reduced by 20% in 2009.

An excellent illustration of this approach concerns the printed package inserts with instructions for use that are provided with reagents: instead of printed package inserts, electronic files can be downloaded directly from the bioMérieux Technical Library at the Company website. A pilot phase carried out in 2009 with TEMPO® generated an annual savings of one ton of paper. This initiative is already being expanded and will eventually apply to all product lines.

Optimizing waste management in terms of volume and processing

Efforts focused primarily on sorting and recycling non-hazardous waste as well as eliminating waste at the source, in particular by designing new packaging and ways of shipping products.

For example, the English and Austrian subsidiaries designed a system to re-utilize packaging that had been used for shipping products.

The Durham, NC site established an energy recovery program for its manufacturing waste that tripled the amount of waste either recycled or used for energy generation. Packaging for BacT/ALERT® bottles was redesigned to remove a non-recyclable component and decrease its volume. Thanks to these adjustments, waste was reduced by 110 tons annually for customers and shipping volumes also decreased, leading to a drop in related emissions of pollutants.

Reducing emissions

Transportation is the area that showed the greatest progress in 2009.

The Group re-thought how it ships products. While in the past, shipping was mostly by air, today it is primarily by boat (with the exception of ready-to-use culture media). From a logistics standpoint, volumes have been resized for this type of transport, with an overwhelmingly positive effect on the Group's carbon footprint.

Additionally, bioMérieux's automobile fleet is gradually being replaced by vehicles with emissions of less than 140g of carbon dioxide per kilometer or using hybrid technology. To reduce carbon dioxide emissions, employee carpooling is also encouraged and facilitated.

To limit international travel by employees, the Marcy l'Etoile (France), Saint Louis, MO, Durham, NC and Cambridge, MA (USA) sites have been equipped with telepresence rooms designed for remote business meetings. Over time, other sites will be equipped with similar communication systems.

In addition, to offset the environmental impact of air travel by the Group, bioMérieux has made a donation to a Brazilian NGO, SOS Mata Atlântica, which will plant 15,000 trees within the scope of a re-forestation program in Brazil's Atlantic Forest.



bioMérieux Greece team and families planting trees

CORPORATE SOCIAL RESPONSIBILITY

FIGHTING INFECTIOUS DISEASES THROUGH THE MÉRIEUX FOUNDATION

Upholding its mission to serve public health and confirming its commitment, as a corporate citizen to help the underprivileged, bioMérieux continued its corporate sponsorship policy to fight infectious diseases that affect developing countries.

In 2009, bioMérieux devoted 2.8 million euros to corporate sponsorship, most of which went to support the Fondation Mérieux and the Fondation Rodolphe and Christophe Mérieux.

The Fondation Mérieux, an independent family foundation created in 1967 that has been granted public interest status, is devoted to the fight against infectious diseases in developing countries. It develops programs focused on building local capabilities in these regions.

Applied research, improving healthcare infrastructures, training, and knowledge sharing are its key activities. Through a longstanding tradition in the field of biology, the Foundation possesses a unique know-how enabling it to set up clinical biology laboratories in the field, at the very heart of infectious outbreaks. These laboratories address multiple needs, conducting research on diseases specific to these countries, epidemiological studies, medical analyses and training for local healthcare personnel.

In 2009, thanks to the support of its partners and especially that of bioMérieux, the Fondation Mérieux expanded its international network with the creation of two new reference laboratories in Haiti and Laos. In addition, new projects were initiated in Madagascar and Lebanon to boost the Foundation's work and make quality healthcare more widely accessible.



A STRONG COMMITMENT FROM THE SUBSIDIARIES

Beyond the Group's corporate sponsorship policy, teams at the subsidiaries are involved in humanitarian activities nationally as well as a number of initiatives in partnership with local NGOs.

In the field of AIDS, these initiatives include:

- support for an organization in Thailand (Khoa Yai) to help people living with AIDS who have been abandoned by their families,
- involvement of bioMérieux Chile employees in the Santa Clara Foundation, which provides care to children living with HIV,
- support from bioMérieux Germany to cover the cost of a vehicle used by the AIDS Hilfe-Foundation to conduct HIV education and screening campaigns.

Other initiatives are organized to aid underprivileged children, in particular through continued support for the French organization "Sport dans la Ville," which helps young people from disadvantaged neighborhoods discover sports as a means of social and professional integration.

bioMérieux has been a sponsor of this association since 2007, contributing to creating and overseeing sports centers located in tough neighborhoods, as well as discovery programs for youth from these areas. The Company participates directly in certain projects to help young people learn about the professional world by hosting them for internships. In the summer of 2009, some young participants were able to travel to the United States as part of the program.



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CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors, chaired by Alain Mérieux, met 5 times in 2009.

The Board of Directors is comprised of 9 members:

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

COMMITTEES OF THE BOARD OF DIRECTORS

The **Audit Committee** is comprised of Benoît Habert, Georges Hibon and Michel Angé, its chairman.

It met 6 times in 2009.

The **Compensation Committee** is comprised of Jean-Luc Bélingard, Michele Palladino and Georges Hibon, its chairman.

It met 3 times in 2009.

STRATEGY COMMITTEE

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

- Alain Mérieux - Chairman
- Stéphane Bancel - Chief Executive Officer
- Jean-Luc Bélingard
- Alexandre Mérieux - Directeur Général Délégué and Corporate Vice President, Industrial Microbiology

MANAGEMENT COMMITTEE

The Management Committee, chaired by Stéphane Bancel, meets monthly.

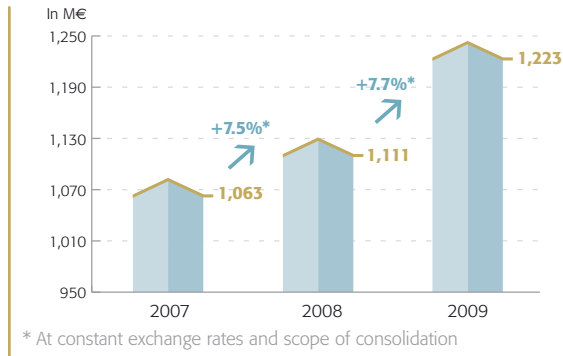
It is comprised of:

- 9 Stéphane Bancel - Chief Executive Officer
- 5 Thierry Bernard - Corporate Vice President, Global Commercial Operations
- 10 Eric Bouvier - Deputy General Manager Corporate Vice President, Immunoassays
- 12 Richard Ding - Corporate Vice President, Strategy & Business Development and Theranostics Chief Executive Officer, bioTheranostics, Inc.
- 8 Jean-Marc Durano - Corporate Vice President, Manufacturing and Supply Operations
- 11 Steve Harbin - Corporate Vice President, Quality Management System, Regulatory Affairs & Product Quality, EHS, Global Internal Control and ERP
- 4 Peter Kaspar - Corporate Vice President, Microbiology
- 7 Mojgan Lefebvre - Chief Information Officer
- 3 Marc Mackowiak - Chief Executive Officer, bioMérieux, Inc.
- 1 Alexandre Mérieux - Corporate Vice President, Industrial Microbiology
- 2 Henri Thomasson - Chief Financial and Legal Officer

NET SALES

(in millions of euros)

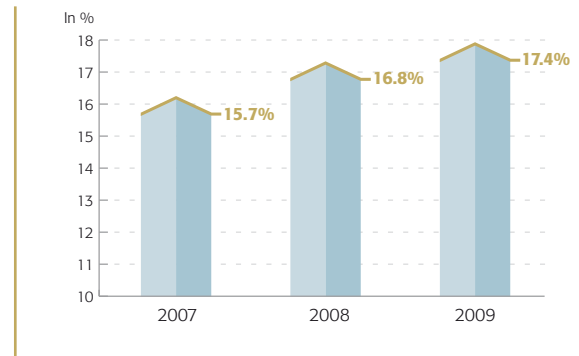
Sales growth, including recent business development agreements, reached 10.4% (7.7% like-for-like*). During 2007-2009, sales grew on average 9.4%, surpassing the objective set in the 2007 strategic plan.



OPERATING INCOME BEFORE NON-RECURRING ITEMS

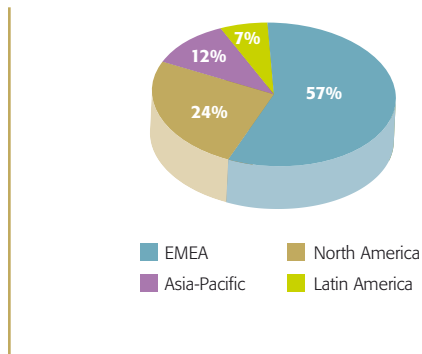
(% of sales)

Operating income before non-recurring items continued to improve, reflecting the increase in gross profit and control of operating expenses.



BREAKDOWN OF SALES BY REGION

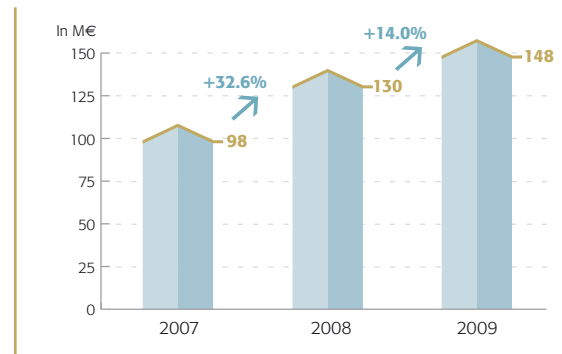
Sales were strong in Europe (+7.3% outside France), in Asia-Pacific (+12.6%) and in Latin America (+19.7%). With 25% sales growth, China became the Company's 6th largest subsidiary.



NET INCOME

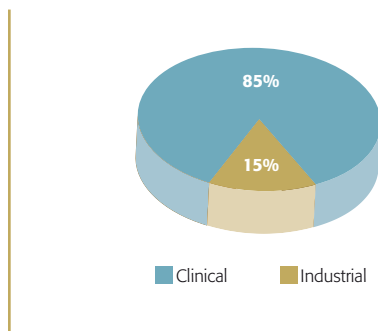
(in millions of euros)

Net income rose 14% compared to 2008. This increase reflects the rise in operating margin before non-recurring items.



BREAKDOWN OF SALES BY APPLICATION

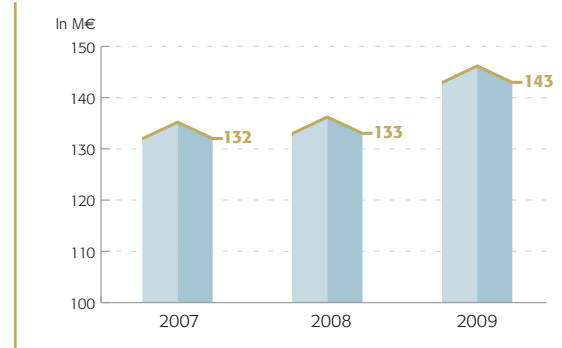
In a challenging economic environment, solid reagent sales, in particular for high medical-value tests, and influenza A (H1N1)-related demand, drove growth in clinical applications. Industrial applications grew 9%.



R&D EXPENSES

(in millions of euros)

The Company invests about 12% of sales in R&D.

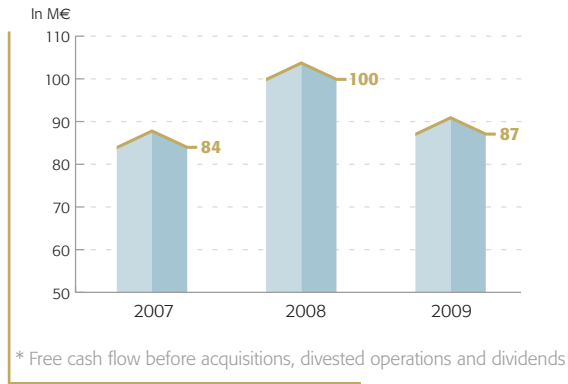


KEY FIGURES

FREE CASH FLOW*

(in millions of euros)

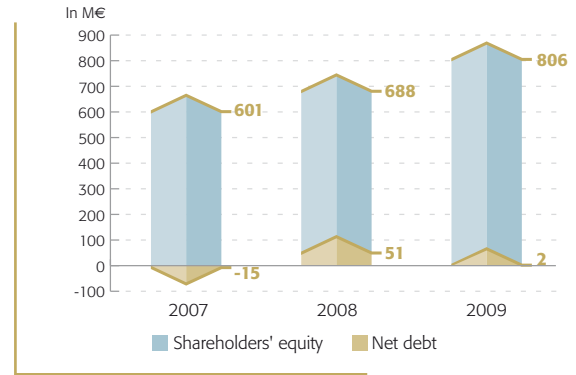
The Company continued to generate significant free cash flow, while increasing investments and reducing invoice payment periods following a new law in France.



FINANCIAL STRUCTURE

(in millions of euros)

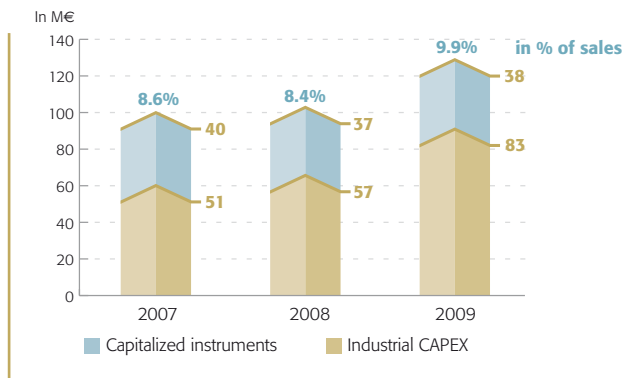
Virtually debt-free, the Company has a solid financial structure to support its strategic objectives.



CAPITAL EXPENDITURE

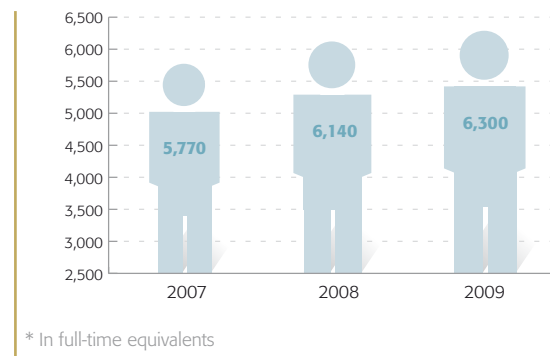
(in millions of euros)

Investments represented almost 10% of sales, primarily devoted to capacity extensions and the global ERP project.



TOTAL WORKFORCE AS AT DECEMBER 31ST*

The number of full-time employees rose due to the reinforcement of the sales force and manufacturing teams as well as preparations to deploy the global ERP.



CONSOLIDATED INCOME STATEMENT

In millions of euros	Jan 09-Dec 09 12 months	Jan 08-Dec 08 12 months
Net sales	1,223.4	1,110.5
Cost of sales	-563.8	-517.5
Gross profit	659.6	593.0
Other operating income	12.5	12.6
Selling and marketing expenses	-217.1	-198.9
General and administrative expenses	-98.7	-87.1
Research and development expenses	-143.0	-132.7
Total operating expenses	-458.8	-418.7
Operating income before non-recurring items	213.3	186.9
Other non-recurring incomes (expenses)	-9.6	-0.8
Operating income	203.7	186.1
Cost of net financial debt	-2.5	-2.5
Other financial items	1.4	-0.8
Income tax	-54.4	-51.5
Investments in associates	0.0	-1.3
Net income of consolidated companies	148.2	130.0
Attributable to the minority interests	0.4	0.1
Attributable to the parent company	147.8	129.9
Basic net income per share	3.75	3.29
Diluted net income per share	3.75	3.29

CONSOLIDATED BALANCE SHEET

ASSETS In millions of euros	Net 12/31/2009	Net 12/31/2008
NON-CURRENT ASSETS		
Intangible assets	93.0	78.1
Goodwill	166.9	168.0
Property, plant and equipment	312.8	300.2
Financial assets	10.5	16.6
Investments in associates		2.0
Other non-current assets	27.0	26.0
Deferred tax assets	26.1	21.7
Total	636.3	612.6
CURRENT ASSETS		
Inventories and work in progress	158.6	156.3
Accounts receivable	346.6	315.4
Other operating receivables	33.2	28.8
Tax receivable	22.2	11.6
Non-operating receivables	2.4	11.7
Cash and cash equivalents	47.0	52.8
Total	610.0	576.6
Assets held for sale	13.4	
Total assets	1,259.7	1,189.2

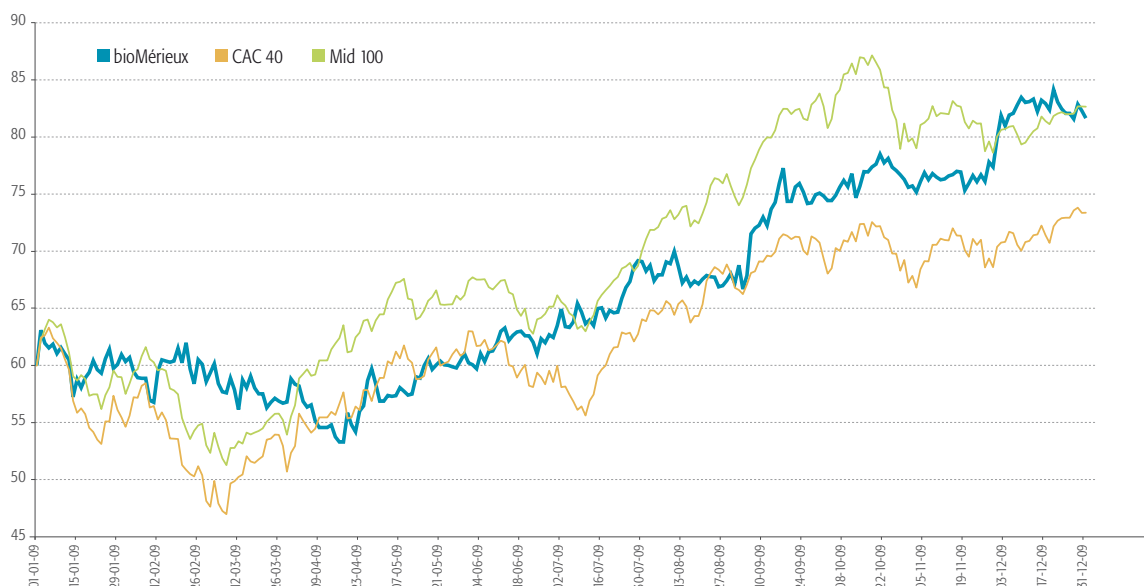
LIABILITIES AND SHAREHOLDERS' EQUITY	12/31/2009	12/31/2008
SHAREHOLDERS' EQUITY		
Share capital	12.0	12.0
Additional paid-in capital & Reserves	642.0	542.8
Net income for the year	147.8	129.9
Total equity before minority interests	801.8	684.7
Minority interests	4.6	3.7
Total shareholders' equity	806.4	688.4
NON-CURRENT LIABILITIES		
Net financial debt - long-term	8.4	78.1
Deferred tax liabilities	21.0	25.6
Provisions	35.7	34.4
Total	65.1	138.1
CURRENT LIABILITIES		
Net financial debt - short-term	40.7	25.6
Provisions	16.0	38.4
Accounts payable	116.6	120.2
Other operating liabilities	166.6	151.7
Tax liabilities	19.4	11.7
Non-operating liabilities	28.9	15.1
Total	388.2	362.7
Total liabilities and shareholders' equity	1,259.7	1,189.2

CONSOLIDATED CASH FLOW STATEMENT

In millions of euros	Jan 09-Dec 09 12 months	Jan 08-Dec 08 12 months
Net income of consolidated companies	148.2	130.0
Net depreciation and provisions, and others	58.9	72.7
(Increase) / Decrease in fair value of derivatives	0.1	0.2
Net realized capital gains (losses)	-3.0	-1.9
Cash flow from operating activities	204.2	201.0
Cost of net financial debt	2.5	2.5
Current income tax expense	54.3	56.0
Cash flow from operating activities before cost of net financial debt and income tax	261.0	259.5
Increase in inventories	-0.2	-7.4
Increase requirements in accounts receivable	-28.4	-20.9
Increase (Decrease) in accounts payable and other operating working capital	4.8	24.3
Decrease / (Increase) in operating working capital	-23.8	-4.0
Income tax paid	-57.6	-57.6
Other	10.5	3.4
(Increase) / Decrease in non-current assets	-1.5	-3.4
Decrease / (Increase) in working capital requirements	-72.4	-61.6
Net cash flow from operations	188.6	197.9
Purchase of property, plant and equipment	-119.6	-91.8
Proceeds on fixed asset disposals	10.2	7.5
Purchase of financial assets / Disposals of financial assets	8.3	-0.3
Net cash from the sale of Hemostasis line of business		1.9
Impact of changes in the scope of consolidation	0.1	-130.6
Other investing cash flows	-2.5	-3.2
Net cash flow from (used in) investment activities	-103.5	-216.5
Purchases and proceeds of treasury stocks	4.7	-15.3
Dividends to bioMérieux SA shareholders	-31.9	-29.8
Minority interests in capital increase		2.4
Cost of net financial debt	-2.5	-2.5
Change in confirmed financial debt	-66.1	61.5
Net cash flow from (used in) financing activities	-95.8	16.3
Net change in cash and cash equivalents	-10.7	-2.3
Analysis of net change in cash and cash equivalents		
Net cash and cash equivalents at the beginning of the year	31.5	36.0
Impact of currency changes on net cash and cash equivalents	-6.6	-2.2
Net change in cash and cash equivalents	-10.7	-2.3
Net cash and cash equivalents at the end of the year	14.2	31.5

THE BIOMÉRIEUX SHARE

SHARE PRICE PERFORMANCE IN 2009⁽¹⁾



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

SHARE VALUE

In euros	2009	Since July 6, 2004
Highest ⁽²⁾	84.30	84.30
Lowest ⁽²⁾	52.60	26.00
As at 12/31/2009 ⁽²⁾	81.68	

Number of shares: 39,453,740

Market capitalization as at end 2009: 3,223 million euros

Average daily trading volume in 2009: approximately 48,000 shares, for a value of 3.1 million euros

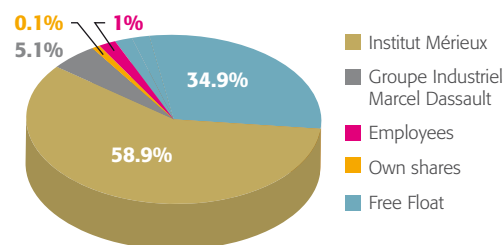
The bioMérieux share is part of the following indexes:

SBF 120, 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, 2009



2010 CALENDAR OF EVENTS

January 22nd: 2009 business review

March 8th: 2009 results and 2010 strategy

April 21st: 2010 Q1 business review

June 10th: Shareholders meeting

July 22nd: 2010 Q2 business review

September 6th: 2010 first half results

October 22nd: 2010 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

Isabelle Tongio

Phone: 33 (0)4 78 87 22 37 - Email: investor.relations@eu.biomerieux.com

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, 2008 (€60)

(2) Closing price

GLOSSARY

■ 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.

■ GENOTYPING

Method of generating a unique DNA pattern (fingerprint) for an individual microorganism which allows it to be identified by comparing it to other individuals of the same species.

■ 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.

■ 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.

■ MASS SPECTROMETRY

Technique used to identify a molecule and determine its chemical structure by analyzing the mass and the charge of its ions.

■ 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

Technique that can detect a bacterium, virus, yeast, parasite or a biomarker through the presence of DNA or RNA genetic sequences in a sample.

■ 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.

■ 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).

■ SPECTROSCOPY

Identification of substances through the analysis of their fluorescence spectrum.

■ THERANOSTICS

The association of a diagnostic test with a therapy. The foundation of personalized medicine.

- bioMérieux Algeria
- bioMérieux Argentina
- bioMérieux Australia
- bioMérieux Austria
- bioMérieux Belgium
- bioMérieux Brazil
- bioMérieux Canada
- bioMérieux Chile
- bioMérieux China
- bioMérieux Colombia
- bioMérieux Czech Republic
- bioMérieux Denmark
- bioMérieux Dubai
- bioMérieux Finland
- bioMérieux France
- bioMérieux Germany
- bioMérieux Greece
- bioMérieux Hungary
- bioMérieux Inc. (USA)
- bioMérieux India
- bioMérieux Italy
- bioMérieux Japan
- bioMérieux Korea
- bioMérieux Mexico
- bioMérieux New Zealand
- bioMérieux Norway
- bioMérieux Poland
- bioMérieux Portugal
- bioMérieux Russia
- bioMérieux Singapore
- bioMérieux South Africa
- bioMérieux Spain
- bioMérieux Sweden
- bioMérieux Switzerland
- bioMérieux Thailand
- bioMérieux The Netherlands
- bioMérieux Turkey
- bioMérieux United Kingdom
- bioMérieux West Africa

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