REFERENCE DOCUMENT 2008



BIOMÉRIEUX

A French limited liability company ("*société anonyme*") with a share capital of €12,029,370
Registered Office: Marcy l'Etoile (69280)
Lyon Trade and Companies Register number 673 620 399

This Reference Document ("*document de référence*") was filed with the French Financial Markets Authority ("*Autorité des Marchés Financiers*") on 10 June 2009 in accordance with Article 212-13 of the General Regulation of the Financial Markets Authority. This document may be used in support of a financial transaction if it is supplemented by a notice endorsed by the French Financial Markets Authority.

As prescribed by article 28 of European Commission Regulation (EC) no. 809/2004 of April 29, 2004 and by article 212-11 of the General Regulation of the French Financial Markets Authority ("*Règlement Général de l'Autorité des Marchés Financiers"*), the information below is included by reference in this document:

– The information for fiscal year 2007 corresponding to item 9.1 of appendix 1 of Regulation (EC) no. 809/2004 is presented in § 5.2, 5.3 and 5.5 of the reference document filed with the AMF on June 2, 2008 (hereinafter referred to as the «2007 Reference Document») and the information for fiscal year 2006 is presented in § 5.2 and 5.3 of the reference document filed on May 24, 2007 with the AMF under number R. 07-078 (hereinafter referred to as the «2006 Reference Document»);

– The information corresponding to item 11 of appendix 1 of Regulation (EC) no. 809/2004 for fiscal year 2007 is presented in § 4.4 and 4.7 of the 2007 Reference Document and the information for fiscal year 2006 is presented in § 4.4 and 4.7 of the 2006 Reference Document;

– The information corresponding to item 20.1 of appendix 1 of Regulation (EC) no. 809/2004 for fiscal year 2007 is presented in § 5.3 and 5.5 of the 2006 Reference Document and the information for fiscal year 2006 is presented in § 5.3 of the 2006 Reference Document;

– The information corresponding to item 20.3 of appendix 1 of Regulation (EC) no. 809/2004 for fiscal year 2007 is presented in § 5.3 and 5.5 of the 2007 Reference Document and the information for fiscal year 2006 is presented in § 5.3 of the 2006 Reference Document;

– The information corresponding to item 20.4.1 of appendix 1 of Regulation (EC) no. 809/2004 for fiscal year 2007 is presented in § 5.4 and 5.6 of the 2007 Reference Document and the information for fiscal year 2006 is presented in § 5.4 of the 2006 Reference Document;

– The information corresponding to item 20.4.2 of appendix 1 of Regulation (EC) no. 809/2004 for fiscal year 2007 is presented in § 1.2 and 5.10 of the 2007 Reference Document and the information for fiscal year 2006 is presented in § 1.2 and 5.8 of the 2006 Reference Document;

The other information contained in the 2007 and 2006 Reference Documents is not incorporated by reference.

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SECTION 1

PERSONS RESPONSIBLE FOR THE REFERENCE DOCUMENT – PERSONS RESPONSIBLE FOR THE FINANCIAL AUDIT

1.1 PERSONS RESPONSIBLE FOR THE REFERENCE DOCUMENT

Mr Alain Mérieux, Chairman of the Board of Directors and Chief Executive Officer of bioMérieux and Mr Alexandre Mérieux, Deputy Managing Director of bioMérieux.

1.2 DECLARATION BY THE PERSONS RESPONSIBLE FOR THE REFERENCE DOCUMENT

"*We hereby certify that, based on all reasonable care taken in this respect, the information contained in this Reference Document is, to our knowledge, consistent with the facts and does not omit anything likely to affect its significance.*

We have received an audit letter from the statutory auditors, in which they report having examined the information on the financial position and the financial statements contained herein, as well as read this entire Reference Document.

Segment financial information for previous periods contained in this Reference Document has been verified by the statutory auditors, whose reports are included under sections 5.4 and 5.6 or referenced herein as indicated on page 2."

Marcy l'Etoile, 9 June 2009

Alain Mérieux
Chairman of the Board of Directors
Chief Executive Officer

Alexandre Mérieux
Deputy Managing Director

1.3 PERSONS RESPONSIBLE FOR THE 2006, 2007 AND 2008 FINANCIAL AUDITS

Statutory Auditors	Alternate Auditors
◆ **Deloitte et Associés**	◆ **BEAS**
81 Boulevard Stalingrad, 69100 Villeurbanne	7-9 Villa Houssay, 92200 Neuilly-sur-Seine
Appointed by the shareholders' meeting of March 2, 1988 and reappointed by the shareholders' meetings of March 17, 1994, March 23, 2000 and June 8, 2006 for a term expiring at the end of the shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2011.	Appointed by the shareholders' meeting of December 19, 2000 and reappointed by the shareholders' meetings of June 9, 2005 and June 8, 2006 for a term expiring at the end of the shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2011.
Deloitte et Associés is a registered audit firm, member of Compagnie Régionale des Commissaires aux Comptes de Versailles.	BEAS is a registered audit firm, member of Compagnie Régionale des Commissaires aux Comptes de Versailles.
◆ **Commissariat Contrôle Audit - CCA**	◆ **Diagnostic Révision Conseil (DRC)**
43 Rue de la Bourse, 69002 Lyon	19 Place Tolozan, 69001 Lyon
Appointed by the shareholders' meeting of June 9, 2005 for a term expiring at the end of the shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2010.	Appointed by the shareholders' meeting of June 9, 2005 for a term expiring at the end of the shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2010.
Commissariat Contrôle Audit CCA is a registered audit firm, member of Compagnie Régionale des Commissaires aux Comptes de Lyon.	Diagnostic Révision Conseil (DRC) is a registered audit firm, member of Compagnie Régionale des Commissaires aux Comptes de Lyon.

1.4 PERSON RESPONSIBLE FOR INFORMATION

For the entire document : Mr Stéphane BANCEL, C.E.O. and,
for Sections 1, 2, 3, 4, 6 and 7 : Mr Matthieu LEBRUN, Corporate General Counsel
for Section 5 : Mr Henri THOMASSON, Chief Financial Officer

bioMérieux
Marcy l'Etoile (Rhône)
Telephone: (+33)(0)4 78 87 20 00

SECTION 2

Note: in case of a transaction subject to an endorsement ("*visa*") by the AMF, the information in this chapter would be supported by a specific notice ("*note d'opération*").

SECTION 3

GENERAL INFORMATION CONCERNING THE COMPANY AND ITS CAPITAL

3.1 GENERAL INFORMATION CONCERNING THE COMPANY

3.1.1 Company name and registered office (articles 3 and 4 of the bylaws)

The Company's name is bioMérieux. No trade name has been registered.

The Company's head office is at Marcy l'Etoile (Rhône).

The Company has been established in France since its incorporation.

Registered office telephone number: +33(0) 4 78 87 20 00

3.1.2 Legal form and applicable law (Article 1 of the bylaws)

bioMérieux is a French limited liability company ("*société anonyme*") with a Board of Directors, governed by the French Commercial Code ("*Code de commerce*") and all other applicable laws and regulations.

In this document, bioMérieux is referred to as the "**Company**", "**bioMérieux**", or the "**Group**".

3.1.3 Incorporation date and duration (Article 5 of the bylaws)

The Company was incorporated on December 13, 1967[(1)], for a duration of 50 years from its registration in the Trade and Companies Register, unless dissolved or extended.

The shareholders' meeting of April 16, 2004 resolved to extend the Company's duration to 99 years, expiring April 15, 2103.

3.1.4 Company's object (Article 2 of the bylaws)

The Company's object, in France and elsewhere, is to:

– manufacture, produce, process, package, distribute, buy, sell, import and export any products and devices and any techniques and know-how used in particular for diagnostics, prevention and treatment, notably in the field of healthcare;

– carry out all studies and research and develop, acquire, grant, keep, control, use, improve, including through the use of licenses and sublicenses, all trademarks, brand names, patents, techniques, inventions, improvements, formulas, designs, processes, etc. in any way related to the above mentioned products or to the manufacturing and trading of such products;

– participate, either directly or indirectly, in all trading and manufacturing transactions related to any whatsoever above purposes or likely to promote them, either by way of incorporation of new companies, contribution or subscription or purchase of securities or company rights, merger, alliance, association of interests, or by any other means;

(1) See footnote (3) to subsection 3.2.5 below.

– perform all transactions in its line of business, either alone and for its own account or for third parties' account, on commission, as a broker, for a fee, on a cost basis, as representative or attorney of any entity or in any other capacity and;

– generally, perform all business, industrial, financial or other transactions directly or indirectly related to the above purposes or to any similar purposes, including the development of means for expanding, promoting, advertising, trading or freighting raw materials, semi-finished or finished products, as well as the ability to purchase, acquire, hold, transfer, lease, mortgage or dispose of goods, either movable or immovable, real or intangible, related to the above purposes or likely to develop them.

3.1.5 Trade and companies register

The Company is registered in the Trade and Companies Register of Lyon under number 673 620 399.

The Company's APE industry code is 2120 Z.

3.1.6 Examination of legal documents

During the period of validity of this Reference Document, the Company's articles of incorporation and bylaws ("*acte constitutif et statuts"*) as well as the minutes of shareholders' meetings, the Company's financial records for each of the two years preceding the publication of this Reference Document, the auditors' reports and all other Company documents may be examined at the Company's Registered office at Marcy l'Etoile, Rhône.

3.1.7 Fiscal year (Article 21 of the bylaws)

The Company's fiscal year is from January 1 to December 31 of every year.

3.1.8 Distribution of earnings (Articles 10, 22 and 23 of the bylaws)

Each share entitles its holders to a proportionate portion of earnings corresponding to the percentage of capital it represents.

The year's income, less accumulated losses, if any, is subject to a deduction of (i) five percent or more for the legal reserve, which deduction ceases to be mandatory once the reserve is equal to ten percent of the capital but becomes mandatory again if that percentage is no longer met for any reason whatsoever, and (ii) any sums required by law to be set aside as reserves.

The balance, plus any retained earnings from previous periods, represents distributable earnings that the shareholders' meeting may, at the suggestion of the Board of Directors, distribute in whole or in part as dividends, or may allocate to reserve accounts, capital amortization or retained earnings.

The shareholders' meeting may allow shareholders the option to receive all or part of dividends or interim dividends distributed in either cash or shares, in accordance with the law. The reserves the shareholders' meeting is entitled to allocate may be used by it to pay dividends to shareholders. If this occurs, the relevant resolution must expressly state from which accounts funds are to be withdrawn.

In addition, the shareholders' meeting may resolve to use earnings or reserves, other than the legal reserve, to pay off some or all of the shares and to repay them up to their par value.

The terms of payment of dividends are set by the shareholders' meeting or failing that by the Board of Directors. Dividends must be paid no more than nine months after the end of a fiscal year, unless otherwise authorized by a court. The Board of Directors may, subject to the provisions of the law, distribute one or more interim dividends prior to the approval of the financial statements for the year.

3.1.9 Board of Directors and Management of the Company (Articles 11 to 17 of the bylaws) (see also Section 6 below)

The Company is managed by a Board of Directors with at least three members and up to the maximum membership permitted by law.

Persons elected and accepting to serve as directors undertake to personally satisfy at all times the applicable legal conditions and requirements, including in terms of plurality of membership on other boards.

The Board of Directors elects a chairman among its members. The chairman must be an individual for the election to be valid. The Board of Directors sets the chairman's compensation.

The Board of Directors may also appoint one or more vice-chairmen among its members.

The chairman of the Board of Directors organizes and coordinates the Board of Directors' work and reports thereon to the shareholders' meeting.

The members of the Board of Directors are elected for terms of six years, expiring at the end of the annual shareholders' meeting called during the year in which the term of the director expires to approve the financial statements for the year ended. All directors may always be reelected.

While in office, each member of the Board of Directors must own at least one share of the Company.

The shareholders' meeting may decide to allocate to the Board of Directors a fixed annual sum to be allocated as directors' fees, until a later shareholders' meeting decides otherwise.

Directors' fees are allocated among the members as the Board deems appropriate. Directors who are members of board committees may receive higher fees than other directors.

The Company's chief executive officer is the Chairman of the Board of Directors.

3.1.10 Shareholders' meetings (articles 19 and 20 of the bylaws)

3.1.10.1 Notice of Meetings

Shareholders' meetings are convened and deliberate in accordance with the law. They meet at the Company's Registered office or at any other location indicated in the convening notice.

Shareholders' resolutions may be voted at ordinary and/or extraordinary or special general meetings, depending on the decisions concerned.

3.1.10.2 Participation in Meetings

All shareholders are entitled to take part in ordinary and extraordinary shareholders' meetings and in deliberations, either in person or by proxy, as provided by law.

Shareholders wishing to attend meetings must:

– if their shares are held in registered form, have those shares recorded in the Company's books; and

– if their shares are held in bearer form, obtain a participation certificate from the authorized intermediary evidencing the registration of the shares in the name of the shareholder or of the intermediary registered on his behalf in the books kept by the authorized intermediary.

The foregoing formalities must be fulfilled no later than 0.00 a.m. (Paris time) three work days before the date of the meeting. However, the Board of Directors may decide, as a general rule, to shorten this period, which therefore shall be indicated in the meeting notice.

Shareholders may be represented by their spouse or by another shareholder at all meetings. They may also vote by mail, using a form, which the convening notice explains how to obtain, in accordance with applicable laws and regulations. Forms or proxies of shareholders attending meetings in person will be declared null and void. Likewise, in the event of a conflict between a proxy vote and a form, the proxy vote will be given precedence, regardless of their respective dates. For the purpose of calculating the quorum, forms are considered only if they have been duly completed and received by the Company at least three days before the meeting. Moreover, forms and proxy forms will be considered valid only if the above-mentioned participation certificate is duly attached to them.

Finally, shareholders may take part in meetings by videoconference or other telecommunications means approved under applicable laws and regulations and referred to in the meeting notice or the convening notice.

Minutes of shareholders' meetings are prepared, and copies are certified and delivered in accordance with the law.

3.1.10.3 Voting rights

Voting rights attached to shares are proportional to the capital these shares represent and each share entitles its holder to at least one vote.

All paid-up shares, considering the percentage of capital they represent and regardless of their class, which have been held in registered form by the same shareholder for five years or more, are entitled to twice the voting rights of other shares.

Shares converted to bearer form or whose ownership changes, subject to the exceptions provided by law, automatically lose their double voting rights. Exceptions include transfers by inheritance, the liquidation of community property and *inter vivos* gifts to a spouse or relatives who can inherit, which do not cause the loss of double voting rights or interrupt the five-year period.

The Company's merger or split-up would not affect double voting rights, which may be exercised with the successor entities if their bylaws so permit.

Bonus shares resulting from the capitalization of reserves, earnings or other paid-in capital are entitled to double voting rights from their date of issue if they are attributed to shares already enjoying such rights.

The system of double voting rights was introduced by decision of the extraordinary shareholders' meeting of March 30, 1999.

3.1.11 Other shareholders' rights and changes in shareholders'rights

In addition to the rights set forth in sections 3.1.8, 3.1.9 and 3.1.10, shareholders' rights pursuant to applicable regulations include the right to receive information, to be elected to the Board of Directors, to take legal action, to subscribe for new shares on a preemptive basis ("*droit préférentiel de souscription*") and to receive a liquidation dividend.

Pursuant to the law, the rights of shareholders may only be modified by an extraordinary shareholders' meeting; however, the extraordinary shareholders' meeting cannot modify certain rights deemed inherent to shareholders, such as the right to vote at shareholders' meeting, to share in the Company's earnings, to dispose of their shares, etc.

3.1.12 Payment for shares

Shares subscribed for must be paid up in accordance with the law, meaning that at least one-fourth of the nominal value of shares purchased in cash must be paid at the time of subscription, along with the entire issue premium, if any. The balance may be paid in one or more installments no later than five years from the shares' effective date of issue.

3.1.13 Form of shares and identification of shareholders (Article 8 of the bylaws)

Pursuant to article 8 of the Company's bylaws, fully paid-up shares may be held in registered or bearer form, at the holder's option, subject to applicable laws and regulations and to the provisions of the Company's bylaws; shares must be held in registered form until they are fully paid up.

The same article 8 provides that the Company may make use of legal and regulatory provisions relating to the identification of holders of securities entitling them, immediately or in the future, to vote at shareholders' meetings.

Accordingly, the Company may at any time obtain, at its expense, information on the name and date of birth, or, in the case of legal entities, the company name and date of incorporation, as well as the nationality and address of holders of securities with a present or future right to vote at shareholders' meeting, as well as information on the number of securities held by such holders and the restrictions, if any, to which the securities may be subject.

3.1.14 Reporting requirement thresholds (Article 10 of the bylaws)

In addition to the shareholders' legal obligation to notify the Company and the "*Autorité des Marchés Financiers" (AMF)* by letter notably of the number of shares and voting rights they hold whenever such ownership increases above certain thresholds (5 %, 10 %, 15 %, 20 %, 25 %, 33⅓ %, 50 %, 66⅔ %, 90 % or 95 %) of the Company's shares outstanding and/or voting rights within five trading days of crossing said thresholds, Article 10 of the by-laws requires individual or entities, acting alone or jointly, who own, directly or indirectly (within the meaning of articles L. 233-7 *et seq*. of the French Commercial code) 1 % or more of the Company's shares or voting rights, must report to the Company by registered letter, with acknowledgement of receipt, within five trading days of crossing said threshold, the total number of shares and voting rights they hold, as well as the number of securities exercisable, immediately or in the future, for shares and the potential voting rights attached to them, it being specified that such obligation shall also apply in respect of each additional 1 % ownership of shares or voting rights in the Company.

The same obligation applies whenever ownership of shares or voting rights declines below the above thresholds.

Thus, AXA Investment Managers informed bioMérieux that it had fallen below the 5 % share capital ownership threshold in 2009.

Failure to comply with the foregoing obligation shall, at the request of one or more shareholders owning five percent or more of the Company's shares or voting rights, which request shall be recorded in the minutes of the shareholders' meeting, cause the portion of shares or related rights in excess of the number that should have been reported to be barred from voting at any shareholders' meeting held until expiry of a period of two years starting from the date on which they were properly reported.

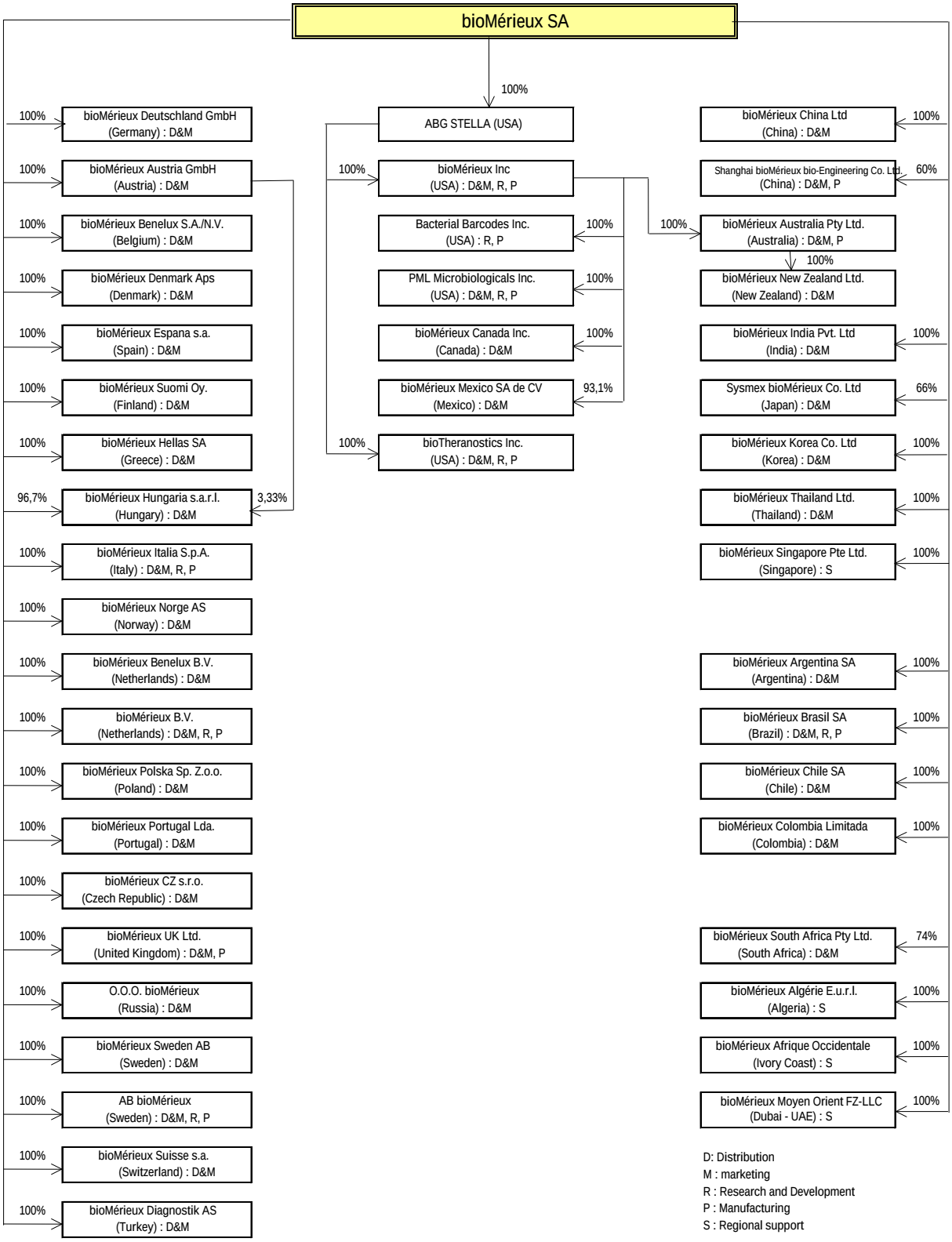
Intermediaries acting as holders of securities for non-resident shareholders, pursuant to article L. 228-1 of the French Commercial code, are required to report increases or decreases if their aggregate holdings exceed or fall below the above thresholds, without prejudice to the reporting obligations of the securities holders.

3.1.15 Amendments to the articles of incorporation and bylaws

As provided for by law, the Company's bylaws may only be amended by a two-thirds majority of the voting rights of the shareholders present or represented at extraordinary shareholders' meetings.

3.1.16 Organization chart of the bioMérieux group of companies on the filing date of this Reference Document.

The chart below shows the relationship between the Company's principal subsidiaries (in percentage of capital) on the filing date of this Reference Document.



bioMérieux SA is part of the Mérieux Alliance group of companies, as set forth in section 3.3.1 below. The relationships between those entities are explained in sections 5.7 and 6.2.2.1 below. Most of the subsidiaries above are distribution and/or marketing entities (see 4.3.8.1.1 below); some also carry out research and development activities (see 4.4.4 below) and/or have manufacturing operations (see 4.5.2.1 below).

3.1.17 Other information concerning subsidiaries and acquisitions of equity interests

Sales of equity interests during the fiscal year ended

Sysmex Corporation, a leading company operating on the in vitro diagnostics market in Japan, and bioMérieux set up a commercial joint-venture for the promotion and distribution of all of bioMérieux's product ranges in that country. Within the framework of this joint-venture agreement, on April 1, Sysmex acquired a 34 % equity interest in the share capital of bioMérieux Japan Ltd., which became Sysmex bioMérieux Co., Ltd. and took over responsibility for sales and customer services as of that date.

In August 2008, bioMérieux sold a 26 % shareholding in bioMérieux South Africa Pty. Ltd. to Litha Healthcare Holdings Pty. Ltd. in order to create a partnership for the promotion and the marketing of all of bioMérieux's product ranges in South Africa.

Acquisitions of equity interests during the fiscal year ended

AB bioMérieux (formerly AB BIODISK)

In June 2008, bioMérieux acquired AB BIODISK, a Swedish company. This acquisition allows bioMérieux to strengthen its leading position in the field of microbiology. As an expert in antibiotic susceptibility testing of rare, difficult-growth bacteria, AB BIODISK is internationally renowned for its resistance tests. On the date of acquisition, it had 53 employees. It generated sales of 7.6 million euros since its acquisition. The two companies exhibit strong commercial synergies.

In February 2009, bioMérieux decided to shut down the Solna plant in Sweden by end June 2010: the R&D and production of reagents will be transferred to the La Balme plant in France, where the API® galleries and other products are manufactured.

bioTheranostics (formerly AviaraDx)

In September 2008, the Group acquired the AviaraDx, Inc. (subsequently renamed bioTheranostics, Inc) which specializes in post–biopsy molecular diagnosis of tumor tissue. This diagnostic company is based in San Diego, California (United States).

PML Microbiologicals Inc.

In December 2008, the Group also acquired PML Microbiologicals Inc., a company specializing in culture media and microbiological control products with industrial and clinical applications, for the North American market. Its production and sales teams are based in Portland (Oregon, United States) and in Toronto (Canada). PML Microbiologicals has 205 employees, of whom 172 are registered on the payroll, and derived sales of 25 million dollars in 2008.

New subsidiaries

In January 2008, bioMérieux and Shanghai Kehua Bio-engineering, the leading Chinese in vitro diagnostic company, set up a joint-venture based in Shanghai. bioMérieux will entrust this new entity with the production of the microplate immunoassays currently manufactured in Boxtel, Netherlands.

Furthermore, two new subsidiaries were created in 2008:

– bioMérieux Singapore, with Registered office in Singapore, to provide regional support to ASEAN countries, Korea, Australia and New-Zealand;

– bioMérieux Moyen Orient, with Registered office in Dubai, United Arab Emirates, to assist bioMérieux's operations in the Middle East.

The subsidiary created in South Africa in 2007 joined the previous distributor's diagnostic department.

3.2 GENERAL INFORMATION CONCERNING THE COMPANY'S CAPITAL

3.2.1 Changes in equity and voting rights attached to shares

All changes in equity and voting rights attached to shares are governed by the law, as the bylaws do not contain specific provisions in this regard.

3.2.2 Share capital on the filing date of this Reference Document

Number of shares issued: 39,453,740 (all the shares are of the same class): this number remained unchanged between January 1, 2008 and December 31, 2008.

Capital issued [(2)]: 12,029,370 euros, fully paid up.

3.2.3 Buyback of the Company's own shares

The ordinary and extraordinary general shareholders' meetings of June 7, 2007 and June 12, 2008 granted authority to the Board of Directors, for a period expiring on June 11, 2009, at the next shareholders' meeting called to examine the financial statements for fiscal year 2008, to buy back shares of the Company as provided for by articles L. 225-209 *et seq.* of the French Commercial code.

Under the authority granted, the acquisition, sale or transfer of the Company's shares may be performed by any means, including through the use of derivatives, on stock exchanges or not, with the exception of the sale of put options, except in case of exchanges in accordance with applicable regulations. No restriction shall apply to the portion of repurchases accounted for by block trades, which may account for the entire program, subject to the ownership's limit of 10 percent of the shares.

As set forth in the Company's share buyback programs described in the 2006 Reference Document filed on May 24, 2007 under number R 07-078 and in the 2007 Reference Document filed with the "*Autorité des Marchés Financiers*" on June 2, 2008, these authorizations are intended to enable the Company to purchase its shares, depending on conditions prevailing in the market, in order to: (i) provide liquidity in the share market, under a market-making agreement with a fully-independent financial service provider, in accordance with the AFEI code of conduct approved by the *Autorité des Marchés Financiers*, (ii) deliver shares upon the exercise of rights attached to the issue of securities with rights to shares of the Company and to stock option plans, or in connection with the distribution of bonus shares to employees and officers of the Company or of Companies of its group, or the allocation or transfer of shares to employees under profit-sharing plans, employee share-ownership plans or employee savings plans, (iii) hold shares so that they can be used subsequently as a means of exchange or payment in connection with external growth operations.

Pursuant to resolution 8 of the ordinary and extraordinary general shareholders' meeting of June 12, 2008, the Board of Directors was also granted authority, until the next shareholders' meeting called to approve the 2008 financial statements, to reduce capital by cancelling some or all of the shares purchased under the share buyback program. In the event of financial transactions involving public offerings, more detailed information regarding this buyback program will be included in the offering document ("*note d'opération*") filed with the AMF for initial approval.

[(2)] The reference to the par value of the shares were deleted by the shareholders' meeting of March 19, 2001.

a) Summary of transactions performed by the Company on its own shares from January 1, 2008 to December 31, 2008, under a market-making agreement ("*contrat de liquidité*").

Pursuant to the authority granted by the ordinary and extraordinary general shareholders' meetings of June 7, 2007 and June 12, 2008, as well as to the Company's share buyback program as described in sections 5.10 of the 2006 Reference Document and 5.12 of the 2007 Reference Document, Crédit Agricole Cheuvreux, acting under a market-making agreement entered into with the Company in compliance with the AFEI code of conduct approved by the AMF, performed the following transactions in the period from January 1, 2008 to December 31, 2008 in its capacity as financial service provider:

Shares purchased	114,506
Average purchase price	€65.61
Shares sold	98,021
Average selling price	€67.55
Fees and commissions	0
Own shares held on December 31, 2008	18,931
Value of shares held at the end of the year based on their average purchase price	€1,080,173.22
Book value on December 31, 2008	€1,135,860.00
Nominal value of shares	/
Purpose of transactions	Maintaining an orderly market
Percentage of own shares held at the end of the year	0.048 %

Crédit Agricole Cheuvreux purchased shares exclusively for the purpose of providing liquidity in the market for the shares, under a market-making agreement with a fully-independent financial service provider, in compliance with a code of conduct approved by the *Autorité des Marchés Financiers*.

b) Summary of transactions performed by the Company on its own shares from January 1, 2008 to December 31, 2008, under an agency agreement ("*contrat de mandat*").

In addition, the table below shows the trades performed in the period from January 1 to December 31, 2008 by agents under agency agreements with Crédit Agricole Cheuvreux and Natixis, for the sole purpose of distributing bonus shares to employees and officers of the Company or of companies of its group exercising their rights to such bonus shares, as authorized by the ordinary and extraordinary general shareholders' meetings of June 9, 2005 and June 12, 2008 and the Company's share buyback program as described in sections 5.10 of the 2006 Reference Document and 5.12 of the 2007 Reference Document:

Shares purchased	212,100
Average purchase price	€68.06
Shares sold	0
Average selling price	N/a
Own shares held on December 31, 2008	172,500
Value of shares held at the end of the year based on their average purchase price	€11,438,462.63
Book value on December 31, 2008	€10,350,000.00
Nominal value of shares	/
Purpose of transactions	Distribution of bonus shares upon exercise of rights pertaining to the allocation of bonus shares to employees and officers
Percentage of own shares held at the end of the year	0.44 %

3.2.4 Authorized capital not issued

Status of the delegations decided by the ordinary and extraordinary general shareholders' meetings of June 7, 2007 and of June 12, 2008:

1) Share capital increase by capitalization of premiums, reserves, earnings or other

Period for which authority was granted and expiration date: 26 months/August 2009.

Maximum amount: -

Maximum nominal amount of share capital increase: 35 % of capital stock at the close of the ordinary and extraordinary general shareholders' meeting of June 7, 2007*; equity may be issued in excess of the 35 % ceiling, if necessary to protect the rights of holders of securities with rights to shares.

Use of the authority during the year: None.

Summary of the shareholders' meeting's decision:

Authorization granted to the Board of Directors to:

– increase the Company's capital, in one or more transactions, by capitalizing premiums, reserves, earnings or other, as permitted by law and by the bylaws and by means of the distribution of bonus shares or by increasing the par value of existing shares;

– fractional rights will not be transferable and the corresponding shares will be sold;

– the proceeds from such sales will be allocated to the rights' holders in a timely manner as prescribed by regulation.

2) Issuance of securities with preferential subscription rights (for all categories of securities)

Period for which authority was granted and expiration date: 26 months/August 2009.

Maximum amount: for debt securities, 500 million euros.

Maximum nominal amount of share capital increase: 35 % of capital at the close of the ordinary and extraordinary general shareholders' meeting of June 7, 2007*.

Use of the authority during the year: None.

Summary of the shareholders' meeting's decision:

– share capital increase in one or more transactions;

– the Board of Directors may offer to the public some or all of the shares not subscribed for in the event of an undersubscription;

– the Board of Directors may increase the number of securities to be issued up to the above overall ceiling, in the event of an oversubscription;

– the total amount of such capital increases, adjusted upward in order to protect the rights of holders of securities with rights to shares, shall not exceed the aggregate of reserves, premiums or earnings at the time of the share capital increase.

* A global nominal amount of 35% of the Company's capital following the ordinary and extraordinary general shareholders' meeting of June 7, 2007 applies to the aggregate of this authorization.

3) Issuance of securities without preferential subscription rights by shareholders (for all categories of securities)

Period for which authority was granted and expiration date: 26 months/August 2009.

Maximum amount: for debt securities, 500 million euros.

Maximum nominal amount of share capital increase: 35 % of capital at the close of ordinary and extraordinary general shareholders' meeting of June 7, 2007*.

Use of the authority during the year: None.

Summary of the shareholders' meeting's decision:

– capital increases in one or more transactions, by the issuance of common shares of the Company or other securities with rights of any kind, exercisable immediately or in the future, for common shares of the Company or of a company in which the Company owns more than one half of the shares, either directly or indirectly;

– capital increases in one or more transactions, by the issuance of all securities and the exercise of all rights with regards to the Company, held by owners of securities issued by any entity that owns, directly or indirectly, more than one-half of the Company's shares, with rights of any kind, including by means of allocation and/or subscription, immediately or in the future, to existing and/or new common shares of the Company;

– suppression of shareholders' preferential subscription right for the securities to be issued;

– the Board of Directors has the authority to decide a priority subscription right to the benefit of the shareholders for the securities to be issued;

– the sum received or to be received by the Company for each share issued or to be issued, after taking into account the issue price of warrants in the event of issues of share subscription or allocation warrants, must not be less than the price under applicable laws and regulations on the date of issue, regardless of whether the securities to be issued immediately or in the future are fungible with existing equity securities;

– securities issued may be used as consideration for securities contributed to the Company in connection with a public exchange offering.

4) Over-allotment option

Period for which authority was granted and expiration date: 26 months/August 2009.

Maximum amount: -

Maximum nominal amount of share capital increase: 15 % of the initial issue, up to the overall ceiling of 35 % of capital at the close of the ordinary and extraordinary general shareholders' meeting of June 7, 2007*.

Use of the authority during the year: None.

Summary of the shareholders' meeting's decision:

– increase in the number of securities within thirty days of the close of the initial issue subscription period;

– new issue at the same price as for the initial issue;

– new issue with or without shareholders' preferential subscription rights.

5) Issue restricted to "qualified investors" or to a "limited circle of investors"

Period for which authority was granted and expiration date: 18 months/Ordinary and extraordinary general meeting of June 11, 2009

Maximum amount: -

Maximum nominal amount of share capital increase: 35 % of capital at the close of the ordinary and extraordinary general shareholders' meeting of June 12, 2008* (this amount counts against the maximum amount referred to under 3).

Use of the authority during the year: None.

Summary of the shareholders' meeting's decision:

– Waiver of preferential subscription rights in favor of investment funds, investment holding companies and industrial corporations operating in particular in the field of medical and health-care technologies, bio-medical and pharmaceutical research.

– The issue price of the new shares shall not be less than the weighted average trading price of existing shares on the Eurolist of Euronext Paris SA over the three trading days preceding the start of the issue.

6) Successive share capital increase

Period for which authority was granted and expiration date: 26 months/August 2009.

Maximum amount: -

Maximum nominal amount of share capital increase: 10 % of the capital per year.

Use of the authority during the year: None.

Summary of the shareholders' meeting's decision:

– authorization to increase capital in one or more transactions by issuing euro-denominated common shares of the Company or other securities with rights of any kind, exercisable immediately or in the future, for common shares of the Company or of a company in which the Company owns more than one half of the shares, either directly or indirectly, in which case the shares issued may be denominated in any currency or in units reflecting a basket of currencies, including in connection with consecutive issues of securities.

– issue price of the equity securities = either the trading price of the share (on the Eurolist of Euronext Paris SA) chosen out of the thirty trading days immediately preceding the issue or an average of the trading prices of the shares on the Eurolist of Euronext Paris SA chosen over all or part of the thirty trading days immediately preceding the issue.

7) Issues used as consideration for contributions of securities in the event of a public exchange offering or a contribution in kind

Period for which authority was granted and expiration date: 26 months/August 2009.

Maximum amount: -

Maximum nominal amount of share capital increase: 10 % of share capital (this amount counts against the maximum amount referred to under 2) and 3)).

Use of the authority during the year: None.

* A global nominal amount of 35% of the Company's capital following the ordinary and extraordinary general shareholders' meetings of June 7, 2007 and June 12, 2008 applies to the aggregate of these five authorizations.

Summary of the shareholders' meeting's decision:

– waiver of preferential subscription right to allow consideration to be issued for securities contributed to the Company under the public exchange offering effected in accordance with the provisions of Articles L. 225-148 of the French Commercial Code and/or consideration for contributions in-kind to the Company and consisting of equity shares or securities carrying equity entitlements, where the provisions of Article L. 225-148 *et seq.* are not applicable.

8) Share capital increases reserved for employees (and their equivalent): Stock options

Period for which authority was granted and expiration date: 38 months/August 2010.

Maximum amount: -.

Maximum nominal amount of share capital increase: 10 % of the capital on the date of grant of the options.

Use of the authority during the year: None.

Summary of the shareholders' meeting's decision:

– authorization to grant, at one or more times, to employees selected by it from among the Company's legal representatives and employees of the Company, or of companies or economic interest groups in which the Company holds at least 10 % of the capital or voting rights, either directly or indirectly, or of companies or economic interest groups that hold at least 10 % of the Company's capital, either directly or indirectly, options entitling them to buy shares of the Company from among those bought back by the Company in accordance with the law.

– the exercise price of the stock options is to be set by the Board of Directors, without a discount.

– the stock options must be exercised no later than eight years after their date of grant.

9) Share capital increase reserved for employees enrolled in a company savings plan (PEE) of a French or foreign affiliate of the Company, as provided for by article L. 225-180 of the French Commercial code and article L. 444-3 of the French Labor code

Period for which authority was granted and expiration date: 26 months/August 2010.

Maximum amount: -

Maximum nominal amount of share capital increase: 5 % of capital at the time the authority is used.

Use of the authority during the year: None.

Summary of the shareholders' meeting's decision: share capital increase, in one or more transactions, by issuing shares or securities with rights to shares of the Company.

3.2.5 Changes in capital as at December 31, 2008 in French francs and euros[3 and 8)]

Date of Shareholders' Meeting	Transaction	Number of shares issued	Nominal value of shares	Nominal amount of capital increase	Premiums	Cumulative value of capital	Cumulative number of shares
09/18/1967	Incorporation of the Company	800	100	80,000	–	80,000	800
01/07/1975[4 and 5]	Capital increase by means of capitalization of reserves	8,800	100	880,000	–	960,000	9,600
01/07/1975	Cash capital increase	400	10	40,000	120,000	1,000,000	10,000
12/16/1976	Capital increase by means of capitalization of reserves	10,000	100	1,000,000	–	2,000,000	20,000
12/19/1977	Capital increase by means of capitalization of reserves	10,000	100	1,000,000	–	3,000,000	30,000
12/19/1977 (Board of Directors' meeting of 12/14/1978)	Capital increase by means of capitalization of reserves	10,000	100	1,000,000	–	4,000,000	40,000
12/19/1977 (Board of Directors' meeting of 11/29/1979)	Capital increase by means of capitalization of reserves	10,000	100	1,000,000	–	5,000,000	50,000
07/03/1981 (Board of Directors' meeting of 10/16/1985)	Conversion of convertible bonds	21	100	2,100	–	5,002,100	50,021
03/31/1987 [3]	Merger of bioMérieux into API SA	194,808	100	19,480,800	61,674,388	24,482,900	244,829

[3] On March 21, 1987, bioMérieux was merged into API S.A., a company incorporated on September 18, 1967. The transaction was carried out by way of merger of bioMérieux (which had been created in 1963) into API S.A. As a result, API S.A. changed its name to bioMérieux. Changes in capital shown in the above table until March 31, 1987 are those affecting API S.A.

[4] For the period before API became a limited liability company (*société anonyme*) on January 28, 1975, the shares are ownership interests in a company other than a corporation.

[5] The capital increase took place on January 28, 1975.

Date of Shareholders' Meeting	Transaction	Number of shares issued	Nominal value of shares	Nominal amount of capital increase	Premiums	Cumulative value of capital	Cumulative number of shares
03/31/1987	Capital reduction[6]	-19,487	FF100	FF -1,948,800		FF 22,534,200	225,342
03/15/1989	Increase in par value by incorporation of merger surplus	N/a	FF200	FF 2,534,200	FF 22,534,200	FF 45,068,400	225,342
03/15/1989	Division of par value	N/a	FF20	N/a	N/a	FF 45,068,400	2,253,420
02/12/1991	Capital increase (cash)	41,730	FF20	FF 834,600	FF 17,714,585	FF 45,903,000	2,295,150
10/03/1994	Capital increase by way of contribution of ABG Stella stocks	1,575,921	FF20	FF 31,518,420	FF 259,749,692.60	FF 77,421,420	3,871,071
03/19/2001	Exercise of rights	10,000	FF20	FF 200,000	FF 3,240,000	FF 77,621,420	3,881,071
03/19/2001	Conversion of capital in euros	N/a	N/a[7]	N/a	N/a	€11,833,309.17	3,881,071
03/19/2001	Rounding off of capital stock	N/a	–	€0.83	N/a	€11,833,310	3,881,071
03/19/2001 (Board of Directors' meeting of 05/13/2002)	Exercise of rights	15,000	–	€45,735	€4,860,000	€11,879,045	3,896,071
04/16/2004	Capital increase (merger of NBMA)	3,864,440	N/a	€11,782,602.69	€173,486,840.98	€23,661,647.69	7,760,511
04/16/2004	Decrease in capital (cancellation of shares received from NBMA)	3,869,372	N/a	€-11,797,640.26	€-177,881,356.01	€11,864,007.43	3,891,139
04/16/2004	Rounding off of capital stock	N/a	–	€0.57	–	€11,864,008	3,891,139
04/16/2004	Reduction of the par value of the shares and subsequent capital increase through the distribution of bonus shares on the basis of ten shares for each share held	35,020,251	–	–	–	€11,864,008	38,911,390
07/23/2004	Issue of shares for offering to employees	542,350	N/a	€165,361.47	€12,851,038.53	€12,029,369.47	39,453,740
09/30/2004	Rounding off of capital by capitalization of reserves	N/a	–	€0.53	–	€12,029,370	39,453,740

N/a: not applicable

(6) Cancellation of API S.A. shares following the merger of bioMérieux into API S.A.

(7) The reference to a par value was deleted by decision of the shareholders' meeting of March 19, 2001.

(8) Remain unchanged as at May 31, 2008.

3.3 OWNERSHIP OF SHARES AND VOTING RIGHTS IN THE COMPANY

3.3.1 History of changes of the Company's ownership

When it was incorporated in 1963, B-D Mérieux (as the Company was formerly named) was owned by Institut Mérieux (49.95 %) and Becton-Dickinson France (49.96 %), with other individuals and legal entities holding the remaining 0.09 % of its shares.

In 1968, Alain Mérieux acquired the B-D Mérieux shares held by Institut Mérieux, bringing his ownership interest in B-D Mérieux to 49.96 % and severing the ownership ties between B-D Mérieux and Institut Mérieux.

In 1974, Alain Mérieux purchased 200 shares of the Company from Becton-Dickinson France and became the majority shareholder of B-D Mérieux. That same year, the Company changed its name to bioMérieux SA.

On June 12, 1986, the operating business of the bioMérieux group was transferred to a subsidiary company incorporated for that purpose, which took the name of bioMérieux. The former bioMérieux company became a holding entity under the name of BMH.

On March 31, 1987, bioMérieux was merged into API SA. Following this merger, API SA changed its name to bioMérieux, so that bioMérieux became the legal entity formerly named as API SA (see section 3.2.5).

At the ordinary and extraordinary general shareholders' meeting of December 28, 1988, WENDEL Investissement (named CGIP at the time) joined with the Alain Mérieux family (through Mérieux Alliance [9] a holding entity which had been incorporated by the Mérieux family on November 10, 1988) to form bio Participations, a holding entity with 51 % of the shares of BMH, itself a bioMérieux holding entity. WENDEL Investissement held 33.14 % of the capital of bio Participations and Mérieux Alliance held 66.85 %.

In 1994, Becton-Dickinson sold all 45,270 BMH shares it held (48.99 % of capital) to bio Participations. That same year, Groupe Industriel Marcel Dassault acquired an interest in TSGH, the holding entity for Transgene, an immunotherapy company that also belonged to the group of companies held by bio Participations.

In December 2000, as part of the merger of the bioMérieux group with the Pierre-Fabre group, bio Participations, which had changed its name to bioMérieux Alliance on February 25, 1995, was merged into Pierre-Fabre SA (which became bioMérieux Pierre-Fabre SA) and in so doing transferred to it all of its assets and liabilities, including Company securities it held either directly or indirectly. At the same time, WENDEL Investissement and Groupe Industriel Marcel Dassault transferred their direct interests in TSGH to bioMérieux Pierre-Fabre and WENDEL Investissement transferred its direct interest in the Company to bioMérieux Pierre-Fabre. Subsequent to those transactions, bioMérieux Pierre-Fabre held 99.27 % of the Company's capital (5.1 % directly and 94.17 % through BMH).

As the merger of the bioMérieux group with the Pierre-Fabre group failed to achieve the companies' intended goals, they decided to "demerge" and to cancel the transfers carried out in 2000 and 2001. At the extraordinary shareholders' meeting of June 27, 2002, bioMérieux Pierre-Fabre accordingly transferred to Nouvelle bioMérieux Alliance all of the Company securities it held through BMH. Subsequent to those transactions, ownership of Nouvelle bioMérieux Alliance was divided between Mérieux Alliance (60.14 %), WENDEL Investissement (34.74 %) and Groupe Industriel Marcel Dassault (whose ownership interest increased to 5.12 % in July 2002 as a result of the capitalization of a claim against the Company held by Groupe Industriel Marcel Dassault).

In 2003, the Group of companies held by Mérieux Alliance was restructured in order to separate the diagnostics business of bioMérieux from the immunotherapy business of TSGH and Transgene. Thus, in January 2003, Nouvelle bioMérieux Alliance transferred to TSGH, which already held 33.83 % of the capital of Transgene, 21.5 % of the capital of Transgene held by it, in exchange for TSGH securities. In April 2003, Nouvelle bioMérieux Alliance sold those shares to its shareholders (notably Mérieux Alliance,

[9] See section 3.3.1 for a description of the capital of Mérieux Alliance.

WENDEL Investissement and Groupe Industriel Marcel Dassault) pro rata the interest they held in Nouvelle bioMérieux Alliance. In July 2003, Nouvelle bioMérieux Alliance sold to TSGH the remaining 15 % of the capital of Transgene it held. At the close of the 2003 financial year, Nouvelle bioMérieux Alliance no longer held any interest in Transgene or in its TSGH holding entity. On the same date, Nouvelle bioMérieux Alliance and bioMérieux disposed of virtually all of their assets not related to their diagnostics business.

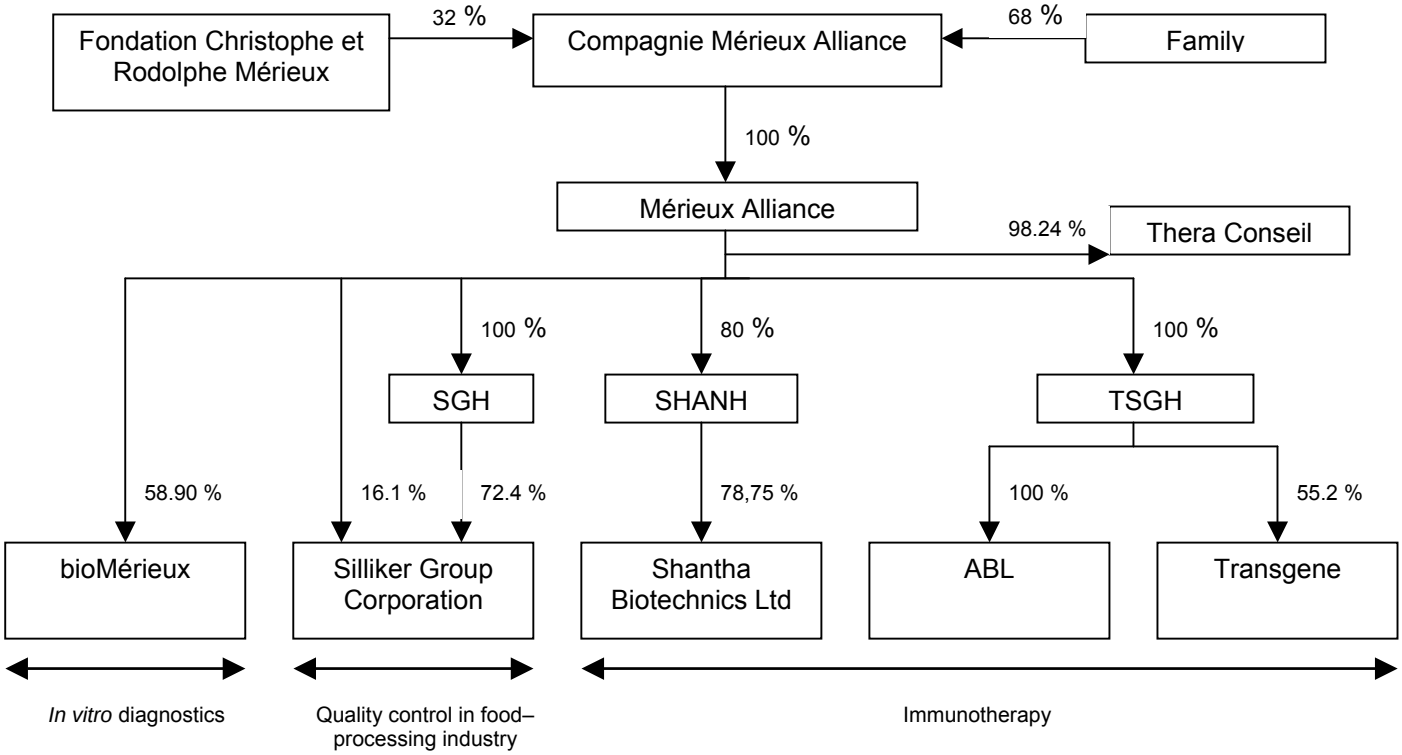
In April 2003, Nouvelle bioMérieux Alliance's wholly owned BMH subsidiary was merged into its parent company which, then, held virtually all of the Company's capital (99.28 %).

In order to simplify the Group's structure, the shareholders' meetings of Nouvelle bioMérieux Alliance and of the Company resolved, on April 16, 2004, to merge Nouvelle bioMérieux Alliance into the Company, retroactively from January 1, 2004. Subsequent to that transaction, Mérieux Alliance directly held 59.72 % of the Company's capital, WENDEL Investissement held 34.50 % and Groupe Industriel Marcel Dassault held 5.09 %. As a result of this transaction and because of the cancellation of the bioMérieux securities contributed by Nouvelle bioMérieux Alliance, the number of shares fell by 4,932 (i.e 0.13 % of bioMérieux shares as of December 31, 2003) and earnings available for distribution declined by €4.4 million (the negative difference between the amount of merger premium and the value of bioMérieux shares contributed by Nouvelle bioMérieux Alliance and cancelled).

In connection with the initial public offering of its shares, the Company decided, on April 16, 2004, to divide the par value of its shares by ten (10) and to concurrently increase their number by ten (10), through the issue and distribution of 35,020,251 bonus shares to the Company's shareholders, on a ten-for-one stock split, so that the Company's capital would thereafter be divided into 38,911,390 shares.

Most of the Company's shares held by WENDEL Investissement were floated in connection with the initial public offering of July 6, 2004 on the Eurolist market of Euronext Paris.

Mérieux Alliance also owns all of the shares of SGH, the holding entity of the Silliker Group Corporation, an American company which specializes in research and consulting services in the field of food–processing industry safety and quality; and all of the shares of TSGH, the holding entity of Transgene SA, an immunotherapy company traded on the Eurolist market of Euronext Paris, and of Advanced Bioscience Laboratories Inc. (ABL), an American research laboratory doing work on behalf of research institutes and business corporations; and of SHANH, the holding entity of Shanta Biotechnics Ltd, an Indian bio-pharmaceutical company specializing in the development and manufacture of vaccines, therapeutic proteins and monoclonal antibodies:



3.3.2 Changes in capital ownership over the past three years

The table below shows the ownership of the Company on the dates indicated.

Share ownership	Situation on the 12/31/2008				Situation on the 12/31/2007			Situation on the 12/31/2006		
	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Mérieux Alliance*	23,240,090	58.90	46,480,100	72.15	23,240,090	58.90	71.86	23,240,090	58.90	58.79
GIMD**	2,013,470	5.10	3,993,940	6.20	2,013,470	5.10	6.17	2,013,470	5.10	5.10
Banque de Vizille	648,520	1.64	648,520	1.00	648,520	1.64	1.00	648,520	1.64	1.64
CIC Lyonnaise de Participations	1,134,920	2.88	1,134,920	1.76	1,134,920	2.88	1.75	1,134,920	2.88	2.87
Apicil Prévoyance	122,130	0.31	122,130	0.19	122,130	0.31	0.19	122,130	0.31	0.31
Employees***	544,761	1.38	390,818	0.61	351,637	0.89	0.54	369,557	0.94	0.93
Treasury shares****	191,431	0.49	0	0.00	123,346	0.31	0.00	81,700	0.21	0.00
Public	11,558,418	29.30	11,652,528	18.08	11,819,627	29.96	18.48	11,843,353	30.02	30.33
Total	**39 453 740**	**100**	**64 422 956**	**100**	**39 453 740**	**100**	**100**	**39 453 740**	**100**	**100**

* Mérieux Alliance is the Mérieux family-owned holding company.

** Groupe Industriel Marcel Dassault.

*** This line includes, as at December 31, 2008, employee share ownership through mutual funds ("*FCP*") and bonus shares allocated to the Company's employees

**** The shares are held pursuant to the market-making agreement with Crédit Agricole Cheuvreux and the agency agreements with Crédit Agricole Cheuvreux and Natixis (Cf. § 3.2.3 above).

To the Company's knowledge, no shareholder agreement and/or joint action by shareholders is currently in effect.

3.3.3 Pledge of the Company's shares

To the Company's knowledge, none of its shares has been pledged as of the filing date of this Reference Document.

3.3.4 Principal shareholders

The table below shows the number of shares, the percentage of capital and the percentage of related voting rights held by the principal shareholders of the Company as of May 31, 2009.

Shareholders	Number of shares	Percentage of capital	Number of voting rights	Percentage of voting rights
Mérieux Alliance*	23,240,090	58.90	46,480,180	71.09
Public**	12,126,710	30.74	12,210,208	18.68
GIMD***	2,013,470	5.10	3,993,940	6.11
Banque de Vizille	1,783,440	4.52	2,431,960	3.72
Apicil Prévoyance	142,130	0.36	264,260	0.40
Treasury shares****	147,900	0.38	0	0.00
Total	39,453,740	100.00 %	65,380,548	100.00 %

* Mérieux Alliance is the Mérieux family-owned holding company.

** This line includes employee share ownership through mutual funds ("*FCP*") and bonus shares allocated to the Company's employees

*** Groupe Industriel Marcel Dassault.

**** The shares are held pursuant to the market-making agreement with Crédit Agricole Cheuvreux and the agency agreements with Crédit Agricole Cheuvreux and Natixis (Cf. § 3.2.3 above).

On May 31, 2009, Mérieux Alliance held 23,240,090 shares, representing 58.90 % of the capital, entitling it to 71.09 % of the voting rights in the Company.

3.4 DIVIDENDS DISTRIBUTED BY THE COMPANY

3.4.1 Dividends per share for the past three years

The table below shows dividend distributions per share for the past three fiscal years (in euros).

The Company has not earned and will not earn dividends on any of its own shares held by it or which it may hold on the dividend date. The corresponding sum is added back to retained earnings.

Fiscal year ended	Dividend distributed in euros(**)
12/31/2008(*)	31,957,529.40
12/31/2007	29,984,842.40
12/31/2006	29,984,842.40
12/31/2005	18,148,720.40

(*) Motion at Shareholders' meeting of June 11, 2009.

(**) It should also be noted that annual dividends have qualified for a tax abatement exclusively to the extent that shares are owned by individuals subject to personal income tax, as provided by article 158.3 paragraph 2 of the French Tax Code.

3.4.2 Distribution policy

The Company cannot guarantee the distribution of dividends in respect of its shares.

The distribution policy is decided in light of the analysis, for each fiscal year, of the Company's profits, of its financial position and of any other factors that the Board of Directors considers relevant.

For information purposes, it is specified that the Company intends to pay each year a constantly increasing dividend, representing at least 25 % of earnings for the fiscal year.

3.4.3 Statute of limitations

Dividends that remain unclaimed five years after their payment date are time-barred and remitted to the French government.

3.5 SUMMARY OF THE TRADING PRICE OF SHARES OVER THE LAST 18 MONTHS

The shares of bioMérieux have been traded publicly since July 6, 2004 and, since January 3, 2005 they have been included in the CAC Mid 100, CAC Mid and Small 190 and SBF 250 French market indexes. They have been part of the "A" list of Eurolist since February 21, 2005 and have been included in the Next 150 European index since April 1, 2005. The shares have been eligible for deferred settlement service ("*Service de Règlement Différé"–SRD*) since March 28, 2006.

Months	Higher (in €)	Lower (in €)	Close (in €)	Volume
November 2007	77.49	68.10	74.61	683,261
December 2007	80.00	74.36	79.08	579,425
January 2008	80.00	58.30	67.21	1,164,954
February 2008	76.50	66.00	75.47	727,394
March 2008	76.00	68.80	73.69	833,419
April 2008	76.48	69.00	70.00	654,040
May 2008	71.00	66.10	69.26	486,443
June 2008	74.50	68.00	73.05	1,780,952
July 2008	74.20	65.23	71.63	844,184
August 2008	74.81	68.40	74.40	350,333
September 2008	74.30	59.20	61.12	884,671
October 2008	64.19	45.97	63.47	1,464,045
November 2008	63.95	51.20	57.53	615,713
December 2008	61.68	55.00	60.00	585,212
January 2009	63.30	57.10	60.96	670,632
February 2009	62.32	55.40	60.12	2,207,379
March 2009	61.60	53.84	58.84	1,280,548
April 2009	60.00	52.60	56.88	1,245,842

SECTION 4

INFORMATION ON THE COMPANY'S BUSINESS [10] [11]

4.1 BUSINESS SUMMARY

bioMérieux is a worldwide group specialized in the field of in vitro diagnostics for medical and industrial applications. The Group designs, develops, manufactures and markets systems used in:

– Clinical Applications: the diagnosis of infectious diseases such as hepatitis, HIV, tuberculosis and respiratory illnesses, as well as pathologies such as cardiovascular diseases and cancers, based on the analysis of biological samples such as blood, saliva or urine; and

– Industrial Applications: microbiological analyses of samples of finished or semi-finished products (or of the environment), chiefly in the food processing, pharmaceutical and cosmetics sectors.

These diagnostic systems consist of the following:

– reagents necessary for performing biological tests such as the identification of specific types of bacteria or viruses;

– instruments (or platforms or autoanalyzers) used for automated testing at high or low throughputs; and

– software for the processing of biological tests and expert systems used to interpret biological test results, including for epidemiological follow–up and therapeutic decision.

Furthermore, the bioMérieux Group provides services to its customers in the form of assistance with the installation and maintenance of instruments and the training of their users.

The vast majority of the Group's instruments are so-called closed systems, which means that they only work with reagents specifically developed by bioMérieux for its instruments, and thus provide the Group with a recurrent revenue. There is an installed base of more than 53,000 instruments, giving the Group a high degree of visibility and regularity for reagent sales, which accounted for 84 % of its revenue in 2008 (approximately 70 % were related to instruments, and the balance was primarily from manual products). The instruments are either sold or placed with customers as part of a reagent supply agreement.

In the clinical segment, which accounted for approximately 85 % of the Group's revenue in 2008, bioMérieux customers are primarily private-sector analysis laboratories, hospital laboratories, blood transfusion centers and, in some countries, Physician Office Laboratories (POL).

In the industrial segment, which accounted for approximately 15 % of revenue in 2008, customers include large international food processing, pharmaceutical and cosmetic groups.

Ever since its inception in 1963, the Group has developed at a regular and sustained pace, thanks to its corporate strategy of organic growth and targeted acquisitions. In 2008, net sales totaled 1111 million euros, operating income was 186.1 million euros, and net income amounted to 130.0 million euros (see sections 5.1, 5.2.2 and 5.3 below). The Group operates in more than 170 countries, through 39 international subsidiaries (see section 3.1.16 above) and a wide network of distributors. 60 % of its net sales are generated in Europe (of which nearly 16 % in France), and 22 % in North America.

The Company's commercial success has resulted in large part from the strong reputation of its product lines and reagents, which incorporate all of the technologies necessary for the diagnosis of infectious diseases. Its expertise in these technologies has allowed it to be a pioneer in the field of industrial microbiological control and, more recently, to extend its activities to new applications such as cardiovascular pathologies and certain cancers.

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[10] Unless otherwise indicated, the market and market-related data in this Reference Document represent estimates by bioMérieux on the basis of reports prepared by financial analysts, studies carried out by industry specialists and information published by other companies in the sector, as well as its own internal experts' knowledge of the market.

[11] See Glossary of Scientific Terms below.

4.2 OVERVIEW OF THE IN VITRO DIAGNOSTICS MARKET

4.2.1 General

An in vitro diagnostics examination is carried out by chemical analysis (for example, a measure of amounts of glucose, cholesterol or sodium) or biological analysis of a sample for the purpose of identifying microorganisms and determining their characteristics. In vitro diagnostics tests are used to measure, identify and quantify bacteria and viruses (exogenous agents), as well as other endogenous agents (or "markers"), which are substances produced by the body in the presence of, for example, an infectious disease, cancer or cardiovascular disease. Markers can take the form of proteins or genetic sequences, or other biological molecules.

In vitro diagnostics techniques are used in the clinical segment to provide information allowing a physician to detect diseases, look for predispositions to pathologies, establish a diagnosis and track the effectiveness of the prescribed treatment. A biological sample is taken from the patient, most often at the request of a physician. It is then sent to a medical analysis laboratory, either in a hospital or private, which analyzes it using the Company's products (reagents, instruments, expert systems). The results are then communicated to the physician who can use them to confirm or establish a diagnosis (often in combination with other examinations such as medical questionnaires, auscultation or radiology) and thus prevent a disease or treat it and track the effectiveness of the treatment. In some countries, the physician or patients themselves perform certain diagnostics analyses.

In the industrial segment, in vitro diagnostics technologies are used to monitor microbiological quality (absence of bacterial, viral or parasitic contaminants) of the environment (air, water, surfaces) and food processing products, pharmaceuticals or cosmetics. Industrial in vitro diagnostics allow the detection and quantifying of pathogens throughout the production line from raw materials to finished product, as well as in the manufacturing environment.

4.2.2 Technologies

The in vitro diagnostics market uses several types of technologies, three of which constitute the Company's core business:

– Microbiology: Culture of biological samples in a medium allowing any bacteria present to multiply, and then be identified and tested for sensitivity to antibiotics;

– Immunoassays: Detection and measure of infectious agents such as bacteria, viruses, and parasites and of pathological markers through an antigen-antibody reaction;

– Molecular biology: New technology based on the detection of genetic sequences of DNA or RNA that are characteristic of bacteria, a virus, a protein or a cell.

Apart from these three technologies, the in vitro diagnostics market includes biochemical (in particular tests related to diabetes), hematology and hemostasis techniques.

The table below shows how the world market for clinical in vitro diagnostics broke down in terms of technologies; it shows the flow cytometry, histology and cytology market for 2008:

	2008 (in billion euros)
Immunoassays	7.4
Clinical biochemistry	10.1
of blood glucose monitoring	6.6
Molecular biology	2.2
Microbiology	1.5
Hematology and flow cytometry	2.8
Histology and cytology	1.2
Hemostasis	0.9
Other technologies*	1.8
TOTAL	**27.9**

* This heading includes analysis of blood gases and electrolytes

Traditionally manual, in vitro diagnostics techniques have progressively been automated, making it possible for laboratories to give results in a shorter time period, to computerize their analysis and to increase the number of examinations that can be carried out simultaneously. These automated techniques have reduced the manpower required to manipulate substances and analyze the results of examinations, and have also been standardized, which facilitates examinations, improves reliability of their results and speeds up the process.

Molecular biology has added a new dimension to in vitro diagnostics, allowing speedier and more precise detection of microorganisms. In the case of infectious diseases, molecular diagnostics uses tests directly targeting the genetic make-up (DNA and RNA) of a human cell, a virus, a bacterium, or a parasite. The technology employed consists in extracting nucleic acids, multiplying them (amplification), marking the copies produced by the amplification and then detecting a signal, which allows to establish the presence and the quantity of infectious agents in the initial sample. Molecular biology also opens the way to a new medical approach to cancer, genetic predisposition, genetic pathologies and the individual adaptation of patient treatment.

Molecular biology does not replace traditional in vitro diagnostics techniques. It complements diagnostics procedures by identifying pathologies that traditional techniques are not sufficiently sensitive or rapid to detect. For example, viral load (the actual amount of viral copies in a blood mililitre) can only be measured by means of molecular biology techniques. Traditional in vitro diagnostics techniques allow for simpler and more accessible tests, covering multiple parameters. In addition, because of the high number of potential variations, traditional detection methods, designed to detect only one or a few targets, are no longer appropriate for oncology or genetic variations, which require for the spotting of multiple targets.

4.2.3 The in vitro diagnostics market

In vitro diagnostics is part of the healthcare sector, but is distinct from the pharmaceutical market, which is the largest market in the healthcare sector. Although it benefits from many of the same growth factors as the pharmaceutical segment, the in vitro diagnostics market follows a very different dynamic. It benefits from a more flexible regulatory environment than that applicable to pharmaceutical products, although becoming more and more stringent, as well as a more stable customer base, principally due to the significant acquisition costs (investments, training and connection to the laboratory information management system costs) incurred by diagnostics customers. The in vitro diagnostics market also has more stable sales growth mainly due to:

– the significant proportion of in vitro diagnostics revenue accounted for by reagent sales, because of the "closed" nature of most systems, which function only with reagents developed by the system manufacturers;

– the obligation to offer clients a wide selection of reagents per machine, which leads to a distribution of the in vitro diagnostic companies' activities across a large number of products, in contrast to pharmaceutical group that are often dependant on "blockbusters";

– the relatively stable evolutions in demand in the diagnostics market, in contrast with medicine sales, which can vary sharply notably because of regulatory constraints and competition from generic drugs; and

– the growing importance attached to the monitoring of a treatment's effectiveness.

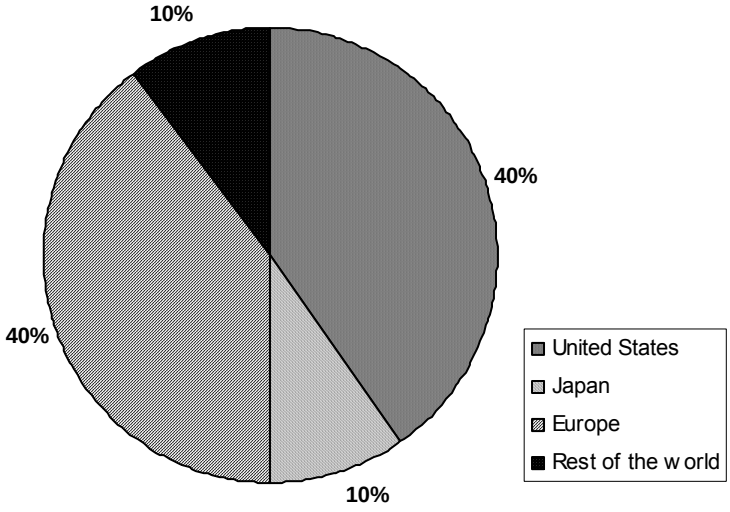
For approximately ten years, most clinical diagnostics techniques have also been used for industrial purposes to control the microbiological quality of food products, environments (such as water and air) and surfaces as well as the sterility of products in the pharmaceutical and cosmetic industries.

4.2.3.1 Size of the in vitro diagnostics market and its recent evolution

The market for in vitro diagnostics is a worldwide market that was estimated in 2008 at approximately 28 billion euros (41 billion US Dollars) for clinical applications and approximately 1.2 billion euros (1.8 billion US Dollars) for the industrial segment[(12)]. Approximately 85 % of the in vitro diagnostics worldwide market is concentrated in developed countries (North America, Europe and Japan) (source Kalorama, 2008). Since 2000 and based on Company's estimates, the market has grown at an average compound annual rate of approximately 5 % to 6 % ,stronger still in the industrial segment.

Clinical segment. Since the end of the 1990s, the clinical in vitro diagnostics market has experienced a period of growth due to increased demand for tests, resulting from factors such as the recognition of the role of diagnosis in the definition and monitoring of treatments and in the reduction of healthcare expenditures, the emergence of new pathogens, major technological advances opening the way to new applications, and the geographical expansion of the market. Aggregate spending on in vitro diagnostics amounted to 6 billion euros in 1980 and has since been multiplied by four.

Geographical breakdown of the clinical in vitro diagnostics market:



Source: Clinica

[(12)] The data relating to the clinical market is obtained by cross-referencing various external sources (VisionGain, Clinica, Business Insights, Kalorama, Exane BNPP) ; the assessment of the size of the industrial applications market is based on the Company's internal analyses

The table below gives 2008 estimates for the clinical in vitro diagnostics market segments (breakdown by pathology) on which the Company has decided to focus its development:

	2008 (in billion euros)
Infectious diseases	6.7
Cancers	4.2
Cardiovascular diseases	2.3
Others	14.7
TOTAL	**27.9**

For 2008, these internal estimates reflect in particular the integration of technologies such as flow cytometry and applications such as histology and cytology.

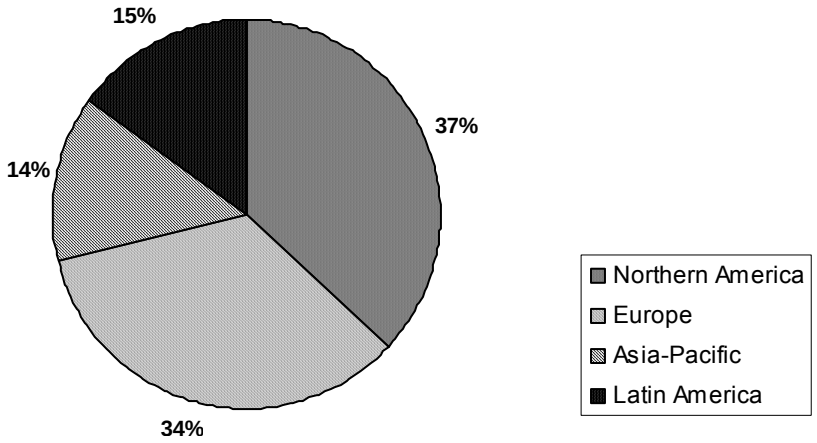
Industrial segment. The industrial sector is a newer market, which at this stage is experiencing more rapid growth than the clinical market.

The principal industrial applications are:

– in the food sector, detection of pathogenic microorganisms in raw materials, the environment, in-process products and finished products, and the enumeration of "quality indicators" [(13)];

– in the biopharmaceutical and cosmetics sectors, monitoring of the sterility of raw materials, water, additives and finished products, and of the production environment (air, surfaces and personnel).

Geographical breakdown of the industrial applications market:



(13) "Quality indicator" is a term used in the food sector to define microorganisms responsible for visual or taste alterations (e.g. mould or bacterial contamination). Enumerating them enables assessment of product hygiene.

4.2.3.2 Market trends

The Company considers that the most important success factors to capture the growth potential of the in vitro diagnostics market have changed in recent years. Traditionally technological, the success factors are now more pathology-linked as a result of:

– a change in the reimbursement method for medical expenses, which is now pathology based rather than examination based. Hospitals are in charge of the treatment and follow-up of patients, causing them to prioritize techniques, such as diagnostics, that point to therapy protocols and avoid hospitalization where possible;

– the consolidation of laboratories that, to a growing extent, must be capable of offering a wide range of tests for a given pathology and can no longer employ only a small number of technologies.

In addition to the foregoing, the market is driven by:

– increased automation of laboratories, due to a growing shortage of qualified personnel;

– the emergence of technologies such as molecular biology, which allow for real-time complex diagnosis and detection of pathologies germs that requires very early diagnosis, such as meningitis.

– two distinct trends with, on the one hand, the concentration of routine tests in laboratories capable of handling large volumes and, on the other hand, decentralization of tests with high medical value that are useful at the patient point of care, for example in emergency rooms.

4.2.3.3 Growth prospects

Several structural factors explain the potential growth in demand:

– aging populations, which should lead to an increase of the chronic diseases and age-related illnesses, such as cardiovascular diseases, neurodegenerative diseases (such as Alzheimer's), cancers, diabetes and arthritis and, as a consequence, to an increasing need to diagnose them as quickly as possible in order to treat them more effectively;

– the recognized importance of diagnostics in the definition of treatment and therapeutic follow-up and their tailoring to each patient and for each pathology;

– the multiplication of pathologies related to lifestyle and eating habits (such as obesity and food allergies);

– the increasing role of prevention in order to reduce hospital stays, the use of antibiotics and, as a result, higher spending on healthcare;

– the emergence of new pathogens (such as avian flu), which require new diagnostics capabilities;

– the development of antibiotic-resistant bacteria (to the development of nosocomial diseases) and viruses resistant to antiviral agents, which is expected to create a need for a more rapid detection of bacteria and viruses and a better management of therapies;

– technological developments, in particular those relating to analysis techniques for proteins and genetic sequences, which extend the scope of in vitro diagnostics to cardiac diseases, cancers, and autoimmune and neurodegenerative diseases;

– significant increases in healthcare expenses in certain emerging countries, linked to improvements in purchasing power, which generates a new demand, including in the area of the diagnosing of infectious diseases;

– decentralization of diagnostics testing towards physicians or emergency services;

– the recognition of the importance of the safety and quality of food products and pharmaceuticals, and of their production environment, expected to be an additional growth factor for the industrial market, which has been developing over the last ten years;

– a significant potential for conversion of users to automated systems as a replacement for traditional manual techniques;

– the fight against bio-terrorism, which requires rapid intervention at the place of occurrence.

The Company is not aware of any independent analysis of future growth of the in vitro diagnostics market. It has conducted its own internal analysis on the basis of reports prepared by financial analysts, studies carried out by industry specialists and information published by other companies in the sector, as well as its own knowledge of the market.

Based on internal analyses, the Company estimates that the in vitro diagnostics market as a whole could grow by approximately 5 % to 6 % a year from 2009 to 2012 (on the basis of constant currencies), with higher growth in infectious diseases, diabetes, cancers, cardiovascular pathologies and industrial applications.

The Company estimates that sales of industrial applications could increase annually by some 5 % to 7 % (on the basis of constant currencies) under the impact of such factors as the globalization of the industry, the public awareness of the traceability of raw materials, the risk of contamination from foodstuff (e.g. the detection of disease-carrying bacteria such as salmonella or listeria) or from environmental sources (e.g. legionella), combined with the growing impact of regulations. However, growth could fluctuate significantly from one year to the next under the impact of developments in regulations and the occurrence of food-related crises. It is also impacted by improvements in microbiological controls by industrial users.

Developments in the structural aspects of the in vitro diagnostics market are being affected by intensified competition (with the emergence of new participants) and the onset of concentration in the industry.

The Group considers that growth will intensify as a result of the emergence of new geographical markets (China and India in particular) and the development of new technologies (molecular biology, human genetics, nanotechnologies, etc.). In particular, the market for molecular biology is expected to expand more rapidly than the others, in response to demand that cannot be met with conventional biology, such as the detection of infectious agents of viral diseases which have so far been poorly identified and require rapid identification, such as nosocomial infections or sepsis.

These estimates are presented for illustrative purposes and are susceptible to significant change. Growth could be much lower for several reasons, in particular those discussed in "Risk Factors" (see section 4.11 below). In particular, all of the above forecasts remain subject to the consequences of the current financial and economic crisis.

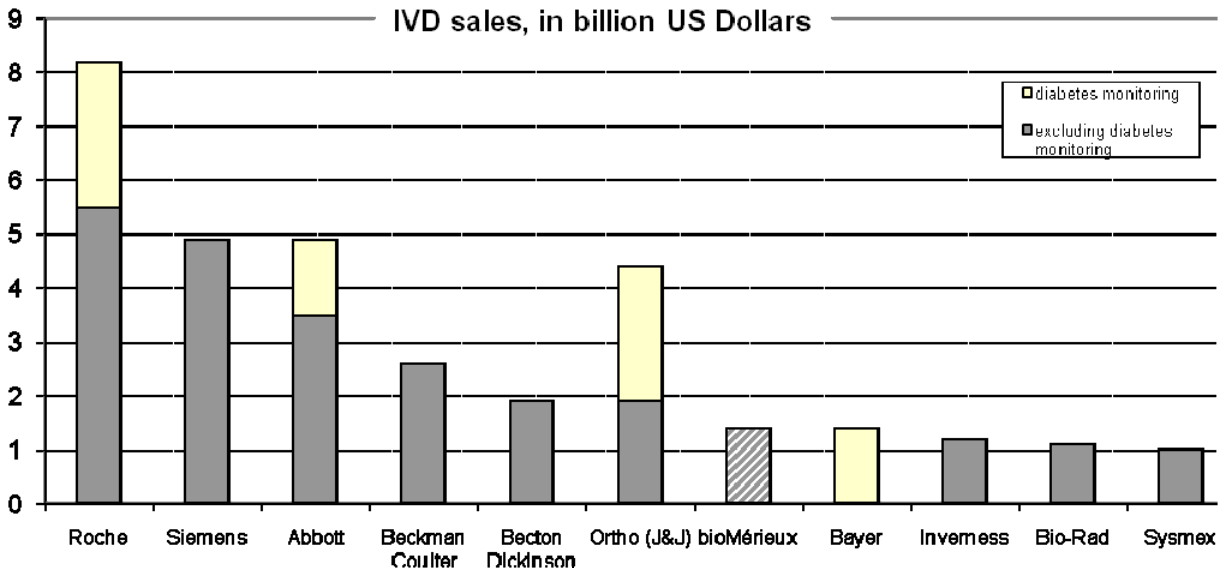
4.2.4 The principal players

The in vitro diagnostics market has developed considerably since the 1960s. Over the last 10 years there has been a consolidation of the industry, driven by the growth of costs related to the need for technical innovation, the trend to consolidation of the customers, the need for broader product lines, and critical mass considerations. For example, Siemens, notably specialized in the in vivo diagnostics (medical imaging) entered the in vitro diagnostics market. Such company acquired companies or the diagnostics divisions of pharmaceutical groups: DPC, a US company, in April 2006, then, in June of the same year, the diagnostics department (excluding blood glucose testing) of Bayer, a German company, and, in November 2007, the American company Dade Behring. In 2007, Inverness Medical Innovations and Qiagen acquired Biosite and Digene, respectively. Lastly, Roche has recently finalized the acquisition of Ventana Medical Systems. In 2008, the main mergers and acquisitions took place in the field of molecular biology: Solvay Pharmaceuticals thus acquired Innogenetics and Hologic, Inc. acquired Third Wave Technologies, Inc. In 1985, the top ten market players accounted for 60 % of total market sales (Source: SG Cowen, October 2001). Today, as a result of the foregoing, the Company estimates that the world's top ten in vitro diagnostics companies account for about 80 % of total worldwide sales.

The in vitro diagnostics industry consists of either large pharmaceutical or diversified groups, including Roche, Siemens, Abbott, Johnson & Johnson and Becton-Dickinson, or specialized companies (such as bioMérieux, Beckman-Coulter, Bio-Rad and Sysmex).

Following the concentration transactions described above, the Company estimates that it occupies seventh place in the overall in vitro diagnostics market, based on its 2008 revenue. This ranking reflects its relatively specialized positioning: it is not present on the diabetes segment and very little active on the clinical chemistry market.

The table below is solely based on the companies' 2008 in vitro diagnostics sales of companies, excluding sales in the "life sciences" segment [(14)].



4.3 DESCRIPTION OF THE COMPANY'S BUSINESS

The business of bioMérieux in the clinical segment focuses on diagnosis of infectious diseases and complex pathologies, such as certain types of cancer and certain cardiovascular diseases. In the industrial segment, the Group's business mainly concerns the monitoring of the microbiological quality of food products, environments (water, air), surfaces and sterile products in the food processing, pharmaceutical and cosmetics industries.

4.3.1 History and development of the Group's business

The foundation of the Company's expertise is the historical expertise of the Mérieux family in biology, which dates back to 1897, when Marcel Mérieux established the Institut Mérieux. In 1937, Dr. Charles Mérieux became head of the Institut Mérieux, to be succeeded by Alain Mérieux, who served as Chairman and Chief Executive Officer from 1968 to 1994.

Since its establishment in 1963 at Marcy l'Etoile (near Lyon), B-D Mérieux, which became bioMérieux in 1974, has provided a broad range of products for analysis laboratories, covering biochemistry, coagulation, virology and microbiology. The development of the first products relied to a large extent on the expertise of Institut Mérieux, at that time the principal shareholder (the Institut Mérieux transferred its shareholdings in the Company to the Mérieux family in 1968).

The Company initially targeted the French-speaking markets for the diagnosis of infectious diseases principally, in microbiology and hemostasis (investigation of the coagulation system).

(14) For companies that do not publish their financial statements in US dollars, net sales have been converted into US dollars using the average exchange rate in 2008.

It then rapidly pursued international expansion by setting up its own network of subsidiaries: in Belgium (1975), Germany (1976), Spain (1980), Italy (1985), Japan (1988), United Kingdom (1991), China (1992) and Russia (1995). At the same time, it pursued a policy of external growth through targeted acquisitions, enabling it to progressively extend its product lines in order to respond to its customers' changing needs and the emergence of new pathologies.

Thus, in 1987, the Company acquired the API group, a worldwide benchmark in bacterial identification and manual record of bacterial sensitivity to antibiotics. This acquisition reinforced its expertise in microbiology through a revolutionary miniaturized and standardized technique.

In response to the trend toward automation in the in vitro diagnostics market during the 1980s, the Company acquired control of Vitek Systems, a US company, from McDonnel Douglas in 1988. This acquisition enabled it to increase the automation of its microbiology product range, establish operations in the United States, and strengthen its global position in automated microbiology. In addition, Vitek owns an immunoassay technology from which the Group developed the VIDAS product line, now the industry standard for small and mid-sized laboratories.

In 1991, the product range was extended to meet the specific needs of industrial microbiology, and initial efforts focused on the food industry.

In 1996, the Company partnered with Affymetrix to assess the opportunity provided by DNA chips (biochips multiple detection) for complex and fast genetic analyses, including the identification of several pathogens and their resistance or virulence mechanisms. This was its entry into the molecular biology segment.

Since 1997, the Company has also distributed the Gen-Probe manual molecular biology range worldwide outside the United States.

It acquired the diagnostic division of Organon Teknika, a subsidiary of Akzo Nobel, in 2001, to strengthen its product range for infectious disease diagnostics, increase its capacity for innovation and consolidate its intellectual property portfolio. This acquisition was a major step in the Group's development, giving it:

– new products that were highly complementary to its strategy, particularly in microbiology with the BacT/ALERT blood culture range ®;

– new technologies integrated into its product range on offer, in particular in the molecular biology segment with the BOOM® detection technology that the Company uses in its NucliSENS EasyMag® system and the NASBA® amplification technology, that the Group has integrated into its NucliSENS EasyQ® system;

– a reinforced presence in the American market and, in particular, the Durham site in the heart of the "North Carolina Research Triangle" where the North American headquarters were relocated;

– a more significant position in the global market with the attainment of a critical mass, as the diagnostic division of Organon Teknika’s revenue in 2001 was equivalent to approximately 40 % of the Group revenue before the acquisition; and

– synergies and economies of scale, from which the Group quickly benefited.

At the end of 2003, the Group entered into a co–operation with California-based Cepheid to strengthen its position in molecular biology for decentralized diagnostics, using the GeneXpert integrated platform, well suited to the needs of a large proportion of clinical laboratories and medium-sized hospitals.

In 2003 and 2004, the Group disposed of certain activities that were not specific to in vitro diagnostics, and merged its holding companies. These transactions allowed it to simplify its structure and to focus exclusively on in vitro diagnostics. On July 6, 2004 the Company’s shares were listed for trading on Euronext Paris.

Since 2004, the Group has been pursuing a strategy of development and acquisition of biological markers, enabling it to offer high-value-added tests (licensing of the procalcitonin marker of severe septic conditions, the NT-proBNP marker of congestive heart failure and acute coronary syndrome).

In 2006, the Group also implemented a strategic refocusing of its businesses, disposing of its Hemostasis range and deciding to terminate production and marketing of its microplate immunoassay range in North America in 2007.

In 2007 the Group decided on the gradual closure of its Boxtel site in the Netherlands, with transfer of its molecular biology and immunoassay research activities to France and of its microplate production to a joint venture formed in China with Shanghai Kehua Bio-engineering Ltd.

Since September 2006, the Company has carried out various acquisitions with a view to strengthening its product ranges and its geographic positioning.

Thus, in September 2006, the Group acquired the North American company Bacterial Barcodes Inc. for its automated bacterial genotyping activity.

In 2007, the Group acquired:

– The Spanish company Biomedics, which specializes in the production of culture media;

– In the industrial applications segment, the Australian company BTF, whose patented BioBall™ calibrated strain technology is used in quality control processes to verify the performances of microbiological analyses.

In 2008, the Group carried out 3 acquisitions of reagent companies:

– In June 2008, bioMérieux acquired the Swedish microbiology company AB BIODISK. Its leading product, ETEST®, allows the measurement of the minimum inhibiting concentration of an antibiotic treatment and constitutes a reference method for microbiology laboratories throughout the entire world;

– In September 2008, the acquisition of the American molecular diagnostic company AviaraDx allowed bioMérieux to strengthen its position in oncology and in theranostics. AviaraDx, renamed bioTheranostics, has developed technologies used in its tests to qualify cancers and to assist oncologists in selecting the best therapeutic strategy. It also possesses a CLIA (Clinical Laboratory Improvement Amendments) certified laboratory to carry out complex diagnostic testing;

– In December 2008, bioMérieux acquired the American company PML Microbiologicals, which specializes in culture media and microbiological control products intended for industrial and clinical applications within the North American market.

4.3.2 Company's core areas of expertise

bioMérieux concentrates its activities on applications considered to have the highest growth potential and for which the Group stands out in terms of technical expertise, reputation and reliability of products and global presence.

The following table sets out the technological expertise necessary to compete successfully in the four targeted applications:

	Microbiology	Immunoassays	Molecular biology
Infectious diseases.....	✓	✓	✓
Cardiovascular diseases		✓	✓
Cancers		✓	✓
Industrial applications.....	✓	✓	✓

In that regard, the Company believes that substantial technological and commercial integration is essential in the current market context to compete successfully in the targeted applications. It considers itself as one of only a few companies that possess the range of technologies and the global network necessary to benefit fully from the potential growth of these applications.

In the **clinical segment**, the Company's historical business is the diagnosis of **infectious diseases**, which accounted for 70 % of its revenue in 2008. Indeed, in 2008, infectious diseases accounted for 100 % of applications developed by the Group in clinical microbiology, 52 % of applications in immunoassays and the majority of applications in molecular biology. Customers are offered a very wide range of manual and automated products with extensive menus of reagents. These products allow the detection and analysis of bacterial infections (such as staphylococcus and tuberculosis), parasitic infections (such as toxoplasmosis), and viral infections (such as HIV and hepatitis). In this domain, it offers in particular tests with high medical value, such as the VIDAS® B·R·A·H·M·S PCT test for procalcitonin (PCT) determination, intended for early diagnosis of severe bacterial infections (e.g. sepsis), and the VIDAS® C. difficile Toxin A&B test for detection of a bacterium responsible for fatal nosocomial epidemics in North America and more recently in Europe.

For several years, the Group has been using its complementary technological expertise to extend its range of products to the detection and therapeutic follow-up of certain **cancers** and certain **cardiovascular pathologies**; these applications accounted for 7 % of its revenue in 2008. Thus:

– in the diagnosis of cardiovascular pathologies (including thromboses), the Company markets tests with high medical value, such as the VIDAS® D-Dimer Exclusion test, to exclude deep vein thrombosis and pulmonary embolism in the presence of chest pain; or the VIDAS® NT-proBNP test, which distinguishes between heart failure and other pathological conditions with similar clinical symptoms (respiratory diseases or pulmonary embolisms, for example).

– in cancer detection, for which the new molecular biology technologies are best suited, the Company is developing tests that could, through study of human genetics, detect predisposition to selected cancers (in particular breast cancer), permit their diagnosis, aid in the selection of treatment (molecular typing of tumors and patient for advance knowledge of their reaction to the different treatments available), follow up the progress of treatment, and monitor the disease when treatment is complete.

– In this field, in 2008, the Group acquired American AviaraDx (renamed bioTheranostics), which specializes in molecular diagnosis of tumor tissue. It markets two innovative analysis solutions based on the technologies that it has developed. It performs these analyses in its laboratory, which is approved for complex diagnostic tests under the American CLIA Regulation(Clinical Laboratory Improvement Amendments).

The Group has also broadened the application of its expertise by taking up a pioneering position in **industrial applications**, a developing segment which accounted for 15 % of its revenue in 2008. The most significant industrial applications are in food processing, pharmaceuticals and cosmetics. In this segment, the Company has developed TEMPO®, a quality indicator system that quantifies and identifies by group the bacterial flora in food (meat and poultry products, etc.). In 2008, the TEMPO® range was broadened with the launch of 3 new parameters: TEMPO® YM, TEMPO® STA and TEMPO® LAB, for the respective counting of yeasts and moulds, of coagulase-positive staphylococci – (*S. aureus*) and of lactic bacteria in food products.

4.3.3 Key strengths

The Group believes that it is particularly well positioned to be a leader in its strategic business segments. Its principal strengths are:

– a high level of expertise in the diagnosis of infectious diseases, based on over 40 years of experience in biology, which is now being applied to various new areas, including industrial contamination, cardiac diseases and cancers, and no doubt to the field of human genetics in the future;

– complete product ranges known for their reliability and durability, integrating all the conventional technologies (microbiology, immunoassays);

– advanced technologies in molecular biology allowing it to contemplate new developments, in particular in the personalized medicine segment;

– a pioneering role in industrial diagnostics and strong market positions allowing it to take advantage of the substantial growth potential in this area;

– good visibility in respect of revenue derived from its significant and solid base of instruments, mainly consisting of closed systems;

– a worldwide presence bringing the Group close to customers around the world, and allowing it to react quickly to pathogens that do not recognize borders;

– complete independence from the global pharmaceutical groups, giving it broad latitude for signing agreements in theranostics (refer to §4.3.4);

– significant R&D investments allowing it to launch increasingly innovative products;

– professional and family-based management, whose scientific, industrial and commercial vision has translated into regular growth and consistent profitability, while successfully positioning the Company in the technologies of the future.

4.3.4 Strategy

Previously focused on the laboratory, bioMérieux's strategy in clinical applications is now shifting to pathologies and clinicians' needs as well. The Company intends to become a key player for biologists and physicians in key pathologies such as infectious diseases including sepsis, nosocomial infections, tuberculosis, HIV and hepatitis as well as in high medical-value tests for breast, colon and prostate cancers, and for emergency cardiovascular diseases.

To execute this strategy, bioMérieux will leverage its expertise in a variety of synergistic technologies:

– In **microbiology,** the Company plans to become the undisputed leader, with a market share of nearly 40 % by 2012.

  The Company's objective is full automation for microbiology laboratory (Full Microbiology Lab Automation™) by developing its range of automated solutions for microbiology laboratory analysis procedures.

  Thus, in 2007 and 2008, the Company launched 3 new systems for the full automation of microbiology laboratory: PREVI™ Isola, for the automatic specimen inoculation of Petri dishes, PREVI™ Color Gram, an automated coloration technique for gram staining and UF-1000i, a urine screening platform.

  The target market share will be attained mainly by internal growth, in particular the extension of the chromogenic culture medium ranges, the enrichment of the menus of the VITEK®2, VITEK®2 Compact and VITEK®2 Compact 15 automated identification and antibiotic susceptibility testing platforms, and research on new technologies enabling faster blood culture results.

  The development of the offer of the Company also involves business development agreements, which may include distribution or licensing agreements (such as those signed in 2007 with the Japanese company Sysmex and the Australian company LabTech) or acquisitions such as that of the Spanish company Biomedics in 2007 or those of AB BIODISK and PML Microbiologicals in 2008. In March 2008, bioMérieux also entered into a partnership with Hitachi High-Technologies Corporation to develop new systems in microbiology and molecular biology.

– In **molecular biology**, the Company intends to become the leader in automation for molecular diagnosis of HIV and hepatitis, and in the diagnosis of sepsis and nosocomial infections.

  In this context, the menu of the NucliSENS EasyQ® platform will be extended and new generations of platforms will be developed, enabling enhanced automation of the amplification and detection steps, and the production of multi-target genetic tests. Part of these developments will be integrated into the ADNA program, with support from the French *Agence pour l'Innovation Industrielle* (Industrial Innovation Agency) (see §4.4.5 below). The Company also plans targeted acquisitions, like the September 2006 purchase of Bacterial Barcodes, Inc.. It also intends to enter into distribution agreements similar to the ones signed in 2007 with the American companies Cepheid and AdvanDx for the detection of sepsis

– In **immunoassays**, the Company intends to strengthen the Point of Care business and extend its high medical-value test offer.

  The Company wishes to consolidate its position in routine immunoassay tests while continuing its growth in high medical value tests with the VIDAS® and miniVIDAS® platforms. The development of a new manual and semiautomatic range, with a rapid test reader intended for the Point Of Care segment, is also being examined. Furthermore, in 2008, bioMérieux signed a long-term partnership with the NorthAmerican company Quidel on rapid diagnostic tests performed at the patient's bedside, under the terms of which bioMérieux becomes the principal distributor of Quidel's QuickVue® tests outside of the United States.

– In **theranostics** segment, bioMérieux intends to become a preferred partner of pharmaceutical and biotechnology companies, by developing new tests for verifying the suitability of a therapeutic treatment for a given patient, the absence of side effects or for monitoring the treatment. A new division specializing in this new activity, based in Cambridge (Massachusetts), was established in January 2007.

  Two cooperation agreements have been in force in this segment since 2007, respectively with Ipsen, with a view to designing a molecular diagnostics test to identify patients likely to benefit from a treatment for breast cancer which is being developed, and with Merck & Co. Inc., for the development of an immunoassay test intended for use by Merck within the framework of its research on infectious diseases.

  A strategic acquisition also took place in September 2008: AviaraDx (whose name was changed to bioTheranostics), which allows the Group to strengthen its position in oncology and in theranostics as well as its range of tests with high medical value. Furthermore, bioTheranostics has a laboratory approved by the American health authorities for the performance of complex tests, which will serve as a foundation for the development of new tests in this segment.

  The Company intends to expand in the theranostic segment, building on the following assets:

  - its independence with regard to the pharmaceutical companies;
  - its worldwide presence;
  - its expertise in microbiology, molecular biology and immunoassay technologies;
  - the recent acquisition of the American company bioTheranostics;
  - the size of its installed base of instruments, including VIDAS®;
  - its acquired experience in this segment, from several years of marketing antimicrobial susceptibility tests that provide for optimum antibiotic therapy and viral load tests for HIV, which give clinicians the information they need for precise dosing of the antiviral drugs administered to infected patients.

– In the **industrial applications** segment, the Company's goal is to lead sector consolidation.

  Unlike the clinical segment, where sector concentration is already high, the industrial applications segment is still highly fragmented, since the ten leading players hold about 60 % of the market.

  The Company intends to develop through strong internal growth, spurred by the launch of new products. Thus, in 2008, the Company launched 3 new TEMPO® reagents, supplementing the TEMPO® range which henceforth includes the majority of the required quality indicators.

  The Company also intends to carry out external growth transactions. The Company acquired:

  - in 2007, the Australian company BTF, whose patented BioBall™ calibrated strain technology is used for quality control, to verify the performances of microbiological analysis methods; and
  - in 2008, the American company PML Microbiologicals, which allowed bioMérieux to become one of the leading companies in the microbiological control segment of the pharmaceutical industry in the United States.

4.3.5 Business Development

In order to expand its activity aimed at identifying opportunities for partnership and distribution agreements, examining external growth opportunities and negotiating the access to new biomarkers, the Company has decided, within the framework provided by the implementation of its 2007-2012 strategic plan, to establish a global Business Development division. This entity, based in Cambridge (Massachusetts, USA), will be supported by teams in Marcy (Rhônes, France), Shanghai (Chine) and Tokyo (Japan). In 2008, this organization allowed the acquisition of 3 companies (2 in the United States and 1 in Europe), the signature of 4 partnership agreements and the creation of 2 joint ventures in Japan and in China.

4.3.6 Group products

The Company offers its customers a large number of products for detection, diagnosis, and treatment follow-up of the pathologies that have been targeted as primary areas of focus.

The Group has implemented a global marketing strategy favoring the creation, registration and protection of identical trademarks worldwide and, in parallel, is adapting its product mix to regional and local needs, notably thanks to its wide range of products.

The Company's ten leading products accounted for approximately 20 % of its revenue in 2008. The first-placed product accounted for slightly more than 3 % of the Company’s revenue.

4.3.6.1 Composition of the Group’s product range

The Group's diagnostics systems consist of three components and associated services:

– reagents, which are consumables used to carry out biological tests such as identification of a type of bacteria, virus or marker, allowing the diagnosis of a specific disease, pathology or contamination;

– instruments (or platforms or autoanalyzers), used for automated testing at high or low throughputs. Biological samples are introduced into the autoanalyzer with one or more reagents to detect the targeted micro-organism or marker; and

– software for processing the biological tests and expert systems for interpretation of the results of the biological tests, including epidemiologic monitoring and therapeutic advice.

The major share of the Group's revenue comes from reagent sales, which accounted for approximately 84 % of its revenue in 2008. Instruments are either sold (11 % of revenue in 2008) or placed with the customer under an agreement to purchase a minimum volume of reagents and consumables, on terms designed to cover the depreciation and the financing of the instrument. If the customer is unable to fulfill its obligations, the Company is contractually entitled to take back the instrument. In some markets, in particular the United States, instruments can be leased to customers. Software is generally supplied with the instruments.

The vast majority of instruments developed and installed by the Company are closed systems, meaning that they can only be used with reagents developed by the Group specifically for these instruments. The installed instrument base of more than 53,000 as of December 31, 2008, thus constitutes a source of visibility and provides a regular sales stream for the Group. Approximately 70 % of reagent sales in 2008 were of those used in instruments, the balance being of manual products.

Customer placements or sales of instruments are accompanied by services which include instrument installation and servicing, and also user training. Part of the services provided by the Company is billed to customers. Billing of services accounted for approximately 5 % of Company revenue in 2008.

4.3.6.2 Main products

The main products marketed by the Group and their applications are described below by technological segment.

4.3.6.2.1 Microbiology

This technology involves culturing biological samples in a medium allowing any bacteria present to multiply and consists in identifying the bacteria and testing their sensitivity to antibiotics.

Culture media

The Group offers a wide range of culture media (over 100 types of media, available in various forms: Petri dishes, tubes, bottles). The Company, which possesses over 45 years' experience in the area of industrial manufacture of culture media, is the European leader in the production of ready-to-use culture media, conventional or chromogenic. The acquisition of PML Microbiologicals which took place in December 2008 will allow the Company to market culture media intended for clinical applications in Canada, and therefore to penetrate the North-American market, on which it had no presence so far. Furthermore, this acquisition will strengthen its position on the North-American market of ready-to-use media intended for industrial applications, which is a market on which it already marketed a specific product range.

In this segment, the Company is focusing its efforts on developing the ChromID™ line of chromogenic media, products that require specialized know-how which allows it to differentiate its range from those of its competitors. Thanks to the direct introduction of chromogenic substrates, these media make possible the isolation and immediate identification of the targeted microorganisms. The Company focuses in particular on the development of a line of preventive culture media aimed at screening patients carrying multidrug-resistant bacteria, so as to reduce nosocomial infections by the application of appropriate isolation and hygiene measures. In connection with this, the Company has successively marketed the ChromID™ MRSA medium for detecting methicillin-resistant *Staphylococcus aureus* bacteria (2005), the ChromID™ ESBL medium for detection of extended-spectrum beta-lactamase-producing enterobacteria (2007), and the ChromID™ VRE medium for detection of vancomycin-resistant enterococci (2007). The marketing of these three media is part of the Company's strategy to become involved in the fight against nosocomial infections.

Moreover, the Company signed an agreement with Eiken Chemical Co., Ltd, effective from August 2007, for the production by Eiken of certain culture media marketed by bioMérieux in the Japanese market.

In the industrial applications segment, the Company also develops and markets various media for the culture and detection of micro-organisms in food products and environmental samples.

bioMérieux also develops tests or solutions for microbiological control in the pharmaceutical industry. In that regard, the Company was awarded the Frost & Sullivan 2008 North American Market Leadership Award for Pharmaceutical Microbiology.

Manual bacterial identification and antibiotic susceptibility testing

The API® product line

The Company markets the API® strips, a benchmark product which today makes it world leader in manual bacterial identification and antibiotic susceptibility testing systems (ID/AST). An API® strip contains approximately 20 miniaturized and standardized tests, each targeting a specific bacterium in the sample introduced into the strip. The Company markets 16 API® products covering almost all known bacterial groups (around 800 bacteria and yeasts).

Based on the API® product line, semi-automated mini API® products have been developed, designed for use in small and mid-sized laboratories. The mini API® systems, which include reagent strips and software for results analysis, shorten the time required to carry out a test to 18 to 24 hours on average. The mini API® system can also read the antibiotic susceptibility test strips used in ATB™, a semi-automated identification and antibiotic susceptibility test.

The API® database is the reference database for the interpretation of identification strips by bacteriologists. It is also available on the Internet (APIWEB™).

The API® range is also used by industrial customers in the food processing and biopharmaceutical segments, to identify any pathogenic agents present in products or in the production environment.

Manual measurement of an antibiotic's minimum inhibitory concentration (MIC)

The Etest® product line

Etest® is a diffusion technique on Agar plate allowing the measurement of an antibiotic's minimum inhibitory concentration (MIC). Etest® is useful as guidance for antibiotic therapy by determining germ sensitivity to antibiotics and by detecting resistance mechanisms. This technique is a confirmation method in the case of rare or difficult-growth bacteria and for the quantitative measurement of sensitivity to antibiotics.

Automated bacterial identification and antibiotic susceptibility testing

The VITEK® product line

In addition to the manual and semi-automated products described above, the Group has a leading market position in automated antibiotic susceptibility testing and identification products. Its main product line, VITEK®, is an automated system that meets current bacteriological requirements in both clinical and industrial control applications.

The VITEK® 2 automate, the second generation of the VITEK® line, provides more rapid identification and antibiotic susceptibility test results. It offers a broader analysis menu, using a single specific card per major bacterial group and a miniaturized consumable. The basic VITEK® 2 version of this analyzer and the VITEK® 2 XL version are intended respectively for mid-sized and large laboratories performing more than 60 tests per day.

Successive launches by the Company include:

– the VITEK® 2 Compact™ platform in 2004 in France and subsequently throughout the rest of the world. This instrument features a new reading mode and new expert systems; more compact, it is targeted at small and mid-sized laboratories, running between 30 and 60 tests per day;

– the VITEK®2 Compact™ 15 platform in 2007, for laboratories running 15 to 30 tests per day;

– two VITEK® instrument operating software improvements in 2008, with a view to the integration of new antibiotics and faster and more frequent updates of regulatory interpretation tables, as well as the use of the new ANC card for the identification of the anaerobic microorganisms and of the corynebacteria.

The whole of this range uses the same reagent, the VITEK® 2 identification or antibiotic susceptibility test card.

Faced with an increase in multidrug-resistant bacterial infections, such as the staphylococci responsible for some nosocomial infections, automated systems such as VITEK® offer clinicians and biologists the possibility of developing close partnerships. A rapid and precise diagnosis of bacterial resistances facilitates early, targeted prescriptions for a well-matched treatment.

In parallel with the continuing development of its range of instruments, the Company is making significant investments to develop the range of its tests in order to keep pace with bacterial mutations, the appearance of new bacteria, and the launching of new antibiotics by the pharmaceutical industry.

The Company also distributes its OBSERVA® epidemiological follow-up software, along with a new version of its Vigi@act™ software, used by hospital laboratories, to examine biological analysis results and to adapt antibiotic therapies accordingly, for better control of the appearance of antibiotic resistances in the context of the fight against nosocomial diseases.

The VITEK® range is also used by industrial customers in the food processing and biopharmaceutical segments which need to identify any pathogenic agents present in products or in the production environment.

Blood cultures

The BacT/ALERT® product line

The BacT/ALERT® platform gives the Company a competitive edge thanks to its very wide blood-culture and septicemia detection menu (for routine testing) based on direct culture of a blood sample. The flexibility, ease of use and modularity of BacT/ALERT® mean that laboratories of all sizes can use the same instrument to run their blood-culture and mycobacterial analyses. It is also the only system in the world that uses plastic bottles, improving safety for technicians.

Additionally, synergies between the VITEK® automated system and BacT/ALERT® are possible since, when bundled together, the two systems optimize the reading and interpretation of patients' results.

Urinary screening

At the end of June 2007 bioMérieux and the Japanese company Sysmex Corporation signed an agreement under which bioMérieux becomes the worldwide partner of Sysmex for the distribution of its UF-1000i urinary screening system for microbiology laboratories. This urine analysis system is based on fluorescence flow cytometry, a highly automated and standardized solution.

Enumeration of micro-organisms (quality indicators)

TEMPO®

In 2005, the Company introduced TEMPO®, the first automated microbiology system designed specifically for industrial applications. TEMPO® is a quality indicator system which quantifies the bacterial flora present in food. This system is targeted at the control laboratories of large industrial groups and independent industrial laboratories and is expected to be used for a large number of food products. In 2006, the Company extended the menu of its TEMPO® system, with the marketing of TEMPO® EB, the first automated test for counting enterobacteria in food products. In 2008, the TEMPO® menu was again broadened with the launch of 3 new parameters: TEMPO® YM, TEMPO® STA and TEMPO® LAB, for the respective enumeration of yeasts and moulds, coagulase-positive staphylococci (*S. aureus*) and lactic bacteria in food products. Furthermore, the end of the fiscal year saw the launch of the TANGO™ software, which allows information to be exchanged between the VIDAS®, TEMPO® platforms and the information system of industrial laboratories through a single connection.

4.3.6.2.2 Immunoassays

This technology, through an antigen-antibody reaction, detects and measures infectious agents, such as bacteria, viruses, and parasites, and pathology biomarkers.

The VIDAS® product line

VIDAS® is a multi-parameter instrument using ELFA (Enzyme Linked Fluorescent Assay) technology and based on a single test concept. The system can automatically perform every step of biological analyses to identify and quantify (i) bacteria, viruses and parasites in biological samples; (ii) antibodies measuring the immunological response to infection; and (iii) different proteins circulating in the blood, markers for selected pathologies such as cancer, inflammatory response and hormonal dysfunction. The analyses may be run as a customizable test at up to 50 tests per hour. Mini VIDAS® is a compact version of VIDAS®. Launched in 1992, the VIDAS® product line has been very successful. It is recognized for its quality and reliability. The VIDAS® system is one of the most widely installed systems in the world among small and mid-sized laboratories, with over 26,000 systems installed as of December 31, 2008 (including the mini VIDAS® compact version). In the entire automated immunoassay market, the Company estimates that the VIDAS® product line is second, behind the Abbott's AxSym system, in terms of installed instruments.

The VIDAS® menu includes 88 clinical parameters covering a wide range of human pathologies. For example, the HIV Duo Ultra and Quick tests, launched in 2004, are the only ready-to-use automated HIV infection detection tests (they detect both antigens and antibodies, with the VIDAS® HIV Duo Ultra test providing simultaneously separate signals for antigens and antibodies). In 2007 the Company marketed VIDAS® C. difficile Toxin A&B[15] a test giving results in only 75 minutes (compared with 24 to 48 hours for the reference method), enabling faster therapy decisions and patient isolation measures in order to avoid any transmission.

The Company is planning gradual positioning of the VIDAS® range for emergency diagnostics. Following the marketing of the VIDAS® D-Dimer Exclusion™ tests for exclusion of diagnoses of deep vein thrombosis and pulmonary embolism and the VIDAS® Troponin I Ultra test for diagnosis of acute coronary syndrome, in 2007 the company marketed the VIDAS® B·R·A·H·M·S PCT® and VIDAS® NT-proBNP tests. VIDAS® B·R·A·H·M·S PCT® is an automated test for determination of procalcitonin (PCT), a biological marker of bacterial infections. As the course of severe bacterial infections is determined by the rapidity of treatment, procalcitonin is a valuable aid in emergency departments for fast medical decisions, and also in intensive care units where sepsis is a major problem. The VIDAS® NT-proBNP test is a quantitative marker of cardiac function. It provides objective diagnostic information establishing a distinction between heart failure and other pathological conditions with similar clinical symptoms (respiratory diseases or pulmonary embolism, for example). The VIDAS® B·R·A·H·M·S PCT was approved by the Food and Drug Administration (FDA) in 2007. The VIDAS® NT-proBNP test (support in the diagnosis of heart failure) and the VIDAS® *C. dificile* Toxins A and B test were awarded FDA approved in 2008.

In industrial applications the VIDAS® menu has 11 tests for the detection of pathogenic agents. In 2008, the Company launched the **VIDAS® UP** reagent, for the detection of *Escherichia coli* (*E. coli*) O157:H7. This innovative solution, which was developed through cooperation with Profos AG, resorts to the phage recombinant protein, which is specifically suited to food pathogen control.

VIDIA®

To meet the expectations of immunoanalysis laboratories in terms of automation, traceability and simplicity of use, the Company has developed the VIDIA® fully-automated immunoassay system, capable of handling 80 to 110 tests per hour. VIDIA® will allow laboratories to have tests for infectious diseases (toxoplasmosis, rubella, HIV).

Microplate immunoassay tests

These reagents are used primarily by blood banks to test donated blood and at large laboratories for specific analyses, such as HIV positivity confirmation tests. In this segment the Company markets the DA VINCI® platform range (including a more compact version, DA VINCI® QUATTRO™). The Company intends to focus on markets where it considers there is potential growth for its business and good profitability. Accordingly, it successively decided:

– at the end of 2006, to withdraw from the North American market (this withdrawal was completed by the end of 2007);

– in December 2007 to close the Boxtel site, where R&D and production activities for this product range for the rest of the world were located. This site will be closed by the end of 2009, with R&D activities being transferred to the Marcy l'Etoile (Rhone) site in France and production to Shanghai, China, in a joint venture with the Chinese company Shanghai Kehua Bio-engineering Ltd.

Rapid tests

The Company has developed the VIKIA® range of "rapid" manual tests, based on antigen-antibody reactions. The low cost and ease of use of this range make it particularly suitable for the specific needs of users without access to laboratory infrastructures (emerging countries, mass screening programs funded by governments or non-governmental organizations). This range also offers a solution for rapid diagnosis at patients' point of care (emergency services, medical practices, etc.).

[15] *Clostridium difficile* bacterium is responsible for fatal nosocomial epidemics in Canada, the United States and, more recently, in Europe

To speed up its development in this segment, at the beginning of 2008 bioMérieux signed a partnership with the North American company Quidel, under which bioMérieux will distribute, under its own name, Quidel's QuickVue® rapid diagnostic tests outside the United States, Japan and Scandinavia.

4.3.6.2.3 Molecular biology

This technology is based on the detection of genetic sequences of DNA or RNA that are characteristic of a bacterium, a virus, a protein or a cell. It comprises three steps: extraction of the genetic sequences, amplification (or multiplication) of the number of sequences, and lastly their detection. The Company's developments in molecular biology are based both on proprietary technologies and on partnerships (research, distribution, etc.).

The extraction range

For extraction of DNA and RNA, the Company's products use the BOOM® proprietary technology established as the preferred method for all molecular biology tests. The extraction range includes the semi-manual NucliSens miniMAG® solution and the NucliSens easyMAG® automated system In 2006, Frost & Sullivan gave its "Technology Innovation of the Year" award to the NucliSens® easyMAG® system.

The amplification and detection ranges

NASBA® is an amplification technology for which the Company owns the patents. As opposed to the PCR amplification technology, NASBA® technology targets RNA (and incidentally DNA) and makes it possible to perform the amplification process at the same temperature, using less complex equipment. The Company has now combined the amplification process with labeling and detection into a single reaction, using “NASBA® real time” technology.

Real-time amplification and detection of molecular targets are performed on the NucliSens® EasyQ® platform. This system analyzes up to 48 samples simultaneously, with a handling time of less than 90 minutes. The platform is particularly well suited to analyses that require high test volumes, such as when analysing HIV viral loads. The system can also be used for small series of tests and for customized parameters, using the “NucliSens® Basic Kit” concept. This platform has enabled the development and marketing of specific tests for the detection of respiratory viruses and bacteria.

Partnerships in molecular biology

Since 2003, the Company has been collaborating with Cepheid, which has developed an innovative system, GeneXpert®, which may enable it to gain a position in new molecular biology segments, such as Point-Of-Care testing. GeneXpert® is a unique system that combines extraction, amplification and detection, without complex handling and without the need to intervene during the analysis. Under the terms of an agreement signed in January 2007, the Company and Cepheid intend to develop and market innovative sepsis detection tests on the GeneXpert® platform.

The Company strengthened its position in the oncology and theranostics segments with the acquisition, in September 2008, of molecular diagnosis company AviaraDx, based in San Diego, California (United States), which specializes in post-biopsy molecular diagnosis of tumor tissue. AviaraDx, now called bioTheranostics, has developed technologies used in its tests to qualify cancers and to assist oncologists in selecting the best treatment strategy. It possesses a research and development laboratory in molecular biology and brings to the Company validated markers and skills in the determination of gene profile expression in tissues. It also has a certified CLIA (Clinical Laboratory Improvement Amendments) laboratory to carry out complex diagnostic testing.

In May 2007 bioMérieux and AdvanDx signed an exclusive agreement authorizing bioMérieux to distribute the AdvanDx PNA FISH™ (Peptide Nucleic Acid Fluorescence In Situ Hybridization) diagnostic tests in the United States. These tests, performed on positive blood cultures of bacteria and yeasts, provide faster identification (less than three hours) of infectious agents (*Staphylococcus aureus, Candida albicans, Enterococcus faecalis*, and other species) in the blood. Clinicians can take the appropriate decisions more rapidly, in particular on the choice of antibiotic therapy, thus reducing mortality in hospitals and the costs associated with septicemia.

In September 2006, bioMérieux acquired the molecular biotechnology company Bacterial Barcodes Inc., which has developed and distributes the patented DiversiLab® system for automated bacterial genotyping. This system provides laboratories with faster, more precise and less expensive solutions for the traceability of nosocomial infections and bacterial contaminations.

Since 1997, the Company is the exclusive distributor of certain Gen-Probe products outside the United States, the most important of which are the tests for mycobacteria.

4.3.6.3 Other Group products

The Group is also continuing its mature clinical chemistry business, "commodity" segment which the Company does not consider a key to its success, but which does not require significant further capital expenditures and remains profitable and generator of cash-flow.

4.3.7 Group customers

The Group sells its products mainly to private and hospital analysis laboratories. The Company estimates that these two groups account for approximately two thirds of the in vitro diagnostics market, with hospital laboratories alone accounting for approximately half the market. To a lesser degree, Group customers include blood banks, the point-of-care market (in particular, hospital emergency rooms), and physicians (known as the "Physician Office Laboratories" or "POL" segment). The size of the POL segment varies from one country to the next: it is highly developed in North America, but accounts for only a small part of the market in Europe (except in Germany) and the Asia-Pacific region (except in Japan). The Company does not sell products for patients themselves, as this customer base would require a too large distribution network.

The organization of the in vitro diagnostics sector varies considerably from one country to the next, depending on their healthcare system. It may essentially be part of either the public or the private sector, or split between the two. Globally, bioMérieux sells its products to hospitals, private analysis laboratories, clinics, public health centers, industrial customers and distributors, or directly to physicians when the law allows it. In France, which accounted for 16 % of the Group's sales in 2008, there is a mixed private/public organization. Private laboratories, which accounted for 59 % of sales in 2008, place orders, whereas public hospitals, which accounted for 25 % of the Company's sales, operate through tendering procedures. Industrial clients (14 % of sales in 2008) also place direct orders. In the United States, which is the Group's largest market, public and private hospitals accounted for 64 % of sales in 2008 and commercial laboratories accounted for 14 %. In addition, 6 % of sales were to other clinical-sector clients, including Physician Office Laboratories (POL). Industrial clients altogether accounted for 16 % of sales.

In the industrial segment, Group customers are the control laboratories of large industrial food processing, pharmaceutical and cosmetics groups, or independent laboratories to which such industrial quality control is outsourced. In addition, with the development of the fight against nosocomial diseases, the Group is starting to market to hospitals as industrial customers for the installation of disinfection and monitoring systems. Similarly, blood banks have become industrial customers with the development of bacteriological sterility monitoring of platelets.

For several years, the Group has observed a trend towards consolidation among analysis laboratories, whether in hospitals or the private sector, in order to achieve economies of scale, particularly by pooling a broader customer base. This trend is also a consequence of increased capital investment needs, technical demands and a shortage of qualified personnel. Partnership agreements between laboratories have gradually become integrated networks with sophisticated, highly-computerized connections.

The consolidation trend has moved at different speeds from one country to another, increasing the importance of good geographical knowledge of each market and prompt local responses. Consolidation of analysis laboratories is already very advanced in North America and, to a lesser extent, in Europe. In France, this trend should increase following the implementation of the Ballereau report on the reform of medical biology, which was submitted in September 2008 to the Minister of Health, Youth, Sports and Associations and *inter alia* recommends a qualification and approval procedure for private medical biology analysis laboratories, the recognition of biologists' medical role and the promotion of efficiency within the profession.

This consolidation often has advantages for the Company, as it speeds up the development of customer automation and increases customers' capacity to invest in new platforms.

At the same time, the needs for decentralized tests are showing very substantial growth. These tests, the results of which must be delivered rapidly, are performed at the patient point of care, in emergency situations or in intensive care units, for example.

The Group's strategic plan is designed to respond to the changing needs of its existing customers, broaden its customer base and use its strong expertise to enter new markets.

Revenue from the ten largest customers accounted for less than 10 % of Company revenue in 2008. The largest customer accounted for slightly more than 2 % of revenue.

4.3.8 Geographical presence

Revenue is generated in more than 170 countries through 39 international subsidiaries and over a hundred distributors, most of them exclusive.

4.3.8.1 Distribution network

The Company's distribution strategy focuses on proximity to its customers to better respond to their needs and assist them in controlling the use of its products. Global strategy principles are defined at the Group level. The distribution policy is then implemented at the local level. The Company distributes its products through a network of 39 international subsidiaries, as well as over 100 distributors for geographic areas not covered by subsidiaries.

4.3.8.1.1 An extensive internal distribution network

Product distribution relies principally upon a network of marketing subsidiaries, which focus their efforts on the sale, promotion and maintenance of the Group's products. Subsidiaries work at expanding the Group's market share and at increasing product penetration.

The Group subsidiaries have specialized sales and marketing forces for clinical customers and industrial microbiological monitoring customers. In the most developed and mature markets, such as the United States, most of the European markets and Japan, sales forces in the clinical segment are specialized by product line. Likewise, the industrial applications sales forces are becoming increasingly specialized in the pharmaceuticals and food-processing sectors. Conversely, in smaller markets, sales forces are not specialized. As of 31 December 2008, the sales and marketing and customer service personnel of the Group (in full-time equivalents) totaled 2,179 persons, including 1,189 in Europe, 520 in North America, 271 in the Asia-Pacific region and 199 in Latin America.

Sales and marketing are primarily directed at the local market. Monitoring of local needs is a key element of the Company's business. In the industrial market, sales and marketing are organized according to the targeted sub-segment: food processing, cosmetics and pharmaceutical firms.

Each subsidiary is responsible for its contribution to Group income statement. Each defines its objectives in terms of market share and profitability over the short and medium terms and in relation to strategic objectives determined at the Group level. Some marketing subsidiaries may rely on local sub-distributors where justified by market conditions.

4.3.8.1.2 Outside distributors

In addition to the subsidiaries' sales forces, the Company also seeks to ensure that it has a strong presence on all continents through outside distributors. The determination of the Company to achieve strong product recognition, along with legal requirements regarding traceability and customer support services (technical personnel, training, availability of spare parts) inform the choice of local partners. These distributors are most often leading players in the healthcare sector of their countries and are usually exclusive in the diagnostics segment. They are also selected on the basis of their knowledge of local healthcare market players and their material and human resources. The Company also ensures that its distributors have an adequate financial base to finance the instruments placed with end-customers. As of December 31, 2008, the outside distribution network included over 100 partners.

4.3.8.2 Sales by country

The following table sets out Group sales by geographic area between 2006 and 2008:

	2008 sales (€ million)	**% of total sales**	**2007 sales** (€ million)	**% of total sales**	**2006 sales** (€ million)	**% of total sales**
Europe – Middle East – Africa	663	59.7	613	57.7	586	56.5
of which France.....	*175.9*	*15.8*	*171*	*16.1*	*172*	*16.5*
North America	243	21.9	263	24.7	269	25.9
Asia Pacific.....	129	11.6	119	11.2	113	10.9
Latin America	76	6.8	68	6.4	69	6.7
TOTAL	**1,111**	**100 %**	**1,063**	**100 %**	**1,037**	**100 %**

The Company has long developed a strategy of proximity to its customers. Thus, it gradually increased its number of establishments through subsidiaries (39 foreign subsidiaries), and strengthened its sales network through the execution of distribution agreements, most often exclusive with over 100 distributors throughout the world.

Europe, the Middle East and Africa continue to remain the region of the world that accounts for most of the Company's sales. The experience and the quality of its sales network targeting hospital and private laboratories have enabled it to become the fourth-ranking supplier in the French market. The Company holds major market shares in all microbiology segments and distinctive positions in immunoassays in its other two main European markets (Italy and Germany). It is gaining market shares in molecular biology and industrial applications.

In North America, where automated processes are predominant, the Company has boosted its market position, including in automated microbiology with the launch of VITEK® 2 Compact and in medical practices with the VIDAS® automated system.

In the Asia-Pacific region, Company sales are increasing steadily in spite of Japan's current economic difficulties regarding its healthcare budget. In China, the Company is in 8th place with significant strategic market shares in microbiology, HIV testing and industrial applications through appropriate distribution networks.

In Latin America, the Company benefits from more than 30 years of operation in Brazil, where it has a manufacturing, research and training facility. It holds a strong position in this region in immunoassays and has been expanding rapidly in the field of automated microbiology.

The Company has set up a World Sales Division in order to optimize the effectiveness of its sales network, in particular in the United States and Japan, and to encourage synergies resulting from the experiences of its sales and marketing teams. It also plans to continue extending its network of marketing subsidiaries, as shown by the recent decisions to establish new subsidiaries: in South Africa and in Algeria in 2007, in Singapore and in Dubai in 2008.

4.3.9 Competition

4.3.9.1 Clinical sector

In the infectious diseases segment, which accounts for approximately 24 % of the in vitro diagnostics market and 70 % of Group sales, the Company is one of the few firms to have all the technologies used (microbiology, molecular biology and immunoassays). As a result, it faces different competitors depending on the technology used. The Company believes that its expertise in all complementary technologies gives it a significant competitive advantage.

a) In microbiology, the table below shows, for 2008, the competitive position of the main players as estimated by the Company:

Microbiology (*in million euros*)	1,525
Growth rate	[3 % - 5 %]

Market share	
bioMérieux	**[36 % - 38 %]**
Becton-Dickinson	[28 % - 30 %]
Thermo-Fisher	[10 % - 12 %]
Siemens	[8 % - 10 %]
Others	[13 % - 15 %]

b) In immunoassays, a segment where the 10 leading firms are present, with the exception of Becton Dickinson, the major pharmaceutical and diversified companies (Roche, Abbott, Johnson & Johnson, Siemens) are dominant. The Company is a high value-added niche player, with a strong position on small and mid-sized laboratories in Europe and on certain tests with high medical value.

c) In molecular biology, the market leader is Roche. The other significant players in the market are Siemens, Gen-Probe (some of whose products are distributed by the Company) and Abbott.

4.3.9.2 Industrial market

In the industrial market, the Company occupies a leading position alongside 3M-Biotrace and Becton-Dickinson, with a market share of approximately 15 % in 2008, following the acquisition of PML Microbiologicals, Inc. This growing new market is currently highly fragmented, despite a few strategic or technological alliances (e.g. Dupont-Applied Biosystems, Millipore-Applied Biosystems), with many companies specializing in specific segments. Other than 3M-Biotrace and Becton-Dickinson, bioMérieux's primary competitors in the industrial market are Millipore, Oxoïd, Merck KgaA, Neogen, AES-Chemunex, BioTest, BioControl and Dupont (Qualicon).

4.4 RESEARCH AND DEVELOPMENT

4.4.1 Strategy

The Company has elected to focus its research and development policy along strategic lines, with the objective of:

– reinforcing the Group's microbiology product range by making use of its historical expertise and leadership in the segment;

– developing a molecular biology product line by making use of its know-how in microbiology, its NucliSENS EasyQ®, NucliSENS® easyMAG® technical platforms targeted at different market segments and needs, its BOOM® and NASBA® technologies and its strong portfolio of patents;

– capitalizing, in immunoassays, on its unique know-how in biology to increase the number of menu parameters for its platforms.

Furthermore, the Company strategy is to maintain strong capabilities in advanced technology research, particularly in areas such as human genetics, pharmacogenomics, proteomics, and bio-informatics, as well as selected microtechnologies (such as microfluidics, electronics, etc.). It also relies on a high profile network of international alliances and a strong intellectual property policy compatible with its objectives.

4.4.2 Capital expenditure policy

Research and development expenditure represented 12.5 % of Group revenue in 2006, 12.4 % in 2007 and 12 % in 2008. Excluding up-front payments for access to new biomarkers or new technologies, Group research and development expenditure is focusing on:

– the development of new reagents, expanding menus, and developing new generations of systems composed of instruments, reagents, expert systems and software (approximately 80 % of expenditure in 2008). The particular focus of the Company at present is on the development of the menus of the VITEK® and BacT/ALERT® platforms in microbiology, VIDAS® in immunoassays, NucliSENS EasyQ® in molecular biology, and TEMPO® in industrial applications;

– the implementation of research programs in advanced technologies intended for incorporation into future products (approximately 20 % of expenditure in 2008). The Company is currently particularly focusing on molecular biology research, including for applications in the cancer and infectious diseases segments. The Company is also working on the validation of new detection principles to allow miniaturization and better integration of systems.

The Company's allocation of investment in research and development demonstrates its desire to develop its business in the area of infectious diseases, cancer and emergency treatment of cardiovascular pathologies. It was also with this objective that the French Industrial Innovation Agency (now OSEO-ANVAR) has awarded bioMérieux a grant, approved during the third quarter of 2008 by the European Commission, of up to 42.5 million euros over 10 years (2006 to 2016) as part of the ADNA (Advanced Diagnostics for New therapeutic Approaches) program, coordinated by Mérieux Alliance.

For additional information on the Company's research and development policy, see sections 4.4.1, 4.4.5 and 4.7.

4.4.3 Research and development projects

The Company's research and development efforts rely on technologies that are developed internally or in partnership with other companies or academic research institutes, as well as on technologies accessed by the Company within the framework of its license acquisition policy.

Throughout the Company's history, it has shown its capability to develop new products, identify business value in upstream research concepts obtained from its acquisitions and partnerships, and turn them into commercial successes. For instance, the NASBA® amplification system, which came with the acquisition of the diagnostic division of Organon Teknika in 2001, has enabled the Company to market a line of reagents developed through its molecular biology research. For its part, the BOOM® extraction technology, also owned following the acquisition of the diagnostic division of Organon Teknika in 2001, has become a reference technology in the field of nucleic acid extraction technologies and is widely licensed to major players on the in vitro diagnostics market; the Company's instruments and reagents based on this technology are met with considerable commercial success.

The Company has also chosen to reinforce its research and development capabilities in the areas of micro- and nanotechnologies applicable to molecular biology and immunoassays.

The main strategic lines of research and development in the clinical, industrial and theranostics segments are described hereinbelow.

4.4.3.1 Clinical segment

In microbiology:

– the development of new chromogenic culture media for the direct identification of bacteria (ChromID™). This line of development is strengthened by the acquisition of AB BIODISK, which became AB bioMérieux (Sweden – June 2008), specializing in antibiograms, and PML Microbiologicals (USA – December 2008) which develops and produces culture media for clinical and industrial applications;

– identification of new technologies for obtaining more rapid results in blood culture;

– the development of new VITEK® 2 menus;

– the development of a series of solutions for the full automation of microbiology laboratories. This concept will assist in optimizing the laboratory flow, in accelerating the yield of increasingly standardized results, in making up for the increasing lack of specialized personnel and thus in the reduction of costs in the health sector;

– continuous updating of expert software.

In immunoassays:

– the development of new generations of high clinical value VIDAS® tests;

– the extension of the range of available parameters;

– the broadening of the range of rapid tests through various partnership agreements, building on bioMérieux's unique raw materials.

In molecular biology:

– extension of the range of parameters for the NucliSENS EasyQ® platform;

– development, in collaboration with Cepheid, of innovative tests in the field of sepsis on the GeneXpert® platform;

– the discovery of new biomarkers for the early detection of various cancers, by combining the Affymetrix technology (DNA chips) and a method for the measurement of genetic response in patients' blood, in cooperation with ExonHit. These projects are financed in part within the framework of the ADNA programme;

– development of new integrated molecular biology platforms (in particular, within the framework of the ADNA programme);

– the development of tests with high clinical value in the oncology segment: in this regard, the Company strengthened its position in oncology and theranostics with the acquisition, in September 2008, of molecular diagnosis company AviaraDx, based in San Diego, California (United States), which specializes in post-biopsy molecular diagnosis of tumor tissue. AviaraDx, now called bioTheranostics, has developed technologies used in its tests to qualify cancers and to assist oncologists in selecting the best treatment strategy. It possesses a research and development laboratory in molecular biology and contributes to the Company validated markers and skills in the determination of gene profile expression in tissue. It also has a certified CLIA (Clinical Laboratory Improvement Amendments) laboratory to carry out complex diagnostic testing.

Extension of geographic coverage:

Several research and development projects are under way with a view to facilitating the registration of certain existing products with the Food and Drug Administration (FDA) in the United States. In this regard, the VIDAS® B·R·A·H·M·S PCT test was approved in 2007. The VIDAS® NT-proBNP test (support for the diagnosis of cardiac failure), the VIDAS® *C. dificile* Toxins A and B test and the NucliSENS EasyQ® Enterovirus System test all secured FDA approval in 2008.

4.4.3.2 Industrial applications

In microbiology:

– the development of new culture media (marketing of two innovative chromogenic media, chromID™ Sakazakii and chromID™ Vibrio in June 2008, reinforcing the Company's offer in the food safety segment) and the broadening of the TEMPO® menu (with new cards for the enumeration of lactic bacteria, yeasts and moulds, as well as staphylococci);

– the acquisition of additional research and development and production capacity, as well as new technologies: to that end, in December 2008, the Company acquired PML Microbiologicals, which owns innovative culture media technologies in the field of microbiological control for the pharmaceutical industry.

In immunoassays:

– development of new applications for the VIDAS® range incorporating "phage ligands" technology, in collaboration with Profos AG, a German company.

4.4.3.3 Theranostics

Two cooperation agreements have been in force in this segment since 2007, respectively with Ipsen, with a view to the development of a molecular diagnostic test allowing for the identification of patients likely to benefit from a breast cancer treatment in research and development phase, and with Merck & Co. Inc. for the development of an immunoassay test intended for use by Merck within the framework of its research on infectious diseases.

The acquisition of AviaraDx will also contribute to the development of the Company's Theranostics activity in the field of oncology.

4.4.4 Research and development department structure

The bioMérieux research and development department is organized around three technologies: microbiology, immunoassays, and molecular biology. Each brings together the competencies necessary for the development of reagents, consumables, instruments and the associated software. Around nine hundred people are dedicated to research and development and are located in thirteen centers: United States (Durham and Saint Louis), France (four sites in the Lyon and Grenoble regions), Italy (Florence), Netherlands (Boxtel)[16], Sweden (Stockholm), Brazil (Rio de Janeiro), China (Shanghai) and Australia (Sydney).

Theranostics applications oriented research is mainly based at the San Diego site, at the bioTheranostics headquarters.

The composition of the portfolio of new projects, their follow-up and resource allocation are overseen by the "Project Approval Committee", which is responsible for monitoring and approving the different phases of strategic research and development projects and launching the manufacture of products. The committee meets regularly to assess quality, lead-times, resources, costs and risks both at the start and throughout each research program. The PAC decides whether a project should continue or be stopped, depending on the results obtained.

Each site is specialized in research on and/or the manufacturing of a particular product. The following table describes the research and development specializations for each product and geographical area:

Site	Reagents	Systems	Informatics
Durham, North Carolina (USA)	Microbiology (blood culture) BacT/ALERT®		
St Louis, Missouri (USA)	Automated Microbiology (VITEK®)	Microbiology (VITEK® - BacT/ALERT®)	Bio-informatics
Marcy, Craponne, La Balme (France)	Immunoassays (VIDAS® - VIDIA®) Microbiology (culture media, TEMPO®) Rapid tests (VIKIA®)	Immunoassays (VIDIA®) New technologies	Bio-informatics
Grenoble (France)	Molecular biology (NucliSENS®)	Microsystems	Bio-informatics
Florence (Italy)		Immunoassays (VIDAS® - VIDIA®) Microbiology (TEMPO®)	
Boxtel (Netherlands)	Immunoassays (microplates) Molecular biology (NucliSENS® and BOOM®)	NucliSENS EasyQ®, NucliSENS EasyMAG®	Bio-informatics
Rio de Janeiro (Brazil)	Rapid immunoassay tests Immunology tests for tropical diseases		
Shanghai (China)	Tests for early detection of cancers (Molecular biology)		
Sydney (Australia) BTF company	BioBall™ (EasyStain™, ColorSeed™, EasySeed™ (microbiological controls)		
San Diego (USA) bioTheranostics, Inc.	Molecular biology for theranostic applications (cancer)		
Stockholm (Sweden) AB bioMérieux (formerly AB BIODISK)*	Microbiology (rare and difficult-growth bacteria antibiograms)		

(16) In 2007, bioMérieux announced the progressive shutdown of the Boxtel site in the Netherlands, and the transfer to Grenoble of its molecular biology product line development activity. Microplate–based immunoassays will be transferred to Marcy (France) and to Shangai (China). Shutdown of the Boxtel site will be effective as of end 2009.

* In February 2009, bioMérieux decided to shut down the Solna site in Sweden by end June 2010: R&D and reagent production will be transferred to the La Balme site in France, where API® strips and other products are made.

Thus, in addition to launching new platforms, the Company, through its research and development efforts, wishes to make use of its experience and adapt its existing products to meet new needs. For a detailed description of the product in the pipeline, refer to "Principal products" in section 4.3.6.2 above.

4.4.5 Key partnership agreements

Part of the Company's research and business, in particular for the development of new technologies, is based on a system of partnerships with a broad range of entities including the main public research institutes (CNRS, INSERM, CEA), universities, hospital centers, laboratories, and biotechnology companies.

The partnership agreements signed by the Company provide for sharing of intellectual property or marketing rights for products subject to the partnership, as well as the payment of royalties by the Company to partners, or vice versa.

The most significant agreements entered into by the Company in recent years are summarized below.

– In the molecular biology segment, the Company has signed agreements with:

  - Affymetrix (United States), for the use of DNA chips for the detection of nucleic acids in the infectious diseases, several types of cancer, and industrial monitoring segments;

  - Cepheid (United States): the two companies continue to implement their strategic collaboration, in order to develop and market innovative sepsis detection test products on the GeneXpert® platform;

  - ExonHit (France), for the discovery of cancer markers;

– In the microbiology segment,

  - the Company is collaborating with several UK universities for the development of enzymatic substrates and related markers for chromogenic media;

  - In April 2008, the University of Sunderland and bioMérieux announced their cooperation to improve the identification of *Pseudomonas aeruginosa*, a bacterium that causes numerous nosocomial infections and deaths in patients suffering from cystic fibrosis.

  - in 2008, bioMérieux initiated a partnership with Hitachi High-Technologies Corporation (Japan) to develop new microbiology and molecular biology systems;

  - in addition, in 2008, the Company signed a cooperation agreement with FIND (Foundation for Innovative New Diagnostics, Switzerland), a charitable foundation, for the development of infectious disease diagnostic tests, and in particular for tuberculosis.

– In the immunoassay segment:

  - in 2008, the Company continued to work with Profos AG on the development of solutions for the detection of food-borne pathogens, on the basis of the Profos "phage ligand" technology. A first product resulting from this cooperation (VIDAS® UP *E. coli* O157:H7) was launched in summer 2008.

  - bioMérieux entered into a strategic partnership with Quidel in the field of rapid diagnostic tests for the point of care. bioMérieux is the exclusive distributor of Quidel's QuickVue® tests outside of the United States, Japan and the Scandinavian countries and thus strengthens its offer in immunoassays. The marketing of the tests under the bioMérieux brand began in May 2008.

– In the theranostics segment[17], the agreements with Ipsen (France) and Merck & Co. Inc. (United States) referred to in § 4.3.4 remained in force.

[17] Theranostics: combination of diagnostic test with therapy, constituting the basis for personalized medicine

The Company has also established three joint research laboratories with French or foreign academic partners:

– with the "*Commissariat à l'Energie Atomique* **– *CEA*" (Saclay - France)** in immunoassays, for the engineering of antibodies and antigens;

– with the "*Commissariat à l'Energie Atomique* **– *Leti*" (Grenoble - France)** in molecular biology and immunoassays, for joint development of various research projects and programs on the application of microtechnologies and microsystems to in vitro diagnostics and to industrial microbiological monitoring;

– with "*Hospices Civils de Lyon*" in the fields of oncology, infectious diseases and certain autoimmune diseases.

During the 3rd quarter 2008, the European Commission approved the terms and conditions of the ADNA (Advanced Diagnostics for New therapeutic Approaches) program, which is coordinated by Mérieux Alliance in which the Company is involved. The ADNA program, which benefits from OSEO ANVAR support, aims to take up the challenge of personalized medicine in the areas of cancer, infectious diseases, and rare genetic diseases and will encompass research and development activities relating in particular, to:

– the identification and validation of biomarkers allowing the development of diagnostic tests, for earlier detection of the diseases, the choice of treatment and the follow–up of patient response to this treatment;

– the development of new molecular diagnostic platforms for the conduct of high clinical value analyses.

4.5 MANUFACTURING, LOGISTICS, REAL ESTATE AND CAPITAL EXPENDITURE

4.5.1 Real estate

Historically based in the Lyon region of France, the Company has expanded its geographical presence over the years by acquiring foreign companies, including in the United States, by forming partnerships and by later forming subsidiaries in Europe and elsewhere. The Company has freehold ownership of its main production, logistics and research & development sites (including in particular Marcy, Craponne, La Balme, St Louis, Durham, Madrid, Florence).

4.5.2 Main establishments' activities

4.5.2.1 Production

Manufacturing processes play a critical role in the *in vitro* diagnostics industry due to constraints related to the nature of the products. The Group operates 17 manufacturing centers organized by product line and business segment. Manufacturing activities are organized based on the principle of one range of product for each facility, partly due to the technical nature of products, which require a high degree of know-how, specialized teams and nearby research and development teams, and partly due to productivity gains that may be generated through economies of scale. The only exception to this principle concerns Petri boxes. Due to their limited shelf life as well as to barriers in some countries to imports of animal-based products, the boxes must be manufactured close to the customer at the Brisbane (Australia), Rio de Janeiro (Brazil), Lombard (Illinois, USA), Basingstoke (United Kingdom) and Madrid (Spain) facilities, as well as at the main manufacturing plant at Craponne (France). The acquisition of PML Microbiologicals in December 2008 provided the Company with two additional culture media production sites in North America, one in Portland (USA), and the other in Toronto (Canada).

The Company's manufacturing policy primarily focuses on the following:

– continued improvements in the efficiency of production facilities, as illustrated by the recent decision to gradually phase out microplate immunoassays and molecular biology production at Boxtel (Netherlands) until 2009, and to transfer these activities respectively to a subsidiary in China jointly owned with Shanghai Kehua Bio-Engineering Ltd. and to the Grenoble and Marcy l'Etoile sites in France;

– optimizing in a growing and structured manner its production capabilities through the implementation of a plan to improve manufacturing practices designed to achieve productivity gains and to reduce the length of production cycles by making the best possible use of capacity and industrial resources;

– adapting manufacturing tools in order to rapidly respond to the needs of customers and technical advances and to make possible the manufacture of new products;

– rigorous quality control at the production stage: in this regard, manufacturing and research and development sites are certified ISO 13485 and ISO 9001 compliant (see section 4.6.1 below).

The main manufacturing and logistics sites are as follows:

France

- **Marcy l'Etoile**
  Located near Lyon, the site at Marcy l'Etoile has housed the Company's headquarters since the beginning. The property, which is wholly owned freehold, covers a total area of 120,000 square meters (including 40,000 square meters of built usable floor space) and notably contains reagent-manufacturing units (VIDAS® reagents and VIDIA® immunoassays, clinical biochemistry). Approximately 1,170 employees are working in general management, global and support functions, training and manufacturing. Construction works have begun on the site in 2008 and will increase built areas by 1,940 m².

- **Craponne**
  Located near Lyon, the Craponne site covers an area of 71,000 square meters, owned by the Company (including 24,000 square meters of built usable floor space). It currently houses manufacturing units for reagents for microbiology (culture media (Petri boxes), tubes and bottles, dehydrated media), sales administration, global functions and a small research and development unit. Nearly 810 persons work at the site.

- **La Balme – Les Grottes**
  Located between Grenoble and Lyon, the La Balme-les-Grottes site historically belonged to API SA, acquired in 1987. It covers an area of 103,000 square meters, of which the Company owns 18,000 square meters of built usable floor space. The site employs approximately 315 people in research and development in microbiology, instruments and software and the manufacturing of products for bacteria identification (API®, ID32, ATB™ identification and antibiograms). A new European instrument distribution center was opened in early 2005.

- **Saint-Vulbas**
  The Saint-Vulbas site, known as the "IDC site", employs approximately 55 people. This site functions as the international bioMérieux products distribution center. The IDC site is located on a plot of land with an area of over 70,000 square meters, where it occupies 11,000 square meters of floor space in a highrise building. These premises are leased under a finance lease agreement.

- **Grenoble**
  Since September 2005, molecular biology operations have been located at this Company-owned site, which covers an area of more than 20,000 square meters, in the midst of the Grenoble scientific district, opposite the headquarters of the Atomic Energy Commission ("*CEA*"). The building consists of 5,500 m^2 of usable floor area and was completed in August 2005. Since 2008, the building has undergone extension works with a view to housing the production activities (molecular biology) previously carried on at the Boxtel site. The Grenoble site currently employs nearly 135 persons.

Europe

- **Boxtel (Netherlands)**
  The Boxtel site houses immunoassays and molecular biology production and research and development facilities. The freehold owned property covers nearly 92,000 square meters, including 24,000 square meters of built usable floor area where nearly 210 persons are employed. Operations at the facility will be gradually phased out and transferred to other Group entities and the facility will shut down in 2009.

- **Basingstoke (England)**
  This leased manufacturing facility for microbiology (culture media (Petri boxes)) and logistics sits on 5,000 square meters of land, where the premises cover 4,500 square meters of usable floor space.

- **Florence (Italy)**
  Florence is the Company's second instrument site. The facility, with 6,500 square meters of usable floor area on several floors, is located on 7,500 square meters of land owned freehold by the Company, and employs approximately 110 employees in sales, development and the manufacturing of VIDAS®, TEMPO® and VIDIA® instruments.

- **Madrid (Spain)**
  This is a facility owned freehold by the Company that employs some 145 persons in the production of microbiology products (culture media).

- **Stockholm (Sweden)**
  This AB bioMérieux site, which was acquired in June 2008, houses research and development, production and marketing infrastructure. This site employs approximately 55 persons. Products from the Etest® line are manufactured there. This site, having an area of 2,000 m² approximately, is leased. In February 2009, bioMérieux decided to shut down, by end June 2010, the Solna site in Sweden: reagent production will be transferred to the La Balme site in France, where API® strips and other items are manufactured.

North America

- **Durham**
  The Durham facility is located in North Carolina, on 417,000 square meters of land owned freehold by the Company, on which 23,000 square meters of built usable floor area exist. The Group also leases premises nearby with close to 10,000 square meters of floor space. The site currently houses the Group's North American headquarters and employs some 575 persons in research, the manufacture of microbiology reagents (BacT/ALERT®) and customer services.

- **Saint Louis**
  The St. Louis site covers a surface area of 70,000 square meters, which is owned freehold and includes 32,000 square meters of built usable floor area. Premises with an area of 15,800 square meters used for offices, warehousing, manufacturing and research and development are leased nearby. Today operations at this site are centered on research and development and the manufacture of VITEK®, VITEK® 2, VITEK® 2 Compact™ and BacT/ALERT® microbiology instruments and VITEK® reagents (cards). Nearly 580 persons currently work there. A new building, of an area of approximately 3,395 m², has been acquired in 2008 in the immediate vicinity of the existing site.

- **Other sites**

  - The Lombard site, in Chicago, Illinois, houses manufacturing and sales of culture media for U.S. industrial customers. The 4,300 square meters facility is leased and employs nearly 60 people.

  - The Bacterial Barcodes facility, in Georgia, is used for research and development and the manufacture of molecular biology instruments and reagents (DiversiLab®), whose activity will be transferred to the Grenoble site in 2009.

  - The Portland (Oregon, USA) and Toronto (Canada) sites of PML Microbiologicals, which was acquired in December 2008, employ approximately 170 persons and concentrate production and sales of culture media for sterility and environmental controls as well as control strains sold by this company. The Portland site, having an area of approximately 4,000 m², is leased. The Toronto site, with an area of approximately 1,700 m², is owned freehold.

- The San Diego site of bioTheranostics Inc., which was acquired in September 2008, employs approximately 20 persons and, over and above the main research and development activities, comprises a CLIA (Clinical Laboratory Improvement Amendments) certified laboratory to carry out complex diagnostic tests. This site, having an area slightly exceeding 700 m², is leased.

Other countries

- **Brazil**
  The Company has owned this site freehold since 1974. It covers an area of 42,000 square meters (including 5,400 square meters of built usable floor area) and employs approximately 140 people who are dedicated to manufacturing and sales of reagents for immunology and ready-to-use culture media for microbiology, as well as research and development.

- **Australia**

  - The Brisbane facility is located on a leased property covering 2,300 square meters. It employs 50 persons for the manufacture and sale of culture media.

  - The BTF site in Sydney, a leased facility employing some 30 persons, is used for research and development and for the manufacture and distribution of microbiology testing reagents (BioBall™, EasyStain ™, ColorSeed ™, EasySeed ™).

- **China**
  Shanghai bioMérieux Kehua Bio-engineering Co. Ltd., the joint venture entity which was set up in early 2008, obtained from Kehua Bio-engineering Co. Ltd. the right to operate a production plant having an area of nearly 1,800 m², located in Shanghai, for the entire term of the joint venture. Fit-out works are under way in this building, which will be operational in the course of 2009.

4.5.2.2 Logistics

Given the dispersion and specialization of manufacturing facilities, as well as the large number of products and their specific nature (reagents, instruments and parts), logistics play an essential part within the Group.

Product distribution is handled by:

– two administrative centers, which process re-supllying orders received from subsidiaries and distributors (one in Europe and one in the United States);

– four main global platforms (two in Europe and two in the United States) where finished products are stored and from which they are shipped to subsidiaries and distributors;

– local centers located in subsidiaries, which handle customer orders and shipments.

Some 240 persons are employed in logistics, so as in particular to supply the Group's customers and manage its inventories under the best possible conditions. Among global platforms, the IDC logistics center at Saint-Vulbas in France is the largest and supplies reagents made in Europe to all subsidiaries and distributors.

The logistics division operates the cold chain at all stages of the distribution process and ensures that products are traceable (in particular through the use of barcodes on reagent packaging).

In most countries, reagents are delivered to customers on the day after they placed their order. Each subsidiary is responsible for managing its inventory levels of reagents and instruments, under policy guidelines set by the group with the "Global Supply Chain", which optimizes the coordination of flows and the balance between customer service and inventory levels.

4.5.2.3 Purchasing policy

In order to improve the procurement of raw materials and various components so as to meet the many specific requirements of each product line and reagent range, the Company has:

– diversified its suppliers to ensure both security and competitive bidding;

– developed in-house production of selected raw materials; and

– developed partnerships with certain suppliers, which are yielding technical and economic benefits.

In 2008 the Company's top ten suppliers accounted for approximately 16 % of Group purchases, and the largest of them accounted for approximately 5 % of purchases.

The Company endeavors, as much as possible, to have constantly at least two suppliers for the same component or key raw material. Technical issues for sourcing raw materials require specific and constant management of suppliers and supply security. Such security can take the form of supply agreements, diversification of sourcing, backup stocks and the development of internal production, or the assumption by the Company of liability for compliance with regulations of certain specific components manufactured by a supplier.

bioMérieux is a manufacturing company and, as such, it is affected by fluctuations in the price of materials it processes, which prices in turn are affected by the price of raw materials they contain. bioMérieux does not directly trade in raw materials and, compared to many manufacturers, it is only exposed indirectly and to a limited extent to fluctuations in raw material prices (as a result of upward price adjustments that some suppliers have made or may make in the future).

4.5.3 Capital expenditure policy

Annual capital expenditures by the Group, not including the cost of instruments which are to be placed with customers and which are immobilized, amount to between 40 and 50 million euros, of which two-thirds are spent on production facilities and the other one-third on research and development fixed assets, computer hardware and software and general-purpose fixed assets. In addition, significant expenditure was incurred in particular for the “Global ERP” project, for the construction and fit-out of buildings on the Grenoble, Marcy l’Etoile, Saint Louis and Shanghai sites. This will generate an increase of approximately 30 million euros per annum in the Group’s capital expenditure in 2009 and 2010.

Most of this expenditure is for buildings and equipment and is most often paid for out of cash flow from operations.

The items of capital expenditure are, in declining order of magnitude:

– adding capacity (production, research and development of new products, etc.);

– complying with quality, environmental, health and safety (ISO, FDA, AFSSAPS, etc.) and security standards;

– replacing and maintaining equipment and facilities;

– capital projects related to sustainable development and environmental efficiency.

In 2002, the Group started to restructure its network of manufacturing and R&D facilities, including for the purpose of concentrating capital expenditures on a smaller number of selected locations.

4.5.3.1 Main capital projects completed (over 1 million euros)

The following main capital projects were completed in recent years:

– expansion of Petri box production capacity at Craponne (€ 4.1 million);

– renovation of the immunomicrobiology building at Marcy and improvement of production capacity for VIDIA® (€ 8 million in 2002-2005);

– building of a laboratories building for training and research and development in Marcy (€ 4 million) in 2004/2005;

– refitting of a BacT/ALERT® production line (autoclave) at Durham (1.8 million US dollars) in 2005;

– renovation of central packaging at Craponne (incl. VIDAS® (€ 2.4 million)) in 2005;

– purchase of a building to enlarge the Florence plant (€ 3.1 million) in 2005;

– conversion of the Saint-Vulbas distribution center (IDC) to meet its volume requirements (€ 2.5 million) in 2005;

– establishment of a research and development center for molecular biology and micro-systems in Grenoble (€10 million) in 2004/2005;

– addition of a production line for TEMPO® reagents at La Balme (€ 1.4 million in 2005/2006);

– refitting of office buildings at Craponne (€ 2.1 million in 2005 and 2006);

– renovation of manufacturing, insurance and quality monitoring buildings (1.2 million euros) at Durham in 2006 ;

– purchase of a 16,000 square-meter building and underlying land in Saint Louis;

– extension of the dry air facility in Saint-Louis (1.2 million euros);

– centralization of the Sales Management Department (France) at the Craponne site (3.7 million euros over the 2007-2008 period);

– increase in production capacity at the Madrid site in 2007-2008 (3.4 million euros).

4.5.3.2 Main current capital projects

– Implementation of ERP SAP with the assistance of an external service provider (23.9 million euros).

– Construction of a production plant in Grenoble (14.3 million euros) intended to manufacture molecular biology products (transfer of Boxtel operations).

– Construction of a building in Saint Louis (6.1 million euros) in replacement of the leased R&D building.

– Construction of a new Industry building in Marcy (4.1 million euros).

– Restructuring and extension of the building used for the production of immunoassay raw materials (transfer of Boxtel operations) in Marcy (3.1 million euros).

– Installation of a new Provau line in Marcy (2 million euros) to increase the Vidas strip production capacity.

– Demolition of the open water circuit cooling installation in Marcy (2.1 million euros).

– Installation of a Count tact line in Craponne (1.8 million euros)

– Construction of a Microplate production plant (4.6 million euros) in Shanghai, China (transfer of Boxtel operations).

– Fit-out of the logistics building (1.6 million euros) in Craponne.

– Extension of the logistics platform in Saint Vulbas (1.3 million euros).

4.5.3.3 Main future capital projects

– Creation of a BTA bottle production line in Durham (15.2 million euros).

– Energy and eco-efficiency surveys in Saint-Louis (2.8 million euros).

– Creation of Petri box dry media distribution line in Madrid (1.3 million euros).

– Refitting of former Industry building in Marcy (1.3 million euros).

4.6 QUALITY SYSTEMS AND APPLICABLE REGULATIONS

4.6.1 Quality assurance systems, monitoring systems and audits

The Company pays particular attention to compliance with quality standards and regulatory issues through its corporate Product Quality and Regulatory Affairs department as well as the Quality Assurance division, which is assisted by a quality assurance interface in each manufacturing and distribution site.

Most of distribution subsidiaries hold ISO 9001 certification, and the most recent ones are in the process of obtaining this certification.

All of the Group's manufacturing sites that export their products, excluding the Madrid site in Spain, are certified to be compliant with ISO 13485, the quality standard in the industry for this type of activity. This certification is issued within a regulatory framework either by a certifying body acting under the auspices of regulatory authorities, or where such recourse is not required, by an outside certifying body, in the case of a voluntary procedure on the part of the Company.

Furthermore, the Craponne culture media production facility was certified compliant with ISO 11133. The standard is designed for all laboratories that make culture media for their own use or for commercial use. It ensures more reliable results from microbiological analyses of foodstuffs, by setting minimum performance levels for culture media. It is the first food microbiology standard that is applicable not just to laboratories but also to manufacturers.

4.6.2 Regulations

Specific regulations apply to each category of products: products intended for clinical customers (medical analysis laboratories, whether private or in hospitals) or industrial customers (laboratories and the pharmaceutical, cosmetics and food processing industries).

Medical *in vitro* diagnostic systems used for humans are subject to specific national or community regulations in Japan, the United States, the European Union and Canada. The regulations address the effectiveness, performance and safety of systems.

Reagents used for microbiological testing intended for industrial customers must comply with standards that vary with the nature of controls and the specific requirements of users (pharmacopoeia, AFNOR-type standards, ISO,etc.).

Regulations applicable to these products are part of general rules governing industrial and consumer products and concern chiefly the safety of products.

4.6.3 Clinical in vitro diagnostics

Registration

Clinical *in vitro* diagnostics are subject to national or community regulations. Countries are divided into two groups: countries without their own regulatory regimes that often use other countries' existing regimes and countries with their own regimes.

Four principal bodies of law govern *in vitro* diagnostics activities:
– Directive 98/79/CE for the European Union;

– FDA regulation for the United States (Federal Code of Regulation);

– "Pharmaceutical Affairs Law" for Japan; and

– Medical instruments regulation in Canada.

All of them classify devices on the basis of end-applications and risk assessment, and are becoming more and more complex. The following classifications are made:

– low-risk products, such as products for glycemia dosage, cholesterol dosage, and bacteriological analyses, etc.,

– medium-risk products, such as tests for pregnant women (diagnosis of toxoplasmosis, rubella, cytomegalovirus), and other specific cases, depending on the legislation, such as the dosage of prostatic antigen (PSA), and

– high-risk products, including products intended for the detection markers of the HIV virus and hepatitis, reagents used for the determination of blood types.

The regulatory procedures necessary for the marketing of these products differ based on the risk classification of the product.

Within the European Union, the regulatory environment is based on Directive 98/79/EC of October 27, 1998, which applies to all *in vitro* diagnostics medical devices. The Directive was transposed into French law when a Government Order was issued on March 1, 2001, completed by the Decree n° 2004-802 of July 29, 2004 adding articles L. 5221-1 *et seq*. to the Public Health Code, and the Decrees of November 9, 2004 and February 25, 2005 and July 1, 2005. The new European regulations harmonize the European *in vitro* diagnostic market by standardizing the marketing procedures used by manufacturers of *in vitro* diagnostics products.

Based upon the risk level and what is allowed under the regulation, a manufacturer chooses the appropriate procedure to follow. Currently, 95 % of the Company's products are marketed under the sole manufacturer's responsibility following self-evaluation to determine whether they are compliant (CE marking). As a result, there is no regulatory certification period following this declaration.

For the remaining 5 % of products that have a higher level of risk, certifications must be obtained attesting to regulatory compliance before the marketing of products. All certifications have been obtained and renewed for CE labeling for all *in vitro* diagnostics products currently marketed in the European Union.

For high-risk or medium-risk products, the level of regulatory intervention is proportional to the risk. This ranges from certifying the quality control system, when reviewing the product file (design file), to the verification of each batch prior to sale. Generally, the time period required for obtaining the necessary certifications is less than six months.

In accordance with this procedure, the regulatory affairs department prepares a file prior to the launch of any new product. This file contains all information necessary to determine whether the product meets the requirements set forth in the regulations. The file is then submitted to the head of corporate Quality products and regulatory affairs during a meeting of the marketing committee, that is responsible for verifying that the file is complete and meets all regulatory requirements.

In the United States, the level of FDA intervention is, likewise, proportional to the level of risk. Some products in the microbiology product line (principally identification reagents) are exempted from registration and are under the responsibility of the manufacturers.

Medium-risk products are subject to registration (performance study), which typically takes less than six months. For high-risk products, which include a limited number of products, procedures are more burdensome: examination of the product's design and manufacture files, performance studies and site inspection. The registration period, in such cases, is approximately two years.

In Japan, products are subject to a registration procedure which is similar to that of the United States.

In Canada, with the exception of products considered as exhibiting the lowest level of risk, products require a license issued by the health authorities ("Health Canada"). The grant of a license follows the approval of a file, the content of which depends on the risk category ascribed to the product. These licenses are renewed annually; the time period required to obtain these licenses may vary from 2 to 12 months depending on the product category.

4.6.4 Monitoring

Applicable laws and regulations, which may contain particular procedures in different countries, impose an additional monitoring system. This system requires manufacturers and users to notify the relevant regulatory body of any incidents that could have harmful effects on human health.

A product recall procedure, based on complete traceability of relevant product batches and their destination as well as the implementation of corrective actions, is also part of the system.

4.6.5 Audits

The Company's sites are subject to audits and inspections by regulatory authorities (FDA, AFSSAPS), by bodies acting on behalf of regulatory authorities, and by certifying bodies that, as discussed above, the Company asks on a voluntary basis to verify compliance with ISO 9001 and ISO 13485. Customers especially in industrial applications also perform other audits to ascertain that products and procedures comply with existing regulatory standards, as well as their own standards, and to guarantee the quality of service.

The ability to manage manufacturing processes is guaranteed by the validation of production methods and controls performed during the course of production. In addition, each batch of finished products is not released until it is tested for conformity with the relevant specifications.

Most regulatory inspections conducted over the last few years at the Group's production sites in the various countries where it is established have not disclosed any material breach of applicable regulations, or were subject to appropriate measures allowing the matters to be closed.

Inspections at the Durham facility (United States) by the Food and Drug Administration (FDA) had led it to issue "warning letters" in 2004 and 2005. The corrective action plans implemented allowed virtually all noted defects to be eliminated. The Durham facility, as well as all of the Group's production sites, are subject to increased monitoring for compliance.

4.6.6 Industrial microbiological control

The Company's quality system applies not only to clinical diagnostic products, but also to industrial microbiology control.

In the field of industrial applications, regulations applicable to manufacturers of industrial bacteriological control products are still limited to their safety aspects. However, in order to respond to the needs of its customers, the Company must meet the standards applicable to customers (standards depending on the use of products: pharmacopoeia, standards such as AFNOR, ISO, etc.) Recent developments in the agri-business sector (Listeria, Escherichia coli O157, salmonella, etc.) could lead to more stringent regulation. Moreover, in the United States, for example, authorities may impose supplementary security measures as a result of the fight against bio-terrorism.

4.7 INTELLECTUAL PROPERTY

The Company protects patents, copyrights and trademarks on its products and processes, and actively defends its intellectual property rights throughout the world.

4.7.1 Proprietary patents

The Company owns a certain number of patents which are material to the success of its operations. Nevertheless, because of the importance of manufacturing know-how and the installed instrument base (the majority of which are closed systems that function only with the Company's reagents), it is difficult for an outside party to benefit from the expiration of patents to put in place a competing system. Thus, in general, notably for microbiology and immunoassay systems, patent protection of the technology is a less important factor for the Company's success than for companies in the pharmaceutical or high-technology industries. Conversely, for molecular biology, intellectual property rights on technologies (such as NASBA® or BOOM® technologies) are key success factors. Likewise, the Company is of the opinion that patent protection, in the new pathogens (virus, bacteria, parasites, etc.) or markers (e.g. for cancer) identification could give it an important competitive advantage in the future. It therefore intends to implement an active intellectual property policy along these axes in priority.

The Group currently owns 434 patent families, of which more than 95 % are filed in Europe and the United States, and more than 75 % in Japan. As of December 31, 2008, it owned 324 U.S. granted patents and 192 European granted patents. The Company actively protects the results of its research through patents (approximately 30 new patents are filed each year), and monitors its competitors to be able to pursue actively any infringements on its patents.

The Company takes the view that its key patents concern the following applications:

– nucleic acids extraction technologies (BOOM® and its derivatives);

– amplification devices for targeting sequences of nucleic acids (in particular the NASBA® technology);

– selected technical aspects of the instruments of the VITEK® and BacT/ALERT® product lines;

– antigen preparations for immunoassays, in particular for toxoplasmosis, HIV or EBV (Epstein-Barr Virus);

– nucleic sequences for the protection of pathogens responsible for infectious diseases such as tuberculosis, Whipple's disease and viral infections such as HIV, selected hepatitis viruses, EBV and CMV (Cytomegalovirus);

– nucleic acid sequences (Factor II and Factor V) in hemostasis.

The Group also owns a certain number of patents which cover the functionalized polymer synthesis process, techniques for fixing proteins or nucleic acids to a solid support and devices and instruments for the integration of analytic steps, in particular fluidic.

In 2008, the exploitation rights in respect of the Waveform coagulation curves analysis technology were transferred back to the Universities that had taken part in its design.

There is no patent or group of patents with an expiration date in the near future that could have a material effect on the financial condition or results of the Group. However, the expiration of patents generating significant licensing royalties, such as patents for the BacT/ALERT® detection system, some of which expired in March 2008, the base patents for the NASBA® technology and those for the BOOM® technology, which expire between 2010 and 2012, will have a significant effect on total proceeds from royalties received by the Group.

The general policy regarding patents is to file a priority application (generally in France or in the United States) and, within one year, an application for extension under the Patent Cooperation Treaty (PCT), which has a single procedure for filing a patent in the 139 countries that are party to the treaty (as of December 31, 2008). The final choice of countries for extension of the patent takes place at the end of the PCT procedure, about 30 months after the initial filing. As a general rule, patents are extended in those countries with the largest market, such as the United States, Europe (particularly France, Germany, England, Italy and Spain), Japan and, recently, emerging countries (China and India).

In countries where the Company seeks legal protection by way of patents, the legal protection of a product generally lasts for a period of 20 years from the date of filing. The scope of protection, which may vary from one country to another, depends upon the acceptance of claims whose interpretation (especially in cases of conflict) is determined by national legislation.

4.7.2 Third-party licenses during the fiscal year elapsed

In September 2008, bioMérieux announced the signature of a licensing and development agreement with ProteoSys, a German biotechnology company, in respect of the **Annexin 3** biomarker. This agreement relates to the development of a urine test, intended to confirm prostate cancer diagnosis. After an initial research phase, this non-invasive, highly specific test that reduces the number of needless biopsies will be developed on the VIDAS® immunoassays platform.

4.7.3 Licenses granted by the Company or current licenses and cross-licensing in 2008

From time to time, the Group grants exclusive or non-exclusive licenses to third parties, either unilaterally or on a cross-licensing basis.

The main licenses granted relate to the following patent families:

– MRSA patents, which cover sequences or processes for the detection of methicillin-resistant staphylococcus aureus ("MRSA"), which constitute a major source of nosocomial infections; bioMérieux is the exclusive licensee of the MRSA patents, which expire in 2017 and cover the United States, Canada, Europe, Japan and Australia,

– the blood culture bottle detection system, part of the patents for which expired in 2008,

– the BOOM® nucleic acid concentration and purification process in the preparation of samples for molecular diagnostic, the patents for which expire in 2010,

– the NASBA® amplification process in molecular diagnostic,

– patents covering the nucleic acid mutations involving pathologies (Factor II and Factor V) in hematology, which are critical mutations for the purposes of identifying thrombosis risk in patients,

– the patents covering detection sequences or processes for certain viruses such as EBV* and CMV**,

– the patents covering markers for the diagnosis of rheumatoid polyarthritis (Filaggrine).

In 2008, the Company continued to implement its licensing policy relating in particular to patent groups for coagulation factors, the detection of antibiotic resistance in certain bacteria and nucleic acid extraction technologies.

* EpsteinBarr Virus, which causes mononucleosis in particular

** CytoMegaloVirus, which poses a threat to pregnant women due to its transmission to the fetus.

4.7.4 Trade marks

The Company owns the "bioMérieux" corporate trademark, which is registered worldwide as both a word trademark and a word and device trademark, as well as trademarks of products and product lines brought out by the Company. In addition, the use of the name "Mérieux" by Mérieux Alliance affiliates is controlled by Mérieux Alliance. Any new use of the name "Mérieux" in a corporate name requires the authorization of Mérieux Alliance (See section 6.2.3.1 below).

Each new sign is registered in France, the United States or the Netherlands followed by a registration for the European Union countries and an international registration designating the other countries where the product or products using the trade mark are to be marketed.

The Company's strategy is based on the registration of high value-added trade marks using the following two principles:

– names of product ranges: they account for the majority of registrations and are intended to cover all products in a product line by a single identical name designating the instrument and the associated reagents (for example: VITEK®, VIDAS®); and

– product specific trademarks (for example: SLIDEX®).

4.8 OTHER INFORMATION CONCERNING THE COMPANY'S BUSINESS

4.8.1 Agreements executed with clients

Contracts with customers are essentially instrument sales agreements and instrument placement agreements with purchase of reagents. Because the large majority of the instruments are closed systems, contracts for the sale or placement of instruments generate a regular stream of sales of reagents.

Instrument placement agreements represent a third of the total instruments installed by the Company. They cover the placement (or leasing of the equipment), the purchase of reagents and, if applicable, related services. With an initial duration period of 3 to 5 years, they are automatically renewable for successive periods of one year, unless terminated by one of the parties. The Company is responsible for the maintenance of the instrument and customers undertake to respect traceability rules applying to the products they order or use.

The net sale price of reagents takes into account whether the instrument is placed or sold.

In France, the Company's general terms and conditions of sale include title retention clauses.

4.8.2 Other agreements

The Company is not a party to significant agreements other than those entered into in the ordinary course of business.

4.8.3 Seasonal nature of business

See § 5.2.1 below.

4.8.4 Pledge of Company assets

See § 5.3.16.7 below.

4.9 PENDING LEGAL PROCEEDINGS

The Company is involved in litigations arising in the ordinary course of business. In its opinion, these liabilities are unlikely to have a material adverse impact on its operations. With the exception of the cases in the annex to consolidated Group accounts (see section 5.3.14.2.1 below), the Company is not involved in litigation liable to have a material impact. The Company believes that provisions recognized for litigation are reasonable to settle the obligation.

4.10 HUMAN RESOURCES

bioMérieux owes much of its success to the quality and motivation of its employees, their ability to work in teams encompassing many specialties and the energy with which they use their creative and professional skills to perform services for the Company's customers.

Special emphasis is placed on internal communications, to ensure that all bioMérieux employees worldwide have access to information about the Company, understand its stakes and priorities and share their experience using the available communication channels.

4.10.1 Group employees

bioMérieux is a worldwide group of 6,140 employees (employees on full-time equivalent contracts as at December 31, 2008) including about 60 % work outside of France.

The following table breaks down the Group's full-time equivalent (or "FTE") employees by function and location as of December 31, 2008.

Geographic area	Production and logistics	Sales, marketing, customer service	R&D	Administrative and general services	Total	%
Europe	1,444	1,189	683	441	3,757	61.2
Of which France	*1,128*	*471*	*593*	*321*	*2,513*	*40.9*
North America	792	520	218	148	1,678	27.3
Asia-Pacific	72	271	10	52	405	6.6
Latin America	47	199	3	51	300	4.9
Total	**2,355**	**2,179**	**914**	**692**	**6,140**	**100.0**
%	38.4	35.4	14.9	11.3	100.0	–

The following table sets out the changes of the Group workforce (on a FTE basis) since 2006:

	12/31/2008	12/31/2007	12/31/2006
France	2,513	2,397	2,351
Other European countries	1,244	1,193	1,162
North America	1,678	1,426	1,494
Latin America	300	304	312
Asia-Pacific	405	451	428
TOTAL	**6,140**	**5,771**	**5,747**

In 2008, workforce changes were caused by the following events:

– the addition of 244 new employees (respectively 172 PML Microbiologicals employees, 53 AB BIODISK employees, and 19 AviaraDx employees), following the acquisition of those three companies,

– the restructuring and reinforcement of the bioMérieux Inc. sales team in the USA,

– the restructuring of the bioMérieux Japon teams, following the creation of the joint venture with Sysmex.

Workforce changes will also be caused by the transfer to the Grenoble, Marcy l'Etoile and Shanghai sites of the industrial activities previously carried on at the Boxtel site in the Netherlands, the progressive shutdown of which, announced in December 2007, will be completed by end 2009.

4.10.2 Personnel policy

The Group has an active personnel policy which addresses certain aspects in particular. These include (i) the piloting of performance, (ii) skill development, training and mobility, (iii) compensation policy, (iv) improved working conditions and (v) occupational equality for men and women.

(i) The **piloting of performance** by means of annual evaluation interviews and follow-ups makes it possible to effectively reconcile individual aspirations with the Company's priority objectives, assess individuals' performances and design skill-development measures. It provides an opportunity for clarifying expectations and assessing compliance with values.

(ii) The Company makes every effort not to **employ people on a temporary basis** except in specific circumstances. As a consequence, in France, 92 % of the personnel was employed on a permanent basis in 2008.

Training is considered by the Group as a way to foster the best career development for employees and to enable them to acquire cross-disciplinary and "job" competences. In this connection, training now includes an overall plan made up of two series of cross-corporate assignments, one for managers, which was completed by over 430 managers in France and the United States in 2008, and one for all employees, which started in the second half of 2008 in the United States.

Training programs are carried out by each entity of the Group in order to meet their specific local needs. Lastly, training concerning products, which plays a key role in the Group's performance, is provided at five special Knowledge Centers in the United States, the Netherlands and France.

With a global network of 39 subsidiaries, the Group encourages **geographical mobility** by its personnel whenever this satisfies a need for specific skills or contributes to the career development aims of its employees.

(iii) **Compensation** (fixed and variable) is set in each country on the basis of local conditions, the entity's performance and individual productivity. A worldwide grading of executive positions makes it possible to compare levels of authority and to set compensation in relation to local practices. In order to reinforce adherence by the staff to the bioMérieux principles and priorities, some executives receive annual compensation based on common indicators, a portion of which depends on the company's performance.

Incentives for employee savings have been offered in France since 1987, with the establishment of a plan ("*Plan Epargne Entreprise"* - PEE). In addition to the mandatory profit-sharing plan, the Company's employees also benefit from a voluntary incentive plan. Since 2006, all of Group employees in France have had the option of investing their earnings under profit-sharing plans in a group pension plan (PERCO), to which the Company makes corresponding contributions.

(iv) The Group has active **health and safety risk prevention** policies, including through training for new employees and the monitoring of the health of those exposed to specific risks.

(v) Women account for more than half of the Group's total workforce. The Company is intent on offering **equal opportunities** in terms of hiring and employment conditions to men and women. An agreement pertaining to this was signed concerning France in 2003.

The Company considers that it has sound labor relations. The 2009 agreement on wages and salaries was signed by both unions representing its personnel.

In 2008, the Company set up a European body where to converse and which covers four countries (France, Germany, Italy and the Netherlands). Its first meeting was held in November 2008.

As of December 31, 2008, about 1 % of the shares of bioMérieux was held by its personnel directly or through dedicated funds.

4.11 RISK FACTORS

The Company operates in a rapidly changing environment that exposes it to many risks, some of which are beyond its control. The risks and uncertainties reviewed below are not the only ones to which the Company is exposed. Other risks and uncertainties of which the Company is not aware at this time or which it considers not material could also adversely affect its business.

4.11.1 Presentation

The Company markets or plans to market several new diagnostic systems but cannot be certain that these products will be commercially successful or sufficiently profitable.

The Company has recently brought out or intends to release several diagnostic systems, either to replace or to complement existing platforms, or to be present on new markets.

The Company's growth could be affected if these platforms encounter technical, commercial or regulatory setbacks. In particular:

– the new platforms may not correspond to market demand;

– technical difficulties could affect the new technologies used in these platforms, which could delay their marketing, affect their commercial success or give rise to additional expenses for the Company to resolve the difficulties and/or compensate customers;

– the commercial success of the new platforms depends on the development of the range of reagents, which could be delayed for technical, regulatory or intellectual property reasons;

– it may be too costly or too difficult to manufacture new instruments or reagents on a large scale or to obtain the supplies necessary for their manufacture and marketing;

– it may not be possible to market products due to the existence of third-party intellectual property rights;

– more spending in research and development, marketing and customer training than anticipated by the Company may be required to launch new platforms;

– competitors may develop products that are more effective or otherwise better adapted to demand;

– one of the new platforms integrates the NASBA® amplification technology, which competes with PCR, the industry standard marketed by the Roche group, and the Company cannot be certain that customers will accept NASBA® as an alternate technique; and

– the cost of some of the new platforms is higher than that of existing platforms; the difference should be offset by labor savings; however, if customers are not in a position to make such savings, for instance because of labor market conditions, the gains achieved by the new platforms could be reduced.

The Company may be unable to compete effectively in its market.

According to Company estimates, it ranks seventh in the global in vitro diagnostics market in terms of revenue. This market is rapidly evolving and competition is intense among the different players, particularly in certain segments where bioMérieux does not have a large market share, such as the molecular biology segment.

The Company's competitors include major international companies, such as Roche, Siemens, Abbott, Johnson & Johnson and Becton-Dickinson, which are larger and more experienced, and have larger financial resources and market shares. In some countries, the Company also competes with several specialized mid-sized companies. As a result, it cannot be certain that its products will be able to:

– on a long-term basis, sustain competition with products sold by competitors, many of which have more financial resources than the Company to invest in research and development or marketing and can price their products more competitively due to greater economies of scale;

– make it gain significant market shares and benefit from the same product reputation as its better-positioned competitors;

– adapt rapidly enough to new technologies and scientific advances in both mature market segments (development of mass spectrometry for microbiology applications) and in those that are still in development, such as the molecular biology market; and

– be favored by laboratories, hospitals, physicians or industrial customers over comparable products marketed by competitors.

The Company faces product liability risks.

The Group manufactures reagents designed to detect the presence of living organisms, such as bacteria, viruses, and other pathogenic and marker agents, in biological samples. In order to do this, it uses biological products that are manufactured or created from components developed from materials that are of human, animal or plant origin and which, at this point in time, cannot be manufactured economically using synthetic materials.

The manufacture and sale of these diagnostic products expose the Company to liability risks, and particularly to the risk of product liability actions. In particular, the Company could be liable if a diagnostic error resulting from the defective performance of one of its products leads to unsuitable treatment of a patient or the marketing of contaminated products. Although it is standard practice to perform a series of additional tests to reduce the risk of error for the most serious diseases, this risk cannot be totally eliminated. There are no guarantees that the Company will always be able to obtain and maintain adequate insurance on acceptable terms against this risk. If it cannot obtain insurance at a reasonable cost or be otherwise protected against potential product liability claims, it could incur significant liabilities that could undermine the marketing of its products and considerably harm its business.

Exposure to risks related to the international nature of the business.

The Company operates throughout the world, including in countries other than the member states of the European Union and the United States, and in particular in China and Latin American countries. Accordingly, it faces numerous risks relating to its international operations, including risks relating to:

– unforeseen changes or lack of harmonization in regulations, or in tax, trade and pricing legislation;

– restrictions on transfers of capital across borders;

– significant fluctuations in exchange rates;

– differences in the protection of various intellectual property rights in these countries;

– changing economic and political conditions in a given region or country;

– increased difficulties in recruiting personnel and managing production facilities outside France; and

– the absence of international agreements on regulatory standards.

Uncertainty over policies relating to the reimbursement of the cost of diagnostic tests and health insurance reforms could affect Company's customers, and indirectly, the Company itself.

The commercial success of Company's products depends, in part, on the extent to which government healthcare programs, private health insurers and other similar bodies reimburse the cost of tests performed by Company's customers as well as on these costs. A decision by a State or a private insurer to limit the reimbursement of diagnostic tests could have a significant effect on the demand for Company's products and/or on price charged by the Company to its customers. Likewise, in some countries, public authorities determine the price of a diagnostic examination, which has a direct influence on the ability of customers to pay for products.

Because of the Company's "single-site" manufacturing process, an event causing a temporary or permanent interruption at one of the manufacturing sites could have a negative impact on its financial condition.

The Company operates seventeen manufacturing centers, essentially for a single product line and technology, based on the principle of a single facility for each range of products. As a result, some of the most important product lines, such as the VITEK®, VIDAS® and BacT/ALERT® tests, are manufactured at a single site. Any economic, political, labor, regulatory or environmental incident causing a temporary or permanent interruption of operations at one of these manufacturing sites could have a negative impact on the manufacture of these product lines and on the Company's revenue.

If it were impossible to quickly restart operations at the affected site, the Company could be forced to relocate the manufacture of the relevant product range. Due to the complexity of the products manufactured by the Company, relocation could be long and expensive for the Company, exacerbating the negative financial impact of the manufacturing interruption.
In addition, the Group has two main logistic centers, the largest being in France and the second largest in the United States. In the same manner, any economic, political, labor, regulatory or environmental incident causing a temporary or permanent interruption of operations at one of these two logistic centers could have a negative impact on the distribution of products and on the Group's revenue.

Regulatory constraints could adversely affect the Company's ability to market products or increase their manufacturing costs.

The Company's products and the process of manufacturing them are submitted to rigorous, evolving and much varying governmental regulation in the 170 countries where it does business. Securing the authorization or certification necessary for the marketing of a new product may take several months or, in some countries, one to two years, and requires significant financial resources. In addition, manufacturing sites are subject to regulatory approval processes and periodic inspections. As a result, applicable regulations may:

– delay or preclude the marketing of new products by the Company;

– oblige the Company to halt production or modify manufacturing processes; or

– impose costly constraints on suppliers or the Company.

In addition, products are submitted to regulatory review and audit during the entire commercialization process, which may lead, upon regulators' requirement or spontaneously, to a product modification or withdrawal as well as suspension of current product applications for products developed at the affected site, a corrective plan of action in case of non compliance or, in exceptional cases, the closure of a manufacturing site, if the failure to comply with regulations could entail significant risks with respect to the results obtained through the use of the Company's products.

The Company's manufacturing capacity may be insufficient to meet the development of its business, or may be affected by the failure of suppliers to fulfill their obligations.

Manufacturing capacity problems could occur as the Company's business expands. If problems of this nature were to arise, the Company's reputation could suffer, which would affect its ability to maintain and develop its customer base. In addition, if manufacturing capacity had to be expanded, substantial investments could be necessary, requiring significant amounts of financing.

In addition, and despite the measures taken to ensure the supply of raw materials, equipment and specialized services, a failure on the part of one or more suppliers or service providers to fulfill their obligations could result in manufacturing difficulties, and could in particular result in significant costs and delays related to the necessity to confirm and implement alternate supply arrangements.

Environmental liabilities and compliance costs could have an adverse effect on the Company's operating income.

Environmental laws and regulations could require the Company to maintain and restore sites where potentially toxic industrial products are manufactured and stored, in the event that they were found to be contaminated. These obligations may relate to sites currently owned or operated, or to sites that were owned by the Company or operated in the past, or even sites where waste that it produced was dumped. In 2005 and 2006, the Company inspected its facilities in France in order to locate and identify asbestos-containing materials in all of its buildings, for the purpose of assembling asbestos technical files in accordance with applicable regulations. Similar obligations may also apply to the recycling of instruments that make up the installed base.

The Company could be involved in legal or administrative proceedings relating to environmental matters. The introduction of stricter health, safety and environmental laws and more thorough enforcement measures than those currently applied could increase its liabilities and could result in considerable costs for the Company, as well as could make it subject to stricter inspections of the handling, manufacture, use, reuse, or treatment of substances or pollutants than provided for by current law. Accordingly, compliance with these laws could result in considerable expenses for bringing facilities into conformity, as well as other costs and compensation, which could have an adverse impact on the Company's operations and income.

If production facilities were to be closed for reasons relating to the enforcement of environmental laws, the Company would bear a temporary interruption in the production of certain items and it could take a long time to obtain the regulatory permits needed to reopen the facilities and restart operations on production lines.

Increased raw material prices could adversely affect the Company's financial results.

The Company is a consumer of energy as well as of raw materials it processes during the course of manufacturing and logistics operations.

Significant increases in raw material prices could have an adverse impact on the Company's profit margins.

Risks related to changes in the economic environment

Changes in market structure:

There is a trend toward more business concentration among end-users of *in vitro* diagnostic products, which allows them:

– to create technical platforms that process large test volumes daily. In certain segments (in particular immunoassays), the Company's offer could fail to meet the requirements of these technical platforms;

– to have more influence on the price of these products;

– in addition, the arrival of new market participants (such as Siemens in 2007) with considerable financial resources and that seek to rapidly acquire market shares could put pressure on prices. This pressure also comes from the application of national public health policies, which generally tend to restrict reimbursements for healthcare products and services.

Lowering sale prices could obviously have an impact on the Company's revenue and profit margins.

Deterioration of global economic conditions:

The current economic downturn, entailing a reduction in financing sources, leads to a reduction of demand. Independently of the deferral of investment decisions that have already been made as a consequence as of the date hereof, it is possible that the prolonged financial crisis have deep and lasting effects on State policies and on the resources of private participants in the health sector. Those in turn could entail repercussions on the Company's revenue and therefore on its profit margins.

A significant portion of future growth depends on the development of the molecular biology market, which may not evolve in the manner anticipated by the Company.

The Company's growth strategy depends to a large extent on molecular biology technologies, a segment of the in vitro diagnostics market that is in the initial stage of development. As a result, the Company faces several risks:

– molecular biology technologies may not grow as rapidly as anticipated by the Company, particularly in the United States;

– if the molecular biology market experiences significant growth, new players could decide to enter the market and effectively benefit from the Company's investments, reducing its sales and results from this segment;

– the Company benefits from call for tenders which may not be renewed, thus weighing down on its activity levels and growth.

The Company operations may be adversely affected if it were not able to pursue its strategy of acquiring third-party developed technologies.

Growth depends in part on the Company having access to technologies developed by third parties, either through targeted acquisitions of smaller companies or through partnership agreements with the owners of such technologies. Nevertheless, it may not be able to find partners willing to provide it with the technologies it may need. Additionally, the in vitro diagnostics market is consolidating. This trend has reduced the number of potential partners with whom the Company could enter into such agreements. It should also be noted that this strategy can be adversely affected if the value placed on those entities is too high. Furthermore, the success of these operations depends on several factors such as the ability to perform them successfully at a reasonable cost and under satisfactory financial conditions, or the receipt of regulatory approvals, which are not always under the Company's control. If the Company is unable to obtain such technologies, it could delay its growth and have a significant effect on its financial condition.

In order to remain competitive the Company invests significant amounts on product research and development and there may be no return on these investments if products do not receive the necessary regulatory approvals or do not achieve the anticipated market acceptance.

To remain competitive in the in vitro diagnostics industry, especially in its high value-added segments, the Company must make significant investments in research and development each year in order to ensure the growth of its current product lines and the development of new products.

The research and development process is lengthy. It can take several years to launch a new platform, and at least several months for a new reagent or group of reagents. This process involves several phases. At each phase there is a risk that objectives will not be met and that a product in which substantial amounts have been invested will have to be abandoned. Difficulties encountered in the research and development process and in obtaining regulatory certification can increase costs and jeopardize the commercial success of new products.

Furthermore, the investments incurred by the Company in this framework may not be profitable.

Finally, rapid technological development by competitors could render the Company's new products obsolete before it is able to recover the research, development and marketing expenses incurred in their development.

If intellectual property rights cannot be protected, the Company may not compete effectively or may find it impossible to operate profitably.

The Company's success depends on its ability to obtain, maintain and defend patents and other intellectual property rights effectively. Patent law, particularly relating to the scope and interpretation of claims in the health segment is an area of law that is constantly changing and uncertain. Accordingly, the Company cannot be certain that:

– it will be able to develop patentable inventions;

– it will be able to obtain patents or licenses from third parties, particularly for certain products or techniques, necessary for the development of its business;

– it will be granted the patents for which it has applied or will apply;

– patents issued or licensed to it will not have their validity challenged;

– the scope of any patent protection will be sufficiently broad to exclude competitors; or;

– the patents or other intellectual property rights held, or for which the Company has been granted a license either now or in the future, will not be claimed, or more generally challenged, by others.

The Company currently has more than 434 families of patents worldwide, either granted or under consideration, and a number of patents are subject to licenses for products currently marketed or in development. It cannot be sure of the validity of these patents. Third parties could challenge the validity of patents in the course of opposition proceedings, in particular before the European Patent Office, either in a patent cancellation proceeding or as a defense to an infringement action. This could result in issued patents being subsequently revoked or declared invalid. The proliferation of scientific information on a worldwide level, both written and oral, and especially in the field of biotechnology, is such that there will always be uncertainty as to whether the Company's inventions are patentable. The Company cannot be sure how much protection will be given to its patents if it attempts to enforce them or if they are challenged in court for infringement. Some of those patents will expire within one to three years, which could significantly reduce the amount of royalties received under licenses granted on the patent concerned.

The Company's patents may be infringed, or it may infringe the patents of others.

Competitors may infringe the Company's patents or successfully circumvent them through design innovations. Action may be taken to prevent infringement, which is expensive and time consuming. Policing unauthorized use of intellectual property is difficult, and the Company may not be able to prevent misappropriation of its intellectual property rights.

In addition, as the in vitro diagnostics industry develops, more and more patents are granted and there is an increased risk that the use of technologies by the Company may infringe on the patents of others. In general, patent applications are not published until eighteen months after the filing date or priority date, and in some cases patent applications are only published upon issuance of the patent. Therefore, it cannot be ascertained whether others were the first to invent certain products or procedures, and/or to file applications for inventions, products or procedures that overlap with Company's pending patent applications or products and processes used by the Company.

If this happens, the Company may have to obtain appropriate licenses to third-party patents, cease certain activities or seek alternative technology if obtaining a license is impossible or unprofitable (see section 4.9 "Legal Proceedings" above).

The Company depends on key management and scientific personnel.

The Company's success largely depends on certain key personnel, such as senior managers and engineers. Their loss, including to competitors, or failure to hire new personnel could adversely affect its competitiveness and compromise its ability to achieve its objectives. In addition, there will be a need to recruit more management and scientific personnel as business expands in areas that require additional expertise and resources, such as research and development, marketing and regulatory approvals. The Company may be unable to attract and retain such necessary management and scientific personnel.

The Company could be affected by the failure of its information system, interrupting the transmittal of data on production, logistics, accounting and finance.

The Company is increasingly dependent on shared data processing applications and on a communications network for producing the data required in manufacturing and logistics, as well as for the accounting and financial information data that serves as a basis for decision-making with regard to the Company's management.
Any failure or malfunction of applications or communications networks could slow down or disrupt production and/or logistics, as well as affect decision-making, causing the Company to sustain losses.

In particular, the Company has undertaken a worldwide project with a view to replacing its current resource management IT systems (“ERP”); its deployment is carried out by a dedicated and multi-skilled internal team of 60 persons, based in France and in the United States, and it also gave rise to several assistance agreements with specialist service providers (programmers, integrators, trainers, etc.). This type of project involves significant risks for the Company’s activity, if the precautions implemented for its deployment turn out to be inappropriate or insufficient.

Fluctuations in currency exchange rates could materially affect the Company's revenue, operating income and net worth (see section 5 below).

Because products are sold in over 170 different countries, the Company's revenue and income of operations could be affected by fluctuations in currency exchange rates. The Company’s revenue is particularly sensitive to movements in exchange rates between the euro and the U.S. dollar, as a significant portion of its revenue is generated in North America (approximately 25 % of rvenue in 2008). However, the Company benefits from quasi-natural hedging of its earnings, as some expenses are directly denominated in US dollars.

Other currencies represent nearly 28 % of the Company’s revenue. However, costs denominated in those other currencies are limited, the Company therefore incurring a risk related to any fall in currencies. This risk is spread across approximately 20 currencies, and none of them represents more than approximately 3 % of Group revenue. This risk would therefore become material if several of these currencies were to fluctuate against the euro in the same direction, without any set-off.

In addition to having an impact on the Company's income, exchange-rate fluctuations can generate variation on its equity capital. Indeed, the Company's worldwide operations require it to have assets and liabilities in dollars and other currencies. At the present time, the Company has not taken measures to hedge this exposure to foreign-exchange losses.

Exposure to currency risks is examined in section 5. The impact of exchange-rate fluctuations on revenue and the translation reserve for the past two fiscal years are described in the consolidated financial statements found in section 5.

The Company's main source of financing is contingent on the satisfaction of certain financial ratios at the consolidated level.

bioMérieux S.A. has secured a 7-year term syndicated loan of 260 million euros in the form of a credit facility repayable in full at maturity (January 2013).

As of December 31, 2008, the syndicated facility had been drawn in the amount of 65 million euros. In order for bioMérieux to make use of the financing, the Company must satisfy a certain ratio of "net debt /operating earnings before amortization and acquisition expenses".

Failure to meet this ratio could restrict the use of the facility by the Company.

The Company owns minority interests in other companies.

The Company owns minority interests in several companies, mainly in the biotechnology sector. As it does not control these companies, they may make decisions that do not necessarily coincide with the Company's interest.

In addition, some of those companies' shares are publicly traded or likely to become publicly traded, so that the Company's financial results could be affected by changes in their trading price.

The Company also does not have access to sufficient information regarding those companies and cannot perform the same financial and operating diligences as in the case of its own subsidiaries.

The principal shareholder holds a majority of voting rights at the shareholders' meetings.

Mérieux Alliance, the holding Company controlled by the Alain Mérieux family, holds approximately 58.9 % of the share capital and 72.15 % of the voting rights of the Company. Consequently, Mérieux Alliance will be able to adopt all resolutions that require shareholders' approval at an ordinary general meeting and, except in the case of an exceptionally high rate of participation by other shareholders, all resolutions that require shareholders' approval at an extraordinary general meeting. Mérieux Alliance will therefore be in a position to take major decisions alone, including the appointment of board members, approval of the annual accounts, and the distribution of dividends, as well as the authorization of capital increases, statutory mergers and asset contributions. It should be noted that Mérieux Alliance will be entitled to acquire additional double voting rights in April 2009.

Risks related to the price volatility and the liquidity of shares; impact of future sales of shares

Several factors may cause the price of the Company's shares to fluctuate:

– changes in the recommendations of financial analysts concerning the Company;

– changes in forecasts by financial analysts concerning the sector in which the Company operates;

– the announcement by the Company of its financial results, capital transactions or other significant changes in its business;

– and, in general, stock market fluctuations.

In addition, certain large shareholders hold more than 5 % of the Company's capital, a factor that limits the number of shares available for trading; as there is no lock-up clause currently in effect, the offering of a large number of shares in the market, or the perception by financial markets that a large sale is imminent, could cause the price of the Company's shares to decline.

Other financial risks

The management of other financial risks is reviewed in sections 5.2.6 and 5.3.27 below.

4.11.2 Risk management

In order to effectively protect against and manage risks to which it is exposed in its business, the Company has implemented internal oversight procedures described in section 5.9.4 below the Report of the Chairman of the Board of Directors and in section 4.12 on Insurance.

Section 5.3.27 below also covers the management of financial risks.

4.12 INSURANCE

4.12.1 Insurance coverage purchase policy

The Company has a general policy regarding insurance coverage, aimed at ensuring that all subsidiaries are similarly covered, regardless of their size or location.

Coverage purchased takes into consideration the specific nature of local regulations, while at the same time reflecting the Group's centralization and globalization policies. Insurance policies are purchased from insurance companies selected on the basis of their credit worthiness as well as of their ability to provide the Company with risk prevention services.

Coverage is calculated on the basis of loss assumptions, taking into account the Company's risk profile. The following type of insurance covers the risks to which the Company is exposed as a result of its business and structure:

– general and specific civil liability;

– property damage and business losses;

– transportation;

– automobile;

– building;

– individual accident.

Property damage and business losses insurance include coverage of accidents (fire, machine failure, computer damage, etc.) which may occur at Company facilities, as well as consequential business losses over a 12-month period.

The nature of the Company's business has also been taken into consideration for the purpose of liability coverage (including the professional nature of most of its clients, batch manufacturing processes that reduce the likelihood of multiple risks, etc.). Separate policies are sometimes required to cover specific risks, either due to insurance regulations or because of applicable laws.

4.12.2 Principal insurance policies

Civil liability

The Company and all of its subsidiaries are covered under an umbrella policy with a limit of €100 million per claim and per year on, inter alia:

– its operating civil liability;

– its civil liability subsequent to the delivery and/or products completion of tests;

– its professional civil liability;

– environmental damage caused by its products.

In addition to this overall coverage, specific policies have been purchased to cover the following risks:

– civil liability for environmental damage caused by Group entities;

– Group civil liability under regulations governing biomedical research ("Huriet Act").

In order to comply with laws and regulations in effect in certain countries, local specific policies, such as "employer liability" policies have been purchased by certain Group subsidiaries, including in the United Kingdom, the United States, Canada, Hong Kong, Argentina, Australia, Singapore, Turkey, Italy and Spain.

The Company also has an insurance program covering the liability of its representatives, managers and employees.

Property damage and business losses

The Company and its subsidiaries are covered under an umbrella policy with a limit of €200 million per claim and per year, which covers, inter alia, fire, machine failure, theft, natural disasters and consequential business interruption losses.

This “Master policy” covers all subsidiaries located in the European Union, making it unnecessary for them to take out insurance locally. It can also be extended to cover its subsidiaries located in major countries outside the European Union, including the United States, through local agreements with the same benefits or as supplementary coverage or because of the lack of local agreements, in order to comply with regulations.

Transportation

Risk exposure from the transport of freight by land, sea or air is covered by an umbrella policy with a limit of €2 million per shipment and mode of transport. All insurers and reinsurers exclude from transportation insurance coverage losses resulting from terrorism in the United States as well as exposure to chemical, biochemical, electromagnetic and cyber risks.

Deductibles and premiums

The Company has a safe self-insurance retention rate, primarily on frequent losses, intended to reduce the cost of transferring risks to insurers and to raise the awareness of employees regarding the overall management of risks.

The Group also seeks to make sure that all information regarding premiums and terms of coverage is kept confidential in order to avoid its use against the Company's interests. This is particularly true in the case of liability insurance.

As a general matter, insurance policies include deductibles of:

– specific deductibles between €30,000 and €1 million per claim in the case of civil liability insurance;

– various specific deductibles ranging from €20,000 to €2,500,000 in the case of property damage and business losses insurance;

In 2008, no loss incurred exceeded the deductible amounts set in property damage and business losses or liability policies.

4.13 ENVIRONMENTAL INFORMATION

4.13.1 Environmental policy

As part of its environmental policy, every effort is made by the Company to manage its business in a manner conducive to protecting the health and promoting the safety of its employees and other persons at its facilities (outside contractors, temporary personnel, trainees, visitors) and to limiting the environmental impact of its operations and protecting its assets.

The Company examines hazards and assesses risks prior to deciding to use hazardous substances, acquire and use real property or facilities and develop new processes or products.

The Company designs, uses and maintains its facilities in such a way as to best control the environmental impact of its operations (soil, water, air, noise, odors, energy, waste, etc.). For example, studies conducted in 2008 concerning capital projects at the Grenoble site in France included an analysis of the environmental efficiency of the planned facilities. The Company arranges for its facilities to be audited on a regular basis to ensure that they are in compliance with applicable regulations and meet their other obligations, and commits to use all necessary means to remedy reported shortfalls.

In late 2007, the Company implemented a Sustainable Development Committee, chaired by the CEO and comprising the Deputy Director, the Head of Industrial Operations, the Head of Research and Development, the Head of Quality Management System – Health, Safety and Environment - Internal audit & ERP (SMQ-HSE-Internal audit & ERP), with the assistance of a network of more than 40 “Green Champions” or “environment correspondents” within each site, subsidiary and support department of the Company.

The Committee's purpose is to draw up an "environmental action plan" to set a series of annual objectives and indicators leading up to the year 2012 and to provide guiding principles for all Group entities in terms of minimization of environmental impacts. The action plan for 2009 was circulated amongst all employees in October 2008.

Suppliers of goods and services are selected among firms that comply with regulations on health, safety and the environment; its suppliers are audited.

Persons at various management levels of the Company are responsible for preventing accidents. Every manager undertakes to comply with and to cause other to comply with environmental policy principles and all rules, procedures and instructions applicable to their sector.

Specific procedures (rules, directives, instructions, etc.) are developed and applied to the execution of tasks considered of a critical nature. Employees receive regular training in order to minimize individuals, property and environment risk exposure.

At the Company's principal operating facilities, continuous improvement plans modeled on the "Kaizen" or "5S" systems are being carried out. They contribute to taking into account the Company's impact on the environment.

Monthly reports on occupational accidents at the principal manufacturing sites are carried out and disseminated within the Company.

4.13.2 Environmental review

Protection of natural resources and contribution to reducing water, energy and raw material consumption

- **Water**

– Use of water resources

Water is a non-hazardous solvent and is the substance most frequently used by the Company in its products' formula. Water is also used in refrigerated facilities, such as cold storage rooms, in controlled atmosphere areas and as a coolant in manufacturing. In these instances, the Company prioritizes closed-circuit systems and actively replaces systems that discharge water.

Water consumption is monitored on a regular basis at the main facilities and steps are taken to reduce it. At the Craponne site (France), the installation of a closed cooling water circuit used in the manufacturing process will allow more than 40,000 m3 of drinking water to be saved in 2009.

– Wastewater

Biologically and chemically contaminated water is collected and decontaminated at the point of use. At the largest facilities, analysis of waste water are frequently performed to measure several factors, including flow, pH, temperature, suspended matter, organic particles, nitrogen, hydrocarbons and heavy metals.

- **Energy**

The Company prefers to use natural gas as a low-polluting source of energy. The energy efficiency of the Company's combustion facilities and the pollution they may cause are monitored on a regular basis. Facilities that fail to meet the latest standards in this area are systematically aligned with new regulations.

In order to improve its energy efficiency, the Company has implemented optimization and energy saving policies. Prior to erecting or renovating buildings, simulations are made to measure their energy efficiency in terms of lighting, heating, ventilation and summer climate control. Efforts are made to find ways of reducing energy consumption to a low or very low level through systems that are researched, encouraged and gradually applied.

bioMérieux is one of the first companies in France to have voluntarily initiated steps aimed at securing energy saving certificates. They were awarded to the Company by the Regional Industry, Research and Environmental Department (“DRIRE”) in June 2007 for a heat recovery system at the Craponne site that is expected to generate total energy savings of some 2 million kWh over the equipment's life.

The Company plans to continue to actively work at obtaining other energy saving certificates.

A pilot project has also been conducted at Marcy l'Etoile, where an environmentally efficient building was established using advanced technologies that limit energy consumption to 65 kWh per square meter per annum. In consideration of this achievement, energy savings certificates for 1 million kWh were awarded to the Company in February 2008.

- **Raw materials**

The Company makes every effort to reduce its consumption of raw materials in packaging, where large quantities tend to be used, by such measures as the use of volume packaging adapted to its needs and by giving priority to recycling.

Likewise, initiatives have been taken to reduce paper consumption and to promote the use of recycled paper.

- **Air**

The Company seeks to lower its emissions into the air, including by using mainly clean fuels, like natural gas. Its main manufacturing facilities are in compliance with the latest anti-pollution standards and monitoring is done in the form of "carbon assessments". Such measures were taken at the Marcy l’Etoile site in France in 2008.

The Company has also decided to apply environmental standards to its company vehicles policy and promotes the use of long-term rented vehicles emitting less than 140 grams of CO2 per kilometer.

- **Odor and noise pollution**

At Company facilities that generate noise, every effort is made to ensure compliance with noise level restrictions applicable to the location concerned. In this context, the Company makes measurements every three years at all of its French sites, as required under applicable operating permits.

The Company's operations do not currently cause odor pollution.

- **Waste**

For the past several years, the Company has sought to optimize waste management and to sort the recyclables at the point of use. Its efforts have included the development of processes designed to reduce the volume of produced waste. The Company pays special attention to the development of methods for recycling, reusing and sorting of non-hazardous waste. As far as hazardous waste is concerned (discharged laboratory chemicals, organic solvents, acids, bases, etc.), the Company has always opted in favor of a strict policy of collection at the source and disposal by companies licensed to process such waste in the most appropriate manner. All of the Company's sites have waste storage and processing facilities.

Measures taken to limit the impact on biodiversity, nature and protected animal and plant species

The Company's facilities are located in industrial or urban areas and are therefore not in places where nature, fauna and flora are protected. The Company puts great emphasis on the appearance of its facilities and on landscaping and architectural integration of its sites.

Environmental assessment and certification procedures

At this time, the Company has not started procedures everywhere aimed at being granted an environmental certification. One of its distribution subsidiaries, bioMérieux Suisse, was certified ISO 14001 compliant in late 2006. The certificate was renewed in 2008.

Measures implemented to ensure that the Company's operations comply with applicable laws and regulations

All of the Company's French facilities are in compliance with regulations applicable to classified facilities, under either the reporting or the authorization system, depending on the nature of their operations. None of the facilities is submitted to regulations governing major technological risks.

Cost of preventing the Company's operations from affecting the environment

When facilities are established and throughout their life, the Company seeks to make sure that they incorporate environmental protection features and make the most efficient use of natural resources. Significant expenditures were regularly incurred by the Company to ensure that facilities fully comply with environmental regulations. Thus, in 2008, nearly €1,370,000 were spent on capital projects related to environmental protection.

Internal control and management of environmental risks

In addition to the Committee on sustainable development and the “Green Champions” network, as described above, the Company's main facilities all have a Health, Safety and Environment Department (HSE) which reports to the head of the facility. In addition, the SMQ-HSE-Internal audit & ERP Division provides guidance and support to facilities that need it, especially those that do not have their own in-house specialized departments.

The Company has set up an HSE education program for new employees at its facilities in France, the Netherlands and North America.

SECTION 5

ASSETS – FINANCIAL POSITION – INCOME

5.1 KEY FIGURES

5.1.1 Consolidated income statement

In millions of euros	Jan. 08-Dec. 08	Jan. 07-Dec. 07	Jan. 06-Dec. 06
Net sales	**1,110.5**	**1,062.8**	**1,036.9**
Gross profit	**593.0**	**565.8**	**541.9**
Operating income before non recurring items	**186.9**	**167.0**	**149.4**
Operating income	**186.1**	**149.9**	**152.5**
Net income of consolidated companies	**130.0**	**98.1**	**105.4**

5.1.2 Consolidated balance sheet

Assets *In millions of euros*	**Net 12/31/2008**	**Net 12/31/2007**	**Net 12/31/2006**
Fixed assets	**612.6**	**466.7**	**443.8**
Current assets	**576.6**	**531.7**	**495.8**
Total assets	***1,189.2***	***998.4***	***939.6***
Liabilities and shareholders' equity	**12/31/2008**	**12/31/2007**	**12/31/2006**
Shareholders' equity	**688.4**	**601.3**	**557.5**
Non current liabilities	**138.1**	**102.4**	**82.6**
Current liabilities	**362.7**	**294.7**	**299.5**
Total liabilities and shareholders' equity	***1,189.2***	***998.4***	***939.6***

5.1.3 Consolidated cash-flow statement

In millions of euros	Jan. 08-Dec. 08 12 months	Jan. 07-Dec. 07 12 months	Jan. 06-Dec. 06 12 months
Cash flow from operating activities before cost of net financial and income tax	**259.5**	**237.6**	**206.2**
Net cash flow from operations	**197.9**	**171.0**	**125.5**
Net cash flow from (used in) investment activities	**-216.5**	**-103.4**	**-64.5**
Net cash flow from (used in) financing activities	**16.3**	**-32.4**	**-23.5**
Net change in cash and cash equivalents	**-2.3**	**35.2**	**37.5**
Net cash and cash equivalents at the beginning of the year	**36.0**	**8.0**	**-25.1**
Impact of currency changes on net cash and cash equivalents	-2.2	-7.2	-4.4
Net change in cash and cash equivalents	**-2.3**	**35.2**	**37.5**
Net cash and cash equivalents at the end of the year	**31.5**	**36.0**	**8.0**

5.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS

5.2.1 Overview

General Situation

The Company's consolidated net sales has been rising in a sustained manner, on a constant foreign-exchange and comparable consolidation basis: from 1999 to 2008, net sales increased by an average of 6.2 % per annum, with annual growth in the range of 5.2 % to 7.5 % during the period, except in 2000, when it was 8.5 %. Over the past two fiscal years, sales increased by 7.4 % in 2007 and 7.5 % in 2008.

The fact that growth has been so sustained is accounted for in part by overall market growth, a broader reagent menu for the existing installed base and the expansion of that base. Reagents account for 82 % to 84 % of total sales and 70 % of them are designed for the automated systems sold by the Company. The remainder is used for tests performed manually or not dedicated to its instruments. As of December 31, 2008, the Company had placed more than 53,000 instruments with customers, most of which exclusively use its own reagents.

The bulk of the Company's sales were in Europe, North America and Japan, the major markets for diagnostic products. Those regions accounted together for 84 % of total sales in 2008, a ratio that has remained relatively stable since 2001. The growth in our sales has been greater in industrial applications (9.7 % in 2008) than in clinical applications (7.2 % in 2008).

The operating margin increased over the past year, to 16.8 % of revenue in 2008, from 15.7 % in 2007 and 14.4 % in 2006.

The Company generated sufficient cash flow to finance its capital expenditures and limit its net debt, which stood at 51 million euros on December 31, 2008, versus net cash of 15 million euros on December 31, 2007.

Factors affecting sales

Sales of reagents account for close to 84 % of the Company's revenue. Except in the case of manual or non-specific products, these sales of reagents are preceded by the sale or placement with clients of instruments in which the reagents are used. At the end of 2008, approximately two-thirds of the total installed base had been sold to the customers. The remaining one-third consisted of instruments placed at client locations. In case of placements, the selling price of reagents is increased to account for the cost of placing the instrument. Sales of instruments accounted for close to 11 % of consolidated revenue in 2008.

The expansion of the installed base serves as an indicator of the Company's potential revenue. However, there is no direct relationship between the size of the installed base and revenue, since the consumption of reagents can vary significantly from one product line to another as well as from one country to the next. Sales also depend on the scope of the reagent menus available for each instrument and on the value added by each test in a menu. The size of the installed base is therefore only one of several factors with an impact on sales.

The Company also provides services, such as technical support, which are either billed as part of service contracts or included in the price of reagents. Separately billed services represented approximately 5 % of the Company's revenue in 2008.

Factors affecting Operating Income before Non-recurring Items

Changes in operating income before non-recurring items reflect the following factors:

– Gross profit reflects costs directly related to manufacturing and product purchases, product storage and delivery to customers, the installation and field service of instruments, depreciation of instruments placed with or leased to clients and royalties paid on certain products sold.

– Other operating costs consist primarily of selling and marketing expenses, general and administrative expenses and research and development expenses. Research and development costs are recognized in the year in which they are incurred and may include up-front license payments for products in development.

– Proceeds from royalties are reported on a separate line in the consolidated income statement, net of amortization allowances for the corresponding intangible assets; they contributed 12.3 million euros of operating income before non-recurring items in 2008.

Impact of Exchange-rate Fluctuations

Because much of the Company's business is conducted outside the euro zone, its revenue, income, and some items on its balance sheet can be significantly affected by fluctuations in exchange rates between the euro and other currencies. Revenue, in particular, is affected by changes of the euro against the US dollar, and to a lesser extent against other currencies.

However, some operating expenses, in particular those incurred in the United States, are paid for in US dollars, lessening the impact of fluctuations of the US dollar on operating income. This natural hedge is less effective in the case of other currencies in which the Company operates.

The Company may also be exposed to currency risks arising from borrowings by certain subsidiaries in currencies other than their own (such as euros or dollars) in countries where the volatility of those currencies is higher and where it may not always be possible to hedge exchange risks (such as in certain Latin American countries).

The Company's current policy, which is subject to change, is to seek to hedge the impact of exchange-rate fluctuations on budgeted net income. It uses hedging instruments, when they are available at a reasonable cost, in order to lessen risks from currency fluctuations. Its current practice is to put in place global hedges covering similar risks. Hedge contracts are purchased to cover transactions within budget and not for speculative purposes.

Distribution subsidiaries are currently billed in their local currencies by manufacturing subsidiaries (except where prohibited by law), so that currency risks can be managed at the corporate level. Whenever possible, the Group hedges currency risks from financial debt in currencies other than those of the country in which operations are located, so as to offset any accounting risks.

The Group's exposure to exchange-rate and other market risks is examined in section 5.2.6 "Market risks" below. The impact of exchange-rate fluctuations on revenue over the past two years is examined in the "Revenue" section below.

In addition to having an impact on the Company's income, exchange-rate fluctuations can affect its net equity. The Company's worldwide operations require it to have assets and liabilities in dollars and other currencies. At the present time, the Company has not taken measures to hedge this exposure to foreign exchange losses.

Comparable Figures

The notion of "comparable figures" in the context of changes in revenue refers to the exclusion of the impact of exchange-rate fluctuations, changes in the scope of consolidation (acquisitions or divestitures of consolidated companies or divisions) and changes in accounting methods. The impact of exchange-rate fluctuations is eliminated by recalculating sales for the year under review using the exchange rates for the previous year.

Seasonal Nature of the Business

The Group's business is not seasonal.

5.2.2 Comparison of fiscal 2008 with fiscal 2007

Changes in the Scope of Consolidation

Changes in consolidated entities during fiscal 2008 are examined in section 5.3.2.1 below.

Sales

Net sales amounted to 1,111 million euros in 2008, an increase of 7.5 % from the 1,063 million euros reported in 2007, at constant exchange rates and scope of consolidation (like-for-like). Including the effects of new business development agreements, the period-on-period increase was 9.8 % at constant exchange rates.

Sales by region was as follows:

In millions of euros	**2008**	2007	*Change*	
			in euros	***On a comparable exchange and consolidation basis***
Europe(1)	**662.6**	613.2	*+8.1 %*	***+7.5 %***
North America	**242.8**	262.7	*-7.6 %*	***+1.6 %***
Asia-Pacific	**129.2**	118.9	*+8.7 %*	***+15.2 %***
Latin America	**75.9**	68.0	*-11.7 %*	***+15.8 %***
Total	**1,110.5**	1,062.8	***+4.5 %***	***+7.5 %***

(1) including the Middle East and Africa

– Sales in the Europe - Middle East - Africa region, which accounted for 60 % of consolidated business, increased by 7.5 % over the period. Operations outside France continued to expand at a sustained pace, gaining 9.6 % for the year. Despite the economic slowdown, growth remained robust in Germany (up 12 %), Spain (up 8 %) and the United Kingdom (up 7 %). The new South African subsidiary got off to a good start, and the contract to supply assays to quantify HIV viral load was extended for a further year. Sales in the Middle East climbed 14 %. In France (16 % of the consolidated total), sales rose 2.2 %, in line with the market. A reorganization of the sector is planned, following recommendations made in the French Health Ministry's Ballereau Report. In anticipation of this change, laboratories are being cautious, slowing sales growth.

  Clinical applications experienced sustained growth, led by the VITEK®2 line, VIDAS® immunoassay reagents (including high medical value tests, particularly VIDAS® B.R.A.H.M.S. PCT and VIDAS®NT-proBNP) and molecular biology. In spite of a greater sensitivity to the economic environment, industrial applications sales expanded by more than 8 %, with all of the lines contributing to growth. Spurred by the launch of new reagents, the TEMPO® range saw sales surge nearly 25 %.

– In North America (22 % of the consolidated total), sales ended the year up 1.6 %, after rising by a sharp 10.2 % in 2007. Sales were dampened by flat demand as customers, mainly from the private sector with labs that are already highly automated, postponed purchases of new systems. In this environment, North American instrument sales fell by 20 % during the year, versus growth of nearly 25 % in 2007. Overall growth in the region was led by the 6 % increase in reagent sales. In the United States, second-half sales increased over the 2008 first-half despite the tighter economy.

– In the Asia-Pacific region (11 % of the consolidated total), sales rose 15.2 %, reflecting gains of 24 % in China, 16 % in South Korea and 27 % in India. In Japan, sales by the joint venture with Sysmex were stable (up 1 %) in a difficult market.

  In clinical applications, growth was led by the microbiology lines and the VIDAS® immunoassay line, up nearly 17 %. Sales of industrial applications rose more than 22 %.

– In Latin America (7 % of the consolidated total), growth remained robust across the region, driving an overall increase in sales of nearly 16 %. In Brazil, sales were up 9 %, thanks to sustained strong sales at the end of the year.

  Clinical application sales were lifted by the solid growth of the microbiology lines. Microplate sales reported satisfactory growth in a highly competitive environment. In the industrial segment, sales continued to expand rapidly in every country of the region.

The table below shows revenue by application:

In millions of euros	**2008**	2007	*Change*	
			in euros	***On a comparable exchange and consolidation basis***
Clinical applications	**944.1**	**908.9**	***+3.9 %***	***+7.2 %***
Microbiology	**562.2**	533.9	*+5.3 %*	***+6.9 %***
Immunoassays	**303.7**	288.2	*+5.4 %*	***+5.7 %***
Molecular Biology	**57.0**	47.3	*+20.4 %*	***+17.6 %***
Other product lines	**21.2**	39.5	*-46.2 %*	***+11.9 %***
Industrial applications	**166.4**	**153.9**	***+8.1 %***	***+9.7 %***
Total	**1,110.5**	**1,062.8**	***+4.5 %***	***+7.5 %***

In the clinical applications segment, on a comparable basis:

– In 2008's challenging economy, business growth was powered by reagent sales, which rose 9.6 % during the year and accounted for 83.9 % of the consolidated total, versus 82.5 % in 2007.

– In clinical applications, sales rose 7.2 %, reflecting sustained strong demand for microbiology, VIDAS® immunoassay and molecular biology reagents. In particular, sales of the VIDAS® line were lifted by the success of high medical value assays, especially VIDAS® B.R.A.H.M.S. PCT and VIDAS® NT-proBNP.

– Sales industrial applications were up 9.7 % for the year, with all lines contributing to the increase, especially VIDAS® and TEMPO®. Sales continued to expand quickly in the Asia-Pacific region, Latin America and Europe, a region with sharper disparities among the countries. In North America, growth was driven by reagent sales but was held back by weak instrument sales.

The installed base rose to around 53,000 instruments at December 31, 2008, following the placement of 3,900 new instruments with customers during the year.

Gross Profit and Income

IAS/IFRS

Financial statements for fiscal 2008, 2007 and 2006 were prepared in accordance with IAS/IFRS.

Income

Gross margin stood at 53.4 % of net sales, versus 53.2 % in 2007, while gross profit amounted to 593 million euros compared with 566 million euros the year before. The improvement was mainly led by higher reagent sales, which offset the unfavorable currency effect, higher transportation costs and the increase in royalty payments. Gross profit was also lifted by the fact that average selling prices held firm over the year, as well as the Company's continued actions to reduce the costs of non-quality and improve productivity.

Selling, general and administrative expenses amounted to 286 million euros and represented 25.8 % of sales, compared with 26.1 % in 2007.

Research and development expenses rose to 132.7 million euros, or 12 % of sales, but the increase was limited by the decline in the dollar against the euro and the booking of grants covering expenditures committed over the past two years as part of the ADNA program. The Company expects to maintain its research budget at between 12 and 13 % of sales. In 2009, R&D outlays will include the ramp-up of the ADNA program and increased spending on the VIDAS® range in France. They will also cover bioTheranostics' expenditures over twelve months. On the other hand, development work on the VIDIA® range will be scaled back.

Royalties from the patent portfolio rose to 12.3 million euros, comprising in particular a 3.8 million euros royalty payment from Becton Dickinson (versus 5.7 million euros in 2007) and a variety of other non-recurring royalties totaling an aggregate 3 million euros. The recurring royalty payments for the BOOM® and NASBA® technologies, most of whose patents expire in 2010, amounted to nearly 3 million euros for the year**.**

Operating income before non-recurring items rose by nearly 12 % to 187 million euros, representing 16.8 % of sales.

Operating income amounted to 186 million euros, a 24 % increase on the 150 million euros reported in 2007, when it included a 28.5 million euros provision for closure of the Boxtel plant, partially offset by a 11.4 million euros reversal of the provision on the D.B.V. dispute. In 2008, the operating income was reduced by the 1.3 million euros cost of transferring Boxtel's operations to facilities in Grenoble, Marcy l'Etoile and Shanghai, a non-recurring expense that is expected to total about 11 million euros in 2009.

Net financial expense stood at 3.3 million euros for year. In 2007, financial expense was offset by the 3.3 million euros pre-tax capital gain realized on the sale of the OPi shares

Income tax expense amounted to 51.5 million euros, or 28.2 % of pretax income, versus 35.6 % in 2007.

France's new research tax credit plan, in effect since 2008, reduced tax expense by 7.4 million euros compared with 2007, reflecting the significant amount of R&D expenditures made by the French sites during the year. To benefit from this favorable environment, in 2009 there will be an increase in research programs conducted in France.

The year also benefited from nearly 5 million euros in non-recurring items related to the restructuring of bioMérieux Japan and the favorable outcome of a tax audit in the United States. Excluding these items, the effective tax rate for the year would have been 30.7 %. The tax rate was higher in 2007 because the provision for the closure of the Boxtel plant gave rise only to a partial tax savings.

Net income rose by 32.6 % to 130 million euros, or 11.7 % of sales. Earnings per share amounted to 3.29 euros versus 2.48 euros in 2007.

Statement of change in net debt and financial position

Cash flow from operating activities before cost of net financial debt and income tax rose by 21 million euros to 259 million euros.

Operating working capital requirement continued to improve to 20.6 % of sales from 21.1 % in 2007.

Capital expenditure totaled 92 million euros, of which 55 million euros was for industrial investments, compared with, respectively, 90 million euros and 50 million euros in 2007. Industrial investments primarily concerned capacity extensions, building development projects and the "Global ERP" project.

In addition to this last project, major capital outlays were committed to building construction and development at the Grenoble, Marcy l'Etoile, Saint Louis and Shanghai sites. They will increase consolidated capital expenditure by around 30 million euros a year in 2009 and 2010.

Free cash flow before acquisitions, divested operations and dividends stood at 100 million euros for the year, up 16 million euros on 2007.

A total of 136 million euros was spent in 2008 on acquisitions, primarily **AB BIODISK, AviaraDx and PML Microbiologicals**.

Dividends of 30 million euros (0.76 euro per share) were paid in June 2008.

Net debt stood at 51 million euros at December 31, 2008, versus net cash of 15 million euros a year earlier, and represented 7 % of equity.

bioMérieux has a 260 million euros syndicated line of credit available until January 2013. At December 31, drawdowns on the facility amounted to 65 million euros.

5.2.3 Comparison of fiscal 2007 with fiscal 2006

Changes in the Scope of Consolidation

Changes in consolidated entities during fiscal 2007 are examined in section 5.3.2.2.1 below.

Highlights

Fiscal 2007 highlights are reviewed in section 5.3.2.2.2 below.

Sales

Net sales for fiscal 2007 was 1,063 million euros, up from 1,037 million euros in 2006.

Net sales increased by 7.4 %, on a comparable foreign-exchange and consolidation basis.

Sales by region was as follows:

In millions of euros	**2007**	2006	*Change*	
			in euros	***On a comparable exchange and consolidation basis***
Europe(1)	**613.2**	586.0	*+4.6 %*	***+5.6 %***
North America	**262.7**	268.8	*-2.3 %*	***+10.2 %***
Asia-Pacific	**118.9**	113.1	*+5.1 %*	***+12.0 %***
Latin America	**68.0**	69.0	*-1.3 %*	***+4.5 %***
Total	**1,062.8**	1,036.9	***+2.5 %***	***+7.4 %***

(1) including the Middle East and Africa

– Sales were up 5.6 % in the Europe, Middle East and Africa region (which accounted for 58 % of total revenue). They rose slightly in France. Excluding France, sales in the region increased by 7.8 %, with most of the growth being accounted for by Germany, the Middle East/Africa region and the United Kingdom. In clinical products, growth was driven primarily by all microbiology lines, especially VITEK®2, and molecular biology. There was a slight increase in sales of immunoassays. The new parameters with a high medical value, such as VIDAS® B·R·A·H·M·S PCT®, as well as instruments, provided a source of renewed growth for the VIDAS® product line. Competitive pressure remained strong in microplates. There was a 7.8 % increase in sales of industrial applications.

– In North America (25 % of total revenue), there was a double-digit increase in sales in both the United States and Canada. The microbiology and molecular biology lines led growth in clinical applications. Industrial applications, where sales were up 14.4 %, benefited from the successful release of TEMPO® and strong performances by the VITEK®2 and BacT/ALERT® sterility control lines.

– In the Asia–Pacific region (11 % of total revenue) business was up 12 %. Sales increased significantly in China, where sales generated rose by almost 20 %, in Korea and in Australia. There was also a small improvement in sales in Japan, thanks in part to a contract with BML. All bacteriology, immunoassay and molecular biology lines contributed to sustained growth in the clinical area. Sales of industrial applications also increased by 13.3 %.

– In Latin America (6 % of total revenue), sales were up 4.5 %. Growth was sustained in Mexico and Argentina. The Brazilian subsidiary reported declining sales in molecular biology and microplates. Sales of industrial applications were still relatively small but increased by 37 %.

The table below shows sales by application:

In millions of euros	**2007**	2006	*Change*	
			in euros	***On a comparable exchange and consolidation basis***
Clinical applications	**908.9**	**894.3**	***+1.6 %***	***+6.8 %***
Microbiology	**533.9**	505.5	*+5.6 %*	***+8.9 %***
Immunoassays	**288.2**	286.9	*+0.4 %*	***+2.3 %***
Molecular Biology	**47.3**	39.9	*+18.7 %*	***+19.5 %***
Other product lines	**39.5**	62.0	*-36.3 %*	***-5.0 %***
Industrial applications	**153.9**	**142.6**	***+7.9 %***	***+10.7 %***
Total	**1,062.8**	**1,036.9**	***+2.5 %***	***+7.4 %***

In the clinical applications segment, on a comparable basis:

– Microbiology sales rose 8.9 %, with improvements in all core product lines.

– Revenue from immunoassays improved slightly, in spite of considerable competitive pressure in microplates. Sales of VIDAS® reagents improved by more than 3 %. Business was sustained in the Asia-Pacific region and Latin America. In Europe, results were helped by strong starting sales of the new parameters with a high medical value, including VIDAS® B·R·A·H·M·S PCT®.

– In spite of declining sales in Brazil, molecular biology business there improved significantly.

With sales up 10.7 %, the industrial applications segment continued to expand, supported by all microbiology lines.

In 2007, the portion of sales accounted for by instruments was 13 %, up from 12 % in 2006.

The installed base continued to expand, with 3,800 new instruments put in place during the year. A total of some 49,000 systems were in place on December 31, 2007.

Gross Profit and Income

IAS/IFRS

Financial statements for fiscal 2007, 2006 and 2005 were prepared in accordance with IAS/IFRS.

Income

Gross profit was 565.8 million euros, corresponding to a margin of 53.2 % of revenue, compared with 52.3 % in fiscal 2006. In spite of a loss of profit margin from discontinued or sold operations, gross profit improved by 24 million euros. It was adversely affected by exchange rates and the increased share of instrument sales in total revenue but benefited from organic growth, economies of scale and a decline in quality rejections.

Selling, general and administrative expenses totaled 277.6 million euros, or 26.1 % of revenue, compared with 26.3 % on December 31, 2006.

Spending on **research and development** amounted to 131.8 million euros, or 12.4 % of revenue, down from 12.5 % in fiscal 2006.

Revenue generated by **patents held** rose by 0.8 million euros to 10.6 million euros. They included net royalties of 5.7 million euros from Becton Dickinson.

As a result of controlled operating costs, **EBIT** was up 11.7 % to 167 million euros, or 15.7 % of revenue. The margin rate would have been 15.3 % - or 90 basis points more than last year - had it not been for the impact of exchange rates on revenue.

Operating income was 149.9 million euros, down from 152.5 million euros in 2006. It included the recognition of a provision (of 28.5 million euros) for the closing of the Boxtel facility, that was partially offset by a reversal of 11.4 million euros in the provision on the dispute with DBV. In 2006, operating income had included a gain of 10.1 million euros from the sale of the hemostasis line, as well as a charge of 6.6 million euros related from the discontinuation of the microplate immunoassay business in the United States.

Financial income improved to 3.8 million euros, reflecting primarily reduced debt charges and capital gains from the disposal of OPi shares (3.3 million euros before taxes).

Corporate income taxes amounted to 55.1 million euros. The average tax rate was 35.6 % of pre-tax income, compared with 30.4 % in 2006, as the provision for the closing of the Boxtel facility only generated a partial tax saving. In 2006, the intercompany sale of certain bioMérieux BV (Netherlands) patents had made it possible to apply some of that company's accumulated tax losses.

The Company qualified for research tax credits of 5.2 million euros, including 4.2 million euros in France. Starting in 2008, it will be entitled to new benefits in France that are expected to result in a threefold increase in those tax credits.

Net income was 98.1 million euros (9.2 % of revenue), compared with 105.4 million euros (10.2 % of revenue) in 2006.

Statement of change in net debt and financial position

Cash flow before the cost of debt and taxes was up 31 million euros to 238 million euros, reflecting the improvement in EBIT. In 2006, cash flow had been adversely affected by the cost of the settlements with Institut Pasteur and Bio-Rad Laboratories, Inc.

Working capital increased less than in 2006. This was due in part to stable inventories and to the average collection period. Working capital required for operations amounted to 21 % of sales(22 % in 2006).

Net capital expenditures amounted to 90 million euros, of which 40 million for placed instruments, compared with 89 and 47 million euros, respectively, in 2006. In 2007, most industrial investments had to do with improving productive capacity and productivity, as well as to consolidate sales and marketing operations in France. Expenditures included purchases of additional intangible assets. They included additional spending on intangible assets (software licenses, mainly with SAP, and technologies).

In 2007, the Company made financial investments of 28 million euros, including for the acquisition of BTF and Biomedics, as well as equity stakes in LabTech and AdvanDx.

As a result, the Company had a free cash flow of 63 million euros in 2007. It paid out 29.9 million euros (or 0.76 euro per share) in dividends in June 2007.

Net cash amounted to 15 million euros on December 31, 2007, compared with a net debt of 10 million euros on December 31, 2006.

5.2.4 Liquidity

The Company's principal source of liquidity is the cash flow generated by operations. As of December 31, 2008, the Company had committed lines of credit of 260 million euros, on which it had drawn down 65 million euros.

The Company considers that it has adequate resources to finance its day-to-day business, capital expenditures and debt servicing.

5.2.5 Off-balance-sheet commitments

Outstanding commitments made or received on December 31, 2008 were as follows:

– Real estate operating lease commitments by Group entities amounted to 16.8 million euros on December 31, 2008, of which 11.6 million euros payable in more than one year.

– bioMérieux SA participates in a research program coordinated by Mérieux Alliance, together with bioMérieux, Transgene, Genosafe and the Genethon association; the project's objective is to develop a new generation of diagnoses and therapies focusing on cancers, infectious diseases and genetic disorders. Known under the acronym "ADNA" (for "Advanced Diagnostics for New therapeutic Approaches"), the program receives financing from the French government's Industrial Innovation Agency ("Agence de l'Innovation Industrielle"), which merged with OSESO ANVAR in 2007. In this connection, bioMérieux SA has agreed to spend 136.5 million euros in research and development from 2007 to 2017. In return, bioMérieux SA will receive subsidies and repayable grants of up to 19.4 million euros (including 1.7 million euros for fiscal 2007) and 23.1 million euros, respectively. If projects are successful, bioMérieux SA will have to reimburse the repayable grants proportionally to its revenue (2 %) and then to pay 1 to 2 % of the revenue depending on the projects until 2027 or 2029. The public financing agreement was approved by the European authorities on October 22, 2008.

– bioMérieux Inc and bioMérieux SA are parties to various agreements that call for payments based on progress in corresponding research projects or a minimum volume of sales (35 million euros).

– As of December 31, 2008, bioMérieux S.A. had a call option on 35 % of the shares of Relia Diagnostic System LLC, which expired in January 2009 without having been exercised.

– bioMérieux Inc has an option to purchase the remaining 7 % of the shares of the Mexican subsidiary from its minority owner, on the basis of a formula that takes into consideration the revenue and income of the company; this has no material impact on the equity and debt of bioMérieux.

– As part of the purchase of CEA-Industrie's interest in Apibio in December 2004, bioMérieux SA agreed to an incentive clause with CEA-Industrie covering the period from 2010 to 2014, under which it would pay CEA-Industrie 3.5 % of any revenue generated by the application of technologies developed by Apibio (primarily MICAM and OLISA), up to a ceiling of 1.1 million euros.

– bioMérieux SA has secured a syndicated credit facility of 260 million euros (drawdowns amounted to 65 million euros as of December 31, 2008) repayable in full at maturity in 2013 (see note 16.1).

– The Company is a party to agreements with earnout clauses, entered into in connection with acquisitions and disposals. At the end of the period, the enforcement of such clauses was not deemed likely, or the amount involved could not be reliably ascertained.

– Bank guarantees obtained by the Group in connection with bids made by it totaled 15.1 million euros as of December 31, 2008.

– bioMérieux SA's obligations to its employees in terms of training (French regulation so-called “Droit Individuel à la Formation”) were estimated as of December 31, 2008 to amount to the maximum of 224,675 working hours.

– bioMérieux SA benefits from a clause of additional payments for the sale of its interest in Harmonie SA: bioMérieux is interested in the net income resulting from transferred patents for a period of 20 years (until 2026).

– Other commitments of 1.6 million euros were given (endorsements and guarantees other than real estate lease obligations).

– Other commitments of 0.9 million euros were received.

5.2.6 Market risks

Liquidity risk

The table below presents the maturity structure of the financial assets and liabilities as of December 31, 2008:

In millions of euros	12/31/2006	12/31/2007	Decrease / Increase	Change in the scope of consolidation	Net change in cash flow statements	Other changes (a)	12/31/2008
Cash	-32.8	-48.3	1.5	-6.8	-5.3	3.7	-49.9
Cash equivalents	-1.1	-6.2	3.3		3.3		-2.9
Cash and cash equivalents	**-33.9**	**-54.5**	**4.8**	**-6.8**	**-2.0**	**3.7**	**-52.8**
Bank overdraft and other uncommitted debt	25.9	18.5	4.3		4.3	-1.5	21.3
Net cash and cah equivalents	**-8.0**	**-36.0**	**9.1**	**-6.8**	**2.3**	**2.2**	**-31.5**
Committed financial debt	**18.5**	**21.0**	**61.5**		**61.5**	**-0.1**	**82.4**
including portion which exceeds five years	*1.7*	*1.2*					*1.2*
between two and five years	*15.6*	*16.8*					*76.9*
less than one year	*1.2*	*3.0*					*4.3*
Net indebtedness / (Net cash)	**10.5**	**-15.0**	**70.6**	**-6.8**	**63.8**	**2.1**	**50.9**

(a) Impact of currency fluctuations and other changes

(b) Including a syndicated credit facility (65 million euros)
Including a 5.8 million euros liability from the finance lease of the Plaine de l’Ain logistics facility, of which 5.1 million euros for a purchase option. The lease expires in 2010, at which time bioMérieux will have the possibility of exercising its option to purchase the building.
Including the balance of the employee profit-sharing account (3.7 million euros)

(c) Including the balance of the employee profit-sharing account (2.3 million euros)
Including a 0.7 million euros liability from the finance lease of the Plaine de l’Ain logistics facility.

The Company was in compliance with loan repayment schedules at the end of the fiscal year.

As of December 31, 2008, no agreements had been entered into for loans that would become effectively available in 2009.

Interest rate risk

Given the level of the Company’s net debt (50.9 million euros as of December 31, 2008), its exposure to interest-rate risks is not deemed material and was not hedged in 2008. A change in interest rates of 100 basis points in 2008 would not have had a material impact on net financial expenses resulting from investments and financial debts.

Exchange rate risk

The Company operates in 150 countries, generating cash flows in various currencies. Its primary currencies are the euro, US dollar, pound sterling, Japanese yen, Polish zloty and Brazilian real.

An inter-company billing system has been implemented among the two principal operating companies in order to pool exchange-rate risks, except in the case of countries for which this is not legally or economically feasible (such as in some Latin American countries).

The Group hedges its currency exposure (see "Impact of exchange rates" in section 5.2.1 above).

The table below shows the estimated position (in millions of euros) with respect to all currency hedging instruments in effect on December 31, 2008, broken down by type of instrument. Forward contracts are valued at the forward rate and options at their exercise price.

Currency hedges on December 31, 2008 *In millions of euros*	Total	Expiration date		Market value (a)
		< 1 year	1 - 5	
Hedges of existing commercial transactions				
- Currency forward contracts	88.0	88.0		
- Options	0.3	0.3		
Total	88.3	88.3		
Hedges of future commercial transactions				
- Currency forward contracts	190.3	164.6	25.7	11.2
- Options	21.3	19.3	2.0	1.6
Total	211.6	183.9	27.7	12.8
Net investment hedges				
- Currency forward contracts	51.8	41.0	10.8	-2.6
Total	51.8	41.0	10.8	-2.6

(a) Difference between the present value of the hedge instrument on December 31, 2008 and its market value at the same date.

The 12.8-million euro market value of hedge contracts pertaining to future commercial transactions outstanding on December 31, 2008 is recognized under “other comprehensive income” for 13 million euros and in income as an expense for 0.2 million euros.

Net investment hedge contracts outstanding with a negative value of 2.6 million euros on December 31, 2008 are recognized in equity under “other comprehensive income”.

Futures and options outstanding on December 31, 2008 mature within 18 months.

5.3 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDING DECEMBER 31, 2006, 2007 AND 2008

CONSOLIDATED INCOME STATEMENT

In millions of euros	**Jan. 08-Dec. 08 12 months**	**Jan. 07-Dec. 07 12 months**	**Jan. 06-Dec. 06 12 months**
Net sales (note 5.3.1.16.1)	**1,110.5**	**1,062.8**	**1,036.9**
Cost of sales	-517.5	-497.0	-495.0
Gross profit	**593.0**	**565.8**	**541.9**
Other operating income (note 5.3.1.16.1)	12.6	10.6	9.8
Selling and marketing expenses	-198.9	-189.3	-186.7
General and administrative expenses	-87.1	-88.3	-86.0
Research and development expenses	-132.7	-131.8	-129.6
Total operating expenses	**-418.7**	**-409.4**	**-402.3**
Operating income before non recurring items	**186.9**	**167.0**	**149.4**
Other non recurring incomes (expenses) (note 5.3.23)	-0.8	-17.1	3.1
Operating income	**186.1**	**149.9**	**152.5**
Cost of net financial debt (note 5.3.22.1)	-2.5	0.0	-0.9
Other financial items (note 5.3.22.2)	-0.8	4.7	1.8
Income tax (note 5.3.24)	-51.5	-55.1	-46.6
Investments in associates (note 5.3.7)	-1.3	-1.4	-1.4
Net income of consolidated companies	**130.0**	**98.1**	**105.4**
Attributable to the minority interests	0.1	0.1	0.1
Attributable to the parent company	**129.9**	**98.0**	**105.3**
Basic earning per share	3.29	2.48	2.67
Diluted earning per share (note 5.3.19.2)	3.29	2.48	2.67

CONSOLIDATED BALANCE SHEET

Assets *In millions of euros*	**Net** **12/31/2008**	**Net** **12/31/2007**	**Net** **12/31/2006**
Fixed assets			
. Intangible assets (note 5.3.3)	78.1	42.8	31.1
. Goodwill (note 5.3.4)	168.0	76.9	74.8
. Property, plant and equipment (note 5.3.5.1)	300.2	284.3	271.7
. Financial assets (note 5.3.6)	16.6	17.8	14.9
. Investments in associates (note 5.3.7)	2.0	3.1	4.9
. Other non-current assets (note 5.3.5.3)	26.0	21.7	21.5
. Deferred tax assets (note 5.3.15)	21.7	20.1	24.9
Total	**612.6**	**466.7**	**443.8**
Current assets			
. Inventories and work in progress (note 5.3.8)	156.3	145.8	146.8
. Accounts receivable (note 5.3.9)	315.4	293.6	280.8
. Other operating receivables (note 5.3.10)	28.8	23.8	23.7
. Tax receivable (note 5.3.10)	11.6	10.8	2.5
. Non-operating receivables (note 5.3.10)	11.7	3.2	8.1
. Cash and cash equivalents (note 5.3.11)	52.8	54.5	33.9
Total	**576.6**	**531.7**	**495.8**
Total assets	***1,189.2***	***998.4***	***939.6***
Liabilities and shareholders' equity	**12/31/2008**	**12/31/2007**	**12/31/2006**
Shareholders' equity			
. Share capital (note 5.3.12)	12.0	12.0	12.0
. Additional paid in capital	63.7	63.7	63.7
. Retained earnings	517.6	458.9	382.2
. Other comprehensive income	7.1	0.6	0.9
. Translation reserve (note 5.3.13)	-45.6	-32.3	-7.0
. Net income for the year	129.9	98.0	105.3
Total equity before minority interests	**684.7**	**600.9**	**557.1**
Minority interests	**3.7**	**0.4**	**0.4**
Total shareholders' equity	**688.4**	**601.3**	**557.5**
Non current liabilities			
. Net financial debt-long-term (note 5.3.16.2)	78.1	18.2	17.3
. Deferred tax liabilities (note 5.3.15)	25.6	12.8	5.4
. Provisions (note 5.3.14)	34.4	71.4	59.9
Total	**138.1**	**102.4**	**82.6**
Current liabilities			
. Net financial debt-short-term (note 5.3.16.2)	25.6	21.3	27.1
. Provisions (note 5.3.14)	38.4	7.5	17.0
. Accounts payable (note 5.3.17)	120.2	98.1	95.8
. Other operating liabilities (note 5.3.17)	151.7	140.6	132.3
. Tax liabilities (note 5.3.17)	11.7	12.3	11.0
. Non-operating liabilities (note 5.3.17)	15.1	14.9	16.3
Total	**362.7**	**294.7**	**299.5**
Total liabilities and shareholders' equity	***1,189.2***	***998.4***	***939.6***

CONSOLIDATED CASH-FLOW STATEMENT

In millions of euros	Jan. 08-Dec. 08 12 months	Jan 07.-Dec. 07 12 months	Jan. 06-Dec. 06 12 months
Net income of consolidated companies	130.0	98.1	105.4
Net depreciation, and provision and others	72.7	95.2	59.0
Increase / Decrease in fair value of derivatives	0.2	-1.1	0.3
Net realized capital gains (losses)	-1.9	-3.5	-6.4
Cash flow from operating activities	**201.0**	**188.7**	**158.3**
Cost of net financial debt	2.5	0.0	0.9
Current income tax expense	56.0	48.9	47.0
Cash flow from operating activities before cost of net financial and income tax	**259.5**	**237.6**	**206.2**
Increase in inventories	-7.4	-1.4	-4.5
Increase requirements in accounts receivable	-20.9	-18.2	-21.7
Increase (decrease) in accounts payable and other operating working capital	24.3	11.2	-2.3
Decrease (increase) in operating working capital	**-4.0**	**-8.4**	**-28.5**
Income tax paid	-57.6	-56.3	-53.5
Other	3.4	0.4	3.2
(Increase) / Decrease in non-current assets	-3.4	-2.3	-1.9
Decrease (increase) in working capital requirements	**-61.6**	**-66.6**	**-80.7**
Net cash flow from operations	**197.9**	**171.0**	**125.5**
Purchase of property, plant and equipment	-91.8	-89.7	-88.6
Proceeds on fixed assets disposals	7.5	8.0	8.0
Purchase of financial assets / Disposals of financial assets	-0,3	-1.1	0.8
Net cash from the sale of Hemostasis line of business	1.9	2.3	33.7
Impact of changes in the scope of consolidation	-130.6	-21.6	-18.4
Other investing cash flows	-3.2	-1.3	
Net cash flow from (used in) investments activities	**-216.5**	**-103.4**	**-64.5**
Purchases and proceeds of treasury stocks	-15.3	-5.0	-3.6
Dividends to bioMerieux SA shareholders	-29.8	-29.9	-18.1
Minority interests in capital increase	2.4		
Cost of net financial debt	-2.5	0.0	-0.9
Change in confirmed financial debt	61.5	2.5	-0.9
Net cash flow from (used in) financing activities	**16.3**	**-32.4**	**-23.5**
Net change in cash and cash equivalents	**-2.3**	**35.2**	**37.5**
Analysis of net change in cash and cash equivalents			
Net cash and cash equivalents at the beginning of the year	36.0	8.0	-25.1
Impact of currency changes on net cash and cash equivalents	-2.2	-7.2	-4.4
Net change in cash and cash equivalents	**-2.3**	**35.2**	**37.5**
Net change in cash and cash equivalents at the end of the year (cf. note 5.3.16.2)	**31.5**	**36.0**	**8.0**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Group's share								Minority share
In millions of euros	**Share capital**	**Additional paid in capital**	**Consolidated reserves**	**Payment in shares**	**Changes in fair value (a)**	**Treasury shares**	**Translation reserve**	**TOTAL**	**TOTAL**
Shareholders' equity on December 31, 2006	**12.0**	**63.7**	**489.7**	**1.7**	**0.9**	**-3.9**	**-7.0**	**557.1**	**0.4**
Net income for the year			98.0					**98.0**	**0.1**
Treasury shares			-0.7			-3.3		**-4.0**	
Dividends (b)			-29.9					**-29.9**	
Variation of the OCI (a)					-0.3			**-0.3**	
Payment in shares (c)			1.4	3.9				**5.3**	
Change in translation reserve							-25.3	**-25.3**	**-0.1**
Shareholders' equity on December 31, 2007	**12.0**	**63.7**	**558.5**	**5.6**	**0.6**	**-7.2**	**-32.3**	**600.9**	**0.4**
Net income for the year			129.9					**129.9**	**0.1**
Treasury shares			-9.9			-5.3		**-15.2** (f)	
Dividends (b)			-29.8					**-29.8**	
Variation of the OCI (a)					6.5			**6.5**	
Payment in shares (c)			7.2 (d)	-1.5				**5.7**	
Change in translation reserve (see note 13)							-13.3	**-13.3**	**-0.5**
Change in scope of consolidation								**0.0**	**3.7** (g)
Shareholders' equity on December 31, 2008	**12.0**	**63.7**	**655.9** (e)	**4.1**	**7.1**	**-12.5**	**-45.6**	**684.7**	**3.7**

(a) Change in the fair value of cash-flow hedging instruments
(b) Dividend per share: 0.76 euros in 2007 and 2008
(c) The value of the stock awards is spread over the vesting period
(d) Shares in which rights have vested
(e) Including bioMérieux SA distributable reserves of 370 million euros. The shareholders' meeting of June 11, 2009 is expected to declare a dividend of 0.81 euros per share
(f) 15.3 million euros before taxes
(g) of which: sale to Sysmex of 34 % of the shares of bioMérieux Japan (0.3 million euros)
sale to Litha of 26 % of the shares of bioMérieux South Africa (1 million euros)
subscription by Kehua of 40 % of the shares issued by Shanghai bioMérieux Bio-engineering (2.4 million euros)

INTRODUCTION

bioMérieux is a leading international diagnostics group that specializes in the field of in vitro diagnostics for clinical and industrial applications. The Company designs, develops, manufactures and markets systems, i.e. reagents, instruments and software.

The consolidated financial statements were approved by the Board of Directors on March 13, 2009.

The financial statements will be considered final only after they are approved by the shareholders' meeting of June 11, 2009.

5.3.1 Accounting principles

Standards and interpretations

The consolidated financial statements for the year ended December 31, 2008 have been prepared in accordance with the accounting and valuation standards and interpretations of the International Financial Reporting Standards (IFRS) adopted by the European Commission as of December 31, 2008. The standards can be found on the European Commission web site at:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The new standards and interpretations approved by the European Union and that became mandatory in 2008 (amendments to IAS 39 and IFRS 7 ”Financial Instruments : Disclosures”, IFRIC 11 “IFRS 2 Group and treasury share transactions, and IFRIC 14 ”IAS 19 The limit on a defined benefit asset, minimum funding requirements) had no impact on the Group’s financial statements.

Standards and interpretations adopted by the European Union in 2008 but going into effect after the end of the fiscal year have not been early applied. Based on the information currently available, their application is not expected to have a material impact on the Group’s financial statements.

IFRS 8 ”Operating segments”, which is mandatory for all fiscal periods starting after December 31, 2008, is expected to have an impact only on segment reporting, as shown in the notes. Business segments for 2009 should be the same as those previously determined under IAS 14 “Segment reporting’, which correspond to the geographical region, the first level of segment reporting. The application of the standard should result in a reallocation by geographical region of the goodwill previously allocated to the Group. No material impact on impairment tests resulting from this new allocation is expected.

The Group’s accounting standards in 2008 were not inconsistent with IFRS that are compulsory but not yet adopted by the European Union. Standards and interpretations issued by the IASB but not yet adopted in Europe are not expected to materially affect the financial statements.

The financial statements of the consolidated Group companies, which are prepared in accordance with accounting rules applicable in their respective countries, are restated to conform to the financial reporting principles used for the consolidated financial statements.

Change of presentation

Until 2007, the Group presented a statement of change in consolidated net debt. This statement has been replaced by one that separately shows changes in consolidated net cash and cash equivalents. Information from previous years has been restated accordingly.

5.3.1.1 Estimates and judgments

When preparing the consolidated financial statements, estimates and assumptions are made that affect the book value of certain assets, liabilities, revenue and expenses. This includes the valuation and impairment of intangible assets, including goodwill, the valuation and impairment of financial assets, provisions, employees benefits, deferred taxes and payments in shares, as well as information provided in certain notes to the financial statements. These estimates and assumptions are reviewed on a regular basis, taking into consideration past experience and other factors deemed relevant in light of prevailing economic conditions. Changes in those conditions could accordingly result in different estimates in the Group's future financial statements.

The financial and economic crisis is making it more difficult to measure and value certain assets and liabilities and to assess the impact of events on operations. Estimates have been made on the basis of information available at the end of the period, taking into account events subsequent to the end of the fiscal year, as prescribed by IAS 10.

5.3.1.2 Consolidation principles

Companies over which bioMérieux exercises full control are fully consolidated. Full control is defined as the direct or indirect power to govern the financial and operating policies of a company in order to profit from its business. This control is presumed whenever the Company holds more than 50 % of the voting rights of the controlled company.

Companies over which bioMérieux exercises a significant influence are accounted for by the equity method. Significant influence is defined as the power to participate in financial and operating policies without controlling such policies. It is presumed whenever bioMérieux has a direct or indirect ownership between 20 and 50 % of voting rights. ReLIA, a 15 % held company, is accounted for by the equity method, as bioMérieux has significant influence over its management, as reflected in part by the presence of a bioMérieux representative on the board of directors.

A list of consolidated companies is included in section 5.3.32.

All significant transactions between the consolidated companies, as well as intra-group income (in particular dividends, internal gains related to inventory or fixed assets), have been eliminated.

5.3.1.3 Fiscal year end date

All the Group companies are consolidated on the basis of their fiscal year, or, if the fiscal year dates differ, of audited financial statements for the period ending at the end of the Group's fiscal year.

5.3.1.4 Foreign currency translation principles

The euro is the functional currency of bioMérieux and the consolidated financial statements are presented in millions of euros.

5.3.1.4.1 Translation of the financial statements of foreign companies

Financial statements in foreign currencies are translated as follows:

Normal circumstances: the financial statements of foreign subsidiaries operating in a currency other than the euro or that of an economy subject to hyperinflation are translated as follows:

– Balance-sheet items are translated using the official exchange rate at the end of year.

– Income statement items are translated using the average exchange rate for each currency for the fiscal year.

– Cash flow statement items are translated using the average exchange rate for each currency for the fiscal year.

Differences resulting from the translation of the subsidiaries' financial statements are recognized in "translation reserve" and shown on a separate line under consolidated shareholders' equity.

Whenever a foreign subsidiary is sold, the translation reserve pertaining to that entity is recognized in the income statement according to the disposed portion of the entity.

The tables below show the principal exchange rates used for translations:

Average rates				
1 EURO =	**USD**	**JPY**	**GBP**	**BRL**
2008	1.47	152	0.80	2.67
2007	1.37	161	0.68	2.66
2006	1.26	146	0.68	2.73

Year-end rates				
1 EURO =	**USD**	**JPY**	**GBP**	**BRL**
2008	1.39	126	0.95	3.25
2007	1.47	165	0.73	2.61
2006	1.32	157	0.67	2.82

Special circumstances: the financial statements of subsidiaries operating in a currency other than that of the country in which they are located are translated as follows:

– Non-monetary items are translated at the applicable historical rate.

– Monetary items in the balance sheet are translated at the rate in effect at the end of the period, while those in the income statement are translated at the average rate for the period.

– Differences resulting from the translation of their financial statements are immediately recognized in income.

If the operating currency of the subsidiary concerned is not the euro, the financial statements are then translated into euros as shown under "Normal circumstances".

5.3.1.4.2 Translation of transactions in foreign currencies

As prescribed by IAS 21 "The effect of changes in foreign exchange rates", transactions in currencies other than the operating currency of the company performing them are translated using the exchange rate in effect on the date of the transaction. Exchange-rate gains or losses resulting from differences in rates between the transaction date and the payment date are recognized under the corresponding lines in the income statement (sales and purchases for commercial transactions).

Payables and receivables in foreign currencies are translated at the exchange rate in effect on December 31, 2008. The resulting currency translation gain or loss is recognized in the income statement at the end of the year.

Derivatives are measured and recognized in accordance with the general principles set forth in note 5.3.1.17 "Recognition and measurement of financial instruments". Accordingly, foreign-exchange derivatives are recognized in the balance sheet at their fair value at the end of each period.

At the time the Group changed over to IAS and IFRS, it opted to transfer the aggregate of goodwill recognized as of January 1, 2004 to consolidated reserves.

5.3.1.5 Intangible assets

5.3.1.5.1 Research and development costs

As prescribed by IAS 38 "Intangible assets", research costs are not capitalized. Under IAS 38 "Intangible assets", development costs must be recognized as intangible assets whenever specific conditions are met, related to technical feasibility and marketing and profitability prospects. Given the high uncertainty attached to development in the Group, these conditions are not satisfied until the regulatory procedures required for the sale of products have been finalized. As most expenses are incurred before that stage, development costs are recognized as expenses for the period in which they are incurred.

5.3.1.5.2 Other intangible assets

Other intangible assets include mainly patents, licenses and computer software. All have a finite life. They are initially measured as follows:

– If purchased: at their purchase price

– In the case of business combinations: at fair value, based on the discounted value of estimated future cash flow.

– If produced in-house: at Group cost.

Costs directly attributable to the production or improvement of software developed in-house are capitalized if it is considered probable that expenses will generate future economic benefits. Other development costs are recognized as expenses when incurred.

Intangible assets are amortized in accordance with the expected pattern of consumption of future economic benefits embodied in the asset concerned, generally on a straight-line basis over periods of five to twenty years in the case of patents and licenses and three to six years in the case of computer software.

Intangible assets are carried on the balance sheet at their initial cost less accumulated amortization and, if applicable, impairments. Amortization allowances are recognized in income statement lines based on the assets' function. Impairment losses are recognized in income under "Other non-recurring income and expenses" if the definition applies to them (see note 5.3.1.16.3).

5.3.1.6 Goodwill

Goodwill represents the difference between the cost of business combinations and the Group's part in the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities on the acquisition date. Goodwill is measured in the operating currency of the acquired entity. The cost of business combinations includes expenses directly related to the acquisition and the impact of price adjustment clauses, whenever they can be reliably estimated. The clauses are discounted, if necessary, whenever they have a material negative impact.

Positive goodwill is recognized in the balance sheet on a separate "Goodwill" line. Negative goodwill is recognized directly in the income statement.

As prescribed by IFRS 3 "Business combinations", goodwill is not amortized. On the acquisition date, it is allocated to a cash-generating unit selected on the basis of synergies expected by the Group. Goodwill impairment tests are performed as soon as there are indications that goodwill may be impaired and at least once a year. The procedure followed for these impairment tests and the manner in which impairment loss of value is recognized are set forth in note 5.3.1.8 “Impairment of fixed assets.”

Goodwill is presented in the balance sheet at cost, net of impairments, if any. Impairment losses are accounted for under "Other non-recurring income and expenses" in the income statement provided they meet the definition (see note 5.3.1.16.3) and cannot be reversed except in the event of a disposal.

As permitted under IFRS 1 (“First-time Adoption of IFRS”) options, the net book value of goodwill has not been restated on January 1, 2004 and accumulated amortization up to that date has been deducted from its gross value.

5.3.1.7 Property, plant and equipment

As prescribed by IAS 16 "Property, plant and equipment", property, plant and equipment are initially recorded in the balance sheet at their purchase or production cost, or at fair value on the date of business combinations. They are not revalued. Any revaluations by Group companies are eliminated when preparing the consolidated financial statements.

Property, plant and equipment are recognized by using the component approach. According to this method, each component of property, plant and equipment with a value that is material in terms of the aggregate cost of the asset and with a useful life that is different from that of the principal asset must be separately accounted for and depreciated. The only Group assets to which this method is applied are buildings.

In case an asset acquisition is financed through a financial debt, borrowing costs directly attributable to the acquisition are not capitalized but recognized in the income statement under "Cost of net financial debt" during the period in which they are incurred.

Normal maintenance and repair costs of property, plant and equipment are expensed as incurred. Other subsequent expenses are capitalized only if they satisfy accounting conditions, such as for replacing an identified component.

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

The depreciable value of property, plant and equipment is its cost, as it is not considered to have residual value. It is depreciated on a straight-line basis.

The term over which property, plant and equipment is depreciated depends on the estimated useful life of asset categories:

Category	Useful life
Machinery and tools	3 - 10 years
Instruments *	3 - 5 years

** instruments placed with customers or used in house*

In the case of buildings, depreciation is calculated separately for each component:

Category	Useful life
Shell	30 - 40 years
Finishing work, fixtures and fittings	10 - 20 years

The useful life of assets is periodically reviewed. The impact of any change in their useful life is accounted for prospectively as a change in estimate.

Whenever events or market developments indicate that there is a risk that the value of assets may be impaired, the net value of the property, plant and equipment concerned is reviewed. If their recoverable value (see note 5.3.1.8) is less than their net book value, either the useful life is adjusted or an impairment loss is recorded and recognized in "Other non-recurring incomes and expenses", if the definition applies to it (see note 5.3.1.16.3).

Capital gains on intra-group transactions of property, plant and equipment (mainly instruments) are eliminated from the financial statements. However, the value of the corresponding assets is not adjusted by the amount of the write-off. The impact, which is not material in terms of the value of assets, is recognized in "deferred revenue" (8.1 million euros on December 31, 2008).

Finance leases

As lessee: Leases are considered "finance leases" whenever they transfer to the lessee substantially all risks and benefits attached to the leased asset. Leases qualify as such on the basis of the nature of each contract, if they meet the following criteria:

– Ownership of the leased asset is transferred to the lessee at the end of the lease.

– The lease contains a purchase option at a low price.

– The term of the lease covers most of the estimated economic life of the leased asset.

– The present value of minimum future lease payments is substantially equal to the fair market value of the leased asset.

– The leased asset is of a specialized nature such that only the lessee can use it without making substantial modifications.

Whenever the Group leases property under an agreement classified as a finance lease, the fair value of the asset concerned or, if it is lower, the present value of minimum future lease payments, is capitalized and depreciated over the useful life of the asset. The corresponding debt is recognized in the balance sheet. Lease payments are broken down into principal repayments and interest expense.

Other leases are considered operating leases and lease payments are recognized as linear expenses over the term of the lease.

As lessor: when the Group leases assets to third parties on terms equivalent to a sale, the assets are recorded as though they had been sold, as prescribed by IAS 17 "Leases". Corresponding lease payments receivables are recorded as "other non-current assets" on the balance sheet, for the portion payable in more than one year, and "accounts receivable" for short-term payments. The corresponding financial revenue is recognized in the income statement during the period concerned, under "other financial items".

5.3.1.8 Impairment of fixed assets

Impairment tests are performed every year on all intangible assets with an indefinite useful life and on goodwill.

Impairment tests are performed on property, plant and equipment and intangible assets with a finite useful life whenever there are indications that their value may be impaired.

For this purpose, assets are assigned to cash-generating units, which in practice correspond to the Group's subsidiaries. Impairment tests on assets that cannot be assigned (such as goodwill generated by the acquisition of the diagnostics division of Organon Teknika OTD) are performed at the Group level.

The recoverable amount of a cash-generating unit or of a group of such units is mainly based on the discounted cash flow projections over the next five years and an end-value. The assumptions made regarding growth over the first five years are consistent with available business information; the final end-value is estimated on the basis of conservative assumptions. The discount rate used to calculate present value is essentially the weighted average cost of capital before tax. It was 7.9 % in 2006, 7.7 % in 2007 and 9.3 % in 2008. The underlying assumption is an infinite growth rate in the range of minus 2 % to plus 3 %.

Tests have been performed to measure the sensitivity of recoverable value to changes in assumptions about the future.

In the event that the carrying value of a unit exceeds its recoverable value, an impairment is recognized on the corresponding assets, unless their identifiable fair value is higher.

Impairment losses are recognized immediately in income under other non-current expenses, if they meet the applicable definition (see note 5.3.1.16.3). In the case of goodwill, impairment losses cannot be reversed.

5.3.1.9 Financial assets

Financial assets include investment in non-consolidated companies, loans and receivables maturing in more than one year, including pension fund assets whenever these have not been definitively allocated to cover corresponding obligations, as well as deposits made. They are recognized and measured as set forth in note 5.3.1.17. Capital gains and losses on the sale of securities are recognized in accordance with the FIFO method.

5.3.1.10 Inventories

As prescribed by IAS 2 "Inventories", inventories are measured at the lower of cost and net realizable value.

Inventories of raw materials and consumables are measured at their purchase price plus related expenses using the FIFO (first-in-first-out) method. Work-in-progress and finished goods are measured at their standard production cost, adjusted for changes recorded during the manufacturing period of products on hand. Standard production costs are calculated assuming a normal level of activity; they include both direct and indirect manufacturing expenses.

Borrowing costs are not included in the value of inventories.

A provision on inventory value is recognized, if applicable, to reflect selling prices, obsolescence, residual shelf life, condition, sale prospects and, in the case of spare parts, changes in the corresponding installed base.

5.3.1.11 Cash and cash equivalents

This line includes immediately available cash as well as short-term cash investments, in euros, highly liquid, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (e.g. money-market SICAV funds in euros).

Investments meeting those criteria are measured at the end of the period at their fair value, with value changes recognized in profit or loss (see note 5.3.1.17).

5.3.1.12 Employee benefits

5.3.1.12.1 Short-term employee benefits

Short-term employee benefits include salaries and social security taxes, paid vacation and bonuses. They are recognized as expenses for the period in which employees perform the corresponding services. Outstanding payments at the end of the period are shown as "Other operating liabilities".

In the absence of material extra costs identified by the Group, the employee training entitlements (French regulation so-called “Droit Individuel à la Formation”) are accounted for as off-balance-sheet commitments.

5.3.1.12.2 Post-employment benefits

These include in particular pensions, retirement indemnities and post-employment health insurance. They are covered by either defined contribution plans or defined benefit plans.

Defined contribution plans: The Group pays contributions based on salaries to organizations responsible for paying out pensions and social security benefits, in accordance with the laws and agreements applicable in each country. The Group's obligation is limited to the payment of contributions. Contributions are recognized as expenses for the period in which employees perform the corresponding services. Outstanding payments at the end of the period are shown as "Other operating liabilities".

Defined benefit plans are the other systems:

– regular or supplementary pension plans (primarily in the United States, Germany and France) and contractual retirement payments (primarily in France and Japan);

– health insurance for retired employees.

Pension commitments are calculated in accordance with the "projected credit unit" method, taking into consideration actuarial assumptions such as discount rates, salary increases, employee turnover and mortality rates. The principal assumptions made are shown in the table below:

	bioMérieux SA	bioMérieux Inc
Salary increases		
2008	3.50%	3.75%
2007	3.50%	3.75%
2006	3.00%	3.75%
Discount rate		
2008	5.50%	6.20%
2007	5.40%	6.00%
2006	4.50%	5.80%
Expected return		
2008	4.90%	8.00%
2007	4.70%	8.00%
2006	4.50%	8.00%

For the purpose of determining the discount rate, the Group considered various market rates and, as prescribed by IAS 19, chose an adjusted average of the Iboxx Corporate AA and Bloomberg indices on December 31, 2008 (euro, dollar and pound sterling).

The expected rate of return on plan assets is estimated by independent actuaries on the basis of their anticipations and the past returns on investments of the same nature.

Actuarial gains and losses are deferred and amortized in accordance with the so-called “corridor method”, based on the average working life or life expectancy of the employees covered by the plan.

Past service cost due to changes in benefits plan is spread over the average remaining vesting period.

Sensitivity tests are performed to measure the sensitivity of obligations to changes in certain actuarial assumptions.

5.3.1.12.3 Other long-term benefits

Other long-term benefits include long-service awards and 'jubilee' bonuses. The corresponding liabilities are recognized on an actuarial basis whenever they have a material impact. Actuarial gains and losses and past service costs are immediately recognized in the income statement.

5.3.1.13 Provisions - Contingent assets and liabilities

As prescribed by IAS 37 "Provisions, contingent liabilities and contingent assets", provisions are recognized when the Group has a legal or constructive obligation towards a third party, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and no inflow of resources of an equivalent amount is expected in return, and when the amount of the obligation can be reliably estimated.

In the case of restructurings, a provision is accrued as soon as a restructuring is announced publicly and the corresponding formal plan is detailed or implemented. Provisions for restructuring include in particular the cost of severance payments.

Provisions are discounted if the impact is material.

Contingent liabilities are listed in the notes to the financial statements, unless the probability of a disbursement is very low.

Contingent assets are disclosed in the notes to the financial statements whenever their realization is considered probable.

5.3.1.14 Deferred income taxes

Deferred income taxes are calculated for all the timing differences between the tax value of assets and liabilities and their book value in the consolidated financial statements. These differences arise in particular from:

– timing differences between financial reporting and tax reporting (non-deductible provisions, employee profit sharing, etc);

– consolidation restatements (accelerated depreciation, provisions, unrealized transferred profit in inventories and fixed assets, etc);

– not refundable withholding tax on the dividend distributions which will occur during the next fiscal year.

Deferred tax assets resulting from timing differences, consolidation restatements or tax losses carried forward are not recognized unless it is sufficiently probable that they will be used in the foreseeable future. The Group uses a two-year period.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realized or the liability is settled (comprehensive liability method). They are recognized at the enacted tax rate (or nearly enacted rate) for their nominal value without discounting.

Deferred tax assets and liabilities are included under "non-current assets" and "non-current liabilities", respectively. They are offset on the balance sheet if they are levied by the same taxing authority on the same entity (or group of entities) and if the entity has the legal right to net them out.

5.3.1.15 Other non-operating receivables and liabilities

Other non-operating receivables and liabilities are those that are not related to normal operations. They include receivables from the disposal of non-current assets and payables to suppliers of property, plant and equipment.

5.3.1.16 Presentation of the income statement

5.3.1.16.1 Recognition of revenue from business

Revenue is accounted for as prescribed by IAS 18 "Revenue".

Net sales

Revenue from the sale of products (reagents and instruments) and related services (technical support, training, shipping, etc.) is reported as "Net sales" in the income statement.

Revenue arising from the sale of goods is recognized when all of the following criteria have been satisfied:

– the significant risks and rewards of ownership have been transferred to the buyer;

– the Group no longer has effective control over the goods sold;

– the revenue and the costs resulting from the transaction can be reliably measured;

– it is probable that the economic benefits associated with the transaction will flow to the Group.

In the case of products, the foregoing criteria are satisfied when reagents are delivered or when sold instruments are installed.

In the case of services (training, technical support, etc.), revenue is recognized only after the services have been performed. Revenue from instrument maintenance contracts is deferred and recognized on the basis of the elapsed portion of the service contract.

When the Group provides goods to third parties under leases that have the effect of a sale, the goods concerned are accounted for as sold, as prescribed by IAS 17 "Leases" (see note 5.3.1.7).

Net sales are measured at the fair value of consideration received or receivable, net of discounts and rebates granted to buyers; sales taxes and value-added taxes are not included in net sales.

Other revenue from business

Related revenue, which consists essentially of net proceeds from royalties, is shown in "Other operating income" and is recognized when earned.

5.3.1.16.2 Classification of current expenses

The cost of sales includes the following:

– The cost of raw materials consumed, including freight, direct and indirect payroll expenses for production personnel, the depreciation of assets used in production, external expenses of any kind related to manufacturing (utilities, maintenance, tools, etc.), as well as indirect expenses (portion of purchasing department, human resources, IT...). The expenses of the quality control, quality assurance, engineering, processes, logistics and other departments are included in production expenses.

– Distribution expenses, including shipping and warehousing, as well as the cost of shipping finished products to distribution centers or end users.

– Depreciation of instruments placed with or leased to customers.

– Technical support services, including the cost of installing and maintaining instruments placed or sold, regardless of whether such services are billed separately. Also included under this heading are personnel expenses, travel expenses and the cost of spare parts, as well as provisions for warranty on sold instruments.

Selling and marketing expenses include the expenses incurred by the strategy, marketing, sales and sales administration departments. They also include sales bonuses and commissions paid to employees of the sales departments and to independent sales agents. Advertising and promotion expenses are also considered as selling and marketing expenses.

General and administrative expenses include the cost of general management and support services (human resources, finance, IT, purchasing, infrastructures) net of allocations made to other departments, which use their services. Insurance premiums are also included in general and administrative expenses.

Research and development expenses include all spending for in-house and outsourced research and development work on new products as well as expenses related to regulations, intellectual property, technological monitoring and research and development quality assurance. Research and development grants are deducted from expenses under this heading.

Royalty payments (fixed or proportional) are included in the cost of the corresponding products. If no product is marketed or marketable in the short term, they are considered research and development expenses.

Variable compensation (performance related bonuses, commissions, incentives and profit-sharing) as well as payments in shares are included in the corresponding payroll expenses.

Currency translation gains and losses are included in the income statement line corresponding to the transactions' nature (mostly net sales, cost of sales and financial expenses).

5.3.1.16.3 Other non-recurring operating income and expenses

Other non-recurring operating income and expenses include material, extraordinary and non-recurring items. They are presented separately to make it easier to assess results from ordinary business and primarily include net proceeds from disposals of fixed assets (other than instruments), restructuring charges and certain write-downs reflecting the impairment of assets. (see note 5.3.1.8).

Restructuring costs (including the cost of severance benefits) are recognized when the closing of a facility or a reduction in activity is officially announced, in the ordinary course of business, as well as subsequent adjustments reflecting costs actually incurred.

5.3.1.16.4 Financial income and expenses

Financial income and expenses are shown on two separate lines:

– “Cost of net financial debt", which includes interest expenses, fees and foreign-exchange gains and losses on the debt, and income generated by cash and cash equivalents.

– “Other financial items", which includes financial income on leased instruments, proceeds from disposals and write-downs of non-consolidated investments, delayed-payment interest charged to customers, discounting gains and losses, and the non-effective portion of hedge contracts on commercial transactions and on net investments in foreign operations.

5.3.1.16.5 Income tax

Tax expenses correspond to the aggregate of payable taxes and deferred taxes.

Tax credits are presented as a deduction of tax expenses.

5.3.1.17 Recognition and measurement of financial instruments

Financial instruments include financial assets, financial liabilities and derivatives (swaps, forward contracts, etc.).

Financial instruments are accounted for under several balance-sheet items: financial assets, other non-current assets, accounts receivable, other receivables and other liabilities (e.g. fair value gains and losses on derivatives), current and non-current financial debt, accounts payable, cash and cash equivalents.

As prescribed by the revised IAS 39 "Financial Instruments: Recognition and Measurement", financial instruments fall into five categories that do not correspond to specific balance-sheet headings. The classification determines the rules for the initial recognition and for measurements at each closing date. The categories and rules applicable to each are as follows:

“Investments held to maturity" consist exclusively of fixed-income securities acquired with the intention of holding on to them until they mature. As this time, the Group does not own any financial instruments corresponding to this definition.

“Financial assets and liabilities at fair value through profit or loss" comprise financial instruments held for the purpose of short-term transactions and those initially considered as such under the option allowed by the standard. The assets concerned are:

– shares of companies listed on an active market (recognized as "financial assets" in the balance sheet) other than those considered held for sale (see below).

– “cash and cash equivalents", including investment securities (reported in the balance sheet under that heading).

At this time, the Group does not have any financial liabilities in this category.

The items falling into this class are initially recognized and measured at the end of each period at fair value (exclusive of transaction expenses), which corresponds to the quoted market price at the balance sheet date and to the net asset value of investment securities. Changes in fair value are recognized in income statement.

“Loans, receivables and liabilities" are financial assets and liabilities recognized and measured "at cost" or "amortized cost", as the case may be.

“Assets and liabilities measured at cost" are primarily deposits and accounts receivable and payable. They are initially recognized at fair value, which, for the Group, means their face value. They are measured at the end of each period at their initial book value, written down if applicable to reflect impairments. Their net book value at the end of the period represents a reasonable approximation of their fair value.

“Assets and liabilities measured at their amortized cost" are primarily current and non-current financial debt, loans and receivables from finance leases, reported on the balance sheet as "non-current assets" or "accounts receivable". These assets and liabilities are initially recognized at fair value, which, for the Group, is close to their implicit nominal value. Their net book value at the end of the period corresponds to their initial value, net of any amortization and written down, if applicable, to reflect impairments. Their net book value at the end of the period represents a reasonable approximation of their fair value.

Financial assets and liabilities that do not belong to any of the above categories are recognized as "assets held for sale". Items in this category are essentially the shares of non-consolidated entities that are unlisted, listed on an inactive market or listed on an active market but that the Group intends to hold on a long-term basis. These investments are shown in the balance sheet under financial assets.

“Assets held for sale" are recognized at fair value on their purchase date, which is generally close to their acquisition cost. Subsequent valuations are recognized as follows:

– Whenever fair value can be reliably measured at the end of the period, it is adjusted directly to equity. If this causes the recognition of a long-term impairment, the loss would be recognized directly in income for the portion in excess of earlier gains recognized in equity.

– Conversely, "assets held for sale" are recognized at cost and are subject to impairment tests: a provision is recognized whenever their estimated value at the end of the period, measured on the basis of financial criteria applicable to the company concerned, is less than that cost. Impairments are recognized in the income statement and can be reversed only when the shares are sold.

Foreign currency or interest-rate "derivative instruments" (e.g. swaps, forward contracts, options, etc.) are initially recognized at fair value. They are measured at fair value at the end of each period and recognized in the balance sheet as "non-operating assets and liabilities". Fair value is determined on the basis of information provided by the financial institution at the closing date. Accounting for changes in their fair value depends on the derivative and the hedging relationship:

– Fair value gains and losses on derivatives not qualifying as hedging instruments are recognized in the income statement.

– Fair value gains and losses on derivatives qualifying and used as fair-value hedges (e.g. hedges of receivables and liabilities in foreign currencies) are recognized in the income statement for their full value, symmetrically with the hedged item.

– Fair value gains and losses on derivatives qualifying and used as cash-flow hedges (e.g. hedges of future commercial transactions in foreign currencies and hedges of net investments in foreign operations) are recognized directly in other comprehensive income for the effective portion of the hedges, and in the income statement for their non-effective portion (mainly the time value of money in the case of forward currency transactions). Amounts recognized in other comprehensive income are recycled in the income statement in a symmetrical manner when the hedged item is accounted for.

The foregoing rules are applied provided that the hedging relationship is clearly set forth and documented at the time the item is hedged, and that the effectiveness of the hedge can be demonstrated.

The Group did not reclassify financial assets between the above categories in 2008.

5.3.1.18 Payments in shares

Share-based payments concern:

– the bioMérieux SA payments in bonus shares approved by the shareholders’ meetings of June 9, 2005 and June 12, 2008;

– the bioTheranostics stock option plan approved by the shareholders’ meeting of September 24, 2008.

As prescribed by IFRS 2 "Share-based payment", the fair value of benefits granted is recognized as an expense in the period during which the rights to shares vest, with a corresponding increase in shareholders' equity.

The value is based on the price of the shares or options on the grant date, when beneficiaries are designated by the Board of Directors, and is revised at the end of each year on the basis of the number of shares in which rights have been vested.

At the end of the vesting period, the amount continues to be recognized in shareholders' equity, regardless of whether all shares have been attributed or not.

The tax savings on share-based payments recognized in company financial statements have been combined with the recognized expense, as prescribed by IFRS 2 "Share-based payment".

5.3.1.19 Net income per share

Basic earning per share is calculated by dividing the consolidated net income by the weighted average number of shares outstanding for the period (net of treasury shares held for market-making purposes).

5.3.1.20 Consolidated cash-flow statement

Until 2007, the Group presented a statement of change in consolidated net debt. This statement has been replaced and now separately shows changes in consolidated net cash and cash equivalents. Information from previous years has been restated.

The consolidated cash-flow statement is for the most part in the form prescribed by the French Accounting Council (*Conseil National de la Comptabilité*) in its recommendation no. 2004.R.02 of October 27, 2004.

It lists separately:

– cash flow from operations,

– cash flow from investing activities,

– cash flow from financing activities.

Cash flow from investing activities includes the cash and cash equivalents of companies acquired or sold on the date of their consolidation or removal from consolidation.

“Cash flow from operating activities before cost of financial debt and income tax" corresponds to the aggregate of net income of consolidated companies, depreciation and provision allowances (except on current assets), expense relating to share-based payment, fair value gains and losses on financial instruments, gains or losses on capital transactions, net cost of debt, current deferred income tax expense and impairment losses, if any.

5.3.1.21 Segment reporting

As prescribed by IAS 14 "Segment reporting" and taking into consideration the Group's risk exposure and profitability, the first level of segment reporting is based on geographical segments. The Group's internal organization systems and management structure divide the business into the following four regions:

– Europe

– North America

– Asia-Pacific

– Latin America.

Africa and the Middle East are part of the European region.

Even though Europe and North America together account for more than 75 % of the Group's business, the four regions are separately presented.

Furthermore, bioMérieux operates only on the single segment of in vitro diagnostics.

The accounting principles applicable to segment reporting are the same as those used for the consolidated financial statements.

5.3.1.22 Treasury shares

The Company has signed a market-making agreement with an investment firm, for the specific purpose of maintaining an orderly market in its shares. In this connection, it sometimes holds a small number of its own shares. It also purchases its own shares to cover its obligations under the payments in shares referred to in note 5.3.19.

Treasury shares held for the purpose of maintaining an orderly market or for payments in share are deducted from shareholders' equity; conversely, all corresponding transactions are recognized directly in equity (gains and losses from disposals, provisions, etc.).

5.3.2 Significant events and changes in scope of consolidation over the past three fiscal years

5.3.2.1 Fiscal 2008

Sysmex bioMérieux

On March 31, 2008, Sysmex acquired a 34 % interest in bioMérieux Japan, which changed its name to Sysmex bioMérieux Co., Ltd. Since April 1, 2008, the new entity has been in charge of the promotion and distribution of all bioMérieux product lines in Japan. It handles the registration and marketing of bioMérieux products in Japan. Sysmex is responsible for sales and customer relations.

The partial disposal of bioMérieux Japan shares generated a capital gain of 1.6 million euros, which was recognized in “Other non-recurring incomes and expenses”. A restructuring charge of 1.6 million euros was also recognized in connection with the reassignment of the staff.

New subsidiaries

In 2008, bioMérieux SA formed two new subsidiaries, in Singapore and Dubai. The Singapore entity will provide regional support for sales in the ASEAN countries, South Korea, Australia and New Zealand. The United Arab Emirates entity will serve bioMérieux operations in the Middle East.

In addition, the Algerian subsidiary, formed in 2007, is now up and running.

bioMérieux Spain

During the year, bioMérieux Spain was combined with Biomedics, a company acquired in 2007, by way of a merger with retroactive effect from January 1, 2008.

AB bioMérieux

On June 18, 2008, bioMérieux SA acquired AB BioDisk, a Swedish company specializing in antimicrobial resistance testing range and particular expertise in susceptibility testing of fastidious and unusual organisms, for SEK 643 million (68.8 million euros).

When acquired, AB BioDisk had 53 employees and its annual revenue exceeded 13 million euros in 2007. Since the acquisition date, net sales to third parties have amounted to 7.6 million euros and the company has contributed a net profit of 4.1 million euros to the Group’s operating income.

AB BioDisk's assets and liabilities have a fair value of 2.9 million euros, including the company's inventories restated at their market value (1.1 million euros). On that basis, residual goodwill amounts to 65.9 million euros.

bioMérieux Shanghai

On January 31, 2008, Shanghai Kehua Bio-engineering and bioMérieux announced the formation of a joint venture, based in Shanghai. The new company's name is Shanghai bioMérieux Bio-engineering and it is 60 % owned by bioMérieux.

bioMérieux's microplate immunoassay manufacturing operations, currently located in Boxtel, will be transferred to the new company at the end of 2009.

bioMérieux South Africa

On January 4, 2008, bioMérieux South Africa purchased the diagnostic business of Omnimed, the company's former distributor there, for 4.7 million euros. The price covers installed base (1.9 million euros), inventories (1.2 million euros) and goodwill (1.6 million euros).

On August 27, 2008, bioMérieux SA sold 26 % of its subsidiary's shares to Litha Healthcare Holdings (Pty) Ltd., in order to develop the business with local associates and to comply with Black Economic Empowerment (BEE) regulations.

The shares were sold for 9.4 million rand, resulting in a loss of 0.2 million euros recognized in "Other non-recurring incomes and expenses."

bioTheranostics

On September 11, 2008, bioMérieux acquired AviaraDx, a California company based in San Diego, for 60 million US dollars.

AviaraDx is a privately-held company specializing in molecular diagnostics of cancer biopsies. With a staff of 19 on the acquisition date, it commercializes two innovative tests used for the molecular classification of cancers and to assist oncologists in making critical therapeutic decisions. These tests are conducted in the company's high complexity CLIA certified service laboratory. With AviaraDx, bioMérieux has gained validated cancer biomarkers and a molecular-biology based technology for genetic expression assays.

The acquired assets and liabilities include technology with an estimated fair value of 47 million euros, amortizable over a period of 20 years, as well as a deferred tax liability resulting from the restated value of amortizable items (16.9 million dollars).

As a result, residual goodwill of 28.2 million dollars was recognized.

Following its acquisition by bioMérieux, AviaraDx was renamed bioTheranostics.

The revenue of bioTheranostics for the period ended December 31, 2008 was not significant. Since the acquisition date, the company has contributed a net expense of 2.1 million euros to Group's operating income.

PML Microbiologicals

On December 8, 2008, bioMérieux acquired PML Microbiologicals Inc., a US company, for 29.3 million dollars.

The company provides culture media and microbiological products for both industrial and clinical applications in North America. It has manufacturing and marketing teams in Portland, Oregon and Toronto, Ontario.

Founded in 1969, PML Microbiologicals has 172 employees and reported sales of 25 million dollars in 2008.

The acquired assets and liabilities have a currently estimated fair value of 10.6 million dollars. This includes 3.3 million dollars for its technology and 0.6 million dollars for trademarks. Accordingly, residual goodwill of 18.7 million dollars was recognized.

PML Microbiologicals contributed 1.3 million euros to Group net sales in 2008 and net expenses of 0.5 million dollars to operating income.

5.3.2.2 Fiscal 2007

5.3.2.2.1 Changes in scope of consolidation

New subsidiaries

During fiscal 2007, bioMérieux SA set up a subsidiary in South Africa. It was also in the process of opening a subsidiary in Algeria at the end of 2007. The two companies will start operating in 2008.

bioMérieux China

bioMérieux SA became the sole owner of bioMérieux China when it purchased the 50 % interest previously held by bioMérieux Inc. The intercompany transaction, for a price of 6.5 million US dollars, was eliminated from the consolidated financial statements. However, it had an impact on income, which reflected a charge of 1.6 million dollars for capital gains taxes payable by bioMérieux Inc.

Acquisition of Biomedics

On March 30, 2007, bioMérieux Spain purchased all of the shares of Biomedics (Madrid) for 11.3 million euros. Biomedics holds strong positions in Spain in microbiology, particularly culture media.

From its acquisition date to December 31, 2007, Biomedics generated revenue of 3.4 million euros from sales to third parties.

The assets and liabilities purchased had a fair value of 9.6 million euros and included:

– real estate valued by an independent appraiser at 9.3 million euros, before taxes;

– other property, plant and equipment of 1.6 million euros;

– goodwill of 0.1 million euros related to Glucomedics;

– deferred tax liabilities resulting from valuation allowances (3.1 million euros).

Accordingly, the purchase generated goodwill of 1.7 million euros, which is not amortized, as prescribed by IAS 36 "Impairment of assets".

The company is in the process of being merged into bioMérieux Spain, with retroactive effect from January 1, 2008.

Acquisition of BTF

On September 12, 2007, bioMérieux SA acquired BTF, an Australian company that supplies reference standards for microbiological testing. Its patented BioBall™ technology is used in quality control of microbiological analyses.

Since that acquisition, BTF has contributed revenue of 0.6 million euros to the Group.

The excess of the purchase price (19.5 million Australian dollars) over the company's net worth on the purchase date (1.8 million Australian dollars) amounted to 17.7 million Australian dollars.

The fair value of the assets and liabilities acquired includes the value of the BioBall™ technology (estimated at 16.9 million Australian dollars) that is to be amortized over fifteen years, goodwill (0.7 million Australian dollars) and deferred tax liabilities resulting from the restated value of depreciable items (5.2 million Australian dollars).

As a result, goodwill of 4.8 million Australian dollars was recognized. It is not amortized, as prescribed by IAS 36 “Impairment of assets”.

5.3.2.2.2 Highlights

Closing of the Boxtel plant in the Netherlands

bioMérieux confirmed in December 2007 that it would close its plant at Boxtel, in the Netherlands, by the end of 2009. The plant employs 287 persons.

Net restructuring charges of 28.5 million euros before taxes were recognized in the financial statements for the year. This includes expenses for which provisions had been recognized earlier (31.2 million euros), which include severance benefits payable (29.1 million euros), outplacement and training expenses (0.9 million euros) and the scrapping of machinery and equipment (0.6 million euros). A provision for post-employment benefits and long-term service bonuses of 2.7 million euros was also reversed.

A resulting tax saving of 3.4 million euros was recognized.

DBV Litigation

Following several favorable court decisions in 2007, the Company has reversed a provision of 11.4 million euros set aside in connection with the infringement action brought by DBV and International Microbio. Litigation is still pending in France, Spain and Italy, however (see note 5.3.14.2.1).

5.3.2.3 Fiscal 2006

5.3.2.3.1 Changes in scope of consolidation

Acquisition of Bacterial Barcodes Inc

In September 2006, bioMérieux Inc acquired 100 % of the shares of Bacterial Barcodes Inc., a molecular biology company based in Georgia (United States). That company has developed and distributes DiversiLab®, a system for automated genotyping of bacteria.

The purchase price, at discounted value and including highly probable contingent payments, was 22.2 million US dollars. The balance payable is accounted for in payables to fixed asset suppliers.

The acquired assets and liabilities had a fair value of 11.1 million US dollars and included technology and licensing agreements with a net value of 15.5 million US dollars, depreciated over their estimated useful life of fifteen years.

The balance of 11.1 million US dollars represents goodwill.

Acquisition of ReLIA Diagnostic Systems, LLC

In January 2006, bioMérieux SA acquired 15 % of the shares of ReLIA Diagnostic Systems, LLC. in the United States, for 8 million US dollars. This investment is accounted for by the equity method, as it meets the significant-influence criteria (see note 5.3.1.2).

The purchase did not generate goodwill, given the recognition of the technology acquired, which is amortized on a straight-line basis over its likely useful life.

5.3.2.3.2 Highlights

Disposal of the Hemostasis product line

bioMérieux sold its Hemostasis product line to Trinity Biotech plc on June 22, 2006.

The transaction, which concerns a line of products rather than an independent business division or a cash generating unit, is not a discontinued operation within the meaning of IFRS 5 "Non-current assets held for sale and discontinued operations".

The Hemostasis business contributed 28.6 million euros to revenue in 2006 and 9.6 million euros in 2007.

bioMérieux continued to manufacture this line of products for Trinity Biotech plc over a 12-month transition period.

In 2006, proceeds from the sale and the associated restructuring and contingency provisions were recognized in "other non-recurring incomes and expenses". The net aggregate gain amounted to 10.1 million euros before tax. In 2007, additional non-current operating income of 0.4 million euros was recognized, primarily due to excess provisions (see note 5.3.23).

This did not have a material impact on the comparability of fiscal years.

Termination of the microplate business in North America

In December 2006, bioMérieux announced that it would cease the production and distribution of its microplates immunoassay products in North America in 2007.

This concerns a specific product line and region and does not constitute a "discontinued operation" as defined by IFRS 5 "Non-current assets held for sale and discontinued operations".

The product line generated revenue of 15.3 million euros in North America in fiscal 2006 and 11.1 million euros in 2007.

The decision resulted in the recognition of a charge of 6.6 million euros in 2006, all of which was accounted for as an "other non-recurring expense". The charge corresponds to provisions for announced restructuring measures, indemnities payable to clients and the impairment of inventories and assets, including intangibles, related to this product line. In 2007, non-current operating expenses of 0.1 million euros were recognized for restructuring charges (see note 5.3.23).

The transaction had no material impact on the comparability of fiscal years.

5.3.3 Intangible assets

GROSS VALUE *In millions of euros*	Patents Technologies	Software	Advances & deposits	Other	Total
Total on December 31, 2006	**42.6**	**31.1**	**2.8**	**3.0**	**79.5**
Translation adjustment	-2.9	-0.7			-3.6
Acquisition of BTF	10.3	0.1			10.4
Acquisitions / increases	7.5	2.3	3.4	0.1	13.3
Disposals / Decreases	-0.6	-0.8		0.3	-1.1
Reclassifications		1.7	-1.5	-0.1	0.1
Total on December 31, 2007	**56.9**	**33.7**	**4.7**	**3.3**	**98.6**
Translation adjustment	0.6	0.4			1.0
Acquisitions / increases	4.8	1.3	3.4	2.0	11.5
Acquisition of bioTheranostics	32.8				32.8
Acquisition of PML	3.1				3.1
Acquisition of AB bioMérieux				0.1	0.1
Disposals / Decreases		-0.7		-0.2	-0.9
Reclassifications	0.6	2.2	-2.3	-0.4	0.1
Total on December 31, 2008	**98.8**	**36.9**	**5.8**	**4.8**	**146.3**

AMORTIZATION AND IMPAIRMENTS *In millions of euros*	Patents Technologies	Software	Advances & deposits	Other	Total
Total on December 31, 2006 (a)	**20.4**	**25.4**		**2.6**	**48.4**
Translation adjustment	-1.2	-0.6			-1.8
Increases	6.0	3.2	0.4	0.1	9.7
Disposals / Decreases	-0.6	-0.3		0.4	-0.5
Reclassifications					
Total on December 31, 2007 (a)	**24.6**	**27.7**	**0.4**	**3.1**	**55.8**
Translation adjustment	0.7	0.2		0.1	1.0
Increases	9.1	3.3		0.1	12.5
Disposals / Decreases		-0.6		-0.1	-0.7
Reclassifications		0.4	-0.4	-0.4	-0.4
Total on December 31, 2008 (a)	**34.4**	**31.0**	**0.0**	**2.8**	**68.2**

NET VALUE *In millions of euros*	Patents Technologies	Software	Advances & deposits	Other	Total
Total on December 31, 2006	**22.2**	**5.7**	**2.8**	**0.4**	**31.1**
Translation adjustment	-1.7	-0.1			-1.8
Acquisition of BTF	10.3	0.1			10.4
Acquisitions / increases	1.5	-0.9	3.0		3.6
Disposals / Decreases		-0.5		-0.1	-0.6
Reclassifications		1.7	-1.5	-0.1	0.1
Total on December 31, 2007	**32.3**	**6.0**	**4.3**	**0.2**	**42.8**
Translation adjustment	-0.1	0.2		-0.1	
Acquisitions / increases	-4.3	-2.0	3.4	1.9	-1.0
Acquisition of bioTheranostics	32.8				32.8
Acquisition of PML	3.1				3.1
Acquisition of AB bioMérieux				0.1	0.1
Disposals / Decreases		-0.1		-0.1	-0.2
Reclassifications	0.6	1.8	-1.9		0.5
Total on December 31, 2008	**64.4(b)**	**5.9**	**5.8**	**2.0**	**78.1**

(a) Including impairment losses: 2.9 million euros in 2008.

(b) Including bioTheranostics (33.8 million euros), Bacterial Barcodes Inc (9.2 million euros), BTF (7.8 million euros), bioMérieux SA (5.6 million euros) and bioMérieux Inc (5.1 million euros)

5.3.4 Goodwill

BREAKDOWN *In millions of euros*	**Gross value 12/31/2008**	**Gross value 12/31/2007**	**Gross value 12/31/2006**
AB bioMérieux (Sweden)	56.8		
Organon Teknika	49.2	49.7	51.5
bioTheranostics (USA)	20.3		
PML (USA)	13.4		
Bacterial Barcodes (USA)	8.0	7.6	8.4
Biotrol	4.8	4.8	4.8
BTF (Australia)	2.9	3.3	
bioMérieux Inc (Vitek)	2.5	2.3	2.6
MDI (USA)	1.9	1.8	2.0
bioMérieux Spain (c)	1.7	1.8	
bioMérieux Poland	1.7	2.0	1.9
bioMérieux Greece	1.7	1.7	1.7
bioMérieux South Africa (a)	1.5		
Micro Diagnostics (Australia)	1.2	1.5	1.5
bioMérieux Brazil	0.4	0.5	0.4
Total (b)	**168.0**	**76.9**	**74.8**

(a) Goodwill related to the diagnostic business purchased from Omnimed (1.5 million euros)

(b) Impairment tests did not result in losses being recognized for the fiscal years for which the data is presented

(c) Following the merger of bioMérieux Spain and Biomedics and the disposal of the Glucomedics product line (0.1 million euros)

CHANGE *In millions of euros*	**Gross value**
December 31, 2006	**74.8**
Translation adjustment	-3.0
Increases (a)	5.1
December 31, 2007	**76.9**
Translation	-10.7
Increases (b)	101.9
Decreases	-0.1
December 31, 2008	**168.0**

(a) Goodwill from BTF (3.3 million euros) and Biomedics (1.8 million euros)

(b) Goodwill from AB bioMérieux (65.9 million euros), bioTheranostics (19.7 million euros), PML (14.4 million euros), bioMérieux South Africa (1.6 million euros) and BTF (0.2 million euros)

5.3.5 Property, plant and equipment - receivables from finance leases

5.3.5.1 Property, plant and equipment - Detailed information

GROSS VALUE *In millions of euros*	Land	Buildings	Equipment	Capitalized instruments	Other fixed assets	Fixed assets in progress	Advances and deposits	Total
Total on December 31, 2006	**17.9**	**220.7**	**169.3**	**272.3**	**66.8**	**9.2**	**1.6**	**757.8**
Translation adjustement	-0.4	-4.0	-4.4	-5.0	-2.1	-0.8		**-16.7**
Change in the consolidation scope (a)	5.2	4.4	1.8		0.1			**11.5**
Acquisitions / Increases		8.1	9.8	40.4	5.4	10.4	4.0	**78.1**
Disposals / Decreases		-1.4	-8.9	-31.9	-5.1	-0.5		**-47.8**
Reclassifications		1.5	4.8	1.0	1.3	-6.5	-1.4	**0.7**
Total on December 31, 2007	**22.7**	**229.3**	**172.4**	**276.8**	**66.4**	**11.8**	**4.2**	**783.6**
Translation adjustement	0.3	0.9	1.0	-6.9	-0.3	0.5		**-4.5**
Change in the consolidation scope (b)	0.1	1.3	1.8		0.2	0.1		**3.5**
Acquisitions / Increases	0.9	8.5	12.8	38.4	5.0	14.4	4.0	**84.0**
Disposals / Decreases		-1.2	-3.5	-22.6	-4.6			**-31.9**
Reclassifications	1.4	3.6	6.6	0.1	1.0	-9.3	-3.9	**-0.5**
Total on December 31, 2008	**25.4**	**242.4**	**191.1**	**285.8**	**67.7**	**17.5**	**4.3**	**834.2**

DEPRECIATION AND IMPAIRMENTS *In millions of euros*	Land	Buildings	Equipment	Capitalized instruments	Other fixed assets	Fixed assets in progress	Advances and deposits	Total
Total on December 31, 2006	**0.2**	**105.3**	**125.1**	**206.3**	**48.7**	**0.5**		**486.1**
Translation adjustement		-2.0	-3.1	-3.6	-1.6			**-10.3**
Increases		11.6	14.5	31.2	5.6	0.3		**63.2**
Disposals / Decreases		-1.3	-8.7	-24.7	-5.3	-0.5		**-40.5**
Reclassifications		-0.1	-0.4	0.8	0.6			**0.9**
Total on December 31, 2007	**0.2**	**113.5**	**127.4**	**210.0**	**48.0**	**0.3**		**499.4**
Translation adjustement		0.7	0.8	-4.0				**-2.5**
Increases (c)		11.8	13.2	31.6	5.9			**62.5**
Disposals / Decreases		-1.2	-2.8	-17.1	-4.1			**-25.2**
Reclassifications		0.3			-0.1	-0.3		**-0.1**
Total on December 31, 2008 (d)	**0.2**	**125.1**	**138.6**	**220.5**	**49.7**	**0.0**		**534.1**

NET VALUE *In millions of euros*	Land	Buildings	Equipment	Capitalized instruments	Other fixed assets	Fixed assets in progress	Advances and deposits	Total (h)
Total on December 31, 2006	**17.7**	**115.4**	**44.2**	**66.0**	**18.1**	**8.7**	**1.6**	**271.7**
Translation adjustement	-0.4	-1.9	-1.3	-1.4	-0.5	-0.8		**-6.3**
Change in the consolidation scope (a)	5.2	4.4	1.8		0.1			**11.5**
Acquisitions / Increases		-3.5	-4.7	9.2	-0.2	10.1	4.0	**14.9**
Disposals / Decreases		-0.1	-0.2	-7.2	0.2			**-7.3**
Reclassifications		1.6	5.2	0.2	0.7	-6.5	-1.4	**-0.2**
Total on December 31, 2007	**22.5**	**115.9**	**45.0**	**66.8**	**18.4**	**11.5**	**4.2**	**284.3**
Translation adjustement	0.3	0.2	0.2	-2.9	-0.3	0.5		**-2.0**
Change in the consolidation scope (b)	0.1	1.3	1.8		0.2	0.1		**3.5**
Acquisitions / Increases	0.9	-3.3	-0.4	6.8	-0.9	14.4	4.0	**21.5**
Disposals / Decreases			-0.7	-5.5	-0.5			**-6.7**
Reclassifications	1.4	3.3	6.6	0.1	1.1	-9.0	-3.9	**-0.4**
Total on December 31, 2008 (e)	**25.2**	**117.4** (f)	**52.5**	**65.3** (g)	**18.0**	**17.5**	**4.3**	**300.2** (i)

(a) Acquisition of Biomedics (Spain) and BTF (Australia)

(b) Acquisition of AB bioMérieux (Sweden), bioTheranostics (United States) and PML (United States)

(c) Including impairment losses recognized in the books of bioMérieux BV due to the closing of the site (0.2 million euros) accounted for in "Other non-recurring incomes and expenses"

(d) Accumulated impairment losses amount to 2.9 million euros

(e) No pledge of property, plant and equipment has been granted

(f) Including bioMérieux SA (69.5 million euros), bioMérieux Inc (18.4 million euros), bioMérieux BV (9.1 million euros) and bioMérieux Italy (6 million euros)

(g) Most of the instruments are placed with third-party customers

(h) Detailed information on leased assets is provided in note 5.3.5.2

(i) Including the net book value of unused real estate (2.2 million euros)

5.3.5.2 Leased assets

Whenever the Group leases assets under a finance lease equivalent to a purchase, the leased assets are accounted for as property, plant and equipment as set forth in note 5.3.1.7.

Total depreciation allowances on those assets amounted to 1 million euros in fiscal 2008, 1 million euros in 2007 and 1.1 million euros in 2006.

The corresponding liability, which is included in the balance sheet under financial debt, was 9.8 million euros on December 31, 2008, 10.7 million euros on December 31, 2007 and 11 million euros on December 31, 2006 (see note 5.3.16.5.1).

Leased property included under property, plant and equipment						
In millions of euros		Land	Buildings	Equipment	Other	Total
12/31/2008	Gross value	0.8	14.3	1.0	1.7	17.8
	Accumulated depreciation		-7.2	-1.0	-1.2	-9.4
	Net value	**0.8**	**7.1**	**0.0**	**0.5**	**8.4**
12/31/2007	Gross value	0.8	14.3	1.1	2.4	18.6
	Accumulated depreciation		-6.5	-1.1	-1.6	-9.2
	Net value	**0.8**	**7.8**	**0.0**	**0.8**	**9.4**
12/31/2006	Gross value	0.8	14.3	1.1	1.8	18.0
	Accumulated depreciation		-5.8	-1.0	-1.4	-8.2
	Net value	**0.8**	**8.5**	**0.1**	**0.4**	**9.8**

5.3.5.3 Receivables from finance leases

Some instruments are leased (see note 5.3.1.7) under finance leases with a usual term of five years and an interest rate of approximately 10 %.

Receivables under such leases totaled 36.9 million euros as of December 31, 2008.

Breakdown *In millions of euros*	Under one year (a)	1 to 5 years (b)	Over 5 years (b)	**Total**
Gross value of receivables from finance loss contracts	14.7	30.4	0.2	**45.3**
Accrued interests	-3.6	-4.6		**-8.2**
Present value of minimum future lease payments	11.1	25.8	0.2	**37.1**
Provisions	-0.2			**-0.2**
Present net value of minimum future lease payments	10.9	25.8	0.2	**36.9**

(a) Recognized as accounts receivable (see note 5.3.9).

(b) Recognized as other non-current assets

Receivables which are past due at the closing date and not written down represent a non-material amount.

5.3.6 Financial assets

In millions of euros	12/31/2008	12/31/2007	12/31/2006
Loans and receivables	5.7 (a)	5.4	5.7
Investments held for sale	10.8	11.5	7.3
Financial assets at fair value through profit or loss	0.1	0.9	1.9
TOTAL	**16.6**	**17.8**	**14.9**

(a) Of which 3 million euros to cover post-retirement obligations (Germany)

CHANGE *In millions of euros*	**Gross value**	**Depreciation and change in the fair value**	**Net value**
December 31, 2006	**21.6**	**6.7**	**14.9**
Translation adjustment	-0.4		-0.4
Acquisitions / Increases	5.6	1.1	4.5
Disposals / Decreases	-1.1		-1.1
Reclassifications	-0.1		-0.1
December 31, 2007	**25.6**	**7.8**	**17.8**
Translation adjustment			0.0
Acquisitions / Increases	1.3	1.6 (a)	-0.3
Disposals / Decreases	-1.3	-0.4	-0.9
Reclassifications			0.0
December 31, 2008	**25.6**	**9.0**	**16.6**

(a) Changes in fair value (1.2 million euros) are recognized in their entirety in income statement.

In millions of euros	**Ownership %**	**Net value**	**Shareholders' equity**	
			Before net income	**Net income**
Investments held for sale				
ExonHit	5.2%	4.2	18.6 (a)	-8.9 (a)
AdvanDx	5.0%	3.6	2.2 (b)	-3.9 (b)
Avesthagen	3.8%	1.4	22.8 (c)	-2.2 (c)
Labtech	9.8%	1.3	8.8 (d)	0.5 (d)
InoDiag	1.8%	0.0	0.1 (a)	0.0 (a)
Sofinnova Ventures II NV	1.0%	0.0	0.0 (a)	0.0 (a)
Sofinnova IV	0.6%	0.0	0.2 (a)	-0.2 (a)
Europroteome	8.8%	0.0	In liquidation	
Other		0.3		
		10.8		
Financial assets at fair value through profit or loss				
Dynavax Technologies	1.0%	0.1	24.2 (b)	-16.2 (b)
Oscient Pharma	0.2%	0.0	-19.8 (b)	-36.2 (b)
		0.1		

(a) Last available information: fiscal year ending December 31, 2008
(b) Most recent data available: financial statements for the period to September 30, 2008 (9 months)
(c) Last available information: fiscal year ending March 31, 2008
(d) Last available information: fiscal year ending June 30, 2008

5.3.7 Investment in associates

INVESTMENTS IN ASSOCIATES *In millions of euros*	12/31/2008	12/31/2007	12/31/2006
Investment in Relia (a)	1.8	3.0	4.8
Investment in Bergerie de la Combe au Loup	0.1	0.1	0.1
TOTAL	**2.0**	**3.1**	**4.9**

(a) No residual goodwill (see note 5.3.2.3.1)

CHANGE *In millions of euros*	Net value
December 31, 2006	**4.9**
Translation adjustment	-0.4
bioMerieux' shares of net result of associated companies	-1.4
December 31, 2007	**3.1**
Translation adjustment	0.1
bioMerieux' shares of net result of associated companies	-1.2
Dividends	0.0
December 31, 2008	**2.0**

5.3.8 Inventories and work in progress

In millions of euros	12/31/2008	12/31/2007	12/31/2006
Raw materials	56.3	50.9	54.0
Work in progress	36.6	31.5	33.0
Finished goods and other materials	84.1	77.0	77.0
Total gross value	**177.0** (a)	**159.4**	**164.0**
Provisions			
Raw materials	-8.4	-4.4	-5.8
Work in progress	-3.7	-2.3	-1.8
Finished goods and other materials	-8.6	-6.9	-9.6
Total provisions	**-20.7**	**-13.6**	**-17.2**
Raw materials	47.9	46.5	48.2
Work in progress	32.9	29.2	31.2
Finished goods and other materials	75.5	70.1	67.4
Net value	**156.3** (b)	**145.8**	**146.8**

(a) Including gross value of inventories relating to instrumentation: 33 %

(b) As of December 31, 2008, no pledge of inventories had been granted

5.3.9 Accounts receivable

In millions of euros	**12/31/2008**	**12/31/2007**	**12/31/2006**
Accounts receivable (a)	327.8	305.4	292.6
Provisions (b)	-12.4	-11.8	-11.8
Net value (c)	**315.4**	**293.6**	**280.8**

(a) Of the Group's trade receivables, 39 % are from the government and may be paid later than the date shown on the invoice.

(b) Impairments are recognized case-by-case on the basis of various criteria, including disputes, arrears, etc.
Receivables from private-sector customers that are past due and have not been written down represent 20 % of trade receivables outstanding. Most receivables are payable in less than six months.

(c) Including the short-term portion of receivables from finance lease contracts (see note 5.3.5.3)

5.3.10 Other receivables

In millions of euros	**12/31/2008**	**12/31/2007**	**12/31/2006**
Advances and deposits	2.4	1.3	1.2
Pre-paid expenses	6.5	7.5	10.2
Other receivable	20.4	15.0	12.3
Provisions	-0.5		
Net value of other operating receivables	**28.8** (a)	**23.8**	**23.7**
Tax receivable	**11.6**	**10.8**	**2.5**
Non operating receivables	11.8 (b)	3.2	9.1
Provisions	-0.1		-1.0
Net value of non operating receivables	**11.7**	**3.2**	**8.1**

(a) Most of the net book value of other operating receivables are due within one year

(b) Including derivative financial instruments of 10.2 million euros in 2008

Other receivables which are past due and not written down represent a non-material amount.

5.3.11 Cash and cash equivalents

Cash and cash equivalents include available cash balances and short-term investments as defined in note 5.3.1.11:

In millions of euros	**12/31/2008**	**12/31/2007**	**12/31/2006**
Cash (a)	49.9	48.3	32.8
Short-term deposit (b)	2.9	6.2	1.1
Cash and cash equivalents	**52.8**	**54.5**	**33.9**

(a) Including 11.3 million euros in bioMérieux S.A. certificates of deposit (18.8 million in 2007 and 7.5 million in 2006).

(b) Short-term investments are the following:

	2008	**2007**	**2006**
Name	3-month SICAV CA AM	3-month SICAV CA AM	3-month SICAV CA AM
Total	€ 0.9 million	€ 1.2 million	€ 0.7 million
Type	Euro money-market fund	Euro money-market fund	Euro money-market fund
ISIN code	FR0000296881	FR0000296881	FR0000296881
Name	SICAV CA AM COR	SICAV BFT CA	SICAV Banamex - Horizontes Empresarial
Total	€ 2 millions	€ 5 millions	€ 0.4 million
Type	Euro money-market fund	Euro money-market fund	Money-market fund
ISIN code	FR0010251660	FR0010232298	N/A

The Company regularly reviews the investments made by each euro money-market fund “SICAV” and their past performance to ensure that they qualify as “cash and cash equivalents” under the classification criteria of IAS 7.

The net book value of short-term investments corresponds to their market value. Changes in fair value on the closing date are not material, as investments were sold and bought back on December 31, 2008 in order to realize capital gains.

5.3.12 Share capital

As of December 31, 2008, the Company's share capital stock of 12,029,370 euros was divided into 39,453,740 shares, of which 25,314,590 were entitled to double voting rights. All references to the par value of shares were deleted by decision of the shareholders' meeting of March 19, 2001. As of December 31, 2008, no rights or securities with a dilutive impact were outstanding.

The number of the Company’s shares outstanding did not change during the fiscal year.

On December 31, 2008, the Company held 18,931 of its own shares as part of a market-making contract with an outside firm (see note 5.3.1.22) and another 172,500 treasury shares intended for distribution as bonus shares under a program voted by the shareholders' meetings of June 9, 2005 and June 12, 2008 (see note 5.3.19). During the year, it bought 326,606 of its own shares and sold 258,521.

The Company is not subject to any specific regulatory or contractual obligations in terms of its capital.

The Group does not have any specific policy concerning capital financing. Decisions on whether to finance with debt or equity are made on a case-by-case basis for each contemplated transaction. The equity used by the Group for its own operations corresponds to its consolidated shareholders' equity.

5.3.13 Changes in the translation reserve

In millions of euros	**Dollar (a)**	**Latin America**	**Europe (b)**	**Other**	**TOTAL**
Translation reserve on December 31, 2006	**-12.1**	**1.5**	**2.3**	**1.4**	**-6.9**
Impact of the translation on					
- shareholders' equity at closing exchange rates	-21.7	0.1	0.6	0.8	-20.2
- net income at average exchange rates	-5.1	-0.1	0.1	-0.1	-5.2
Total	-26.8	0.0	0.7	0.7	-25.4
Translation reserve on December 31, 2007	**-38.9**	**1.5**	**3.0**	**2.1**	**-32.3**
Impact of the translation					
- shareholders' equity at closing exchange rates	13.5	-4.6	-18.3	-6.5	-15.9
- net income at average exchange rates	1.8	0.1	-0.5	0.6	2.0
Total	15.3	-4.5	-18.8	-5.9	-13.9
Translation reserve on December 31, 2008	**-23.6**	**-3.0**	**-15.8**	**-3.8**	**-46.2** (c)

(a) Dollar and related currencies: includes the United States and China

(b) Including the Middle East and Africa

(c) Including a translation reserve of 45.6 million euros attributable to the Group

5.3.14 Provisions - Contingent assets and liabilities

The table below shows provisions classified as current and non-current liabilities.

In millions of euros	Pensions and retirement indemnities	Product warranties (a)	Restructuring	Other contingencies	Total
December 31, 2006	**39.3**	**2.5**	**4.4**	**30.7** (b)	**76.9** (c)
Allowances	7.3	3.4	31.0	6.5	48.2
Reversal (used)	-6.2	-3.1	-4.1	-12.6 (h)	-26.0
Reversal (non used)	-2.8			-11.6 (f)	-14.4
Net allowances	-1.7	0.3	26.9	-17.7	7.8 (d)
Reclassifications	-3.9				-3.9
Translation adjustment	-1.1	-0.2	-0.2	-0.4	-1.9
December 31, 2007	**32.6**	**2.6**	**31.1** (g)	**12.6** (b)	**78.9** (c)
Allowances	8.2	4.1	2.8	6.2	21.3
Reversal (used)	-10.9	-3.1	-3.2	-5.1	-22.3
Reversal (non used)			-1.9	-3.7 (f)	-5.6
Net allowances	-2.7	1.0	-2.3	-2.6	-6.6 (e)
Reclassifications	0.1				0.1
Translation adjustment	0.1			0,3	0.4
December 31, 2008	**30.1**	**3.6**	**28.8** (g)	**10.3** (b)	**72.8** (c)

(a) Estimate of the costs likely to be incurred for instruments sold under warranty over the remaining warranty period

(b) Including claims and litigation provisions of 4.2 million euros on December 31, 2008, 9.7 million euros on December 31, 2007 and 19 million euros on December 31, 2006; for reasons of confidentiality, the breakdown between claims and litigation cases is not disclosed

(c) Including provisions classified as current liabilities of 38.4 million euros on December 31, 2008, 7.5 million euros on December 31, 2007 and 17 million euros on December 31, 2006

(d) Including net reversals affecting operating income before non-recurring items (3.7 million euros) and operating income (11.5 million euros)

(e) Including net reversals affecting operating income before non-recurring items (2.1 million euros), net allowance recognized in financial income (1.1 million euros) and net reversals affecting other non-recurring incomes and expenses (5.6 millions euros)

(f) Including the reversal of provisions for the DBV litigation of 3.3 million euros in 2008 (see note 5.3.14.2.1) and 11.4 million euros in 2007

(g) Including provisions for the closing of the Boxtel facility of 27.3 million euros on December 31, 2008 and 30.6 million euros in 2007

(h) Including the reversal of provisions on sold or discontinued lines (Hemostasis: 6.1 million euros and microplates in the United States: 2.9 million euros)

5.3.14.1 Pension and other long-term benefit obligations

5.3.14.1.1 Defined benefit pension plans

Reconciliation of net liabilities with balance-sheet provisions

Provision for pension		On December 31, 2008			
In millions of euros		Present value of future obligations	Fair value of funds (a)	Deferred actuarial gains or losses (b)	Provision
Company	**Type of liability**				
France	Contractual retirement payments	14.1	10.5	-1.0	**4.6**
USA	Pensions	60.6	35.0	18.7	**6.9**
Netherlands	Pensions and early retirement	1.6			**1.6**
Germany	Pensions	5.2	1.8	0.4	**3.0** (c)
Japan	Contractual retirement payments	0.4		-0.1	**0.5**
		81.9	47.3	18.0	**16.6**

Provision for pension		On December 31, 2007			
In millions of euros		Present value of future obligations	Fair value of funds (a)	Deferred actuarial gains or losses (b)	Provision
Company	**Type of liability**				
France	Contractual retirement payments	15.1	9.0	-0.3	**6.4**
USA	Pensions	51.6	40.3	4.8	**6.5**
Netherlands	Pensions and early retirement	3.3	1.1		**2.2**
Germany	Pensions	4.9	1.8	0.2	**2.9** (c)
Japan	Contractual retirement payments	1.2			**1.2**
		76.1	52.2	4.7	**19.2**

Provision for pension *In millions of euros* **Company**	**Type of liability**	On December 31, 2006 Present value of future obligations	Fair value of funds (a)	Deferred actuarial gains or losses (b)	Provision
France	Contractual retirement payments	14.8	9.4	-0.8	**6.2**
USA	Pensions	51.4	41.0	2.8	**7.6**
Netherlands	Pensions and early retirement	40.4	33.0	2.1	**5.3**
Germany	Pensions	5.2	1.7	0.6	**2.9** (c)
Italy	Contractual retirement payments "TFR"	3.9			**3.9**
Japan	Contractual retirement payments	1.1			**1.1**
		116.8	85.1	4.7	**27.0**

(a) Funds or regular payments

(b) All past-service costs have been recognized

(c) The corresponding fund is not irrevocably assigned to covering the liabilities and is booked in financial assets (see note 5.3.6)

Changes in net obligations during the fiscal year

The tables below show the principal post-employment obligations in fiscal 2008.

In millions of euros	USA	France	Germany	Nether-lands	Japan	Total	
Defined benefit obligation							
At the beginning of the fiscal year	**51.6**	**15.1**	**4.9**	**3.3**	**1.2**	**76.1**	
Net current service costs	3.7	0.8		1.8	0.1	6.4	
Interest cost	3.4	0.7	0.3			4.4	
Benefits payments	-0.8	-1.1	-0.2	-1.7	-0.1	-3.9	
Settlements and special termination benefits				-1.8	-0.9	-2.7	(a)
Reclassification							
Cost of rendered services		-0.7				-0.7	
Translation adjustement	3.3				0.2	3.5	
Actuarial (gains) losses	-0.6	-0.7	0.2		-0.1	-1.2	
At the end of the fiscal year	**60.6**	**14.1**	**5.2**	**1.6**	**0.4**	**81.9**	
Funding of obligations							
At the beginning of the fiscal year	**40.3**	**9.0**	**1.8**	**1.1**	**0.0**	**52.2**	
Employer contributions	4.1	1.1		1.8		7.0	
Expected return on funds	3.0	0.4	0.1			3.5	
Benefits payments	-0.8		-0.1	-1.1		-2.0	
Settlements and special termination benefits				-1.8		-1.8	
Reclassification							
Translation adjustement	1.9					1.9	
Actuarial gains (losses)	-13.5					-13.5	
At the end of the fiscal year	**35.0**	**10.5**	**1.8**	**0.0**	**0.0**	**47.3**	
Of which, payments scheduled for 2008	3.2					3.2	
Deferred actuarial gains or losses							
At the beginning of the fiscal year	**4.8**	**-0.3**	**0.2**		**0.0**	**4.7**	
Expenses recognized in 2008							
Settlements and special termination benefits							
Nex deferred items in 2008	12.9	-0.7	0.2		-0.1	12.3	(b)
Reclassification							
Translation adjustement	1.0					1.0	
At the end of the fiscal year	**18.7**	**-1.0**	**0.4**	**0.0**	**-0.1**	**18.0**	

(a) Scheduled closing of Boxtel and restructuring plan in Japan

(b) Including an actuarial loss experience of 0.7 million euros

As of December 31, 2008, a one-percent increase in the discount rate would have a favorable impact of 14.1 % on obligations (or 11 million euros). This impact would be deferred as actuarial gains and would not immediately affect income.

Net expense for the fiscal year

In millions of euros	2008
Net current service cost	6.4
Interest cost	4.4
Expected return on plan assets	-3.5
Curtailments	-0.9
Other	-0.7
Total	**5.7**

Information on pension plan assets

Pension funds are invested as follows:

In millions of euros	12/31/2008			
	Stocks	Bonds	Other	**TOTAL**
France	1.8	7.8	0.9	**10.5**
USA	19.4	12.4	3.2 (a)	**35.0**
Germany			1.8	**1.8**

(a) Scheduled contribution

The table below shows the return on assets in 2008:

	2008 Return
France	4.2 %
USA	-26.9 %
Germany	4.0 %

Other information

The table below compares additional information over the past five years:

In millions of euros	**2008**	**2007**	**2006**	**2005**	**2004**
Present value of defined benefit obligation	81.9	76.1	116.8	119.9	94.3
Fair value of plan assets	47.3	52.2	85.1	76.9	60.4
Actuarial (gains) / losses as a % of defined benefit obligation	-1.5 %	-1.2 %	-6.8 %	7.6 %	6.6 %
Actuarial gains / (losses) as a % of plan assets	-28.5 %	-5.9 %	0.4 %	1.7 %	-0.6 %

5.3.14.1.2 Other long-term benefits

Other long-term benefits		**December 31, 2008**			
In millions of euros		Present value of obligations	Fair value of funds	Deferred actuarial gains or losses	Provision
Company	**Type of liability**				
France	Long service payments	6.5			6.5
Netherlands	Long service payments	0.4			0.4
					6.9
Other					
France	Other liabilities	0.5		-0.5	1.0
USA	Health insurance for retired staff	1.8		-0.2	2.0
					3.0
Other countries					
Other	Pensions and other benefits				**3.6**
Total provision for other long-term employee benefits					**13.5**

As of December 31, 2008, a one-percent increase in the ratio of medical costs would not significantly affect the value of the health insurance plan obligation in the United States and the corresponding income statement items.

Other long-term benefits *In millions of euros* **Company**	**Type of liability**	December 31, 2007 Present value of obligations	Fair value of funds	Deferred actuarial gains or losses	Provision
France	Long service payments	6.3			6.3
Netherlands	Long service payments	0.4			0.4
					6.7
Other					
France	Other liabilities	0.5		-0.5	1.0
USA	Health insurance for retired staff	1.8		-0.1	1.9
					2.9
Other countries					
Other	Pensions and other benefits				**3.8**
Total provision for other long-term employee benefits					**13.4**

Other long-term benefits *In millions of euros* **Company**	**Type of liability**	December 31, 2006 Present value of obligations	Fair value of funds	Deferred actuarial gains or losses	Provision
France	Long service payments	6.0			6.0
Netherlands	Long service payments	0.4			0.4
					6.4
Other					
France	Other liabilities	1.0		-0.1	1.1
USA	Health insurance for retired staff	2.1			2.1
					3.2
Other countries					
Other	Pensions and other benefits				**2.7**
Total provision for other long-term employee benefits					**12.3**

5.3.14.2 Other provisions

5.3.14.2.1 Provisions for claims and litigation

The Company is involved in claims and litigation arising in the ordinary course of business, the most significant of which is described below. bioMérieux believes that no current or pending claim or litigation will have a material adverse impact on its operations. When a risk is identified, a provision is recognized as soon as the risk can be reliably evaluated. The provision for claims and litigation, including the DBV dispute (see below), covers all the claims and litigation in which the Group is involved and amounted to 4.2 million euros on December 31, 2008.

DBV Litigation

On June 3, 2008, the Court of Cassation, in line with its favorable decisions in 2007, refused to hear the appeal by DBV and International Microbio of a Paris Court of Appeals' judgment of June 14, 2007, bringing all litigation in France concerning a DBV patent for diagnosing mycoplasma to an end.

In Spain, however, DBV filed an appeal with the Supreme Court in September 2008.

Proceedings are also pending in Italy.

In this connection, in 2008, the Company has reversed a provision of 3.3 million euros concerning this litigation, of which 3 million euros was recognized in "Other non-recurring incomes and expenses."

5.3.14.2.2 Provisions for restructuring

Changes in provisions for restructuring

The 2008 income statement includes new provisions or adjustments to existing provisions for restructuring (net reversals of 2.3 million euros) in connection with the following:

– Boxtel (Netherlands): the decision to close the Boxtel facility was confirmed in December 2007 and a provision of 30.6 million euros was recognized to cover restructuring costs. In 2008, the provision was adjusted and a reversal of 4.5 million euros was recognized, of which 2.6 million euros for severance compensation paid during the period and 1.9 million euros which became unnecessary due to early departures. In addition, an expense of 1.3 million was recognized in financial income in connection with the discounting of the provision.

– Rome (Italy): the decision was made in 2008 to concentrate all of bioMérieux Italy's activities in Florence; a provision of 1.2 million euros was recognized to cover termination benefits for those employees who will not be transferred.

– Rockland (United States): the decision to close this facility had been announced in 2003; the reversal of a provision of 0.5 million euros was recognized in the 2008 financial statements, corresponding to rents paid during the period.

– Athen's (United States): a provision of 0.2 million euros was recognized in 2008 for restructuring expenses incurred to transfer the facility's operations.

Balance of provisions for restructuring charges

The provisions include provisions for restructuring resulting from recent measures and restructuring in progress. As of December 31, 2008, those provisions amounted to 28.8 million euros and concerned the facilities at Boxtel (27.3 million euros), Rome (1.2 million euros) and Athen's (0.3 million euros).

5.3.14.3 Contingent assets and liabilities

Contingent assets

Contingent assets as of December 31, 2008 were not material.

Contingent liabilities

There were no material contingent liabilities on December 31, 2008 other than those related to claims and litigation and referred to in note 5.3.14.2.1.

5.3.15 Deferred taxes

Change *In millions of euros*	Deferred tax assets	Deferred tax liabilities
December 21, 2006	**24.9**	**5.4**
Translation adjustment	-1.7	-0.5
Change in the consolidation scope		6.1 (a)
Net allowances	-4.4	1.8
Recognition in reserves	1.4	
Other movements	-0.1	
December 31, 2007	**20.1**	**12.8**
Translation adjustment	0.4	-0.2
Change in the consolidation scope	0.1	13.3 (b)
Net allowances	4.4	-0.1
Recognition in reserves	-3.0	0.1
Other movements	-0,3	-0.3
December 31, 2008	**21.7**	**25.6**

(a) Including a deferred tax liability of 3.1 million euros on the acquisition of Biomedics, calculated on the fair value of the land and buildings.

Including a deferred tax liability of 3 million euros on the acquisition of BTF, calculated on the fair value of the technology

(b) Including a deferred tax liability of 10.5 million euros on the acquisition of bioTheranostics, calculated on the fair value of the acquired assets and liabilities, net of usable losses carried forward

Including a deferred tax liability of 2.3 million euros on the acquisition of AB bioMérieux, calculated on the fair value of the acquired assets and liabilities

Including a deferred tax liability of 0.5 million euros on the acquisition of PML calculated on the fair value of the acquired assets and liabilities, net of usable losses carried forward

Deferred tax assets exist mainly in the United States and France, due to temporary tax differences resulting mainly from the depreciation period of fixed assets, the non-deductibility of certain provisions and the unrecognized transferred profit in inventories.

Deferred tax assets *In millions of euros*	Pensions provisions	Unrecognized transferred profit in inventories and PPE	Other	**Total**
December 31, 2006	5.6	8.8	10.5	**24.9**
Changes for the period	-0.1	0.9	-3.9	**-3.1**
translation adjustment	-0.3	-0.5	-0.9	**-1.7**
December 31, 2007	5.2	9.2	5.7	**20.1**
Changes for the period	-0.6	0.9	0.9	**1.2**
translation adjustment	0.1	0.3	0.0	**0.4**
December 31, 2008	4.7	10.4	6.6	**21.7**

Deferred tax liabilities of 2.4 million euros resulted from changes in equity (in the Group's case the recognition of financial instruments at fair value and deferred taxes on treasury shares).

Deferred tax assets resulting from losses carried forward amounted to 1.6 million euros on December 31, 2008.

Tax losses carried forward, which are not included in the calculation of deferred tax assets, amount to 6.1 million euros (i.e. a potential tax saving of 2.2 million euros). Furthermore, no deferred tax assets are recognized on the restatements pertaining to the concerned entities; the restatements amount to 1.5 million euros (for potential tax savings of 0.6 million euros).

The deferred tax liabilities arise mainly from the recognition at fair value of the fixed assets of bioTheranostics (10.9 million euros), bioMérieux Spain (merger with Biomedics: 2.8 million euros), Bacterial Barcodes (2.5 million euros) and BTF (2.2 million euros) in connection with their acquisition. Deferred tax liabilities also included provisions for taxes of 2.3 million euros on distributable reserves.

5.3.16 Net debt / (Net cash)

5.3.16.1 Debt refinancing

The Group's net debt was 50.9 million euros on December 31, 2008, after the financing of acquisitions and taking into account the net cash balances of AB BioDisk (66.4 million euros), AviaraDx (39.5 million euros) and PML (22.2 million euros), and the distribution to bioMérieux SA shareholders of 29.8 million euros in dividends.

The acquisitions were financed in part with drawdowns under the syndicated credit facility.

bioMérieux S.A. has secured a 7-year term loan of 260 million euros in the form of a credit facility repayable in full at maturity (January 2013). The facility agreement contains default clauses (see note 5.3.16.3).

5.3.16.2 Maturity of the net debt

The maturity schedule below refers to balance-sheet amounts. Repayments are not shown at their present value and interests not yet accrued are not included in, as most of the loans bear interest at a floating rate.

In millions of euros	12/31/2006	12/31/2007	Decrease / Increase	Change in the scope of consolidation	Net change in cash flow statements	Other changes (a)	12/31/2008
Cash	-32.8	-48.3	1.5	-6.8	-5.3	3.7	-49.9
Cash equivalents	-1.1	-6.2	3.3		3.3		-2.9
Cash and cash equivalents	**-33.9**	**-54.5**	**4.8**	**-6.8**	**-2.0**	**3.7**	**-52.8**
Bank overdraft and other uncommitted debt	25.9	18.5	4.3		4.3	-1.5	21.3
Net cash and cah equivalents	**-8.0**	**-36.0**	**9.1**	**-6.8**	**2.3**	**2.2**	**-31.5**
Committed financial debt	**18.5**	**21.0**	**61.5**		**61.5**	**-0.1**	**82.4**
including portion which exceeds five years	*1.7*	*1.2*					*1.2*
between two and five years	*15.6*	*16.8*					*76.9*
less than one year	*1.2*	*3.0*					*4.3*
Net indebtedness / (Net cash)	**10.5**	**-15.0**	**70.6**	**-6.8**	**63.8**	**2.1**	**50.9**

(a) Impact of currency fluctuations and other changes

(b) Including a syndicated credit facility of 65 million euros

Including a 5.8 million euros liability from the finance lease of the Plaine de l'Ain logistics facility, of which 5.1 million euros for the purchase option. The lease expires in 2010, at which time bioMérieux will have the possibility of exercising its option to purchase the building.

Including the balance of the employee profit-sharing account (3.7 million euros)

(c) Including the balance of the employee profit-sharing account (2.3 million euros)

Including a 0.7 million euros liability from the finance lease of the Plaine de l'Ain logistics facility

The Company complies with loan repayment schedules at the end of the fiscal year.

No agreement was signed prior to December 31, 2008 pertaining to loans that would become available in 2009.

5.3.16.3 Debt covenants

The syndicated facility requires compliance with one financial ratio only: net debt may not exceed three times EBITDA before acquisition expenses. As of December 31, 2008, the Company complies with this ratio.

As of December 31, 2008, the other long-term debt consisted mainly of liabilities arising from the leased Plaine de l'Ain logistics facility (IDC) and the employee profit-sharing plan, none of which are subject to financial ratio clauses.

5.3.16.4 Interest rates

As of December 31, 2008, the Group's debt (82.4 million euros) consisted in its entirety of floating-rate credit facilities (except for the loan from the employee profit-sharing fund).

5.3.16.5 Borrowings on assets under capital leases

5.3.16.5.1 Debt (principal portion)

In millions of euros	**12/31/2008**	**12/31/2007**	**12/31/2006**
Under one year	1.2	1.2	1.2
One to five years	7.4	8.3	8.6
Over five years	1.2	1.2	1.2
Total	**9.8**	**10.7**	**11.0**

5.3.16.5.2 Future lease payments (principal and interest)

In millions of euros	**12/31/2008**	**12/31/2007**	**12/31/2006**
Minimum future payments	**10.6**	**11.6**	**12.1**
under one year	*1.5*	*1.4*	*1.5*
one to five years	*7.9*	*8.9*	*9.4*
over five years	*1.2*	*1.2*	*1.2*
Less interest portion	-0.8	-0.9	-1.1
Present value of future lease payments	**9.8**	**10.7**	**11.0**

5.3.16.6 Breakdown of net debt / (cash) by currency

In millions of euros	**12/31/2008**	**12/31/2007**	**12/31/2006**
Euro zone	102.5	75.3	68.1
Other			
US dollar	-53.6	-88.3	-64.3
Swedish kronor	-7.7	-0.2	-0.5
Livre sterling	-2.3	-0.9	-2.2
Polish zloty	-2.3	-1.4	-1.6
Japanese yen	13.1	10.9	10.9
Brazilian reals	1.5	1.8	1.5
South african rands	0.1	-7.8	
Other	-0.4	-4.4	-1.4
Total	**50.9**	**-15.0**	**10.5**

5.3.16.7 Loan guarantees

None of the Group's assets have been pledged as collateral to a bank.

In the case of subsidiaries obtaining financing from outside the Group, bioMérieux SA provides first-demand guarantees in favor of banks granting credit facilities.

5.3.17 Accounts payable and other liabilities

In millions of euros	**12/31/2008**	**12/31/2007**	**12/31/2006**
Accounts payable	**120.2**	**98.1**	**95.8**
Advances and deposits received	1.5	0.8	1.0
Tax and payroll	110.1	108.5	98.3
Deferred income	26.2	23.1	23.6
Other	13.9	8.2	9.4
Other operating liabilities	**151.7** (a)	**140.6**	**132.3**
taxes outstanding	**11.7**	**12.3**	**11.0**
Payables on property, plant & equipment	14.6	14.9	14.9
Other	0.5	0.0	1.4
Non operating liabilities	**15.1** (b)	**14.9**	**16.3**

(a) Operating liabilities are generally due in less than one year, with the exception of liabilities related to post-employment obligations by bioMérieux Italy (3.6 million euros), the bioMérieux SA employee profit-sharing plan (1.1 million euros), as well as certain deferred revenues under maintenance contracts

(b) Non-operating liabilities are for the most part due in less than one year

5.3.18 Payroll and benefits

In millions of euros	**2008 12 months**	**2007 12 months**	**2006 12 months**
Wages and salaries	275.8 (a)	273.0	263.4
Benefits	95.2	92.2	92.2
Employee profit sharing (b)	10.8	7.9	8.5
Total	**381.8** (c) (d)	**373.1**	**364.1**
Average number of employees	**5,863**	**5,749**	**5,663**
No. of employees as of Dec. 31	**6,140**	**5,771**	**5,747**

(a) Of which 5.7 million euros corresponds to the fair value of payments in shares (see note 5.3.19)

(b) bioMérieux SA

(c) Including 4.7 million euros corresponding to restructuring charges recognized in “Other non-recurring incomes and expenses”

(d) Including 17.3 million euros in contributions to defined contribution pension plans (excluding Spain and Portugal, for which the information is not available)

5.3.19 Payments in shares

5.3.19.1 Payments in bonus shares

	Bonus shares plan	
Company	bioMérieux SA	bioMérieux SA
Date of Shareholders' meeting authorizing the plan	June 9, 2005	June 12, 2008
Total numbers of shares authorized	1% of the share capital (394,537)	200,000
Beneficiaries	Corporate officers / employees	
Waiting period	Continuous employment with Company over 2 years from the date of grant	
Lock-up period	2 years from the expiration of the waiting period	
Number of shares granted in 2008	15,000	10,000
Number of shares granted as of 12/31/2008	286,000	10,000
Number of shares delivered in 2008	160,500	0
Number of shares delivered as of 12/31/2008	198,500	10,000
Number of shares forfeited in 2008	0	0
Number of shares to be delivered as of 12/31/2008	87,500	10,000
Number of shares outstanding as of 12/31/2008	0	190,000

Employee compensation expenses of 5.7 million euros were recognized in this connection in 2008, compared with 5.3 million euros in 2007 (see note 5.3.18).

According to the 172,500 own shares held by bioMérieux SA, the plan is covered as of December 31, 2008.

5.3.19.2 Stock option plan

	Stock options plan
Company	bioTheranostics
Date of Shareholders' meeting authorizing the plan	September 24, 2008
Total number of options authorized	1,000,000
Beneficiaries	Corporate officers / employees
Exercice period	Options vest over 4 years from the date of grant - 25% at the end of each year (cliff vesting)
Option expiration date	10 years from the date of grant
Subscription price per share	$6.00
Number of options granted in 2008	367,500
Number of options granted as of 12/31/2008	360,500
Number of shares able to be subscribed	367,500
Number of options exercized as of 12/31/2008	0
Number of shares subscribed for as of 12/31/2008	0
Number of options forfeited in 2008	7,000
Number of options outstanding as of 12/31/2008	639,500

The employee compensation expense recognized in this connection in 2008 is not material (see note 5.3.18).

The bioTheranostics stock option plan has no material impact on the calculation of diluted earnings per share.

5.3.20 Operating leases expenses

In millions of euros	**2008 12 months**	**2007 12 months**	**2006 12 months**
Operating leases expenses	19.7	17.0	17.6

5.3.21 Net depreciation allowances and provisions

In millions of euros	**2008 12 months**	**2007 12 months**	**2006 12 months**
Tangible and intangible assets depreciation	75.1	72.3	71.9
Provisions	-6.6	8.4	-2.3
Current assets depreciation	8.1	-4.2	2.4
Financial assets depreciation	1.2	1.1	-1.1
Total	**77.8**	**77.6**	**70.9**

5.3.22 Net financial expenses

5.3.22.1 Cost of net financial debt

In millions of euros	Income	Expenses	**2008 12 months**	**2007 12 months**	**2006 12 months**
Interests	2.3 (a)	5.2	-2.9	0.4	-0.5
Foreign-exchange gains (losses)	0.4		0.4	-0.3	-0.1
Arranging fees					-0.6
Interest-rate hedges				-0.1	0.3
TOTAL	**2.7**	**5.2**	**-2.5**	**0.0**	**-0.9**

(a) Interest income on invested cash balances

5.3.22.2 Other financial items

In millions of euros	Income	Expenses	**2008 12 months**	**2007 12 months**	**2006 12 months**
Interest income on leased assets	3.5		3.5	3.4	3.4
Provision / Disposal on non-consolidated investments	0.6	1.6	-1.0 (a)	2.2 (c)	1.1 (d)
Other	1.1	4.4	-3.3 (b)	-0.9	-2.7
Total	**5.2**	**6.0**	**-0.8**	**4.7**	**1.8**

(a) Including write-downs of the shares of Inodiag (by 0.9 million euros) and Dynavax (by 0.7 million euros)

(b) Including the cost of currency hedging (2.1 million euros), the discounting expense of the Boxtel provision for restructuring (1.3 million euros) and delayed payment interest income (0.9 million euros)

(c) Including a capital gain on the sale of OPi shares (3.3 million euros) and write-downs of the shares of Dynavax (by 0.8 million euros), and Oscient Pharma (by 0.3 million euros)

(d) Including reversals on the Dynavax shares (2.1 million euros) and a write-down of the Oscient Pharma shares (by 1 million euros)

5.3.22.3 Foreign-exchange gains and losses

Foreign-exchange gains and losses result from variations between the accounting rate and the rate at the time of payment (or the rate at the close of the fiscal year, if the payment has not been made). These differences only partially reflect the impact of currency fluctuations.

Transactions are initially translated at the exchange rate in effect on the date they take place. The exchange rate applicable to payments is either the rate in effect on the date of payment or the hedge rate (exclusive of time value) if the transaction was covered by a currency hedge.

Translation gains and losses on transactions are recognized under the relevant headings in income. The table below shows their impact in the income statement:

In millions of euros	**2008 12 months**	**2007 12 months**	**2006 12 months**
Sales	3.0	-0.3	-1.3
Cost of material supplies and other external charges	-1.7	2.1	-0.1
Financial items	0.4	-0.3	-0.1
Total	**1.7**	**1.5**	**-1.5**

5.3.23 Other non-recurring operating income and expenses

In millions of euros	Income	Expenses	**2008 12 months**	2007 12 months	2006 12 months
Partial disposal of shares	2.7	1.3	**1.4** (a)		
Restructuring of bioMerieux Japon	1.0	2.6	**-1.6** (b)		
Restructuring of the Boxtel site	4.5	5.8	**-1.3** (c)	-28.5 (c)	0.2
Other restructurations	0.6	2.0	**-1.4** (d)	-0.1	-0.6
Gains (losses) on capital transactions	7.8	6.9	**0.9**	0.2	
Other	3.4	2.2	**1.2** (e) (f)	11.3 (e) (f)	3.5 (f)
Total	**20.0**	**20.8**	**-0.8**	**-17.1**	**3.1**

(a) Including a gain on the disposal of 34 % of bioMérieux Japan shares (1.6 million euros) and a loss on the disposal of 26 % of bioMérieux South Africa shares (0.2 million euros)

(b) Including termination benefits paid to employees (1 million euros)

(c) The total includes (in millions of euros):

. termination benefits paid to employees	-2,6	
. extra costs incurred to transfer production	-1,9	
. write-downs of non-transferable inventories	-1,1	
. write-downs of assets not used to the end of their useful life	-0,2	-0,6
. net provision (reversal) for restructuring costs (note 5.3.14.2.2)	4,5	-30,6
. net reversal of provisions for pensions and long-term service bonuses		2,7

(d) see note 5.3.14.2.2

(e) Including net reversals of litigation provisions of 3 million euros on December 31, 2008 (see note 5.3.14.2.2) and 11.4 million euros on December 31, 2007

(f) Including net proceeds from the disposal of the Hemostasis line: 0.3 million euros on December 31, 2008, 0.4 million euros on December 31, 2007 and 10.1 million euros on December 31, 2006

Including expenses of 6.6 million euros related to the termination of microplates business in North America, on December 31, 2008.

5.3.24 Income tax

5.3.24.1 Analysis of income tax expense

In millions of euros	2008 12 months		2007 12 months		2006 12 months	
	Tax	**Rate**	**Tax**	**Rate**	**Tax**	**Rate**
Theoretical tax at French normal rate (a)	**62.9**	**34.4%**	**53.2**	**34.4%**	**52.8**	**34.4%**
- Impact of reduced tax rates on certain incomes and foreign tax rates	-0.3	-0.2%	2.3	1.5%	1.8	1.2%
- Taxes on dividends	3.6	2.0%	3.4	2.2%	4.4	2.9%
- Impact of permanent differences	-1.8	-1.0%	-0.5	-0.3%	-1.2	-0.8%
- Deferred tax assets not recognized on losses carried forward	1.8	1.0%	3.7	2.4%	0.4	0.2%
- Use of deferred tax assets not previously recognized	-2.3	-1.2%	-0.4	-0.3%	-4.6	-3.0%
- Tax credits (including tax credit on R&D expenditure)	-12.4	-6.8%	-6.6	-4.3%	-7.0	-4.5%
Actual consolidated tax expenses	**51.5**	**28.2%**	**55.1**	**35.6%**	**46.6**	**30.4%**

(a) Normal French corporate income tax rate applied to income before taxes of consolidated companies.

The basic corporate income tax rate in France is 33.33 %. Act no 99-1140 of December 29, 1999 on the Funding of Social Security created an additional tax that raised the legal rate by 1.1 %.

5.3.24.2 Breakdown of income tax expense

In millions of euros	2008 12 months	2007 12 months	2006 12 months
Income tax on current operating income	51.6	51.6	45.6
Income tax on income and expenses	0.5	0.5	0.6
Income tax on net financial expenses	-0.6	3.0	0.4
Total	**51.5**	**55.1**	**46.6**
Net income tax expense			
of which current tax expenses	56.0	48.9	51.5 (a)
of which net deferred income tax expense	-4.5	6.2	-4.9

(a) Of which 47 million euros excluding the sale of the Hemostasis product line

5.3.25 Segment reporting

bioMérieux is organized by geographical region (Europe, North America, Asia-Pacific and Latin America). Africa and the Middle East are part of the European region.

The accounting principles applicable to segment reporting are the same as those used for the consolidated financial statements.

December 31, 2008 *In millions of euros*	Europe	North America	Asia-Pacific	Latin America	Intra-group transactions	Consolidated total
Net sales						
Consolidated net sales (based on end-customer's nationality)	**662.6**	**242.8**	**129.2**	**75.9**		**1,110.5**
Net export sales from the region	675.6	248.1	119.8	67.0		1,110.5
Inter-region sales	103.3	167.2	1.5	1.9	-273.9	0.0
Net sales generated by the region	**778.9**	**415.3**	**121.3**	**68.9**	**-273.9**	**1,110.5**
Income						
Current operating income for the sector	69.8	116.5	5.2	1.6	-6.2	186.9
Other unallocated operating income and expenses						-0.8
Operating income						**186.1**
Cost of net financial debt						-2.5
Other unallocated financial expenses						-0.8
Income before taxes						**181.5**
Income tax						-51.5
Net income of consolidated companies						**130.0**
Other information						
Total capital expenditures (including long-term finance leases)	**-60.0**	**-33.0**	**-7.4**	**-8.2**		**-108.6**
Depreciation and amortization	**-55.2**	**-14.6**	**-4.5**	**-5.4**		**-79.7**
Unallocated depreciation and amortization						1.9
Total depreciation and amortization						**-77.8**
Balance sheet						
Assets						
Segment assets	783.0	335.2	71.0	45.6	-228.6	1,006.2
of which intangible assets & PPE	*222.5*	*118.9*	*22.0*	*14.9*		*378.3*
Investments in associated companies						2.0
Unallocated assets						181.0
Consolidated assets						**1,189.2**
Liabilities and shareholder's equity						
Segment liabilities	387.0	121.5	43.5	21.3	-228.6	344.7
Shareholder's equity (incl. minority interests)						688.4
Financial debt						103.7
Other unallocated liabilities						52.4
Consolidated liabilities and shareholder's equity						**1,189.2**

December 31, 2007 *In millions of euros*	Europe	North America	Asia-Pacific	Latin America	Intra-group transactions	Consolidated total
Net sales						
Consolidated net sales (based on end-customer's nationality)	**613.2**	**262.7**	**118.9**	**68.0**		**1,062.8**
Net export sales from the region	619.6	271.8	110.9	60.5		1,062.8
Inter-region sales	96.0	149.5		1.3	-246.8	0.0
Net sales generated by the region	**715.6**	**421.3**	**110.9**	**61.8**	**-246.8**	**1,062.8**
Income						
Current operating income for the sector	62.5	95.8	5.4	5.5	-2.2	167.0
Other unallocated operating income and expenses						-17.1
Operating income						**149.9**
Cost of net financial debt						0.0
Other unallocated financial expenses						4.7
bioMerieux' shares of net result of associated companies						-1.4
Income before taxes						**153.2**
Income tax						-55.1
Net income of consolidated companies						**98.1**
Other information						
Total capital expenditures (including long-term finance leases)	**59.2**	**32.1**	**5.7**	**6.0**		**103.0**
Depreciation and amortization	**-50.1**	**-7.9**	**-5.2**	**-2.8**		**-66.0**
Unallocated depreciation and amortization						-11.5
Total depreciation and amortization						**-77.5**
Balance sheet						
Assets						
Segment assets	587.8	187.6	85.6	54.5	-93.8	821.7
of which intangible assets & PPE	*220.6*	*70.7*	*20.9*	*14.9*		*327.1*
Investments in associated companies						3.1
Unallocated assets						173.6
Consolidated assets						**998.4**
Liabilities and shareholder's equity						
Segment liabilities	289.2	117.8	11.3	8.1	-93.8	332.6
Shareholder's equity (incl. minority interests)						601.3
Financial debt						39.5
Other unallocated liabilities						25.0
Consolidated liabilities and shareholder's equity						**998.4**

December 31, 2006 *In millions of euros*	Europe	North America	Asia-Pacific	Latin America	Intra-group transactions	Consolidated total
Net sales						
Consolidated net sales (based on end-customer's nationality)	**586.0**	**268.8**	**113.1**	**69.0**		**1,036.9**
Net export sales from the region	594.2	276.3	105.8	60.6		1,036.9
Inter-region sales	94.6	135.1		0.6	-230.3	0.0
Net sales generated by the region	**688.8**	**411.4**	**105.8**	**61.2**	**-230.3**	**1,036.9**
Income						
Current operating income for the sector	70.1	72.9	3.0	3.1	0.3	149.4
Other unallocated operating income and expenses						3.1
Operating income						**152.5**
Cost of net financial debt						-0.9
Other unallocated financial expenses						1.8
bioMérieux' shares of net result of associated companies						-1.4
Income before taxes						**152.0**
Income tax						-46.6
Net income of consolidated companies						**105.4**
Other information						
Total capital expenditures (including long-term finance leases)	**55.1**	**33.1**	**5.6**	**6.1**		**99.9**
Depreciation and amortization	**-35.6**	**-13.6**	**-5.6**	**-2.7**		**-57.5**
Unallocated depreciation and amortizations						-13.4
Total depreciation and amortization						**-70.9**
Balance sheet						
Assets						
Segment assets	545.0	234.1	52.4	42.8	-80.2	794.1
of which intangible assets & PPE	*204.2*	*76.3*	*9.9*	*12.4*		*302.8*
Investments in associated companies						4.9
Unallocated assets						140.6
Consolidated assets						**939.6**
Liabilities and shareholder's equity						
Segment liabilities	248.6	103.5	29.6	18.4	-80.2	319.9
Shareholder's equity (incl. minority interests)						557.5
Financial debt						44.4
Other unallocated liabilities						17.8
Consolidated liabilities and shareholder's equity						**939.6**

5.3.26 Auditors' fees

in thousand of euros	2008							2007						
	Deloitte & Associés		CCA		Other		**Total**	Deloitte & Associés		CCA		Other		**Total**
Auditing	**696**	***98%***	**129**	***100%***	**220**	***93%***	**1,045**	**780**	***100%***	**125**	***100%***	**165**	***99%***	**1,070**
- bioMérieux SA	153	*22%*	129	*100%*			282	129	*17%*	125	*100%*			254
- fully consolidated companies	543	*76%*			220	*93%*	763	651	*83%*			165	*99%*	816
Associated missions	10		4		2	*1%*	**12**					2	*1%*	**2**
AUDIT	**706**	***99%***	**129**	***100%***	**222**	***94%***	**1,057**	**780**	***100%***	**125**	***100%***	**167**	***100%***	**1,072**
Legal, tax, social	4	*0%*				*0%*	4	2	*0%*				*0%*	2
Other					15	*6%*	15						*0%*	0
Other missions	**4**	***1%***	**0**		**15**	***6%***	**19**	**2**	***0%***	**0**		**0**	***0%***	**2**
TOTAL	**710**	***100%***	**129**	***100%***	**237**	***100%***	**1,076**	**782**	***100%***	**125**	***100%***	**167**	***100%***	**1,074**

5.3.27 Risk management

5.3.27.1 Exchange-rate risk

5.3.27.1.1 Group policy

Because a large part of the Group's business is conducted outside the euro zone, its net sales, income, and some items on its balance sheet can be significantly affected by fluctuations in exchange rates between the euro and other currencies. Net sales, in particular, is affected by changes of the euro against the US dollar, and, to a lesser extent, against other currencies.

However, some operating expenses, in particular those incurred in the United States, are paid for in US dollars, lessening the impact of fluctuations of the US dollar on operating income. This natural hedge is less effective in the case of other currencies in which the Group operates.

The Group may also be exposed to currency risks arising from borrowings by certain subsidiaries in currencies other than their own (such as euros or US dollars) in countries where the volatility of those currencies is higher and where it may not always be possible to hedge exchange risks (such as in certain Latin American countries).

The Group's current policy, which is subject to change, is to seek to hedge the impact of exchange-rate fluctuations on budgeted net income. It uses hedging instruments, when they are available at a reasonable cost, in order to lessen risks from currency fluctuations. Its current practice is to put in place global hedges covering similar risks. Hedge contracts are purchased to cover transactions within budget and not for speculative purposes.

Distribution subsidiaries are currently billed in their local currencies by manufacturing subsidiaries (except where prohibited by law), so that currency risks can be managed at the corporate level for manufacturing entities.

Whenever possible, the Group hedges currency risks from financial debt in currencies other than those of the country in which operations are located, so as to offset any accounting risks.

The Group's hedging transactions consist primarily of sales and purchases of currency futures (all contracts had maturities of less than 18 months as of December 31, 2008). Detailed information on the hedging of booked and future transactions and the market value of hedging instruments is set forth in note 5.3.27.1.3.

5.3.27.1.2 Currency exposure

Net sales

The table below shows the currencies of sales by Group entities:

In millions of euros	2008 12 months	%	2007 12 months	%	2006 12 months	%
Euro	**517**	***47%***	**478**	***45%***	**472**	***46%***
Other						
Dollars (a)	282	*25%*	294	*28%*	299	*29%*
UK sterling	36	*3%*	43	*4%*	42	*4%*
Japonese yen	29	*3%*	28	*3%*	31	*3%*
Polish zloty	28	*3%*	25	*2%*	24	*2%*
Brazilian réal	28	*2%*	26	*2%*	27	*3%*
Other currencies	191	*17%*	169	*16%*	142	*14%*
Sub-total	**594**	***53%***	**585**	***55%***	**565**	***54%***
TOTAL	**1,111**	**100%**	**1,063**	***100%***	**1,037**	***100%***
Sensitivity (b)	**-6**		**-6**		**-6**	

(a) Dollar and related currencies: includes the United States and China
(b) Impact of a one-percent increase in the euro exchange rate against all currencies

Group net equity

A one-percent increase in the euro exchange rate against all currencies would have the following effect:

In millions of euros	2008	2007
Net income	**-1.2**	**-1.0**
Net equity (a)	**-3.7**	**-3.2**

(a) Translated by using the closing rate.

Exposure of receivables and liabilities

The table below shows the exposure of the Group's principal companies (bioMérieux SA and bioMérieux Inc) to foreign-exchange risks on December 31, 2008:

	USD	JPY	BRL	GBP	RUB
(in millions of currency)					
Receivables (in currency)	61.7	1,016	16.9	3.2	128.5
Liabilities (in currency)	-64.5	-45	0.0	-0.1	0.0
Net exchange exposure before hedging	**-2.8**	**971**	**16.9**	**3.1**	**128.5**
Hedging	-0.4	971	16.9	3.0	35.0
Net exchange exposure after hedging	**-2.4**	**0**	**0.0**	**0.1**	**93.5**
(in millions of euros)					
Net exchange exposure after hedging	-1.7	0	0.0	0.2	2.3
Sensitivity (a)	**0**	**0**	**0**	**0**	**0**

(a) Impact of a one-percent increase in the exchange rate on the net exchange rate exposure, as of December 31, 2008, taking into account currency hedging instruments.

5.3.27.1.3 Currency hedging instruments

bioMérieux uses hedging instruments to reduce currency risks that may have an impact on budgeted net income. Its general policy is to use global hedges covering similar risks. Hedge contracts are purchased to cover transactions within budget and not for speculative purposes.

Currency hedges in effect on December 31, 2008 were as follows:

Currency hedges on December 31, 2008 *In millions of euros*	Total	Expiration date		Market value (a)
		< 1 year	1 - 5 years	
Hedges of existing commercial transactions				
- Currency forward contracts	88.0	88.0		
- Options	0.3	0.3		
Total	88.3	88.3		
Hedges of future commercial transactions				
- Currency forward contracts	190.3	164.6	25.7	11.2
- Options	21.3	19.3	2.0	1.6
Total	211.6	183.9	27.7	12.8
Net investments hedges				
- Currency forward contracts	51.8	41.0	10.8	-2.6
Total	51.8	41.0	10.8	-2.6

(a) Difference between the present value of the hedging instrument on December 31, 2008 and its market value on December 31, 2008

The 12.8-million euro market value of hedge contracts pertaining to future commercial transactions outstanding on December 31, 2008 is recognized under “other comprehensive income” for 13 million euros and in income as an expense for 0.2 million euros.

Net investment hedge contracts outstanding with a negative value of 2.6 million euros on December 31, 2008 are recognized in equity under “other comprehensive income”.

Futures and options outstanding on December 31, 2008 mature within 18 months.

The recognition in current operating income of the effective portion of cash-flow hedges previously recognized in “other comprehensive income” had no material impact.

5.3.27.2 Credit risk

The Group does not have a significant exposure to credit risks. The net book value of its receivables reflects the fair value of amounts to be recovered. The impact of net write-downs of trade receivables is explained in note 5.3.9.

5.3.27.3 Liquidity risk

Financial liabilities due in less than one year and in more than one year are classified in the balance sheet as current and non-current liabilities, respectively.

The Group is not exposed to a liquidity risk, as total current financial assets far exceed current financial liabilities and as seasonal fluctuations do not have a material impact on the business.

Accordingly, the only maturity schedule shown pertains to the net debt, in note 5.3.16.2.

5.3.27.4 Interest-rate risk

Given the level of the Company's net debt (50.9 million euros as of December 31, 2008), its exposure to interest-rate risks is not deemed material and was not hedged. A change in interest rates of 100 basis points in 2008 would not have had a material impact on net financial expenses resulting from investments and financial debts.

5.3.27.5 Counterparty risk

The Group's financial transactions (credit facilities, financial market transactions, financial investments, etc.) are with leading banks and are spread among all of its banking partners in order to limit counterparty risks.

5.3.27.6 Financial instruments: financial assets and liabilities

The table below shows a breakdown of financial assets and liabilities (other than taxes and contributions payable or receivable) by category, as prescribed by IAS 39 "Financial instruments: recognition and measurement" (see note 5.3.1.17), and a comparison between their book value and fair value:

			12/31/2008		12/31/2007	
	Note	Category	Net book value	Fair value	Net book value	Fair value
Assets :						
Financial assets:	6		**16.6**	**16.6**	**17.8**	**17.8**
- loans and receivables		D	5.7	5.7	5.4	5.4
- investments held for sale		A	10.8	10.8	11.5	11.5
- financial assets at fair value through profit or loss		B	0.1	0.1	0.9	0.9
Investments in associates	7	D	2.0	2.0	3.1	3.1
Other non-current assets (receivables from finance leases - long term)	5.3	C	26.0	26.0	21.7	21.7
Accounts receivable:	9		**315.4**	**315.4**	**293.6**	**293.6**
- accounts receivable		D	304.5	304.5	284.1	284.1
- receivables from finance leases - short term	5.3	C	10.9	10.9	9.5	9.5
Other receivables:						
- advances and deposits	10	D	2.4	2.4	1.3	1.3
- derivative instruments	10	(*)	**10.2**	**10.2**	**0.0**	**0.0**
- future commercial transactions hedges	27.1.3		12.8	12.8		
- net investments hedges	27.1.3		-2.6	-2.6		
Cash and cash equivalents	11	B	52.8	52.8	54.5	54.5
Liabilities:						
Accounts payable	17	D	120.2	120.2	98.1	98.0
Other liabilities:	17					
- advances and deposits received		D	1.5	1.5	0.8	0.8
- other operating liabilities		D	13.9	13.9	8.2	8.2
- payables on property, plant and equipment		D	14.6	14.6	14.9	14.9
- derivative instruments	17	(*)	**0.0**	**0.0**	**-0.6**	**-0.6**
- future commercial transactions hedges	27.1.3				-0.2	-0.2
- net investments hedges	27.1.3				-0.4	-0.4
Financial debt (short term and long term)	16.2	C	103.7	103.7	39.5	39.5

A : available-for-sale assets

B : assets and liabilities at fait value through income

C : assets and liabilities measured at depreciated cost

D : assets and liabilities measured at cost

(*) : accounted for at fair value; the counterpart in the balance sheet depends on the qualification of the risk-hedging (see note 5.3.1.17)

There were no reclassifications among categories in 2008.

Impairments of financial assets concern primarily trade receivables (note 5.3.9) and financial assets (note 5.3.6).

Impairments and changes in fair value of financial assets are recognized solely in income.

No financial asset is used as a financial guarantee.

5.3.28 Off-balance-sheet commitments

Outstanding commitments made or received on December 31, 2008 were as follows:

– Real estate operating lease commitments by Group entities amounted to 16.8 million euros on December 31, 2008, of which 11.6 million euros payable in more than one year.

– bioMérieux SA participates in a research program coordinated by Mérieux Alliance, together with bioMérieux, Transgene, Genosafe and the Genethon association; the project's objective is to develop a new generation of diagnoses and therapies focusing on cancers, infectious diseases and genetic disorders. Known under the acronym "ADNA" (for "Advanced Diagnostics for New therapeutic Approaches"), the program receives financing from the French government's Industrial Innovation Agency (“Agence de l’Innovation Industrielle”), which merged with OSEO ANVAR in 2007. In this connection, bioMérieux SA has agreed to spend 136.5 million euros in research and development from 2007 to 2017. In return, bioMérieux SA will receive subsidies and repayable grants of up to 19.4 million euros (including 1.7 million euros for fiscal 2007) and 23.1 million euros, respectively. If projects are successful, bioMérieux SA will have to reimburse the repayable grants proportionally to its revenue (2 %) and then to pay 1 to 2 % of the revenue depending on the projects until 2027 or 2029. The public financing agreement was approved by the European authorities on October 22, 2008.

– bioMérieux Inc and bioMérieux SA are parties to various agreements that call for payments based on progress in corresponding research projects or a minimum volume of sales (35 million euros).

– As of December 31, 2008, bioMérieux S.A. had a call option on 35 % of the shares of Relia Diagnostic System LLC, which expired in January 2009 without having been exercised.

– bioMérieux Inc has an option to purchase the remaining 7 % of the shares of the Mexican subsidiary from its minority owner, on the basis of a formula that takes into consideration the revenue and income of the company; this has no material impact on the equity and debt of bioMérieux.

– As part of the purchase of CEA-Industrie's interest in Apibio in December 2004, bioMérieux SA agreed to an incentive clause with CEA-Industrie covering the period from 2010 to 2014, under which it would pay CEA-Industrie 3.5 % of any revenue generated by the application of technologies developed by Apibio (primarily MICAM and OLISA), up to a ceiling of 1.1 million euros.

– bioMérieux SA has secured a syndicated credit facility of 260 million euros (drawdowns amounted to 65 million euros as of December 31, 2008) repayable in full at maturity in 2013 (see note 16.1).

– The Company is a party to agreements with earnout clauses, entered into in connection with acquisitions and disposals. At the end of the period, the enforcement of such clauses was not deemed likely, or the amount involved could not be reliably ascertained.

– Bank guarantees obtained by the Group in connection with bids made by it totaled 15.1 million euros as of December 31, 2008.

– bioMérieux SA's obligations to its employees in terms of training (French regulation so-called “Droit Individuel à la Formation”) were estimated as of December 31, 2008 to amount to the maximum of 224,675 working hours.

– bioMérieux SA benefits from a clause of additional payments for the sale of its interest in Harmonie SA: bioMérieux is interested in the net income resulting from transferred patents for a period of 20 years (until 2026).

– Other commitments of 1.6 million euros were given (endorsements and guarantees other than real estate lease obligations).

– Other commitments of 0.9 million euros were received.

5.3.29 Transactions with related parties

5.3.29.1 Compensation of officers and directors

An aggregate of 6 million euros was paid in fiscal 2008 as compensation to officers and directors (board members and corporate executives). This includes fixed compensation of 0.7 million euros and variable compensation of 1 million euros, directors' fees of 0.3 million euros, pension and insurance benefits of 0.2 million euros, as well as grants of shares not yet fully vested (3.8 million euros).

5.3.29.2 Transactions with entities accounted for by the equity method

In 2008, bioMérieux SA purchased raw materials and services for 2.7 million euros from La Bergerie de la Combe au Loup, a company in which it holds a 20 % equity interest and which is accounted for by the equity method in the consolidated financial statements.

5.3.29.3 Other transactions with non-consolidated affiliates

Mérieux Alliance, which held 58.9 % of bioMérieux SA's shares on December 31, 2008, provided consultancy and support services to bioMérieux SA, bioMérieux Inc. and bioMérieux BV valued at 6.4 million euros for the year. Conversely, bioMérieux S.A. billed Mérieux Alliance 1.9 million euros for expenses incurred on its behalf.

During 2008, the Group supplied reagents and instruments with a value of 3.3 million euros to entities of the Silliker Group Corp., in which Mérieux Alliance holds a majority interest. In addition, bioMérieux Italy re-billed 0.2 million euros for services provided.

ABL, which is wholly owned by TSGH, owned at 100 % by Mérieux Alliance, is a bioMérieux Inc subcontractor; it billed a total of 1.7 million euros for goods supplied in 2008. bioMérieux Inc also provided services to ABL valued at 1.6 million euros during the year.

bioMérieux South Africa paid 1.3 million euros for administrative services to Omnimed, which is 26 % owned by Litha Healthcare Holdings (Pty) Ltd.

Thera Mac Cann charged bioMérieux SA 1 million euros for services performed in 2008.

bioMérieux SA contributed 1.3 million euros to Fondation Christophe & Rodolphe Mérieux and 1.6 million euros to Fondation Mérieux for humanitarian projects.

5.3.30 Subsequent events

To the best knowledge of the Group, no event has occurred since December 31, 2008 that could have a material impact on the financial statements for the period.

5.3.31 Consolidation

bioMérieux is a fully consolidated entity of Compagnie Mérieux Alliance (17 Rue Bourgelat, 69002 - Lyon).

5.3.32 List of consolidated companies as of December 31, 2008

		2008 (a)	2007 (a)
bioMérieux SA	69280 Marcy l'Etoile - France R.C.S. Lyon B 673 620 399	Parent company	
AB bioMérieux	Dalvägen 10 169 56 Solna, Stockholm - Sweden	100%	
ABG STELLA	1409 Foulk Road, Suite 102, P.O.Box 7108 Wilmington, DE 19803-0108 - USA	100%	100%
Bacterial Barcodes Inc	425 River Road - Athens - GA 30602 - USA	100%	100%
bioMérieux South Africa	7 Malibongwe Dr, Cnr Aimee St. Fontainebleau, Randburg, PO BOX 2316 Randburg 2125 – South Africa	74%	100%
bioMérieux West Africa	08 BP 2634 - Abidjan 08 – Ivory Coast	100%	100%
bioMérieux Algeria	Algéria Business Center Les Pins Maritimes - Mohammadia Alger, Algeria	100%	100%
bioMérieux Germany	Weberstrasse 8 - D 72622 Nürtingen - Germany	100%	100%
bioMérieux Argentina	Av. Congreso 1745 - (C1428BUE) Capital federal - Buenos Aires - Argentina	100%	100%
bioMérieux Australia	Unit 25, Parkview Business Centre - 1 Maitland Place Baulkham Hills NSW 2153 - Australia	100%	100%
bioMérieux Austria	Eduard-Kittenberger-Gasse 97, A-1230 Wien - Austria	100%	100%
bioMérieux Belgium	Media Sqaure - 18-19 Place des Carabiniers - 1030 Bruxelles - Belgium	100%	100%
bioMérieux Benelux BV	Boseind 15 - PO Box 23 - 5281 RM Boxtel - Netherlands	100%	100%
bioMérieux Brazil	Estrada Do Mapuá, 491 Jacarepaguá - CEP 22710 261 Rio de Janeiro - RJ - Brazil	100%	100%
bioMérieux BV	Boseind 15 - PO Box 84 - 5281 RM Boxtel - Netherlands	100%	100%
bioMérieux Canada	7815 Henri Bourassa - West - H4S 1P7 Saint Laurent (Québec) Canada	100%	100%
bioMérieux Chile	Seminario 131 - Providencia - Santiago - Chile	100%	100%
bioMérieux China	17/Floor, Yen Sheng Center 64 Hoi Yuen Road, Kwun Tong - Kowloon - Hong Kong - China	100%	100%
bioMérieux Colombia	Avenida 15 n° 100-43 - Piso 2 - Bogota - Colombia	100%	100%
bioMérieux Korea	7th floor Yoo Sung Building #830-67, Yeoksam-dong, Kangnam ku - Séoul - Korea	100%	100%
bioMérieux CZ	Praha 5, Kosire, Jinonickà 80/804- Czech Republic	100%	100%
bioMérieux Denmark	Smedeholm 13C - 2730 Herlev - Denmark	100%	100%
bioMérieux Spain	Manuel Tovar 45 - 47 - 28034 Madrid - Spain	100%	100%
bioMérieux Finland	Rajatorpantie 41C - 01640 Vantaa - Finland	100%	100%
bioMérieux Greece	Papanikoli 70 - 15232 Halandri - Athens - Greece	100%	100%
bioMérieux Hong Kong Investment	17/Floor, Yen Sheng Center 64 Hoi Yuen Road, Kwun Tong - Kowloon - Hong Kong - China	100%	

		2008 (a)	2007 (a)
bioMérieux Hungary	Foti ut.56 - HU - 1047 Budapest - Hungary	100%	100%
bioMérieux Inc	100 Rodolphe Street - Durham NC 27712 - USA	100%	100%
bioMérieux India	A-32, MohanCo-operative Ind. Estate - New Delhi 110 044 - India	100%	100%
bioMérieux International SAS (formerly Stella SAS)	69280 Marcy l'Etoile - France	100%	100%
bioMérieux Italy	Via Fiume Bianco, 56 - 00144 Roma - Italy	100%	100%
bioMérieux Mexico	Chihuahua 88, col. Progreso - Mexico 01080, DF - Mexico	93%	93%
bioMérieux Middle-East	DHCC - Building n° A/P 26 - Healthcare City - Dubaï United Arab Emirates	100%	
bioMérieux Norway	Økernveien 145 - N-0580 Oslo - Norway	100%	100%
bioMérieux New-Zealand	22/10 Airbourne Road - North Harbour - Auckland – New Zealand	100%	100%
bioMérieux Poland	ul. Zeromskiego 17 - Warsawa 01-882 - Poland	100%	100%
bioMérieux Portugal	Rua do Alto do Montijo, Lotes 1 e 2 - 2790-012 Carnaxide - Portugal	100%	100%
bioMérieux United Kingdom	Grafton Way, Basingstoke - Hampshire RG 22 6HY – United Kingdom	100%	100%
bioMérieux Russia	Petrovsko - Razoumovskii proyezd, 29 - Stroyeniye 2 127287 Moscou - Russia	100%	100%
bioMérieux Singapour	11 - Biopolis Way - Helios blk - 11#10-03 Singapore 138667	100%	
bioMérieux Sweden	Hantverksvagen 15 - 43633 Askim - Sweden	100%	100%
bioMérieux Switzerland	51 Avenue Blanc - Case Postale - 1211 Genève 2 - Switzerland	100%	100%
bioMérieux Thailand	Regent House Bldg, 16th floor - 83 Rajdamri Road - Lumpini - Pathumwan - Bangkok 10330 - Thailand	100%	100%
bioMérieux Turkey	Degirmen Sok. Nida Plaza Kat:6 - 34742 Kozyatagi - Istanbul - Turkey	100%	100%
BTF Pty Limited	Unit 1, 35-41 Waterloo Road - North Ryde NSW 2113 - Australia	100%	100%
bioTheranostics	11025 Roselle Street - Suite 200 - San Diego CA 92121 - USA	100%	
PML Microbiologicals	27120 SW 95ème avenue - Wilsonville OR 97070 - USA	100%	
Shangaï bioMérieux Bio-engineering	1181 North Qinzhou Road - Shangaï 200233 - P.R. - China	60%	
Sysmex bioMérieux (formerly bioMérieux Japon)	Central Tower 8th - 1 2 2 Osaki Shinagawa-ku - Tokyo 141-0032 - Japan	66%	100%

Two companies accounted for by the equity method:

		2008 (a)	2007 (a)
Bergerie Combe Au Loup	Bazourgues - Boisset St Priest - 42560 St Jean Soleymieux - France	20%	20%
Relia Diagnosic Systems LLC	One Market - Suite 1475 - Steuart Tower - San Francisco - USA	15%	15%

(a) The percentage of voting rights is identical to the percentage of ownership.

5.4 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Following our appointment as statutory auditors by your Annual General Meeting, we are presenting you with our report for the financial year ended December 31, 2008, on:

– our audit of the consolidated financial statements of the company BIOMÉRIEUX, as attached to this report;

– the justification for our assessment;

– specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on those financial statements, based on our audit.

5.4.1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and conduct steps and verifications to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis or through other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the information we gathered provide a sufficient and appropriate basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, and of the financial position of the Group and of the consolidated results of the operations of the persons and entities included in the consolidated account in accordance with IFRS, as adopted in the European Union.

5.4.2 Justification of assessments

The accounting estimates used for the preparation of the financial statements as of December 31, 2008 were made within a highly volatile market, at a time when the economic outlook was difficult to comprehend, as stated in note 1.1 to the annex to the financial statements. It was in those circumstances that, in compliance with the requirements of Article L.823-9 of the French Commercial Code (“Code de Commerce”) relating to the justification of our assessments, we made our own assessment which we bring to your attention:

– As disclosed in notes 1.12 and 14.1 to the consolidated financial statements, provisions related to the coverage of the group’s undertakings in terms of pensions are calculated based on actuarial estimates by experts appointed by the companies of the group. Our procedures notably consisted in examining the data used, assessing the assumptions applied, and verifying that notes 1.12 and 14.1 to the consolidated financial statements provide appropriate disclosure in this regard.

– As disclosed in note 1.8 to the annex, your company conducts impairment test for goodwill on a yearly basis. We have examined the terms and conditions for implementing this impairment test, the data and assumptions used by your company as well as the disclosure provided in this regard in note 1.8 to the consolidated financial statements.

– Finally, the Group accrues for costs related to disputes, litigation and restructurings, as disclosed in notes 1.13 and 14.2 to the consolidated financial statements. Our procedures consisted in assessing the data and assumptions on which these estimates rely, reviewing the calculations performed by the company and examining management's approval procedures for these estimates. Based on our procedures, we also assessed that the estimates used were reasonable.

These assessments were made as part of our audit approach for the consolidated financial statements taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

5.4.3 Specific verification

In compliance with French law, we have also verified the information concerning the group given in the group's management report. We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Lyon and Villeurbanne, April 23, 2009

The Statutory Auditors

COMMISSARIAT CONTRÔLE AUDIT - C.C.A.	**DELOITTE & ASSOCIÉS**
Bernard CHABANEL	Alain DESCOINS

5.5 BIOMÉRIEUX SA COMPANY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2006, 2007 AND 2008

INCOME STATEMENT

In millions of euros	**Jan. 08-Dec. 08 12 months**	**Jan. 07-Dec. 07 12 months**	**Jan. 06-Dec. 06 12 months**
Sales	557.0	512.4	494.1
Other revenues	42.2	40.5	36.4
Net sales (note 5.5.21)	**599.2**	**552.9**	**530.5**
Production included in inventories	5.0	5.1	-1.8
Capitalized production	4.4	6.2	7.8
Total production	**608.6**	**564.2**	**536.5**
Cost of material and supplies	-225.3	-209.1	-194.5
Changes in raw material and instrument inventories	2.4	2.7	1.5
External charges	-137.8	-123.0	-98.1
Added value	**247.9**	**234.8**	**245.4**
Taxes, other than income tax	-9.0	-13.0	-13.2
Payroll and benefits (note 5.5.22)	-168.3	-160.7	-154.7
Gross operating income	**70.6**	**61.1**	**77.5**
Depreciations and provisions	-34.3	-33.9	-19.7
Other operating income (expenses)	-5.0	-4.4	-11.9
Operating income	**31.3**	**22.8**	**45.9**
Financial expenses (net) (note 5.5.25)	-3.0	-1.3	-2.0
Net investment income	50.4	10.8	33.1
Income before exceptional items and taxes	**78.7**	**32.3**	**77.0**
Exceptional items (note 5.5.27)	0.3	2.9	-1.4
Employee profit-sharing	-2.6	-1.0	-3.2
Income tax (note 5.5.28)	2.3	-1.0	-10.5
Net incomet	**78.7**	**33.2**	**61.8**
Net income per share (a)	**1.99**	**0.84**	**1.57**

(a) In the absence of dilutive instruments, diluted net earnings per share is identical to basic net earnings per share

BALANCE SHEET

Assets *In millions of euros*	**Net 12/31/2008**	**Net 12/31/2007**	**Net 12/31/2006**
Fixed assets			
. Intangible assets (note 5.5.3)	31.8	32.9	35.1
. Property, plant and equipment (note 5.5.4)	130.2	125.9	120.4
. Financial assets (note 5.5.5)	289.1	221.8	212.4
Total	**451.1**	**380.6**	**367.9**
Current assets			
. Inventories and work in progress (note 5.5.6)	83.2	76.8	67.2
. Accounts receivable (note 5.5.7)	186.0	164.9	151.7
. Other operating receivables (note 5.5.8)	21.4	14.0	14.8
. Non operating receivables (note 5.5.8)	13.4	12.6	4.8
. Cash and cash equivalents (note 5.5.10)	26.0	33.5	13.7
Total	**330.0**	**301.8**	**252.2**
Foreign currency translation adjustment (note 5.5.12)	**4.9**	**1.5**	**0.7**
Total assets	***786.0***	***683.9***	***620.8***
Passif	**12/31/2008**	**12/31/2007**	**12/31/2006**
Shareholders' equity (note 5.5.13.2)			
. Share capital (note 5.5.13.1)	12.0	12.0	12.0
. Additional paid-in capital	63.5	63.5	63.5
. Retained earnngs	230.9	227.5	195.6
. Statutory provisions and grants (note 5.5.14)	28.6	26.7	25.2
. Net income for the year	78.7	33.2	61.8
Total	**413.7**	**362.9**	**358.1**
Provisions (note 5.5.15)	**32.5**	**34.4**	**28.1**
Liabilities			
. Financial debt (note 5.5.16.2)	139.0	106.7	80.1
. Accounts payables (note 5.5.17)	113.9	103.3	81.6
. Other operating liabilities (note 5.5.17)	72.0	65.0	61.7
. Non operating liabilities (note 5.5.17)	12.6	10.5	10.7
Total	**337.5**	**285.5**	**234.1**
Foreign currency translation adjustment (note 5.5.18)	**2.3**	**1.1**	**0.5**
Total liabilities and shareholders' equity	***786.0***	***683.9***	***620.8***

STATEMENT OF CHANGE IN NET FINANCIAL DEBT

In millions of euros	Jan. 08-Dec. 08 12 months		Jan. 07-Dec. 07 12 months		Jan. 06-Dec. 06 12 months	
Net income	78.7		33.2		61.8	
Depreciation, amortization and provisions, net	32.1		63.3		40.2	
Net realized capital gains (losses)	0.7		-3.2		1.4	
Loss on merger	0.2					
Cash flow from operating activities	**111.7**		**93.3**		**103.4**	
Decrease (increase) in inventories	-7.4		-7.8		0.3	
Increase (decrease) in accounts receivable	-21.1		-13.2		-22.3	
Increase (decrease) in accounts payable and other operating working capital	8.6		25.5		6.8	
Decrease (increase) in operating working capital requirements	**-19.9**		**4.5**		**-15.2**	
Increase (decrease) in income tax payable	1.2		-9.2		-3.3	
Other	-2.9		0.3		0.7	
Decrease (increase) in working capital requirements	**-21.6**		**-4.4**		**-17.8**	
Net cash flow from operations	**90.1**		**88.9**		**85.6**	
Capital expenditures	-32.0		-31.7		-53.7	
Sale of property, plant and equipment	4.5		5.4		2.0	
Change in net payables related to fixed assets	1.8		1.7		-1.2	
Investments securities	-72.7	(1)	-26.4	(2)	-5.5	(3)
Change in loans and advances to affiliates	-3.7		-14.2	(4)	20.0	
Increase in other financial fixed assets	2.4		-0.5		-0.6	
Net cash flow from (used in) investments activities	**-99.7**		**-65.7**		**-39.0**	
Dividends	-29.8	(5)	-29.9		-18.1	
Net cash flow from (used in) shareholders' equity	**-29.8**		**-29.9**		**-18.1**	
Change in net debt (excluding exchange rates effects)	**-39.4**		**-6.7**		**28.5**	
Analysis of change in net indebtedness						
Net indebtedness at the beginning of the year	73.2		66.4		94.7	
Impact of currency fluctuations on net indebtedness	0.4		0.1		0.2	
Change in net indebtedness:	**39.4**		**6.8**		**-28.5**	
- Confirmed facilities	*62.0*		*2.8*		*-0.1*	
- Cash and other bank deposits	*-22.6*		*4.0*		*-28.4*	
Net indebtedness at the end of the year (note 5.5.16.2)	**113.0**		**73.3**		**66.4**	

(1) Including purchase of AB bioMérieux shares (68.7 million euros) and subscription for issue by HK Investment (3.6 million euros)
(2) Including purchase of BTF shares (11.6 million euros), subscription for issue by bioMérieux South Africa (8 million euros)
(3) Including purchase of ReLIA shares (6.8 million euros)
(4) Including loan to bioMérieux Spain (10 million euros)
(5) Dividend distribution decided by the shareholders' meeting of June 12, 2008

5.5.1 Preliminary observations

5.5.1.1 New subsidiaries

In March 2008, the Company opened a subsidiary in Singapore. It invested 0.1 million euros in the shares of that company.

bioMérieux China transferred to bioMérieux SA the shares of HK Investment Ltd, an entity set up in connection with the formation of Shanghai bioMérieux Bio-engineering Co., Ltd., a company based in Shanghai, China, jointly owned with Shanghai Kehua Bio-engineering Co., Ltd. The Group owns (60 %) of the new company's capital.

Another subsidiary, bioMérieux Middle East (Dubai) was formed in October 2008.

5.5.1.2 Acquisitions

In June 2008, bioMérieux SA acquired the Swedish company AB Biodisk, which has since been renamed AB bioMérieux, for 68.7 million euros (SEK 643 million).

In December 2008, the Company also purchased the French distribution business of the UF instrument line (UF50, 100, 100I et 500I) from Sysmex for 0.8 million euros.

5.5.1.3 Disposals of equity interests

As part of the joint venture between bioMérieux Japan and Sysmex, bioMérieux SA sold 34 % of the shares of its Japanese subsidiary to Sysmex for 1.9 million euros (JPY 304 million). The transaction resulted in the recognition of a capital loss of 0.1 million euros.

On August 27, 2008, bioMérieux SA sold 26 % of the shares of its South African subsidiary to Litha for 0.8 million euros (ZAR 9.4 million). Prior to the transaction, the subsidiary's capital was reduced by 3 million euros (ZAR 30 million). The sale caused the recognition of a capital loss of 0.5 million euros.

5.5.1.4 Restructuring of bioMérieux Japan

On March 31, 2008, bioMérieux SA agreed to provide 1.5 million euros (JPY 240 million) in financing to its bioMérieux Japan subsidiary for restructuring costs.

5.5.1.5 Merger of SNC Stelhys

On February 18, 2008, SNC Stelhys was merged into bioMérieux SA by means of a transfer of all of its assets and liabilities. The merger caused the recognition in equity of a loss of 0.2 million euros in the value of shares previously held by the Company.

5.5.1.6 Sale of MRC5

On October 3, 2008, the Company disposed of RD Biotech, which produces and distributes MRC-5 diploid human cells. The sale generated a non-recurring gain of 0.6 million euros.

5.5.1.7 ADNA grant

The French OSEO ANVAR public agency approved grants and repayable advances to the Company for its Advanced Diagnostics for *New* therapeutic Approaches (ADNA) program.

A grant of 4.2 million euros was extended in 2008.

5.5.1.8 Tax relief

France's 2008 Finance Act provided for additional tax credits for research, of up to 30 % of eligible expenses, compared with 10 % the previous year. For the Company, this resulted in a 2008 research tax credit of 11.5 million euros, versus 4.2 million euros in 2007.

5.5.2 Notes and accounting principles

The financial statements have been prepared in accordance with regulation 99-03 of the French Accounting Rules Board (*Comité de la Réglementation Comptable*) of April 29, 1999.

5.5.2.1 Intangible assets

Intangible assets consist of patents and licenses, most of which are amortized over a period of five years, and software amortized over three to six years, depending on its expected useful life.

These assets are measured at cost (purchase price and incidental costs, exclusive of acquisition expenses).

Intangible assets acquired in exchange for the payment of indexed royalties are measured at the time of acquisition on the basis of estimated future royalties to be paid over the term of the contract. These estimates are subsequently adjusted based on royalties effectively paid.

5.5.2.2 Property, plant and equipment

Property, plant and equipment is shown on the balance sheet at purchase or production cost.

In accordance with new rules concerning the recognition of assets, in effect since January 1, 2005, components are separately recognized and depreciated whenever their cost represents a significant portion of the total cost of the asset of which they form a part and their useful life is not the same as that of the whole asset.

The only assets for which this approach is used are buildings.

Depreciation is calculated by the straight-line method, over the estimated useful life of various categories of assets. The principal useful lives are as follows:

Machinery and tools	3 - 10 years
Instruments *	3 - 5 years

**Instruments either placed with third parties or used in-house*

In the case of buildings, depreciation is calculated separately for each component:

Shell	30 - 40 years
Finishing work, fixtures and fittings	10 - 20 years

At the time the new rule was applied to assets, in fiscal 2005, a retrospective calculation showed that there had been an overall excess depreciation, estimated at 4.4 million euros at the start of the period, which led to the following entries:

Net reversal of depreciation in the books	-4.4 million euros
Accelerated depreciation allowances	7.7 million euros
Balance brought forward	-3.3 million euros

Whenever events or market developments indicate that there is a risk that the value of assets may be impaired, the net value of the property, plant and equipment concerned is reviewed. If their recovery value is less than their net book value, an impairment is recognized so that the assets are measured at their market value.

5.5.2.3 Financial assets

Long-term investment holdings are accounted for at their purchase price.

Investments in subsidiaries and affiliates are written down whenever their value in use is less than their cost. That value is estimated by taking into account the revenue, debt and, if applicable, the technology and real estate owned by the entity concerned.

Other investment holdings are written down whenever their market value falls below their cost. In particular, the market value of listed securities is their average trading price during the last month of the fiscal year.

Other financial assets include shares purchased under a market-making agreement with an investment broker, for the specific purpose of maintaining an orderly market in the Company's shares. Own shares held are measured at their average trading price during the last month of the fiscal year.

5.5.2.4 Inventories

Inventories are measured at cost or at net market value, if lower.

Inventories of raw materials and consumables are measured at their purchase price plus related expenses using the FIFO (first-in-first-out) method. Work-in-progress and finished goods are measured at their standard production cost, adjusted for changes recorded during the fiscal year.

5.5.2.5 Cash

Cash includes available cash balances and short-term investments.

Short-term investments include 172,500 treasury shares, of which 97,500 were purchased in 2008 in connection with a plan to distribute free shares pursuant to a resolution by the special shareholders' meetings of June 9, 2005 and June 12, 2008. As prescribed by the French National Accounting Council in its November 6, 2008 notice, treasury shares allocated to existing plans were not written down to reflect market prices.

5.5.2.6 Provisions

Contingency and loss provisions are recognized in accordance with French accounting rules applicable to liabilities (C.R.C. 2000-06).

5.5.2.7 Post-employment benefits

The Company has not opted for recognizing its liabilities with respect to post-employment benefits. However, these obligations are estimated in accordance with the actuarial and accounting rules prescribed by IAS 19.

5.5.2.8 Translation adjustments

Revenue and expenses in foreign currencies are recognized at their value in euros on the date of the transaction, translated at the applicable cumulative average exchange rate. Foreign-exchange gains and losses on commercial transactions resulting from differences in exchange rates between the date on which transactions are accounted for and the date on which the corresponding payment is made are recognized under the corresponding heading in the income statement (purchases and sales).

Receivables and liabilities in foreign currencies are translated at the exchange rate in effect at the end of the fiscal year or, if hedged, at the hedging rate. Any differences resulting from this valuation are recognized as unrealized foreign-exchange gains and losses. Provisions are set aside for unrealized foreign-exchange losses and are recognized in income (purchases or sales) whenever the receivable or liability is related to a commercial transaction.

Unrealized foreign-exchange gains and losses offset each other whenever they concern the same currency and third party and have close maturities.

5.5.2.9 Dividends received

Dividends collected are recognized net of withholding taxes applicable in the country from which they are distributed.

5.5.2.10 Research and Development

Research and development costs are accounted for as expenses for the year in which they are incurred.

5.5.2.11 Net income per share

Income per share (basic earnings) is calculated by dividing net income by the weighted average number of shares outstanding during the fiscal year.

5.5.2.12 Financial instruments

The Company only uses financial instruments for hedging purposes, in order to limit risks stemming from fluctuations in exchange and interest rates, whether related to assets and liabilities at the end of the period or to future transactions.

5.5.2.13 Statement of change in net financial debt

The statement of change in net financial debt explains changes in the Company's debt, meaning all of its borrowings and debt, regardless of their maturity, net of cash and short-term bank borrowings.

It lists separately:

– cash flow from operations,

– cash flow from investments,

– cash flow used in shareholders' equity.

Cash flow for the period corresponds to the aggregate of net income, depreciation and amortization allowances, net new provisions (impairment and contingency and loss allowances), exclusive of capital gains or losses on the sale of assets.

5.5.2.14 Consolidated group

The Company prepares consolidated financial statements in which the annual financial statements of its subsidiaries are fully consolidated whenever bioMérieux effectively controls those subsidiaries, or accounted for by the equity method if the Company has a significant influence over the entities concerned.

The Company is a fully consolidated subsidiary of Mérieux Alliance S.A. (17 Rue Bourgelat, 69002 Lyon)

5.5.2.15 Tax consolidation

Since January 1, 2005, bioMérieux S.A. has been the parent company, for tax purposes, of a consolidated group made up of S.A.S. bioMérieux International and itself.

5.5.3 Intangible assets

BREAKDOWN *In millions of euros*	**Gross value**	**Depreciation and impairment loss**	**Net value 12/31/2008**	**Net value 12/31/2007**	**Net value 12/31/2006**
Patents, technologies	31.3	19.7	11.6	14.6	19.0
Software	21.9	19.2	2.7	3.0	2.4
Acquired business	11.3		11.3	10.5	10.5
Advances and deposits	6.2		6.2	4.8	3.2
Other	0.3	0.3			
Total	**71.0**	**39.2**	**31.8**	**32.9**	**35.1**

CHANGE *In millions of euros*	**Gross value**	**Depreciation and impairment loss**	**Net value**
December 31, 2006	**62.1**	**27.0**	**35.1**
Acquisitions / Increases	5.0	6.7	-1.7
Disposals / Decreases	-0.6	-0.1	-0.5
December 31, 2007	**66.5**	**33.6**	**32.9**
Acquisitions / Increases	5.8	6.6	-0.8
Disposals / Decreases	-1.3	-1.0	-0.3
December 31, 2008	**71.0**	**39.2**	**31.8**

5.5.4 Property, plant and equipment

BREAKDOWN *In millions of euros*	**Gross value**	**Depreciation and impairment loss**	**Net value 12/31/2008**	**Net value 12/31/2007**	**Net value 12/31/2006**
Land	8.2	0.3	7.9	7.0	7.0
Buildings	139.9	72.4	67.5	70.6	68.6
Equipment	112.6	84.7	27.9	26.2	24.6
Capitalized instruments	43.8	34.4	9.4 (a)	11.2 (a)	10.5 (a)
Other fixed assets	21.7	16.0	5.7	5.7	5.6
Fixed assets in progress	7.0		7.0	1.3	2.1
Advances and deposits	4.8		4.8	3.9	2.0
Total	**338.0**	**207.8**	**130.2**	**125.9**	**120.4**

(a) Most of the capitalized instruments are placed with customers

CHANGE *In millions of euros*	**Gross value**	**Depreciation and impairment loss**	**Net value**
December 31, 2006	**303.2**	**182.8**	**120.4**
Acquisitions / Increases	26.7	20.7	6.0
Disposals / Decreases	-9.7	-9.2	-0.5
December 31, 2007	**320.2**	**194.3**	**125.9**
Acquisitions / Increases	26.1	21.5	4.6
Disposals / Decreases	-8.3	-8.0	-0.3
December 31, 2008	**338.0**	**207.8**	**130.2**

5.5.5 Financial assets

BREAKDOWN *In millions of euros*	**Gross value**	**Provisions**	**Net value 12/31/2008**	**Net value 12/31/2007**	**Net value 12/31/2006**
Investments	288.0	57.5	230.5	166.9	170.2
Other financial assets	9.5	8.0	1.5	2.3	4.3
Related receivables	54.8		54.8	51.0	36.8
Other	2.3 (a)		2.3	1.6	1.1
Total	**354.6**	**65.5**	**289.1**	**221.8**	**212.4**

(a) Including 18,931 own shares with a value of 1,080,173 euros and 40 Sicav CA AM fund shares with a value of 864,960 euros held on December 31, 2008 under an agency agreement with Crédit Agricole Cheuvreux (see note 5.5.2.3).

CHANGE *In millions of euros*	**Gross value**	**Provisions**	**Net value**
December 31, 2006	**245.3**	**32.9**	**212.4**
Acquisitions / Increases	59.3	35.7 (a)	23.6
Disposals / Decreases	-19.0	-4.8	-14.2
December 31, 2007	**285.6**	**63.8**	**221.8**
Acquisitions / Increases	91.1	4.5 (a)	86.6
Disposals / Decreases	-22.2	-2.8	-19.4
December 31, 2008	**354.6**	**65.5**	**289.1**

(a) Including 34.4 million euros for the write-off of bioMérieux BV shares

5.5.5.1 Subsidiaries and associates on December 31, 2008

See table below

	Share capital (Currencies in millions)		Net equity except share capital (Currencies in millions)	Percentage of equity held	Book value of shares held before impairment depreciation (In millions of euros)	Book value of shares held after impairment depreciation (In millions of euros)	Outstanding loans and advances by the Company (In millions of euros)	Revenue for the last fiscal year (Currencies in millions)	Net income for the last fiscal year (Currencies in millions)	Dividends received by the Company during the year (In millions of euros)	Notes
A - SUBSIDIARIES (50 % or more of the equity held by bioMerieux) :											
. AB bioMérieux	SEK	0.2	132.0	100.0 %	68.7	68.7	1.4	80.7	56.6		06/17/08 - 12/31/08
. ABG Stella	USD	0.0	418.8	100.0 %	55.5	55.5		589.6	118.7	38.1	01/01/08 - 12/31/08
. bioMérieux West Africa	EUR	0.1	0.1	100.0 %	0.1	01		0.1	0.0		01/01/08 - 12/31/08
. bioMérieux Argentina	ARS	0.5	14.1	100.0 %	5.4	5.0		45.5	3.6		01/01/08 - 12/31/08
. bioMérieux Colombia	COP	0.5	9.0	100.0 %	2.2	2.2		27.7	0.4	0.2	01/01/08 - 12/31/08
. bioMérieux Brazil	BRL	48.8	-6.6	100.0 %	24.0	24.0		83.7	-0.8		01/01/08 - 12/31/08
. bioMérieux Germany	EUR	3.5	4.7	100.0 %	3.8	3.8		58.6	2.9	2.0	01/01/08 - 12/31/08
. bioMérieux Austria	EUR	0.1	0.0	100.0 %	0.1	0.1	2.4	16.0	-0.1	0.9	01/01/08 - 12/31/08
. bioMérieux Belgium	EUR	0.3	2.7	100.0 %	0.3	0.3	0.5	23.3	1.1	1.4	01/01/08 - 12/31/08
. bioMérieux Chile	CLP	1,686.6	646.7	100.0 %	3.1	3.1		5,356.6	138.5		01/01/08 - 12/31/08
. bioMérieux Korea	KRW	1,000.0	1,189.0	100.0 %	0.7	0.7		24,243.2	-372.3	0.3	01/01/08 - 12/31/08
. bioMérieux Denmark	DKK	0.5	4.9	100.0 %	0.5	0.5		38.8	2.0	0.2	01/01/08 - 12/31/08
. bioMérieux Finland	EUR	0.0	0.2	100.0 %	0.1	0.1	0.3	3.7	0.1		01/01/08 - 12/31/08
. bioMérieux Greece	EUR	2.0	0.3	100.0 %	4.1	4.1		15.8	0.0		01/01/08 - 12/31/08
. bioMérieux Bénelux BV	EUR	0.0	3.7	100.0 %	0,1	0.1	1.2	32.7	1.3	2.0	01/01/08 - 12/31/08
. bioMérieux China	HKD	1.5	66.4	100.0 %	4.6	4.6		370.0	20.1	1.3	01/01/08 - 12/31/08
. bioMérieux Hungary	HUF	3.0	23.8	100.0 %	0.0	0.0		6.4	7.0		01/01/08 - 12/31/08
. bioMérieux HK Investment LTD	HKD	41.2	-2.6	100.0 %	3.6	3.6		0.0	-2.6		08/04/08 - 12/31/08
. bioMérieux India	INR	60.8	-8.5	100.0 %	1.4	1.4		828.1	21.0		01/01/08 - 12/31/08
. bioMérieux Italy	EUR	9.0	15.3	100.0 %	12.8	12.8	20.5	95.0		1.5	01/01/08 - 12/31/08
. bioMérieux Japan	JPY	0.5	-1.4	66.0 %	3.9	1.8	6.4	4.5	-0.2		01/01/08 - 12/31/08
. bioMérieux Spain	EUR	0.2	15.9	100.0 %	0.3	0.3	10.8	57.4	1.8		01/01/08 - 12/31/08
. bioMérieux Middle-East	AED	0.1	-0.1	100.0 %	0.0	0.0	0.1		-0.1		10/15/08 - 12/31/08
. bioMérieux Norway	NOK	2.8	2.8	100.0 %	0.3	0.3		42.0	2.0	0.3	01/01/08 - 12/31/08
. bioMérieux Polande	PLN	0.4	40.7	100.0 %	1.5	1.5		100.5	8.3	2.4	01/01/08 - 12/31/08
. bioMérieux Portugal	EUR	1.6	8.5	100.0 %	2.0	2.0	0.8	19.9	1.1	1.1	01/01/08 - 12/31/08
. bioMérieux Czech Republic	CZK	0.2	9.4	100.0 %	0.0	0.0	0.8	128.3	-2.0	0.2	01/01/08 - 12/31/08
. bioMérieux Russia	USD	0.3	-1.3	100.0 %	0.2	0.0		13.5	-0.8		01/01/08 - 12/31/08
. bioMérieux Russia OOO	RUB	5.7	-13.5	100.0 %	0.2	0.2			-13.5		09/05/08 - 12/31/08
. bioMérieux Sweden	SEK	0.5	6.0	100.0 %	0.2	0.2	0.3	53.9	3.5	0.1	01/01/08 - 12/31/08
. bioMérieux Switzerland	CHF	0.4	2.8	100.0 %	0.6	0.6		26.7	1.8	0.9	01/01/08 - 12/31/08
. bioMérieux Thailand	THB	35.0	47.9	100.0 %	0.9	0.9		294.4	6.7		01/01/08 - 12/31/08
. bioMérieux Turkey	EUR	3.3	22.0	100.0 %	2.7	2.7		36.8	6.5	1.2	01/01/08 - 12/31/08
. bioMérieux UK	GBP	0.0	6.8	100.0 %	1.2	1.2		32.4	1.7	1.1	01/01/08 - 12/31/08
. bioMérieux BV	EUR	22.7	-28.2	100.0 %	53.3	0.0	1.5	30.0	1.9		01/01/08 - 12/31/08
. bioMérieux Singapore	SGD	0.1	0.1	100.0 %	0.1	0.1	0.4	0.1	0.1		01/16/08 - 12/31/08
. bioMérieux International SAS	EUR	0.0	0.0	100.0 %	0.1	0.0		1.3	0.0		01/01/08 - 12/31/08
. BTF	AUD	4.1	-0.9	100.0 %	11.9	11.9		6.9	0.2		01/01/08 - 12/31/08
. South Africa	ZAR	50.0	13.8	74.0 %	3.7	3.7	2.3	221.9	13.8		01/01/08 - 12/31/08
. bioMérieux Algeria	DZD	58.0	-6.5	100.0 %	0.6	0.6		0.0	-8.3		01/01/08 - 12/31/08
TOTAL SUBSIDIARIES					**274.7**	**218.8**					

	Share capital		Reserves and retained earnings before income allocation	Percentage of equity held	Book value of shares held before impairment depreciation	Book value of shares held after impairment depreciation	Outstanding loans and advances by the Company	Revenue for the last fiscal year	Net income for the last fiscal year	Dividends received by the Company during the year	Notes
B - INVESTMENTS (5 to 50 % of the equity held by bioMérieux)											
. Théra conseil	EUR	0.3	0.2	1.8 %	0.0	0.0		1.6	0.0		01/01/07 - 12/31/07
. Bergerie Combe aux Loups	EUR	0.1	0.6	20.0 %	0.0	0.0		3.4	0.0		01/01/07 - 12/31/07
. Inodiag	EUR	0.1	0.0	1.8 %	0.9	0.0		0.8			01/01/07 - 12/31/07
. Exonhit	EUR	0.4	9.3	5.2 %	4.2	4.2		4.2	-8.9		01/01/08 - 12/31/08
. GeNeuro	CHF	0.4	10.7	9.8 %	0.1	0.1		0.1	1.6		01/01/08 - 12/31/08
. Relia diagnostic systems Inc	USD	0.0	2.4	15.0 %	6.8	6.8			-3.3		01/01/08 - 12/31/08
. Labtech LTD	USD	11.5	1.4	9.8 %	1.3	0.6		2.3	0.7		01/07/07 - 06/30/08
TOTAL INVESTMENTS					**13.3**	**11.7**					
C – OTHER SECURITIES											
. Sofinnova Ventures II NV	USD	0.5	-0.5	1.0 %	0.0	0.0		N/A	0.0		01/01/08 - 12/31/08
. Europroteome AG	EUR			8.8 %	2.0	0.0					In liquidation
. Sofinnova IV	USD	70.6	-64.9	0.6 %	0.2	0.0		N/A	-0.3		01/01/08 - 12/31/08
. Dynavax	USD	0.0	9.8	1.0 %	2.4	0.1		25.1	-23.9		01/01/08 - 09/30/08
. Oscient Pharma	USD	1.4	-82.1	0.2 %	3.5	0.0		60.4	-53.2		01/01/08 - 09/30/08
. Avesthagen	INR	42.1	1,3604	3.8 %	1.4	1.4		332.3	-141.2		04/01/07 - 03/31/08
TOTAL OTHER SECURITIES					**9.6**	**1.5**					
GRAND TOTAL					**297.5**	**232.0**					

5.5.6 Inventories and work in progress

In millions of euros	12/31/2008	12/31/2007	12/31/2006
Raw material	23.1	22.3	19.9
Work in progress	23.0	21.6	20.6
Finished goods and other materials	43.3	38.2	33.7
Total gross value	**89.4** (a)	**82.1**	**74.2**
Depreciation	-6.2	-5.3	-7.0
Total net value	**83.2**	**76.8**	**67.2**

(a) Including gross value of inventories relating to instrumentation: 21.7 %
Including controlled inventories of 2.7 million euros recognized in accordance with the new rule on accounting for assets.

5.5.7 Accounts receivable

In millions of euros	12/31/2008	12/31/2007	12/31/2006
Accounts receivable	186.9	165.8	152.6
Depreciation	-0.9	-0.9	-0.9
Valeur nette	**186.0**	**164.9**	**151.7**

5.5.7.1 Receivables recognized in more than one asset item

Receivables in bills of exchange *In millions of euros*	12/31/2008	12/31/2007	12/31/2006
Trade receivables	0.6	0.3	0.6
Total	**0.6**	**0.3**	**0.6**

5.5.8 Other receivables

In millions of euros	12/31/2008	12/31/2007	12/31/2006
Advances and deposits	0.8	1.0	1.1
Pre-paid expenses	3.7	3.4	5.3
Other receivables	17.4	9.6	8.4
Total gross value	**21.9**	**14.0**	**14.8**
Depreciation	-0.5		
Net value of other operating receivables	**21.4**	**14.0**	**14.8**
Non-operating receivables	13.4	12.6	5.6
Total gross value	**13.4**	**12.6**	**5.6**
Depreciation			-0.8
Net value of non-operating receivables	**13.4**	**12.6**	**4.8**

5.5.8.1 Breakdown of deferred expenses

In millions of euros	12/31/2008	12/31/2007	12/31/2006
Relating to purchases			0.1
Relating to external services and others	3.2	2.0	3.0
Relating to other operating expenses	0.5 (a)	1.4	2.2
Total	**3.7**	**3.4**	**5.3**

(a) Including royalties on patent licenses of 0.5 million euros

5.5.9 Maturity of trade and other receivables

Net value in millions of euros	12/31/2008	12/31/2007	12/31/2006
Trade receivables	**186.0**	**164.9**	**151.7**
- Less than 1 year	182.5	162.8	148.5
- More than 1 year	3.5	2.1	3.2
Other operating receivables	**21.4**	**14.0**	**14.8**
- Less than 1 year	20.7	13.3	13.2
- More than 1 year	0.7	0.7	1.6
Non-operating receivables	**13.4**	**12.6**	**4.8**
- Less than 1 year	13.0	12.3	4.8
- More than 1 year	0.4	0.3	

5.5.10 Cash

Cash includes available cash balances and short-term investments.

In millions of euros	12/31/2008	12/31/2007	12/31/2006
Short-term deposit (a)	24.4	30.9	11.3
Cash	1.6	2.6	2.4
Total	**26.0**	**33.5**	**13.7**

(a) Detailed information on short-term deposits

	2008	2007	2006
Name	172,500 own shares	120,900 own shares	78,800 own shares
Total	€11.1 millions	€7 millions	€3,7 millions
Type	Shares	Shares	Shares
Isin code	FR0010096479	FR0010096479	FR0010096479
Name	Certificates of deposit	Certificates of deposit	Certificates of deposit
Total	€11.3 millions	€18.9 millions	€7,6 millions
Type	Euro money-market fund	Euro money-market fund	Euro money-market fund
Isin code	N/A	N/A	N/A
Name	SICAV CAAM COR	SICAV BFP	
Total	€2 millions	€5 millions	
Type	Euro money-market fund	Euro money-market fund	
Isin code	FR0010251660	N/A	

5.5.11 Valuation of fungible current assets

There is no material difference between the value of those elements as shown on the balance sheet and their market value.

5.5.12 Unrealized foreign-exchange losses

In millions of euros	**12/31/2008**	**12/31/2007**	**12/31/2006**
On operating liabilities	0.1		
On financial debts	0.1	0.4	
On trade receivables	3.7	1.1	0.7
On non-operating receivables	1.0		
Total	**4.9**	**1.5**	**0.7**

5.5.13 Shareholders' equity

5.5.13.1 Share capital

As of December 31, 2008, the Company's share capital stock of 12,029,370 euros was divided into 39,453,740 shares, of which 25,314,590 were entitled to double voting rights. All references to the par value of shares were deleted by decision of the shareholders' meeting of March 19, 2001. As of December 31, 2008, no rights or securities with a dilutive impact were outstanding.

The number of shares outstanding did not change during fiscal 2008.

On December 31, 2008, the Company held:

– 18,931 treasury shares under a market-making agreement with an outside service provider (see note 5.5.5). During fiscal 2008, it bought back 114,506 of its own shares and sold 98,021.

– 172,500 treasury shares held in part for distribution under stock awards authorized by the shareholders' meeting of June 9, 2005.

5.5.13.2 Changes in shareholders' equity

In millions of euros	**Share capital**	**Additional paid-in capital**	**Retained earnings**	**Statutory provisions**	**Grants**	**Total**
December 31, 2006	**12.0**	**63.5**	**257.4**	**25.1**	**0.1**	**358.1**
Net income for the year			33.2			33.2
Dividends			-29.9			-29.9
Other movements				1.5		1.5
December 31, 2007	**12.0**	**63.5**	**260.7**	**26.6**	**0.1**	**362.9**
Net income for the year			78.7			78.7
Dividends			-29.8			-29.8
Other movements				1.9		1.9
December 31, 2008	**12.0**	**63.5**	**309.6**	**28.5**	**0.1**	**413.7**

5.5.14 Regulated provisions

In millions of euros	**Accelerated amortization**	**Provisions for price increase**	**Total**
December 31, 2006	**24.1**	**1.0**	**25.1**
Allowances	5.6	0.3	5.9
Reversal	-4.2	-0.2	-4.4
December 31, 2007	**25.5**	**1.1**	**26.6**
Allowances	5.9	0.4	6.3
Reversal	-4.2	-0.2	-4.4
December 31, 2008	**27.2**	**1.3**	**28.5**

5.5.15 Provisions

In millions of euros	**Other employee benefits**	**Product warranties** (a)	**Other contingencies**	**Total**
December 31, 2006	**6.2**	**0.6**	**21.3**	**28.1**
Allowances	0.3	0.5	21.5	22.3
Reversal (used)		-0.6	-3.9	-4.5
Reversal (unused)			-11.5	-11.5
Net allowances	0.3	-0.1	6.1	6.3
December 31, 2007	**6.5**	**0.5**	**27.4**	**34.4**
Allowances	0.7	1.0	13.2	14.9
Reversal (used)	-0.5	-0.5	-12.2	-13.2
Reversal (unused)			-3.6	-3.6
Net allowances	0.2	0.5	-2.6	-1.9
December 31, 2008	**6.7**	**1.0**	**24.8** (b)	**32.5**

(a) Estimate of the costs likely to be incurred for instruments sold under warranty over the remaining warranty period

(b) Including litigation provisions of 2 million euros. For purposes of confidentiality, the breakdown between cases is not disclosed.

5.5.15.1 Provisions for post-retirement and related benefits

These provisions include one of 6.5 million euros for long-term employment bonuses, calculated as prescribed by IAS 19. The actuarial assumptions used to calculate this amount take into consideration the length of service of Company employees, their turnover and life expectancy, and assume a yearly salary increase of 3.5 % and a discount rate of 5.5 %.

5.5.15.2 Provisions

The Company is involved in litigation arising in the ordinary course of business, the most significant of which is described below. bioMérieux believes that no current or pending litigation will have a material adverse impact on its operations. When a risk is identified, a provision is recognized as soon as the risk can be reliably evaluated. The provision for litigation, including for the dispute with DBV (see below), covers all litigation in which the Group is involved and amounted to 2 million euros on December 31, 2008.

DBV Litigation

On June 3, 2008, the Court of Cassation, in line with its favorable decisions in 2007, refused to hear the appeal by DBV and International Microbio of a Paris Court of Appeals' judgment of June 14, 2007, bringing all litigation in France concerning a DBV patent for diagnosing mycoplasma to an end.

Those decisions, along with developments in the proceedings initiated by DBV in Spain and Italy, led the Company to reverse a provision of 3.3 million euros set aside for this litigation in 2008, of which 3 million euros was recognized in "extraordinary gains".

5.5.16 Net indebtedness

5.5.16.1 Debt refinancing

bioMérieux S.A. has secured a 7-year term loan of 260 million euros in the form of a credit facility repayable in full at maturity (January 2013). The facility agreement contains default clauses.

As of December 31, 2008, a total of 65 million euros had been drawn down under that facility.

5.5.16.2 Maturity of the debt

In millions of euros	**12/31/2008**	**12/31/2007**	**12/31/2006**
Over five years			0.5
Between one and five years (a)	69.4	8.5	7.0
Total long-term debt	**69.4**	**8.5**	**7.5**
Less than one year	69.6	98.2	72.6
Total debt	**139.0**	**106.7**	**80.1**
Short-term deposits (b)	-24.4	-30.9	-11.3
Cash	-1.6	-2.6	-2.4
Net indebtedness	**113.0**	**73.2**	**66.4**

(a) Including a syndicated facility of 65 million euros
(b) The book value of short-term deposits is identical to their market value.

5.5.17 Accounts payable and other liabilities

In millions of euros	**12/31/2008**	**12/31/2007**	**12/31/2006**
Accounts payables	**113.9**	**103.3**	**81.6**
Tax and payroll	61.0	56.1	53.6
Deferred income	2.6	3.6	2.5
Other	8.4	5.3	5.6
Other operating liabilities	**72.0**	**65.0**	**61.7**
Payables on property, plant and equipement	12.6	10.5	8.8
Income tax liabilities			1.9
Non-operating liabilities	**12.6**	**10.5**	**10.7**

5.5.17.1 Liabilities recognized in more than one balance-sheet item

Liabilities in bills of exchange *In millions of euros*	**12/31/2008**	**12/31/2007**	**12/31/2006**
Accounts payable	10.0	9.5	12.1
Payables on property, plant and equipment	4.9	1.6	2.7
Other payables	0.1	0.1	0.1
Total	**15.0**	**11.2**	**14.9**

5.5.17.2 Deferred income

Deferred income primarily concerns equipment rental and maintenance contracts for which invoices were issued in advance.

5.5.17.3 Maturity of trade payables and other liabilities

In millions of euros	**12/31/2008**	**12/31/2007**	**12/31/2006**
Accounts payable			
Less than 1 year	113.9	103.3	81.6
Total	**113.9**	**103.3**	**81.6**
Other operating liabilities			
Less than 1 year	70.9	64.0	58.4
More than 1 year	1.1	1.0	3.3
Total	**72.0**	**65.0**	**61.7**
Non operating liabilities			
Less than 1 year	12.6	10.5	10.7
Total	**12.6**	**10.5**	**10.7**

5.5.17.4 Breakdown of accrued expenses

In millions of euros	**12/31/2008**	**12/31/2007**	**12/31/2006**
Other financial debts	0.2	0.1	0.2
Payables	32.8	36.7	17.7
Fiscal and social payables	44.1	42.2	40.2
Other operating liabilities	3.6	3.9	4.7
Payables on property, plant and equipment	0.7	1.9	2.6
Total	**81.4**	**84.8**	**65.4**

5.5.18 Unrealized foreign-exchange gains

In millions of euros	12/31/2008	12/31/2007	12/31/2006
On operating payables	1.2	0.2	0.2
On operating receivables	0.9	0.3	0.2
On financial loans	0.1	0.1	
On financial debts	0.1	0.5	0.1
Total	**2.3**	**1.1**	**0.5**

5.5.19 Balance-sheet items pertaining to associates

In millions of euros	12/31/2008	12/31/2007	12/31/2006
Total financial assets	**344.8**	**276.1**	**272.3**
Operating receivables	130.6	110.5	101.6
Non operating receivables	3.8	0.2	
Total receivables	**134.4**	**110.7**	**101.6**
Operating liabilities	54.5	52.1	34.1
Non operating liabilities	0.5	0.2	
Financial debts	65.1	94.8	69.0
Total liabilities	**120.1**	**147.1**	**103.1**

5.5.20 Financial commitments

5.5.20.1 Commitments made

In millions of euros	12/31/2008	12/31/2007	12/31/2006
Gurantees, including guarantees with affiliated companies €33.7 millions	34.4	30.2	47.0
Capital leases and rents	8.4	8.7	10.0
Total	**42.8**	**38.9**	**57.0**

5.5.20.2 Commitments received

In millions of euros	12/31/2008	12/31/2007	12/31/2006
Approvals, pledges and guarantees among which the connected companies €0 million	0.4	0.3	0.1
Revolving credit facility drawn at €65 millions as of December 31, 2008	260.0	260.0	260.0
Total	**260.4**	**260.3**	**260.1**

5.5.20.3 Currency hedging instruments

5.5.20.3.1 Exchange-rate risk

Hedging instruments are used to hedge trade or financial receivables or liabilities.

Potential foreign-exchange gains and losses on those hedging instruments, measured on the basis of trading prices on December 31, 2008, are recognized in the balance sheet whenever they pertain to instruments used to hedge receivables or liabilities.

The following hedge contracts were outstanding on December 31, 2008:

– Forward sales of 38.3 million euros to hedge trade receivables.

– Forward sales of 13.6 million euros to hedge financial liabilities.

– Forward purchases of 53.9 million euros to hedge financial liabilities.

In addition, foreign-exchange hedge contracts were entered into in anticipation of fiscal 2009 budgetary positions. The contracts have an aggregate net value of 137 million euros.

Based on their market value on December 31, 2008 the combined hedge contracts generate unrealized gains of 8.6 million euros.

Lastly, hedge contracts are used to hedge the results of foreign subsidiaries. They had an aggregate value of 51.8 million euros and led to the recognition of a loss of 2.1 million euros in 2008.

For information purposes, the table below shows the currencies of sales by Group entities:

In millions of euros	**2008**		**2007**		**2006**	
	12 months	**%**	**12 months**	**%**	**12 months**	**%**
Euro	**386.0**	**64 %**	**372.0**	**67 %**	**375.4**	**71 %**
Other						
US dollar	105.6	*18 %*	92.7	*17 %*	78.1	*15 %*
UK sterling	22.2	*4 %*	22.1	*4 %*	14.9	*3 %*
Polish zloties	15.9	*3 %*	13.4	*2 %*	13.9	*3 %*
Swiss francs	10.3	*2 %*	8.8	*2 %*	8.9	*2 %*
Brazilian reals	10.0	*2 %*				
Turkish liras	8.9	*1 %*	8.5	*2 %*		
Other currencies	40.2	*7 %*	35.3	*6 %*	39.3	*6 %*
Total	**599.2**	***100 %***	**552.9**	***100 %***	**530.5**	***100 %***

5.5.20.3.2 Interest-rate risk

As of December 31, 2008, there were no interest-rate swap contracts outstanding.

5.5.20.4 Information concerning capital leases

In millions of euros	**Value**	**Rent expenses** (a)		**Depreciation expense** (a)	
		current	**accumulated**	**current**	**accumulated**
Land	0.8	0.1	0.6		
Buildings	11.4	0.9	8.9	0.6	5.7
Total	**12.2**	**1.0**	**9.5**	**0.6**	**5.7**

In millions of euros	**Rent expenses to be paid**				**Residual value**
	Less than 1 year	**1 to 5 years**	**More than 5 years**	**Total**	
Land	0.1	0.1		0.2	0.6
Buildings	0.8	0.8		1.6	4.6
Total	**0.9**	**0.9**	**0.0**	**1.8**	**5.2**

(a) Capital lease in effect on December 31, 2008

5.5.20.5 Supplementary pensions, severance and related benefits

An actuarial assessment of the Company's obligations was made on December 31, 2008, based on:

– the expected turnover and mortality rate of payroll employees,

– assumed annual salary increases of 3.5 %,

– an assumed retirement age of 62 to 63 for employees with sufficient service to entitle them to full pension benefits,

– a 5.5 % discount rate.

The Company's obligations were valued at 14.4 million euros. They are partially covered by an insurance fund to which annual premiums are paid. No provision has been recognized in the annual financial statements for the unfunded balance of 3.9 million euros.

On December 31, 2008, the obligations consisted of the following elements:

– Contractual retirement payments 13.9 million euros

– Other liabilities 0.5 million euros

5.5.20.6 Individual training entitlements

bioMérieux SA's obligations to its employees in terms of training (Droit Individuel à la Formation) were estimated as of December 31, 2008 to amount to the equivalent of 224,675 working hours.

5.5.20.7 Other liabilities

– Commitments made in connection with research contracts amounted to 29 million euros on December 31, 2008.

– bioMérieux S.A. has the option to purchase 35 % of the shares of Relia Diagnostic System LLC. The exercise price of the option will be set by an appraiser and the option will be exercisable in a single transaction, no later than three years after the date of the initial investment by bioMérieux.

– bioMérieux SA participates in a research program coordinated by Mérieux Alliance, together with bioMérieux, Transgene, Genosafe and the Genethon association; the project's objective is to develop a new generation of diagnoses and therapies focusing on cancers, infectious diseases and genetic disorders. The program, known as "ADNA" (for “Advanced Diagnostics for New therapeutic Approaches”), is supported by the French Industrial Innovation Agency. bioMérieux SA has undertaken in this connection to spend up to 136.5 million euros on research and development in the period from 2007 to 2017. In return, bioMérieux SA will receive subsidies and repayable grants of up to 19.4 million euros (including 1.7 million euros for fiscal 2007) and 23.1 million euros, respectively. If projects are successful, bioMérieux SA will have to reimburse the repayable grants proportionally to its revenue (2 %) and then to pay 1 to 2 % of the revenue depending on the projects until 2027 or 2029. The financial assistance agreement was approved by the European authorities on October 22, 2008. In February 2009, the Company received grants of 3.4 million euros and a repayable advance of 0.1 million euros under the program.

– As part of the purchase of CEA-Industrie's interest in Apibio in December 2004, bioMérieux SA agreed to an incentive clause with CEA-Industrie covering the period from 2010 to 2014, under which it would pay CEA-Industrie 3.5 % of any revenue generated by the application of technologies developed by Apibio (primarily MICAM and OLISA), up to a ceiling of 1.1 million euros.

– The Board of Directors, using the authority granted to it by the shareholders' meeting of June 9, 2005 to distribute free shares and after consulting with the compensation committee, decided to award rights to 97,500 shares, subject to recipients satisfying certain conditions and criteria. These rights will be fully vested after a period of 2 years ending on June 6, 2009 and June 25, 2010. The Company had purchased 97,500 of its own shares as of December 31, 2008 and has no other financial liability in this connection.

– bioMérieux is the beneficiary of an earnout clause resulting from the sale of its interest in Harmonie SA. The Company is entitled to share in the net income resulting from the transferred patents for a period of twenty years (until 2026).

– The Company is a party to other agreements with earnout clauses, entered into in connection with acquisitions and disposals. At the end of the period, the enforcement of such clauses was not deemed likely, or the amount involved could not be reliably ascertained.

5.5.21 Breakdown of revenue

In millions of euros	**France**	**Export**	**Total 2008**	**Total 2007**	**Total 2006**
Sales	13.2	54.2	67.4	63.1	60.6
Sold production (goods)	143.8	334.0	477.8	437.7	423.0
Sold production (services)	14.9	39.1	54.0	52.1	46.9
Total	**171.9**	**427.3**	**599.2**	**552.9**	**530.5**

5.5.22 Payroll and benefits

In millions of euros	2008 12 months	2007 12 months	2006 12 months
Wages and salaries	107.7	103.6	99.3
Incentive plan	8.2	6.9	5.3
Benefits	52.4	50.2	50.1
Total	**168.3**	**160.7**	**154.7**
Employee profit-sharing	2.6	1.0	3.2
Total	**170.9**	**161.7**	**157.9**
Average number of employees	**2,449**	**2,367**	**2,299**
No. of employees as of Dec. 31	**2,513**	**2,395**	**2,351**

5.5.23 Officers' compensation

Compensation paid to Company officers and directors for 2008 consisted of directors' fees of 284,000 euros paid to the members of the Board of Directors (188,000 euros in 2007).

5.5.24 Research and development expenses

Research and development expenses for fiscal 2008 amounted to 97.9 million euros.

5.5.25 Net financial expenses

5.5.25.1 Breakdown of net financial expenses

In millions of euros	2008 12 months	2007 12 months	2006 12 months
Net financial expenses	-1.0	-1.1	-3.0
Depreciation	-3.8 (a)	-30,9 (b)	-20.0 (c)
Loss from merger	-0.2		
Withdrawal of receivables	-1.5		
Dividends	55.4	40.9	53.1
Exchange rate differences	-1.5	0.6	1.0
Total	**47.4**	**9.5**	**31.1**

(a) Including net write-downs of 1.3 million euros on the shares of subsidiaries and 2.5 million euros on other investments

(b) Including net write-downs of 29.7 million euros on the shares of subsidiaries and 1.2 million euros on other investments

(c) Including net write-downs of 19.8 million euros on the shares of subsidiaries and 0.2 million euros on other investments

5.5.25.2 Foreign-exchange gains and losses

Foreign-exchange gains and losses result from variations between the accounting rate and the rate at the time of payment (or the rate at the close of the fiscal year, if the payment has not been made). These differences only partially reflect the impact of currency fluctuations.

Translation gains and losses on transactions are recognized under the relevant headings in income. The table below shows their impact in the income statement:

In millions of euros	**2008 12 months**	**2007 12 months**	**2006 12 months**
Sales	-0.4	-1.2	-1.6
Cost of material supplies and other external charges	-1.0	-0.3	0.1
Financial items	-1.5	0.6	1.0
Total	**-2.9**	**-0.9**	**-0.5**

5.5.26 Associates: financial income and expenses

In millions of euros	**2008 12 months**	**2007 12 months**	**2006 12 months**
Net financial expenses	-5.3	-4.5	-5.3
Received dividends	55.4	40.9	53.1
Revenues from investments	2.5	1.9	1.8
Other financial incomes	0.7	0.4	0.3
Total	**53.3**	**38.7**	**49.9**

5.5.27 Extraordinary items

In millions of euros	**Income**	**Expenses**	**Net 2008**	**Net 2007**	**Net 2006**
Capital transactions	4.5	5.2	-0.7	3.2	-1.4
Statutory provisions	4.3	6.3	-2.0	-1.5	-1.3
Other	13.0 (a)	10.0	3.0	1.2	1.3
Total	**21.8**	**21.5**	**0.3**	**2.9**	**-1.4**

(a) Including a write-down of 0.3 million euros on the sold Altabiopharma shares.

5.5.28 Income and taxes

5.5.28.1 Breakdown of corporate income tax

In millions of euros	**2008**			**2007**	**2006**
	Before tax	Tax	After tax		
Current income before tax	78.7	1.4	80.1	30.6	65.3
Exceptional income	0.3	0.6	0.9	2.5	-1.1
Employees profit-sharing	-2.6	0.3	-2.3	0.1	-2.3
Total income	**76.4**	**2.3**	**78.7**	**33.2**	**61.9**

5.5.28.2 Income exclusive of valuation allowances

In millions of euros	**2008**	**2007**	**2006**
Net income for the year	78.7	33.2	61.8
- Income tax	-2.3	1.0	10.5
Net income before tax	76.4	34.2	72.3
- Total statutory provisions	1.9	1.5	1.3
Income tax before tax and without statutory provisions	**78.3**	**35.7**	**73.6**
Income tax	2.3	-1.0	-10.5
Tax on exceptional valuation at 34.43 %	-0.7	-0.5	-0.5
Net tax expense	**1.6**	**-1.5**	**-11.0**
Net income without statutory provisions	**79.9**	**34.2**	**62.6**

5.5.28.3 Change in future tax liabilities

In millions of euros	**2008** Rate 34.43 %	**2007** Rate 34.43 %	**2006** Rate 34.43 %
Accelerated amortization and statutory provisions	9,8	9,2	8,6
Total deferred tax liabilities	**9,8**	**9,2**	**8,6**
Non deductible provisions	-2,0	-2,6	-3,8
Impact of the implementation of the new regulation for assets	-0,2	-0,5	-0,7
Liabilities currency foreign translation adjustments	-0,8	-0,4	-0,2
Acquisition costs to be spread over five years	-0,1		
Total deferred tax assets	**-3,1**	**-3,5**	**-4,7**
Total deferred tax expenses	**6,7**	**5,7**	**3,9**

5.6 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

In accordance with our appointment as statutory auditors by your Annual General Meeting we hereby report to you, for the financial year ended December 31, 2008, on

– the audit of the financial statements of the company BIOMERIEUX, as attached to this report ;

– the justification of our assessments;

– the specific procedures and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

5.6.1 Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statement. We believe that the information we obtained are sufficient and appropriate to serve as a reasonable basis for our opinion.

In our opinion, in light of French accounting rules and standards, the financial statements give a true and fair view of the results of operations for the year ended as well as the financial position and assets and liabilities of the company as at the end of said year.

5.6.2 Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

– As stated in note 2-3 to the financial statements, your company writes down investments in subsidiaries whenever their fair value is lower than their net book value. Our procedures consisted in an examination of the assumptions and data used by your company to assess the value of the investments concerned and to review the calculations made.

– Your company also records provisions, as set forth in notes 2-6 and 15-2 to the financial statements. Our procedures consisted in assessing the data and assumptions on which these estimates rely, reviewing the calculations performed by the company and examining management's approval procedures for these estimates.

Based on our procedures, we assessed whether the estimates used are reasonable.

These assessments were made in the context of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

5.6.3 Specific verifications and information

We have also performed the other procedures required by law.

We have no matters to report regarding:

– the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements;

– the fair presentation of the information given in the management report in respect of remuneration and benefits granted to the relevant company officers and any other commitments made in their favor in connection with, or subsequent to, their appointment, termination or change in current function.

Pursuant to the law, we have verified that the report of the Board of Directors contains the appropriate disclosures as to the acquisition of participating and controlling interests and as to the identity of holders of share and voting rights.

Lyon and Villeurbanne, April 23, 2009

The Statutory Auditors

COMMISSARIAT CONTRÔLE AUDIT - C.C.A. **DELOITTE & ASSOCIÉS**

Bernard CHABANEL Alain DESCOINS

5.7 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

COMMISSARIAT CONTROLE
AUDIT - C. C. A.
43, Rue de la Bourse
69002 LYON
==========

DELOITTE & ASSOCIES
81 Bd Stalingrad

69100 VILLEURBANNE
==========

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report to you on regulated agreements and commitments.

Agreements and commitments authorized during the year

In accordance with Article L.225-40 of the French Commercial Code (Code de Commerce), we have been informed of the following agreements and commitments which were subject to the prior approval of your Board of Directors.

The terms of our engagement do not require us to identify such other agreements and commitments, if any, but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article R. 225- 31 of the French Commercial Code (Code de commerce), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

We conducted the steps and verifications that we deemed necessary in accordance with professional standards laid down by the French National Statutory Auditors' Association. Those standards require that we verify the consistency of the information provided to us with the corresponding source documents.

With THERA McCANN

Nature and purpose: your company entered into a short lease in respect of premises located in Tassin (without any protected commercial tenancy rights), 45 Avenue du 11 novembre 1918, for a term of 23 months as of March 14, 2008.

Terms and conditions: Annual rental of €36,000, excluding VAT, excluding service charges, payable quarterly in advance.

Amount invoiced over the fiscal year ended: €28,700

Relevant person: Mérieux Alliance S.A., shareholder of your company.

With SYSMEX bioMérieux Co. Ltd

Nature and purpose: On March 31, 2008, in connection with the restructuring of bioMérieux Japan (which became SYSMEX bioMérieux Co.Ltd), your company granted assistance in the form of a waiver of a 239,709,199 million Yen receivable to its subsidiary, SYSMEX bioMérieux Co. Ltd.

Relevant persons: Messrs. Alexandre MERIEUX and Stéphane BANCEL

With the bioMérieux China Ltd

Nature and purpose: In August 2008, in connection with the reorganization of Group activities in China, your company acquired all securities in bioMérieux HongKong Investment Ltd from bioMérieux China Ltd for HKD 10,000.

Relevant persons: Messrs. Alexandre MERIEUX and Stéphane BANCEL

Agreements and undertakings approved during earlier fiscal years, the performance of which continued during the year ended

Furthermore, pursuant to Article R.225-30 of the French Commercial Code, we were informed that the performance of the following agreements and undertakings, approved during earlier fiscal years, continued during the year ended.

With Mérieux Alliance and Transgène

Consortium agreement within the framework of the ADNA project ("Advanced Diagnostics for New therapeutic Approaches")

Nature and purpose: the purpose of the agreement is to set forth the governing rules and the status of intellectual property produced by the consortium and how it may be used.

The parties to the consortium agreement include Mérieux Alliance, bioMérieux SA and other companies, including Transgène SA. The agreement pertains to a research and development project known as "ADNA" (*Advanced Diagnostics for New therapeutic Approaches*) which is designed to contribute to the development of personalized medical care in the fields of infectious diseases, cancers and rare genetic diseases.

Terms and conditions: the provisions of the agreement came into force in October 2008 following approval by the European Commission of the project's financing by OSEO-ANVAR (formerly known as "Agence pour l'Innovation Industrielle").

With Mérieux Alliance

Service agreement in connection with the ADNA project

Nature and purpose: Mérieux Alliance, in its capacity as leading company under the ADNA project, undertakes to provide coordination services.

Terms and conditions: bioMérieux is liable for a share of the direct and indirect expenses incurred by Mérieux Alliance in connection with the performance of its assignments, proportional to bioMérieux's share of the budget eligible for grants and repayable advances.

For 2008, the amount invoiced to bioMérieux was 344,785 euros.

Service agreement

Nature and purpose: Your company entered into a service agreement with Mérieux Alliance effective January 1, 2002 (amended by 2 riders in 2007).

Terms and conditions:

– Under rider 1, the compensation is based on services provided by company Mérieux Alliance (personnel costs and contributions increased by 8 %) and is allocated between the Mérieux Alliance group companies in accordance with three allocation ratios based on the respective weightages of capital assets, sales figures and wage bill.

– Rider 2 governs the apportionment of the cost of allocation of free shares when the beneficiary employee has been transferred within the Mérieux Alliance group during the vesting period. The Mérieux Alliance group company allocating free shares then invoices the cost, without any profit margin, arising from the allocation of bonus shares in proportion to the time spent by the employee concerned with each of the companies during the vesting period.

In 2008:

– under rider 1, Mérieux Alliance invoiced your company for 3,421,200 euros;

– under rider 2, your company invoiced Mérieux Alliance for 1,044,000 euros.

IT and telephone service agreement

Nature and purpose: Your company entered into an agreement for the provision of IT and telephone services with Mérieux Alliance for a period of one year, thereafter tacitly renewable for an identical period.

Terms and conditions: The reinvoicing of IT services by your company includes a 10 % margin whereas a fixed annual fee of 1,500 euros has been set for the hotline.

For 2008, the total amount invoiced by your company is 57,192 euros.

Use of the family name "Mérieux"

Nature and purpose: Mérieux Alliance has the possibility of using the family name "Mérieux" for identified activities that are distinct from those of your company, provided such use is not detrimental to the interests of your company. Mérieux Alliance may also be granted the exclusive use of the family name "Mérieux" should your company come to be controlled by a third party not wishing to conserve the corporate name.

Terms and conditions: This agreement had no impact during the fiscal year.

Benefit pension plan

Nature and purpose: Your Company initiated a common defined benefit pension plan for managers with a professional classification coefficient of 800, within the meaning of the national collective agreement governing the pharmaceutical industry. Following the group restructuring, Mérieux Alliance employees were eligible to become plan beneficiaries. The purpose of the agreement therefore was to secure the membership of Mérieux Alliance.

Terms and conditions: Alain Mérieux was the plan's sole beneficiary. The agreement was terminated and no amount was paid in 2008.

With Mérieux Alliance, Silliker Group Corp. and Transgène

Agreement concerning the division of costs related to the severance of Group employees.

Nature and purpose: division of the future cost of the possible termination of employees who have worked for several Mérieux Alliance Group entities.

Terms and conditions: The entity terminating an employee shall pay all severance benefits to the employee concerned, which costs will then be divided with the other entities based on the aggregate compensation paid by each of them to the employee since the start of his or her employment with the Group.
No billings were made in this connection during the year.

With Fondation Mérieux

Gifts

Nature and purpose: In 2008, your company made several gifts to Fondation Mérieux within the framework of charitable sponsorship.

Terms and conditions: The gifts have a value of €144,033.

Specific partnership and charitable patronage agreement

Nature and purpose: As Fondation Mérieux wishes to have its own research facilities to develop health solutions that meet the constraints of developing countries, bioMérieux decided to give financial support to this project by entering into a charitable patronable agreement and made available to it a laboratory team and related resources. This agreement, which was entered into for a term of three years, represents financial assistance in the amount of 1.5 M€ in 2008, 1 M€ in 2009 and 0.5 M€ in 2010.

Fondation Mérieux is entitled to access other skills and resources within bioMérieux and shall own all the results of research carried out in the laboratory.

Terms and conditions: The various resources made available to Fondation Mérieux by your company in 2008 represent a financial amount of €1,500,000.

With IPSEN

Cooperation agreement in the field of theranostics

Nature and purpose: Cooperation between bioMérieux and Ipsen for the development of an accompanying diagnostic test for a new molecule currently in phase I clinical development by Ipsen, intended for the treatment of breast cancer.

Terms and conditions: Ipsen supplies the samples needed by bioMérieux for conducting research and development on this accompanying test. bioMérieux must design a test capable of identifying patients likely to benefit from this new treatment. Half of the development cost is payable by Ipsen. The test will contribute to the clinical development of the Ipsen molecule, as well as to that of a diagnostic test that could be distributed by bioMérieux.

With Thera McCann

Nature and purpose: Your Company has entered into a consulting, assistance and service agreement with Thera McCann in the area of promotional communications. The invoicing by Thera McCann is based on services provided with the possibility of discounts depending on annual revenue.

Terms and conditions: With respect to fiscal year 2008, your company was billed 984,400 euros by Thera McCann.

With Fondation Christophe et Rodolphe Mérieux

Nature and purpose: Your Company has entered into a charitable contribution agreement with Fondation Christophe & Rodolphe Mérieux. The amount of annual contributions is approved by the Board of Directors.

Terms and conditions: For fiscal year 2008, your company recognized an expense of 1,325,000 euros.

With Transgène

Cancer co-operation program with Transgène

Nature and purpose: Co-operation between bioMérieux and Transgène in a program designed to discover genomic markers for lung cancer diagnosis and prognosis. The program is conducted by Transgène as part of a clinical study (MVA-MUC1-IL2).

Terms and conditions: The contributions of the two parties to the program are as follows:

Contribution of bioMérieux: installation and three years' maintenance of an Affymetrix station, training of Transgène personnel in the use of this station, supply of chips and reagents necessary for analyses and support for Transgène if necessary.

Contribution of Transgène: purchase of an Affymetrix station from bioMérieux via a leasing company for €260,000 (over year 2006), collection and sorting of samples, analysis using the Affymetrix station, biomathematical analysis of data obtained.

Each party assumes the costs relating to its contribution; there is no payment of research and development expenses from one party to the other.

With Silliker Group Corp

Nature and purpose: Your Company entered into a corporate services agreement dated January 4, 1999.

Terms and conditions: For fiscal year 2008, your company invoiced Silliker Group Corp in the amount of 51,700 euros.

LYON AND VILLEURBANNE, APRIL 23, 2009
THE STATUTORY AUDITORS

COMMISSARIAT CONTROLE AUDIT C.C.A.	**DELOITTE & ASSOCIES**
represented by	**represented by**
Bernard CHABANEL	**Alain DESCOINS**

5.8 BOARD OF DIRECTORS' MANAGEMENT REPORT TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF JUNE 11, 2009

5.8.1 General management

Pursuant to article R.225-102 of the French Commercial code ("*Code de commerce*"), the Board of Directors has decided to combine the positions of Chairman of the Board of Directors and Chief Executive Officer, as provided by article L. 225-51-1 of the French Commercial code. Accordingly, Mr. Alain Mérieux, Chairman of the Board of Directors, is also the Company's Chief Executive Officer.

5.8.2 Position and business of the Company

The main highlights of the financial year ended December 31, 2008 were as follows:

5.8.2.1 Business

See § 5.2.2 above.

As of end December 2008, the growth in revenue was 4.5 % in euros, in light of the impacts of exchange rates and businesses sold or discontinued:

Net sales by area In million euros	**Year 2008**	Year 2007	*Variation*	
			Based on data published	***Based on constant currencies and perimeter***
Europe [1]	**663**	613	*+8.1 %*	***+7.5 %***
North America	**243**	263	-7.6 %	**+1.6 %**
Asia Pacific	**129**	119	*+8.7 %*	***+ 15.2 %***
Latin America	**76**	68	*+11.7 %*	***+15.8 %***
TOTAL	**1,111**	1,063	***+4.5 %***	***+ 7.5 %***

[1] including the Middle East and Africa

Growth of net sales In million euros			
2007 net sales	1,063		
Changes in operations sold [1] or discontinued [2]	- 21		
2007 net sales (excluding operations sold or discontinued)	**1,042**		
Impact of foreign-exchange rates	- 36		
Organic growth, on a constant consolidation and currency basis	+79	*+7.5 %*	*+9.8 %*
2008 and 2007 acquisitions and distribution agreements [3]	+24	*+2.3 %*	
Balance of operations sold [1] or discontinued [2]	+2		
2008 net sales	**1,111**		

(1) Hemostasis
(2) Microplate immunoassays in North America
(3) Of which company acquisitions (13 million euros) and new distributions (11 million euros)

Net sales by technology In million euros	Year 2008	Year 2007	Variation	
			Based on data published	***Based on constant currencies and perimeter***
Clinical Applications	**944**	**909**	***+3.9 %***	***+7.2 %***
Microbiology	**562**	534	*+5.3 %*	***+6.9 %***
Immunoassays	**304**	288	*+5.4 %*	***+5.7 %***
Molecular biology	**57**	47	*+20.4 %*	***+17.6 %***
Other product ranges	**21**	40	*-46.2 %*	***+11.9 %***
Industrial applications	**167**	**154**	***+8.1 %***	***+9.7 %***
TOTAL	**1,111**	**1,063**	***+4.5 %***	***+7.5 %***

5.8.2.2 New product launches

Since the beginning of the fiscal year, the Company has brought out 27 new products.

In particular, it launched the FMLA™ concept of full microbiology laboratory automation ("Full Microbiology Lab Automation™"), presented in April at the European Congress of Clinical Microbiology and Infectious Diseases (ECCMID) and in June, at the meeting of the American Society of Microbiology (ASM). Two new platforms were brought out in 2008: PREVI™ Isola, for the automatic seeding of Petri boxes, and PREVI™ Color Gram, an automated coloration technique for sample slides. With 6 microbiology instruments, bioMérieux currently has the most comprehensive range of products on offer on the market.

18 new reagents were brought out, including:

– 3 TEMPO® reagents, the menu of which henceforth includes the majority of the required quality benchmarks: TEMPO® YM, TEMPO® STA and TEMPO® LAB, for the enumeration of yeasts and moulds, positive coagulase staphylococci (*S. aureus*) and lactic bacteria in food products respectively;

– the VIDAS® UP reagent, for the detection of *Escherichia coli* (*E. coli*) O157:H7. This innovative solution, which arose from cooperation with Profos AG, resorts to the phage recombinant protein, which is the latest available technology to control food pathogens.

The Company also launched the TANGO™ connectivity software, allowing industrial clients to log into the VIDAS® and TEMPO® systems from their laboratory system, with a single interface.

As of December 31, 2008, the number of installed instruments was approximately 53,000, with the installation of 3,900 instruments at clients' during the year.

5.8.2.3 Main agreements

5.8.2.3.1 Partnership agreements

See § 4.4.5 above.

5.8.2.3.2 Licensing agreements

See § 4.7.2 and 4.7.3 above.

5.8.2.3.3 Other major agreements

– Sysmex Corporation, a leading company on the in vitro diagnostic market in Japan, and bioMérieux, have set up a commercial joint-venture for the promotion and distribution of all of bioMérieux's ranges of products in that country. Within the framework of this agreement, on April 1, Sysmex acquired 34 % of the share capital of bioMérieux Japan Ltd. and thereafter took on responsibility for sales and customer services.

– bioMérieux signed an agreement with Wescor, an ELITech group company, whereby bioMérieux became Wescor's exclusive worldwide partner for the marketing, under the bioMérieux trademark, of 2 slide coloration instruments intended for Gram coloration (PREVI™ Color Gram) and for the tuberculosis bacillus.

5.8.2.4 Industrial transactions and capital expenditures

Capital expenditures incurred over the fiscal year amounted to 92 million euros, of which 55 million for industrial investments, as compared with 90 and 50 million euros respectively in 2007.

Industrial investments mainly concerned the extension of production capacity, the fit-out of industrial buildings and the "global ERP" project. In addition to this project, significant investments were incurred in particular with respect to the construction and fit-out of buildings at the Grenoble, Marcy l'Etoile, Saint Louis and Shanghai sites. They will result in an increase in the Group's investment figures of approximately 30 million euros per annum in 2009 and 2010.

5.8.2.5 Legal proceedings

See § 4.9 "Legal proceedings" above.

5.8.2.6 Sponsorship transactions

At its meeting of December 19, 2003, the Board of Directors of the Company resolved to allocate a specific portion of its budget to charitable sponsorship activities. It was agreed that most (80 to 90 %) of this portion would be allocated to projects supported by Fondation Mérieux and Fondation Rodolphe Mérieux and that the rest would be allocated to direct sponsorship or contributions by bioMérieux. In 2008, the Company participated in the financing of charitable sponsorship and contributions in a total amount of 3.251 million euros, representing 5.42‰ of bioMérieux SA revenue.

5.8.3 Recent events/outlook

See § 7.1.2 and 7.2 below.

5.8.4 Research and development activities

5.8.4.1 Strategy

See § 4.4.1 above.

5.8.4.2 Research and development projects

See § 4.4.3 above.

5.8.5 Share ownership – subsidiaries and investments

5.8.5.1 Share ownership as of December 31, 2008

The table below shows the capital sharing of the Company on the dates indicated.

Share ownership	Position on 12/31/2008			Position on 12/31/2007		
	Number of shares	% of the capital	% of voting rights	Number of shares	% of capital	% of voting rights
Mérieux Alliance*	23,240,090	58.90	72.15	23,240,090	58.90	71.86
GIMD**	2,013,470	5.10	6.20	2,013,470	5.10	6.17
Banque de Vizille	648,520	1.64	1.00	648,520	1.64	1.00
CIC Lyonnaise de Participations	1,134,920	2.88	1.76	1,134,920	2.88	1.75
Apicil Prévoyance	122,130	0.31	0.19	122,130	0.31	0.19
Employees***	544,761	1.38	0.61	351,637	0.89	0.54
Treasury shares****	191,431	0.49	0.00	123,346	0.31	0.00
Public	11,558,418	29.30	18.08	11,819,627	29.96	18.48
TOTAL	39,453,740	100	100	39,453,740	100	100

* Mérieux Alliance is the Mérieux family-owned holding company.

** Groupe Industriel Marcel Dassault.

*** This line includes employee share ownership through mutual funds ("*FCP*") and bonus shares allocated to Company employees as of December 31, 2008

**** The shares are held pursuant to the market-making agreement with Crédit Agricole Cheuvreux and the agency agreements with Crédit Agricole Cheuvreux and Natixis (See § 22 below).

5.8.5.2 Miscellaneous information on subsidiaries and interests

See § 3.1.17 above.

5.8.6 Organization chart

The organization chart appears in § 3.1.16 of this reference document.

5.8.7 Employee stock ownership

As required by article L. 225-102 of the French Commercial code ("*Code de commerce*"), we hereby inform you that, at the close of the fiscal year on December 31, 2008, the Company's employees held, through mutual funds ("*FCP*"), or following bonus share allocations, 544 761 shares, amounting to 1.38 % of the Company's share capital.

Neither the Company nor any of the Group's companies granted stock options to any representatives or employees during fiscal year 2008. As of December 31, 2008, there were no stock options of the Company that were likely to be exercised. Moreover, the Company has not purchased any shares for distribution to its employees under a profit-sharing plan.

The Company distributed free shares in 2008, as set forth in the special report prepared in this connection.

5.8.8 Presentation of the consolidated financial statements; business and financial results

See § 5.2 and 5.3 above.

Dividend

The Board of Directors will ask the shareholders' meeting of June 11, 2009 to approve the distribution of a dividend of 0.81 euro per share, increasing the amount distributed in June 2009 to 32 million euros.

5.8.9 Presentation of financial statements

The annual financial statements for the fiscal year ended December 31, 2008 have been prepared in accordance with the presentation rules and valuation methods of applicable regulations.

Highlights for the period: See section 5.5.1 above.

5.8.9.1 Business

Net sales by the Company for the year ended December 31, 2008 amounted to 599.2 million euros, an 8.4 % increase from 553 million euros the previous fiscal year.

The “management” revenue before ancillary businesses revenues was 568.9 million euros, representing an 8.9 % increase. Excluding the impact of exchange rates, revenue increase amounted to by 10.1 %.

– Domestic sales grew by 3 %.

– Growth in sales to subsidiaries was 13.7 %.

– Sales to distributors increased by 2.5 %.

5.8.9.2 EBITDA

EBITDA amounted to 70.6 million euros, *i.e* 11.8 % of revenue. It was up 15.4 % from the previous fiscal year's level.

Although the margin is reduced by reason of the increase in purchases during fiscal year 2008, the increase in EBITDA was mainly due to the growth in revenue.

External services increased by 12 %. This reflected 0.9 million euros in IT services relating to the “Global ERP” project.

5.8.9.3 Operating income

Operating income, after depreciation and amortization allowances, was 31.3 million euros (22.8 million euros in the previous year) and represented 5.2 % of revenue, compared with 4.1 % as of December 31, 2007.

5.8.9.4 Financial income

Financial income amounted to 47.4 million euros, compared with 9.5 million euros as of December 31, 2007. It was boosted by the 14.5 million euros in dividends received from subsidiaries. During the previous fiscal year, a 34.4 million euros depreciation was recognized in respect of bioMérieux BV securities.

5.8.9.5 Current income

There was a current income before taxes of 78.7 million euros, compared with 32.2 million euros as of December 31, 2007.

5.8.9.6 Extraordinary income

The Company had extraordinary gains of 0.3 million euros (as compared with 2.9 million as of December 31, 2007). This was due in part to the reversal of a provision on litigation with DBV (a gain of 3 million euros) and to the reversal of part of the restructuring provision in respect of Boxtel (1.8 million euros). These gains were partially offset by the net expenditure recognized on the final allocation of free shares (-3 million euros) and by the capital losses recognized on the sale of the bioMérieux South Africa and Japan securities (-0.6 million euros).

5.8.9.7 Net income

Net income for the year amounted to a 78.7 million euros profit (33.2 million euros as of December 31, 2007). It represented 13.1 % of revenue, compared with 6 % as of December 31, 2007.

5.8.9.8 Capital expenditures

A total of 31.9 million euros was spent to acquire tangible and intangible assets, including 3.6 million euros for instruments.

Among other projects, the Company invested another 26.1 million euros in infrastructure equipment at all of its sites, primarily at the Marcy, Craponne and Grenoble facilities.

Tangible and intangible assets with a net book value of 0.6 million euros were sold or otherwise disposed of.

The gross value (acquisitions – disposals) of financial assets rose by 68.9 million euros, as advances to subsidiaries rose by 3.8 million euros while investment holdings rose by 64.6 million euros, partly due to the acquisition of AB bioMérieux securities for 68.7 million euros.

5.8.9.9 Debt

The Company’s debt increased from 39.8 million euros, amounting to 113 million euros.

5.8.9.10 Detailed information on the financial statements

Detailed information on the financial statements appears at § 5.5 above.

5.8.10 Allocation of earnings

It is proposed that distributable earnings for the fiscal year ended December 31, 2008, consisting of income of 78,706,148.46 euros and retained earnings of 35,283,317.78 euros, for a total of 113,989,466.24 euros, be appropriated as follows:

– A sum of 45 000 000 euros will be allocated to the "General Reserve", which would be increased from 194,000,000 euros to 239,000,000 euros:	45 000 000.00 euros
– A sum of 31,957,529.40 euros will be used to pay a dividend of 0.81 euros on each of the 39,453,740 shares comprised in the share capital.	31,957,529.40 euros(*)
– The balance of 37,031,936.84 euros, will be appropriated to "Retained earnings":	37,031,936.84 euros(*)
Total earnings available for distribution:	113,989,466.24 euros

(*) Subject to dividends payable on shares held by bioMérieux SA on the dividend date that will be added to retained earnings. It should also be noted that annual dividends have qualified for a tax abatement exclusively to the extent that shares are owned by individuals subject to personal income tax, as provided by article 158.3 paragraph 2 of the French Tax Code.

5.8.11 Recall of dividends distributed

See § 3.4.1 above of the present Reference document.

5.8.12 Non tax-deductible expenses

The financial statements for the year ended include a non tax-deductible expense under articles 223 quater and 223 quinquies of the General Tax code of 165,868 euros, corresponding to the non-deductible portion of vehicle rental payments by bioMérieux SA.

5.8.13 List of the Company representatives' mandates

See § 6.1.1.2 below of the present Reference document.

5.8.14 Compensation

5.8.14.1 Compensation of Company legal representatives

See § 6.2.1 below of the present Reference document.

5.8.14.2 Stock option plan - bonus shares allocation plan

There is no stock option plan over the Company’s shares in effect at this time. Neither the Company nor any of the Group’s companies granted stock options over the Company’s shares to any representatives or employees during fiscal year 2008. As of the date of this report, there were no exercisable stock options over the Company’s shares.

See section 6.3.2 below of the present Reference document for grants of free shares.

5.8.15 Polluting or hazardous operations

The Company does not operate any facility that exceeds the high threshold of the Seveso Directive.

5.8.16 Social and environmental impact

5.8.16.1 Social impact

See § 4.10 above of the present Reference document.

5.8.16.2 Environmental impact

See § 4.13 above of the present Reference document.

5.8.17 Information concerning public offerings

Article L. 225-100-3 of the French commercial Code ("*Code de commerce*") from the Act of March 31, 2006 provides that, in order to ensure the full disclosure of measures that may have an impact on the pricing or outcome of tender offers, the report must indicate and, if needs be, give explanations on the following items:

– Share ownership: See § 5.8.5.1 above;

– Bylaw restrictions on the exercise of voting rights and share transfers: See §3.1.14 above;

– Control mechanisms in accordance with an employee share ownership system, if any:

Two mutual funds ("*FCP*"), **OPUS and OPUS MULTI**, have been created in connection with the share capital increase reserved for bioMérieux employees subsequent to the initial public offering of its shares.

Authority granted by the shareholders' general meeting to the Board of Directors to buy back or issue shares: in view of:

– ensuring liquidity and boosting the share market through an investment service provider;

– allocating shares on exercise of rights relating to the issue of securities carrying an entitlement to the Company's share capital, to stock option plans, to the allocation of free shares to employees and legal representatives of the Company or group member companies, to the allocation or sale of shares to employees within the framework of a profit-sharing plan, to employee share ownership plans or corporate savings plans;

– holding shares with a view to subsequent transfer thereof as payment or in exchange within the framework of external growth transactions;

– reducing the Company's capital by way of cancellation of shares.

The shareholders' meeting granted the Board of Directors the authority to resolve whether or not to launch a buyback program, to set the terms and conditions thereof, and to implement this authorization for the sole purposes set by it; in particular, the Board of Directors is authorized to buy back the Company's own shares, subject to the statutory cap of 10 % of its share capital, it being specified that the maximum percentage shares bought by the Company with a view to retaining and subsequently transferring same as payment or in exchange within the framework of a merger, spinoff or contribution transaction is capped at 5 %, in accordance with applicable statutory provisions, the maximum purchase price per share being set at a maximum of 120 euros, excluding expenses.

– the table of delegations of authority and powers granted by the shareholders' meeting to the Board of Directors appears at § 3.2.4 above.

– Change-of-control clauses

Some of the agreements to which the Company is a party can be amended or terminated in the event that control changes hands. The table below shows a list of the principal agreements concerned.

Nature of agreement	Contracting party	Purpose
Loan agreement	BNP Paribas, Calyon, Natexis Banques Populaires, Société Générale	Syndicated loan of 260 million euros, expiring in 2013
License agreement	Gen-Probe	Ribosomal RNA
License agreement	Roche Diagnostics	NT-pro-BNP
License agreement	Chiron	HIV
License agreement	BioRad	HIV2
License agreement	Institut Pasteur	HIV1
License agreement	B.R.A.H.M.S. AG	PCT
License agreement	Toulouse university hospital center ("*CHU*")	Filaggrine

bioMérieux is not aware of any other factors likely to have an impact in the event of a public offering for its securities, of the kind listed in article L. 225-100-3 of the French Commercial code ("*Code de commerce*").

5.8.18 Statutory Auditors' report on regulated agreements

The statutory auditors' special report on regulated agreements is included under § 5.7 above.

5.8.19 Terms of office of the directors and directors' fees

No motion for renewal or appointment will be made at the shareholders' meeting.

5.8.20 Terms of office of the Statutory Auditors

No motion for renewal or appointment will be made at the shareholders' meeting.

5.8.21 Risk factors

See § 4.11, 5.2 and 5.3 above of the present Reference document.

5.8.22 Report on share buyback transactions completed during the fiscal year

See § 3.2.3 above of the present Reference document.

5.8.23 Conclusion

We ask you to give formal note of the information contained in this report to your directors, to purely and simply approve the annual financial statements and consolidated financial statements for the year ended, as submitted to you, to approve the proposals by your Board and to discharge each of the directors for their management responsibilities with respect to the fiscal year ended.

The Board of Directors

ANNEXES

Summary of Company profits and losses over the past five fiscal years

Nature of the indications	Fiscal year ended on 12/31/2008	Fiscal year ended on 12/31/2007	Fiscal year ended on 12/31/2006	Fiscal year ended on 12/31/2005	Fiscal year ended on 12/31/2004
I. Capital at the end of the fiscal year					
Share capital	12,029,370	12,029,370	12,029,370	12,029,370	12,029,370
Number of outstanding ordinary shares	39,453,740	39,453,740	39,453,740	39,453,740	39,453,740
Number of outstanding preference shares (without voting right)	0	0	0	0	0
Maximal number of future shares to be issued	0	0	0	0	0
By conversion of bonds	0	0	0	0	0
By exercise of preferential subscription rights	0	0	0	0	0
II. Transactions and profits of the year					
Net sales (without tax)	599,166,536	552,966,507	530,467,073	480,775,659	405,451,004
Earnings before tax, employee stock ownership and depreciation and amortizations	110,987,806	98,517,151	116,163,375	90,554,214	94,590,784
Income tax	-2,347,822	1,032,680	10,512,384	8,472,519	5,851,708
Employee stock ownership due for the fiscal year	2,571,888	1,001,436	3,237,535	2,636,451	1,230,705
Earnings after tax, employee stock ownership and depreciation and amortizations	78,706,148	33,150,507	61,834,399	51,277,249	40,532,742
Allocated profits (1)	31,957,529	29,984,842	29,984,842	18,000,000	15,781,496
Extraordinary allocation from the general reserve	0	0	0	0	29,961,770
III. Earnings per share (2)					
Earnings after tax, employee stock ownership, but before deprecation and amortizations	2.81	2.45	2.60	2.01	2.22
Earnings after tax, employee stock ownership and depreciation and amortizations	1.99	0.84	1.57	1.30	1.03
Dividend per share (3)	0.81	0.76	0.76	0.46	0.40
IV. Personnel					
Average workforce during the fiscal year	2,449	2,367	2,299	2,204	2,123
Total wage bill of the fiscal year	116,589,162	111,202,680	105,294,789	96,907,147	90,603,261
Total paid sums for the social benefits for the fiscal year (health coverage system, charity work)	51,736,740	49,539,321	49,443,252	45,015,526	40,952,473

(1) Subject to non paid dividend for the treasury shares owned at the time of the payment

(2) For the 2004 fiscal year, the shares' number increased by 10 after the merger Nouvelle bioMérieux Alliance and before the initial public offering

(3) Dividend per share for extraordinary allocations is not mentioned in this table.

5.9 REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS ON THE CONDITIONS OF PREPARATION AND ORGANIZATION OF THE BOARD OF DIRECTORS' WORK AND ON INTERNAL CONTROL PROCEDURES

5.9.1 Conditions of preparation and organization of the Board of Directors' work

5.9.1.1 Composition of the Board of Directors

Our Board of Directors is currently composed of nine members, including four outside directors.

A list of the Company's directors is included in § 6.1.1.2 of the present Reference document

5.9.1.2 Frequency of meetings

During the fiscal year ended, the Board of Directors of the Company met on seven occasions, that is to say approximately once every two months.

5.9.1.3 Notices of meetings and attendance by directors

Convening notices were sent to the directors and the Auditors by regular mail, sufficiently in advance, as provided in the bylaws. On average, convening notices of Board of Directors' meetings are sent about twelve days before the meeting date.

Furthermore, in accordance with article L. 823–17 and R. 823–9 of the French Commercial code ("*Code de commerce*"), the statutory auditors were sent convening notices of Board of Directors' meetings at which interim and annual financial statements are examined and settled, by registered letter, with acknowledgement receipt.

The Board of Directors' attendance records show that all directors were present or represented at each meeting held in 2008.

5.9.1.4 Chairing of Board of Directors' meetings

All seven meetings of the Board of Directors held during fiscal year ended were presided over by its Chairman.

5.9.1.5 Minutes

Minutes of Board of Directors' meetings are prepared after each meeting they relate and are systematically submitted to all the members of the Board of Directors' approval at the next meeting, following which they are signed and entered into the record of Board proceedings.

5.9.1.6 Activities of the Board of Directors in 2008

The Board of Directors met seven times in 2008. It mainly conducted quarterly reviews of business and of the Company's major projects, settled the Company annual and consolidated financial statements for fiscal year ended December 31, 2007 and prepared the shareholders' meeting, suggested the appointment of a new Director, proposed financial authorizations, made an assessment of the Board of Directors' functioning, examined the situation of foreign subsidiaries, examined the acquisition of "AB BIODISK", "AviaraDx, Inc" and "PML Microbiologicals, Inc.", settled the interim financial statements, settled a draft budget for fiscal year 2009, and approved regulated agreements.

At the Board's meeting of June 12, 2008, it conducted a self-assessment using, inter alia, a questionnaire in which each director was given the possibility to express his position. An analysis of the replies, which was discussed by the Board of Directors indicated that its members consider the composition, the structure and the way the Board of Directors works, in particular in terms of collective performance and individual member involvement, to be satisfactory.

5.9.1.7 Activities of the Audit Committee in 2008

The make-up of the audit committee is described in § 6.1.2.1.1 of the present Reference document.

The full Audit Committee met six times in 2008:

– On January 18, 2008, it met by telephone conference and reviewed the texts of press releases announcing revenue for the fourth quarter of 2007 and for the full 2007 fiscal year respectively;

– On March 10, 2008, with all of its members and the Company statutory Auditors attending, it examined the main aspects of the financial statements for fiscal year 2007, the draft of the management report and the 2007 reference document, the principal financial risks to which the Company was exposed and the draft of a press release on the financial results for the year;

– On April 25, 2008, the Committee reviewed in particular the text of the press release announcing revenue and the quarterly financial information for the first quarter 2008;

– On July 21, 2008, the committee met by telephone and reviewed the text of the press release announcing revenue for the second quarter 2008,

– On September 2, 2008, with all of its members and the Company statutory auditors attending, it examined the half-year financial statements for the six months to June 30, 2008, the draft interim report on business and the draft press release on the half-year financial results;

– On October 22, 2008, the committee reviewed the text of the press release announcing the revenue for the third quarter of 2008 and the quarterly financial report.

As required by its own rules, the Audit Committee reported to the Board of Directors on the performance of its assignments and presented the observations it deemed relevant.

5.9.1.8 Activities of the Compensation Committee in 2008

The members of the Compensation Committee are listed in § 6.1.2.2.1 of the present Reference document.

The Compensation Committee met on two occasions in 2008, on March 13 and December 19. The main issues dealt with at those meetings were the compensation policy, the employee share ownership Plan, and the AFEP-MEDEF recommendations on the compensation of representative executives.

As required by its own rules, the Compensation Committee reported to the Board of Directors on the performance of its assignments and presented all necessary information.

5.9.2 Compensation

5.9.2.1 Determination of legal representatives' compensation

Directors' fees

Resolution five of the ordinary shareholders' meeting of June 12, 2008 set a ceiling of 300,000 euros per year on the aggregate of directors' fees allocated to the directors.

Rules governing the allocation of directors' fees provide that all directors shall receive a fixed sum for each Board of Directors' meeting or Committee meeting they attend during the year.

Compensation of the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer receives a fixed compensation, set by Mérieux Alliance, the Company's majority shareholder, for the employment contract he entered into with this company. As of December 31, 2008, only the Chairman and Chief Executive Officer was entitled to a supplementary, defined-benefit pension plan. The plan, for senior executives of the Company, was discontinued and no premiums were paid in 2008.

Compensation of the Deputy Managing Director

The fixed and variable compensation paid to the Deputy Managing Director are set by the Chairman and Chief Executive Officer. It is reviewed annually by the Compensation Committee, which reports thereon to the Board of Directors.

The variable portion of his compensation is based entirely on the attainment of certain objectives set at the beginning of the year, including in terms of revenue, rate of return, product launches and external growth transactions.

The Deputy Managing Director may be allocated free shares, under plans recommended by the Compensation Committee and adopted by the Board of Directors, subject to the respect of set acquisitions criteria and performance conditions. These plans provide that, in the case of shares granted on or after January 1, 2007,only forty percent may be disposed of after the initial two-year lock-up period, seventy percent after three years and ninety percent after four years. Recipients must anyway hold on to at least ten percent of the shares granted to them until the expiration of their appointment as company legal representatives.

The amount of the compensation of the Chairman and Chief Executive Officer, directors and Deputy Managing Director are stated in particular in the Company’s management report.

The compensation of Alexandre Mérieux, Deputy Managing Director appointed on December 19, 2008, is paid by Mérieux Alliance (See § 6.2.1)

The information required under Article L. 225-100-3 appears in § 5.8.17 of this Reference Document.

5.9.2.2 Employee Savings Plan

An employee profit-sharing plan was set up for fiscal years 2008 and 2009 for bioMérieux SA personnel. The distributable amounts under the profit-sharing plan is determined in light of the consolidated operating result.

An employee share-ownership plan is also in effect within the Company, the share-ownership reserve being based on the statutory mechanism.

5.9.3 Senior management of the Company and restrictions on the authority of the Chief Executive Officer

The Company's Board of Directors has opted to combine the positions of Chairman of the Board of Directors and Chief Executive Officer.

The Board of Directors did not impose any special restrictions on the authority of the Chief Executive Officer, other than certain clauses of its internal rules and regulations that require the Chief Executive Officer to submit to the Board the following for approval: (i) the strategic plan of the Company and its subsidiaries, (ii) the annual budget and its quarterly implementation, and (iii) the authority to engage in any strategic transactions (acquisitions, exchange, compromise, creation of security interests, financing of any kind, etc.) not previously included in the strategic plan or the budget and involving more than 30 million euros.

The Chairman and Chief Executive Officer has extensive authority to act on behalf of the Company in all circumstances. He may exercise such authority within the scope of the Company's corporate purpose and subject to the powers expressly granted by law to the shareholders' meetings and the Board of Directors. He represents the Company in its relations with third parties.

5.9.4 Control procedures

5.9.4.1 Objectives of the Company's internal control procedures

The main purposes of the internal control procedures introduced by the Company and the Group are:

– to ensure that the management operations and performance of operations and the conduct of employees are consistent within the framework of guidelines set forth regarding corporate business by the governing bodies, applicable laws and regulations and the Company's internal rules and regulations;

– to ascertain that accounting, financial and management information provided to the Company's governing bodies fairly reflects the business and position of the Company and the Group.

Internal control cannot however absolutely guarantee that the above-mentioned objectives will be reached.

The description of the Company's internal control systems contained in this report was prepared on the basis of a full review of existing procedures, through interviews with the main executives in charge of the firm and an examination of available documents relating to issues at hand.

5.9.4.2 Internal control of operations

5.9.4.2.1 Persons and departments in charge of internal control of operations

In order to deal with its expansion and operations in many countries, bioMérieux has structured its organization in such a way as to enable all facilities in all countries to have the skills that they require, given the nature of their business and the size of their operations.

The Management of bioMérieux is assisted in its work by several committees:

– the Strategy Committee currently has four members (Alain Mérieux, Stéphane Bancel, Alexandre Mérieux and Jean Le Dain). The committee proposes to the Board of Directors medium and long-term strategic objectives for the Group, focusing on (i) business activities development main lines, (ii) scientific and technological options, (iii) geographical expansion main lines, (iv) strategic alliances and partnerships, and (v) Group image’s communication and management;

– the Executive Committee is chaired by Stéphane Bancel, Chief Executive Officer. Its membership consists of the Assistant Manager,,the heads of Sales, Industrial Applications, Research and Development, Strategy and Business Development, Quality Management System, HSE, Internal audit & ERP, Production and Quality, Information Systems, the Chief Executive Officer of bioMérieux Inc. and the Chief Financial Officer. The Management Committee is in charge of putting into practice the general corporate strategy decisions made by the Board of Directors. It meets once a month and each of its meetings includes a review of operations, human resources, strategy implementation and research and development management. The Committee's assignment is to oversee strategic projects, set priorities and ensure that the Company's various divisions have access to the resources they require.

– the Investment Committee meets monthly and is made up of the Chief Executive Officer, the heads of Industrial Applications, Quality Management System, HSE, Internal audit & ERP, along with the financial management team. It makes decisions regarding all industrial investments (in tangible or intangible assets) made for an amount set annually and monitors the progress of realizations related to these capital projects. Commitments made are reported to the Management Committee.

– the Project Approval Committee is chaired by the Chief Executive Officer and includes the heads of Sales, Industrial Applications, Research and Development, Strategy and Business Development, Production and Quality. The committee makes decisions regarding the start of new projects under the development program. It selects project teams and allocates resources. It monitors the various project stages up to the marketing of the concerned product. Projects are reviewed at least once a year and may be subject to special reviews in the event of significant changes..

Certain departments also play a key role in the internal control of operations:

The Corporate Quality Management System ("*SMQ*"), HSE, Internal audit & ERP Division whose assignments intend, notably, to control:

– the conformity of processes used to design, produce, distribute, install and maintain bioMérieux products in accordance with the needs of its clients and regulatory requirements;

– the effectiveness of the quality management system at all bioMérieux group's entities;

– the consistency of bioMérieux products with the needs of its clients and regulatory requirements;

– the tracking of customer complaints and the implementation of vigilance processes.

The Division carries out steps to comply with rules necessary to achieve quality objectives, or to ensure that all of the Company's personnel comply with such rules. It also plays a key role in authorizing the marketing of products, deciding on information to be released to clients and, if necessary, corrective steps to be implemented, including the product recalls. A procedure known as "*post market surveillance*" was also set forth. It is used to regularly ascertain that products are consistent with current scientific information. The division is also in charge of documents relating to products, and tracks client complaints and how they are handled. It ascertains that regulatory requirements are complied with in all of the countries where bioMérieux products are sold.

For the purpose of these objectives, the QMS division is divided into several Quality Assurance departments in charge with providing support to the major divisions within the firm:

– Commercial Operations Quality Assurance Department, responsible for quality assurance in the Marketing, Sales, Distribution and Client Support activities;

– Manufacturing Quality Assurance Departments (one for North America and Latin America and another for the Europe and Asia Pacific Regions);

– R&D Quality Assurance Department covering all product development activities worldwide;

– Support and Industry Quality Assurance Department, covering all support functions (HR, IS, Purchasing, etc.) as well as the Industry Department.

In addition, this Division designs, supports and oversees the application of the health, safety and environment policy.

A health, safety and environment policy has been defined. It is consistent with bioMérieux's Quality endeavors. It provides for various measures, covering in particular (i) the prevention of accidents and work-related illness with the follow–up of specific benchmarks, (ii) the search for better energy efficiency, the preservation of natural resources and the environment, (iii) restriction of access to various sites, as well to sensitive premises and information. This policy is implemented by senior management within each entity which is responsible, within its own perimeter, for ensuring the protection of persons and assets, as well as for the minimization of the environmental impact of bioMérieux's business.

Furthermore, internal controllers periodically review compliance of sites or subsidiaries with the quality system.

The Internal Control Division has dedicated resources whose task is to continually improve operational processes via a risk analysis mechanism, the conduct of internal audits, due diligence and advisory duties.

The Legal Affairs and Intellectual Property Division oversees bioMérieux's relations with third parties (suppliers, clients, partners, governments, etc.) and the functioning of corporate governance, and sees to it that existing rules and regulations are complied with and that the Company's interests are protected. Jointly with the divisions concerned, it oversees the protection and appreciation of scientific innovations generated by bioMérieux. In order to achieve these objectives, the division is structured in two main offices in France and the United States and employs a network of consultants in other parts of the world. It is structured along operating and geographic lines.

The Information Systems Division is in charge of:

– supporting the bioMérieux's business strategy and systems by providing services and products meeting the needs of users of information systems, while complying with applicable laws and regulations;

– ensuring the availability, continuity and quality of applications provided;

– managing and protecting information in terms of its security and integrity, in accordance with confidentiality levels set;

– providing technical and functional support to customers within the Group.

In order to fulfill these objectives, the division operates out of two facilities in France and the United States and relies on a network of IT correspondents at all Group subsidiaries.

The Company has devised a security policy affording it protection against major IT risks.

An IT system governance process allocates responsibility for current activities and IT on the existing application portfolio; the main systems are reviewed by the Management Committee.

5.9.4.2.2 General procedures for the internal control of operations

Quality policy

The Company's quality policy has three main lines:

– to satisfy customer demand while complying with regulatory restrictions applicable to products;

– to ensure that everyone is responsible for or involved in attaining this compliance objective;

– to anticipate differences in clients' needs and to contribute actively to progress and innovation.

A Quality Corporate Manual describes the quality management system at the Company and at each bioMérieux subsidiary, production facility, bioMérieux research and development center, for all of the Company's activities, from the design of products to their delivery, installation and maintenance. Those manuals are used as permanent references for the implementation, management and improvement of the Quality Management System, as well as for relations between bioMérieux and its clients, as they describe all measures carried out to guarantee the quality of products and services sold.

In addition to this Quality Corporate Manual, each site has a "Supplement" or local Quality Manual describing provisions that are specific to it.

"Corporate" guide lines and procedures apply to management practices for certain processes involving more than one facility, in particular project management, capital expenditures management, etc.

Regulatory standards

All bioMérieux products are designed, manufactured and delivered in accordance with the quality standards applicable to *in vitro* diagnostics.

The quality management system for the development, manufacture and delivery of products has obtained ISO 9001 and ISO 13485 certifications, voluntarily or when required by regulation.

All the manufacturing sites are ISO 9001 certified. The main manufacturing sites are also ISO 13485 certified. An action plan has been initiated with a view to obtaining ISO 13485 certification for the Madrid site.

Audits

The Company's sites are subject to audits and inspections by regulatory authorities (FDA, Afssaps), agencies acting on behalf of regulatory authorities and certifying organizations commissioned by the Company in connection with the voluntary measures referred to above, to ensure conformity with the ISO 9001 and ISO 13485 standards. Other audits and inspections are performed by clients wishing to ascertain that the Group's products and processes comply with applicable standards and their own requirements, or for the purpose of obtaining quality assurances.

Audits are also performed on-site by the Company's own quality auditors, on the basis of a program set annually.

Control over manufacturing processes is guaranteed by the validation of production processes and control performed during the course of production. In addition, each batch of finished products is not released until it is tested for conformity with the relevant specifications.

An FDA inspection took place at the Marcy site in January 2008. It only gave rise to two non-significant observations, for which corrective action plan has been implemented.

Another FDA inspection took place at the Craponne site in September 2008, which did not give rise to any specific observations.

5.9.4.2.3 Control procedures applicable to subsidiaries

The operational control of subsidiaries is provided by:

– regional management structures (in Europe, North America, Latin America, Asia) that, together with support structures, verify the relevance of the appropriate human, financial and business resources available locally;

– the presence of certain operational and/or finance executives on the boards (board of directors or its equivalent) overseeing the activities of subsidiaries;

– a financial and administrative management structure at each subsidiary;

– an annual budget and detailed monthly reports prepared by each subsidiary and sent to the regional head and to the international management control department;

– a monthly review of the subsidiaries' main performance indicators, pertaining primarily to their revenue and financial structure, comparing them to the indicators for the previous year and to the budget. The management committee reviews a synthesis of these indicators per region and for the group. Following those reviews, the management of each subsidiary is notified of the management committee's observations and decisions. Regional directors ensure that any measure to be taken is duly implemented.

5.9.4.3 Internal accounting and financial control

5.9.4.3.1 Persons and departments in charge of operational internal control

The administrative and financial management structure of bioMérieux includes:

– the administrative and financial management structures of each Group entity, under the authority of the general manager of the subsidiary concerned and of the Group's finance division;

– a management control structure, adapted to the Group's own structure and comprised of:

  - controllers for manufacturing, distribution or supporting activities (e.g. research and development) who are in charge of analyzing, in liaison with the managers concerned, the performance and costs of the Group's principal structures;
  - international controllers, who are responsible for the management control of subsidiaries outside France; in the specific case of bioMérieux Inc., international control is provided by specialized local staff;

– a finance and cash management structure;

– a financial reporting and consolidation structure;

– a taxation structure.

This arrangement enables corporate management to set budgetary objectives for each structure and subsidiary, and then to monitor on a monthly basis and analyze in details accounting and financial information on the various corporate levels.

The Group's Chief Financial Officer is a member of the Management Committee and is therefore responsible for centralizing and reporting on all indicators monitored by it.

The accounting and financial structure employs mainly two integrated information systems : Movex, a system used at large facilities, and Solomon, a system for smaller entities.

In addition to the organizational measures and internal operational control procedures outlined above, significant internal control systems have been put in place for accounting and finance, management audits, consolidation and cash management.

5.9.4.3.2 Accounting and finance

bioMérieux has issued a "manual of accounting and consolidation principles" for use by the Group's entities. It lists the principal items in the consolidated financial statements and specifies what is to be included under each, as well as the methods to be used; the manual was updated in 2005 to reflect the adoption of the new IFRS accounting rules.

For bioMérieux SA and its principal subsidiaries, the procedures necessitated by the application of those principles and local regulations when accounting for ordinary and recurrent transactions are incorporated in the accounting software, in order to make data processing secure and automatic. A limited number of entries are made by hand at those entities.

The administrative and financial management of each entity also performs credit management functions to decide and periodically review the amount of credit allowed for individual clients, and to anticipate risks of insolvency, including by subscribing to credit-rating companies.

5.9.4.3.3 Management control

Each year, the annual budget is prepared on the basis of the five-year corporate strategic plan and is validated by the Board of Directors. The budget serves as a basis to evaluate the performance of each Group entity and business division.

bioMérieux and its subsidiaries all have management controllers whose duties include verifying compliance with the budget. In addition, certain structures (such as research and development and manufacturing) have their own management accounting's office, which draws up their annual budget, coordinates Group entities and provides budgetary control.

5.9.4.3.4 Consolidation

The consolidation process is carried out at the bioMérieux corporate level. It provides an opportunity for the consolidating staff to ascertain that the financial statements of the subsidiaries are prepared in accordance with the Group's accounting principles, as set forth in procedure manuals provided to all Group entities.

The consolidation process includes a thorough analysis of the financial statements:

– the financial statements of each subsidiary are examined by the international controller's office before being consolidated;

– the staff in charge of consolidation compares the consolidated financial statements with the available management indicators for the Group (including revenue statistics follow–up) and the budgetary forecast and results of previous periods. Consolidated debt is compared with monitored cash records. The internal audit is summarized in a report attached to the consolidated financial statements and submitted to the Group's top management.

5.9.4.3.5 Cash management

Because of the large number of countries in which bioMérieux operates, cash management also plays an important role in the internal accounting and financial control system. It is mainly concerned with:

– maintaining a balance between the finances of Group entities, by means of:

  - annual cash forecasts revised monthly on the basis of schedules included in reporting guidelines;
  - a cash pooling system under which bioMérieux coordinates the cash needs and resources of twenty one subsidiaries; the system is backed up by fund transfer procedures established with one of the Group's principal banks;
  - very wise investment practices for temporary cash surpluses, which are invested exclusively in money-market instruments;

– managing currency risks so as to minimize the impact of exchange-rate fluctuations on budgeted income; this is done through:

  - a policy of billing for export sales to third parties exclusively in strong currencies;
  - the hedging, whenever possible, of about 80 % of the exposed cash flow at the start of the year;
  - monthly adjustments in hedges depending on actual transactions.

Nevertheless, some risk exposures exist, due in part to the volume of business and the debt in emerging countries.

In addition to having an impact on the Company's income, exchange-rate fluctuations can affect its shareholders’ equity. The Company does not hedge the risk to which its assets are exposed in this respect.

5.9.4.4 External audit

The Statutory Auditors' committee, consisting of Deloitte et Associés and its network and of Commissariat Contrôle Audit (CCA), audits the consolidated financial statements and the individual financial statements of the parent company bioMérieux SA and the individual financial statements of most Group companies. For the other subsidiaries, the Statutory Auditors' committee relies on the work done by those companies' external auditors.

In addition to the reports required by law, the audits by the independent auditors are summarized in a report that covers the significant items identified and the manner in which they have been resolved, as well as recommendations regarding the Group's internal auditing system. These recommendations are examined with the management of the subsidiaries concerned and their implementation is monitored.

The main regulated agreements appear in the Statutory Auditors' special report attached hereto.

5.9.4.5 Terms and procedures for attending Shareholders' Meetings

See § 3.1.10.2 above

The Chairman of the Board of Directors
Alain Mérieux

5.10 STATUTORY AUDITORS' REPORT ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

To the Shareholders,

In our capacity as statutory auditors of BioMérieux and in accordance with Article L.225-235 of the French Commercial Code (Code de Commerce), we hereby report to you on the report prepared by the Chairman of the Board of Directors of your Company in accordance with Article L.225-37 of the French Commercial Code (Code de Commerce) for the year ended December 31, 2008.

It is for the Chairman of the Board of Directors to prepare and submit to the Board of Directors a report setting out an account of internal control and risk management within the company, and providing the other information required under Article L.225-37 of the French Commercial Code regarding corporate governance mechanisms.

It is our responsibility to:

– report to you our observations on the information set out in the Chairman's report on the internal control procedures related to the preparation and processing of financial and accounting information; and

– certify that the report comprises the information required by Article L.225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the accuracy of such other information.

We performed our procedures in accordance with French professional standards.

Information regarding the internal audit procedures applicable to the preparation and processing accounting and financial data

Professional standards require us to perform procedures to assess the fairness of the information provided in the President's report on the internal control procedures relating to the preparation and processing of financial and accounting information. These procedures consisted principally of:

– obtaining an understanding of the internal control procedures relating to the preparation and processing of financial and accounting information as set out in the Chairman's report and existing documents;

– obtaining an understanding of the work performed to support the information given in the report and existing documents;

– determining whether major shortcomings in the internal oversight of the preparation and processing of accounting and financial information identified by our audit have been duly disclosed in the Chairman's report.

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control procedures relating to the preparation and processing of financial and accounting information, contained in the Chairman of the Board's report, in accordance with Article L.225-37 of the French Commercial Code (Code de Commerce).

Other information

We certify that the report of the Chairman of the Board of Directors sets out the information required under Article L.225-37 of the French Commercial Code.

Lyon and Villeurbanne, April 23, 2009

The Statutory Auditors

COMMISSARIAT CONTRÔLE AUDIT - C.C.A.	**DELOITTE & ASSOCIÉS**
Bernard CHABANEL	Alain DESCOINS

5.11 DRAFT RESOLUTIONS SUBMITTED BY THE BOARD OF DIRECTORS

I. WITHIN THE COMPETENCE OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING

RESOLUTION NO. 1
(The purpose of this resolution is to approve the financial statements for the year ended December 31, 2008)

The Shareholders, having examined the Company's financial statements for the year ended December 31, 2008 and having heard the Board of Directors' management report and the Statutory Auditors' general report, approve the annual financial statements for the year ended December 31, 2008 as submitted to them, showing income of 78,706,148.46 euros. They also approve the transactions reflected in those financial statements or summarized in those reports.

The Shareholders take note of (i) the report by the Chairman of the Board of Directors on the conditions in which the work of the Board of Directors is prepared and on internal control procedures implemented by the Company, (ii) the Statutory Auditor's reports concerning the said report and (iii) non-deductible expenses of 165,868 euros falling within the scope of articles 223 quater and 223 quinquies of the French Tax code ("*Code général* des impôts").

RESOLUTION NO. 2
(The purpose of this resolution is to approve the consolidated financial statements for the year ended December 31, 2008)

The Shareholders, having heard the Board of Directors' report on the management of the Group included in its management report, as required by article L. 233-26 of the French Commercial code and the Statutory Auditors' general report on the consolidated financial statements, approve the consolidated financial statements for the year ended December 31, 2008 as submitted to them and approve the transactions reflected in those financial statements or summarized in the report on the management of the Group.

RESOLUTION NO. 3
(The purpose of this resolution is to decide the appropriation of income for fiscal year ended 2008)

The Shareholders note that the financial statements for the year ended December 31, 2008 show an income of €78,706,148.46 that, combined with retained earnings of €35,283,317.78, adds up to distributable profits of €113,989,466.24.

They therefore resolve, on a motion by the Board of Directors, to appropriate distributable profits as follows:

– A sum of €45,000,000 will be allocated to the "Special Reserve", increasing it from €194,000,000 to €239,000,000;

– a sum of €31,957,529.40 shall be distributed as dividends, amounting to €0.81 per share on each of the 39,453,740 shares outstanding (*); dividends shall be paid as of June 18, 2009. The Company will not earn dividends on any of its own shares which it may hold on the dividend date. The corresponding sum will be added back to retained earnings.

– The balance of €37,031,936.84 euros will be transferred to "Retained Earnings".

(*) Subject to approval by the shareholders' meeting of June 11, 2009. The Company will not earn dividends on any of its own shares held by it or that will be held by it on the dividend date. The corresponding sum will be added back to retained earnings. It should also be noted that annual dividends have qualified for a tax abatement exclusively to the extent that shares are owned by individuals subject to personal income tax, as provided by article 158.3 paragraph 2 of the French Tax Code.

The Shareholders take note of the fact that the sums distributed as dividends over the past three fiscal years, have been as follows:

Year ended	Distributed dividends (in euros(**))
12/31/2008(*)	31,957,529.40
12/31/2007	29,984,842.40
12/31/2006	29,984,842.40
12/31/2005	18,148,720.40

(*) Proposal to the Shareholders' meeting of June 11, 2009.
(**) The Company has not earned and will not earn dividends on any of its own shares held by it or that will be held by it on the dividend date. The corresponding sum will be added back to retained earnings. It should also be noted that annual dividends have qualified for a tax abatement exclusively to the extent that shares are owned by individuals subject to personal income tax, as provided by article 158.3 paragraph 2 of the French Tax Code.

RESOLUTION NO. 4

(The purpose of this resolution is to approve the regulated agreements entered into by the Company and described in the Statutory Auditors' special report)

The Shareholders, having heard the Statutory Auditors' special report on agreements governed by articles L. 225-38 *et seq*. of the French Commercial code, as required by article L. 225-40 of that same code, take note of the information contained in that report and approve the agreements referred to therein and the report's conclusions.

RESOLUTION NO.5

(The purpose of this resolution is to grant authority to the Board of Directors to enable repurchases by the Company of its own shares)

The Shareholders, voting in accordance with the quorum and majority voting requirements applicable to ordinary general shareholders' meetings, having reviewed the Board of Directors' report, the special report on past share purchases authorized by the shareholders' meeting and the description of the program filed with the *Autorité des Marchés Financiers* (AMF), grant authority to the Board of Directors, which authority may be delegated in accordance with the laws and regulations applicable at the time of such delegation, and sub-delegated in accordance, inter alia, with the provisions and requirements of articles L. 225-209 *et seq*. of the French Commercial code to purchase, on the Company's behalf, in one or more transactions and at the time it deems appropriate, a number of the Company's own shares not in excess of 10 % of those outstanding, provided that purchases of shares for their holding and future use as means of payment or exchange in connection with a merger, demerger or contribution shall not exceed 5 % of the shares outstanding, as provided by law.

The authority hereby granted is intended to enable the Company to:

– provide liquidity in the market for its shares and make the market, under a market-making agreement with a fully-independent financial service provider, in accordance with the AFEI code of conduct approved by the *Autorité des Marchés Financiers*;

– allocate shares upon the exercise of rights attached to the issue of securities with rights to shares of the Company and to stock option plans, or in connection with the distribution of bonus shares to employees and representatives of the Company or companies of its group, or the allocation or sale of shares to employees under profit-sharing plans, share-ownership plans or employee savings plans;

– hold on shares so that they can be used subsequently as means of exchange or payment in connection with acquisitions;

– cancel shares, subject to the adoption of resolution 6 by the extraordinary general shareholders' meeting authorizing such reductions of capital.

Under the authority hereby granted, the Company shall be permitted to buy back its own shares provided it complies with the following requirements (which may be adjusted in connection with transactions affecting the capital of the Company):

– the price of shares to be purchased shall not exceed 100 euros, exclusive of fees and commissions;

– the total amount of funds used to carry out share repurchases under this plan shall not exceed €394,537,400. However, the Board of Directors shall be authorized to adjust the abovementioned purchase price in the event of changes in the par value of shares, increases in capital by means of the capitalization of reserves and the distribution of bonus shares, stock splits or reverse splits, redemption of shares or reductions of capital, distributions of reserves or other assets and any other operation affecting equity, in order to take into account the impact of such transactions on the value of its shares.

The Shareholders resolve that purchases, sales and transfers of the Company's own shares may be carried out by any means, including the use of derivatives, on stock exchanges or over the counter, except the sale of put options other than in connection with exchanges in accordance with applicable regulations. No restriction shall apply to the portion of repurchases accounted for by block trades, which may account for the entire program.

Shares held for purposes that are no longer compatible with the Company's strategy may be disposed of subject to the approval of the Board of Directors and provided that the financial markets are informed thereof.

Full authority is accordingly granted to the Board of Directors, in particular for the purpose of determining the advisability of initiating a share buyback program and of setting the terms and conditions thereof, to use the authority hereby granted or to delegate same to the Chief Executive Officer or, subject to the CEO's approval, to one or more Deputy Managing Directors, who shall report to the Board of Directors on how this authority has been used, by placing all trading orders, entering into all agreements and completing all registrations and formalities with entities and bodies, in particular the *Autorité des Marchés Financiers*, including amending the bylaws and, as a general matter, doing whatever is necessary.

The authority hereby granted replaces and supersedes all authorizations previously granted for the same purpose and is for a period of no more than eighteen months from this ordinary general shareholders' meeting, expiring at the close of the annual ordinary general shareholders' meeting called to approve the financial statements for the year ending December 31, 2009. It may be used at any time, included during a period when a public offering for cash and/or stock is in effect, subject to applicable laws and regulations.

The Board of Directors shall report to the annual ordinary shareholders' meeting on transactions performed pursuant to the authority hereby granted.

II. WITHIN THE COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

RESOLUTION NO. 6

(The purpose of this resolution is to grant authority to the Board of Directors to reduce capital by cancelling shares)

The Shareholders, having reviewed the Board of Directors' report and the Statutory Auditors' special report, subject to the adoption of resolution 5 before this Meeting, authorize the Board of Directors, pursuant to article L. 225-209 of the French Commercial code, to reduce the Company's capital stock by cancelling all or part of the shares repurchased pursuant to the share buyback program authorized pursuant to resolution 5 of this Meeting, at its discretion, in one or more transactions, by up to 10 % of the capital over a period of twenty-four months from this Meeting, and to reduce capital by the corresponding amount. The said 10 % limit applies to the capital stock of the Company, which may be adjusted to take into consideration transactions with an impact on the said capital stock subsequent to this shareholders' meeting.

The Shareholders authorize the Board of Directors to offset any excess of the purchase price of cancelled shares over their nominal value against existing premiums or available reserve accounts and grant full authority to the Board of Directors, which may delegate such authority as permitted by law, for the purpose of executing all documents and completing all formalities or registrations necessary to finalize reductions of capital under the authority hereby granted, and to amend the bylaws accordingly.

The authority hereby granted to the Board of Directors is for the period from this Meeting until the Company's next shareholders' meeting called to approve the financial statements for fiscal year 2009. It replaces, from this day forth, the previous authority granted by the shareholders' meeting of June 12, 2008 (Resolution 8).

RESOLUTION NO. 7

(Delegation of authority granted to the Board of Directors with a view to increasing, subject to a 35 % of the Company's share capital cap, the share capital by way of issues of ordinary shares or any securities carrying an entitlement to capital without affecting the shareholders' pre-emptive subscription right)

The Shareholders, voting in accordance with the quorum and majority voting requirements applicable to extraordinary shareholders' meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129-2 and L. 228-92 of the French Commercial Code:

– grant the Board of Directors the authority to resolve to increase the company's share capital on one or more occasions, by way of issue in France or abroad or ordinary euro shares of the company or of any euro-denominated securities carrying an entitlement by any means, whether immediately and/or in future, to ordinary shares in the Company; said securities may also be denominated in any currency whatsoever or with reference to multiple currencies. The authority thus granted to the Board of Directors is valid for a period of twenty-six months as of this Meeting;

– resolve that the total amount of share capital increases that may thus be carried out immediately and/or in future shall not exceed 35 % of the nominal value of share capital as of the date of this meeting, in light of the capital increases completed based on the eighth and twelfth resolutions below, which amount shall be increased by the additional amount, if any, of the share to be issued in order to afford the requisite statutory protection to the rights of bearers of securities carrying an entitlement to shares;

– further resolve that the nominal value of the securities representing receivables carrying an entitlement to capital that may thus be issued shall not exceed 500 million euros;

– resolve that the shareholders shall hold, in proportion to the amount of their shares, a pre-emptive subscription right in respect of securities issued pursuant to this resolution;

– note that this delegation of authority automatically entails in favor of the bearers of securities likely to be issued and carrying an entitlement, whether immediately or in future, to equity shares in the Company, a waiver by shareholders of their pre-emptive subscription right in respect of equity shares to which said securities may carry an entitlement;

– resolve that if subscriptions on an irreducible basis and, if any, on a reducible basis, fail to use up an entire share or securities issue as defined hereinabove, the board may offer all or part of the outstanding securities to the public;

– resolve that for each of the issues decided pursuant to this resolution, the number of securities to be issued may be increased, in accordance with Article L. 225-135-1 of the French Commercial Code and subject to the aggregate cap set out in this resolution, where the Board of Directors notes that demand exceeds available securities, all subject to the adoption of resolution 12;

– resolve that the Board of Directors may, where applicable, offset the costs, duties and fees arising from the share issues against the amount of the corresponding premiums, and withhold from this amount the funds required for appropriation to the statutory reserve;

– and resolve that the total amount of share capital increases likely to be so carried out, increased by the capital required to ensure statutory protection of the rights of bearers of securities carrying an entitlement to shares and irrespective of the cap set under the second item hereinabove, shall not exceed the amount of the reserve accounts, premiums or profits referred to above and which existed at the time of the capital increase;

– resolve that the Board of Directors shall, in accordance with applicable law, hold all powers, with the authority to subdelegate such powers in favor of its Managing Director in compliance with applicable law, for the purposes of implementation of this delegation, to preserve the rights of bearers of securities, to formally witness completion of the issues and implement a corresponding amendment to the bylaws;

– note that this delegation supersedes all prior delegations having the same purpose, and in particular that granted by the Shareholders' meeting of June 7, 2007 (resolution 9).

RESOLUTION NO. 8

(Delegation of authority granted to the Board of Directors with a view to increasing, subject to a 35 % of the Company's share capital cap, the share capital by way of issues of ordinary shares or any securities carrying an entitlement to capital, with removal of the shareholders' pre-emptive subscription right)

The Shareholders, voting in accordance with the quorum and majority voting requirements applicable to extraordinary shareholders' meetings, having reviewed the Board of Directors' report and in accordance with the provisions of Articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of the French Commercial Code:

– grant the Board of Directors the authority:

– to resolve to increase the company's share capital on one or more occasions, by way of issue in France or abroad or ordinary euro shares of the Company or of any euro-denominated securities carrying an entitlement by any means, whether immediately and/or in future, to ordinary shares in the Company or in a company in which it directly or indirectly holds more than half of the share capital; said securities may also be denominated in any currency whatsoever or with reference to multiple currencies;

– The authority thus granted to the Board of Directors is valid for a period of twenty-six months as of this Meeting;

– resolve that the total amount of share capital increases that may thus be carried out immediately and/or in future shall not exceed 35 % of the nominal value of share capital as of the date of this meeting, in light of the capital increases completed based on resolution 7 adopted by this Meeting;

– further resolve that the nominal value of the securities representing receivables carrying an entitlement to capital that may thus be issued shall not exceed a nominal value of 500 million euros, said amount being offset against the cap set out in resolution 7 adopted by this Meeting;

– resolve to remove the shareholders' pre-emptive subscription right in respect of these securities which shall be issued in accordance with applicable law and to grant the Board of Directors the authority to institute, in favor of shareholders, a preferential subscription right for same pursuant to the provisions of Articles L. 225-135 of the French Commercial Code;

– resolve that the amount owed to the Company or to which it should be entitled for each of the shares issued or to be issued, after taking into account, in case of an issue of independent warrants or share allocation warrants, the issue price for said warrants, shall be at least equal to the minimum price provided for under applicable statutory and/or regulatory provisions as of the date of the issue, whether the securities are to be issued immediately or subsequently, and whether or not they are identical to existing issued securities;

– resolve that for each of the issues decided pursuant to this resolution, the number of securities to be issued may be increased, in accordance with Article L. 225-135-1 of the French Commercial Code and subject to the aggregate cap set out in this resolution, where the Board of Directors notes that demand exceeds available securities, all subject to the adoption of resolution 12;

– resolve that the Board of Directors shall, in accordance with applicable law, hold all powers, with the authority to subdelegate such powers in favor of its Managing Director in compliance with applicable law, for the purposes of implementation of this delegation, to formally witness completion of the issues and implement a corresponding amendment to the bylaws;

– note that this delegation supersedes all prior delegations having the same purpose, and in particular that granted by the Shareholders' meeting of June 7, 2007 (resolution 10).

RESOLUTION NO. 9

(Delegation of authority granted to the Board of Directors with a view to increasing the Company's share capital, subject to a 10 % Company's share capital cap, with removal of the pre-emptive subscription right in accordance with Article L. 225-136 1° al. 2 of the French Commercial Code)

The Shareholders, having reviewed the Board of Directors' report and in accordance with the provisions of Article L. 225-136 of the French Commercial Code:

– grant the Board of Directors as of this meeting, in the event of adoption of resolution 8, the authority to alone resolve one or more capital increases by way of issue in France or abroad or ordinary euro shares of the Company or of any euro-denominated securities carrying an entitlement by any means, whether immediately and/or in future, to ordinary shares in the Company or in a company in which it directly or indirectly holds more than half of the share capital; said securities may also be denominated in any currency whatsoever or with reference to multiple currencies, in particular within the framework of a so-called "ad hoc" *au fil de l'eau* issue of securities.

  The delegation thus granted to the Board of Directors is valid for a term of twenty-six months as of this Meeting;

– resolve that the total amount of share capital increases that may thus be carried out immediately and/or in future shall not exceed 10 % of the share capital per year, this percentage being assessed as of the date of implementation of this delegation of authority;

– resolve that the issue price for the securities shall be determined by the Board of Directors in accordance with the following provisions: either as the listed share price (as recorded on the Euronext Paris S.A. Eurolist) chosen amongst the last thirty trading days preceding the issue, or an average listed share price (as recorded on the Euronext Paris S.A. Eurolist) chosen amongst all or part of the last thirty trading days preceding the issue;

– the Board of Directors shall account for the use of this authority, by way of an additional report certified by the statutory auditors, describing the final terms of the transaction and providing bases for the assessment of the effective impact on shareholders;

– note that this delegation supersedes all prior delegations having the same purpose, and in particular that granted by the Shareholders' meeting of June 7, 2007 (resolution 11).

RESOLUTION NO. 10

(Delegation of authority to the Board of Directors to increase the capital by way of issue of ordinary shares or of any other securities carrying an entitlement to capital, with removal of the pre-emptive subscription right, subject to an annual cap set at 20 % of the share capital, by means of a private placement with "qualified investors" or to those belonging to a "limited circle of investors")

The Shareholders, voting in accordance with the quorum and majority voting requirements applicable to extraordinary shareholders' meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, authorize the Board of Directors, with the power to subdelegate such authority, in accordance with applicable law and the provisions of Article L 225-136-3° of the French Commercial Code and of Article L. 411-2 II of the French Monetary and Financial Code, to increase the share capital, subject to an annual cap of 20 %, by means of a private placement with qualified investors or those belonging to a limited circle of investors, as defined by Article D. 411-1 of the French Monetary and Financial Code.

The Shareholders' authorize the Board of Directors to carry out the capital increase by way of issue of ordinary shares or of all other securities carrying an entitlement to capital, and note that this delegation automatically entails a removal of the shareholders' pre-emptive subscription right in respect of ordinary shares and other securities carrying an entitlement to capital that are likely to be issued in favor of the qualified investors or those belonging to the limited circle of investors referred to above.

The Shareholders resolve that the cap set at 20 % of the capital must be assessed as of date of the issue, without taking into account the nominal amount of capital likely to be increased as a consequence of the exercise of any rights, securities or warrants already issued and exercise on a deferred basis. This cap is independent of the issues likely to be completed pursuant to resolutions 7 and 9.

The issue price for ordinary shares shall be at least equal to the weighted average price for the last three trading days having preceded the issue, as recorded on the Euronext Paris market, subject to a maximum discount of 5 % where applicable.

The issue price for the other securities carrying an entitlement to capital shall be computed so that the amount immediately received by the Company, increased by that subsequently received by it, i.e. for each share issued consequently to the issue of these other securities, is at least equal to the issue price defined in the foregoing paragraph.

The Shareholders grant full powers to the Board of Directors, with the authority to subdelegate such powers to the Managing Director, for the purposes of:

– implementing this delegation and scheduling completion of the relevant issues;

– freely selecting the qualified investors or investors forming part of the limited circle of investors benefiting from the issue(s), in accordance with the aforementioned statutory and regulatory provisions, determining the securities to be issued as well as the percentage of capital the issuance of which reserved for each of those investors;

– offsetting the costs, duties and fees relating to completed issues against the amount of the share premium, withdrawing the requisite amounts from said premium for appropriation to the company's statutory reserve;

– making consequential amendments to the bylaws, and generally implementing all appropriate steps and measures to ensure proper completion of any contemplated issue.

The Board of Directors shall account for the use of this authority, by way of an additional report certified by the statutory auditors, describing the final terms of the transaction and providing bases for the assessment of the effective impact on shareholders.

This delegation of authority is granted for a period of twenty six (26) months.

RESOLUTION NO. 11

(Right to apply delegation of authority to increase share capital with removal of pre-emptive subscription right in consideration of contributions of securities in the event of a public offering for cash or stock or contribution in-kind of company securities)

The Shareholders, voting in accordance with the quorum and majority voting requirements applicable to extraordinary shareholders' meetings, having reviewed the Board of Directors' report, resolve that the issues set forth in resolution 8 adopted by this Meeting may, where applicable, be allocated as consideration for the securities that may be contributed to the Company in accordance with a public exchange offering procedure implemented in accordance with the provisions of Article L. 225-148 of the French Commercial Code.

Similarly, the Shareholders' meeting authorizes the Board, within the same twenty-six month period, to resolve, in light of the Statutory Auditors' report, to apply the delegation granted under resolution 8 to carry out one or more capital increases, by way of issue of ordinary shares or of any other securities carrying an entitlement to capital, subject to a cap of 10 % of its share capital, as consideration for the contributions in-kind made to the Company and consisting of equity shares or securities carrying an entitlement to capital, where the provisions of Article L. 225-148 *et seq.* are inapplicable.

In any event, the amount of the capital increases implemented pursuant to this resolution shall be offset against the caps referred to in resolutions 7 and 8 adopted by this Meeting.

The Shareholders resolve that the Board of Directors shall, in accordance with applicable law, hold all powers, with the authority to subdelegate such powers in favor of its Managing Director in compliance with applicable law, for the purposes of implementation of this delegation, to formally witness completion of the issues and implement a corresponding amendment to the bylaws.

The Shareholders also note that this delegation supersedes all prior delegations having the same purpose, and in particular that granted by the Shareholders' meeting of June 7, 2007 (resolution 13).

RESOLUTION NO. 12

(Authorisation to be granted to the Board of Directors to increase the number of shares or securities to be issued in the event of a capital increase with or without any shareholders' pre-emptive subscription right)

The Shareholders, voting in accordance with the quorum and majority voting requirements applicable to extraordinary shareholders' meetings, having reviewed the Board of Directors' report, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, authorize the Board of Directors, in the event of adoption of resolutions 7 and 8, for a period of twenty-six months as of this Meeting, to increase, in accordance with Article R. 225-118 of the French Commercial Code (formerly Article 155-4 of Decree no. 67-236 of March 23, 1967) or any other applicable provision, at its sole discretion and subject to the aggregate cap set out in the resolution 7, within thirty days of the close of subscription of the initial issue and without exceeding 15 % of the initial issue and for the same price as that selected for the initial issue, the number of shares or securities to be issued in the event of increase of the Company's share capital with or without any shareholders' pre-emptive subscription right, resolved pursuant to resolutions 7 and 8.

The Shareholders note that the cap provided for in the first sub-paragraph of paragraph I of Article L. 225-134 of the French Commercial Code will then be increased proportionally.

The Shareholders also note that this delegation supersedes all prior delegations having the same purpose, and in particular that granted by the Shareholders' meeting of June 7, 2007 (resolution 14).

RESOLUTION NO. 13

(Delegation of authority granted to the Board of Directors with a view to increasing the capital by incorporation of premiums, reserves, profits or otherwise)

The Shareholders, voting in accordance with the quorum and majority voting requirements of Article L. 225-130 of the French Commercial Code, having reviewed the Board of Directors' report, in accordance with the provisions of Articles L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code:

– delegate to the Board of Directors, for a period of twenty-six months as of this Shareholders' meeting, the authority to resolve one or more capital increases by incorporation of premiums, reserves, profits or otherwise, provided that capitalization of same is allowed statutorily and by the bylaws, and in the form of an allocation of free shares or increase in par value of existing shares;

– resolve that the total amount of the share capital increases likely to be thus completed immediately and/or in future shall not exceed 35 % of the share capital;

– resolve that the total amount of the share capital increases likely to be thus completed may be increased by the amount required to afford statutory protection to the rights of bearers of securities carrying an entitlement to shares, irrespective of the cap set under the second item hereinabove;

– in the event that the Board of Directors implements this delegation of authority, resolve in accordance with the provisions of Article L. 225- 130 of the French Commercial Code, that fractional rights shall not be negotiable and that the corresponding securities shall be sold; the proceeds of such sale shall be allocated to bearers of said rights within regulatory time limits;

– note that this delegation supersedes all prior delegations having the same purpose, and in particular that granted by the Shareholders' meeting of June 7, 2007 (resolution 15);

In any event, the amount of the capital increases completed pursuant to this resolution shall be offset against the aggregate cap referred to in resolution 7.

RESOLUTION NO. 14

(Capital increase with issue of shares for offering to employees enrolled in a company savings plan)

The Shareholders, voting in accordance with the quorum and majority voting requirements applicable to extraordinary shareholders' meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, pursuant to articles L. 3332-1 et seq. of the French Labor code and articles L. 225-129-6 and L. 225-138-1 of the French Commercial code, and in accordance with the provisions of the French Commercial code:

– authorize the Board of Directors to issue shares and other equity securities with rights for common shares of the Company, over a period of twenty-six months from the date of this resolution, in one or more transactions and at its discretion, for offering to members of company savings plans of the Company's French and foreign affiliates, in accordance with article L. 225-180 of the French Commercial code and L. 3344-1 and 3344-2 of the French Labor code, with an maximum nominal value of up to 5 % of the Company's capital on the date this authorization is used;

– resolve that the details of other equity securities with right for Company's shares shall be decided by the Board of Directors in accordance with applicable regulations;

– resolve to waive, in favor of employees enrolled in a company savings plan, the preferential subscription right to shares to which the shares or other equity securities issued pursuant to this resolution entitle them, now or in the future, and to waive any right to shares or other securities that shall be allocated pursuant to this resolution;

– resolve to grant full powers to the Board of Directors, with the right to further delegate such powers as permitted by law, for the purpose of implementing this resolution, within the limits and subject to the conditions set forth above, including by:

  - deciding the characteristics of the securities to be issued and the amounts offered and setting, inter alia, the offering price, if applicable with a discount as permitted by article L. 3332-19 of the French Labor code, dates, waiting periods and subscription, payment and delivery terms and conditions, as well as the effective date of the securities, subject to applicable laws and regulations;

  - recording the increases in capital by the value of effectively subscribed shares or other securities issued pursuant to this authorization;

  - if applicable, charging the cost of capital increases to the value of effectively subscribed shares or other securities issued pursuant to this authorization;

  - executing all agreements, performing or arranging to have performed all of the transactions and procedures, including completing the formalities required by capital increases and the corresponding amendments to the bylaws and, as a general matter, doing all that is necessary;

  - as a general matter, entering into all agreements, including those aimed at finalizing the contemplated equity issues, taking all steps and completing all formalities required by the issuance, listing and servicing of securities issued under this authorization and the exercise of rights attached thereto;

– resolve that this authorization cancels and supersedes, effective on this date, all previous authorizations - or the unused portion thereof - granted to the Board of Directors to increase the Company's capital by issuing shares to be offered to members of employee savings plans, with waiver of preferential subscription rights in favor of said members.

RESOLUTION NO. 15

(The purpose of this resolution is to grant full powers to the bearer of the minutes for the purpose of completing formalities)

The Shareholders grant full powers to the bearer of the minutes of this Meeting, or of a copy or extract thereof, for the purpose of completing all necessary formalities.

5.12 DESCRIPTION OF THE COMPANY'S SHARE BUYBACK PROGRAM

Subject to adoption of resolution 5 and resolution 6 by the ordinary and extraordinary general shareholders' meeting of June 11, 2009, the Company intends to carry out a share buyback program on the following terms and conditions:

– shares concerned: common stock.

– maximum percentage of shares to be repurchased: 10 %.

– maximum percentage of shares to be repurchased by the Company for holding and subsequent use as a means of payment or exchange in connection with mergers, demergers or contributions: 5 %.

– maximum cost of the plan: the funds required to carry out the share buyback program shall not exceed 394,537,400 euros. However, the Board of Directors shall be authorized to adjust the abovementioned amount in the event of changes in the par value of shares, increases in capital by means of the capitalization of reserves and the distribution of bonus shares, stock splits or reverse splits, redemptions of shares or reductions of capital, distributions of reserves or other assets and any other operation affecting equity, in order to take into account the impact of such transactions on the value of shares.

– maximum purchase price per unit: Shares may not be purchased for a price in excess of 100 euros each (not including acquisition fees and commissions).

– objectives of the buyback program, ranked in decreasing order of importance:

  - provide liquidity in the market for its shares and make the market, under a market-making agreement with a financial service provider acting with full discretion, in accordance with the AFEI code of conduct approved by the *Autorité des Marchés Financiers*;

  - reallocate shares upon the exercise of rights attached to the issue of securities with rights to shares of the Company and to stock option plans, or in connection with the distribution of bonus shares to employees and representatives of the Company or companies of its group, or the offering or sale of shares to employees under profit-sharing plans, share-ownership plans or employee savings plans;

  - hold on to shares for subsequent use as means of exchange or payment in connection with acquisitions;

  - cancel shares, subject to the adoption of resolution 6.

Term of the plan: up to eighteen months, terminating at the end of the annual shareholders' meeting called to approve the financial statements for the year ending December 31, 2009.

The Company's shares are traded on the Euronext Paris market, Compartment A, under ISIN code FR 0010096479.

A market-making agreement, compliant with the AFEI code of conduct approved by the *Autorité des Marchés Financiers*, was entered into by the Company and Crédit Agricole Cheuvreux on December 23, 2004 and was later revised to conform to the new AFEI code of conduct included as an attachment to the *Autorité des Marchés Financiers* decision of March 22, 2005.

Under the market-making agreement, Crédit Agricole Cheuvreux made various trades in the Company's shares during the year ended December 31, 2008.

5.12.1 Transactions by means of purchases, sales or transfers under the previous buyback program

The Company did not cancel any shares during the past 24 months and did not purchase any of its own shares prior to October 13, 2004, when new regulations went into effect governing share buyback programs, as a result of the implementation of the European "Market Abuse" Regulation.

a) Summary of transactions by the Company in its own shares from January 1, 2008 to December 31, 2008, under the market-making agreement.

Within the framework of the authorisation granted by the ordinary and extraordinary shareholders' meetings of June 7, 2007 and June 12, 2008, as well as the Company's shares buyback program described in sections 5.10 of the 2006 Reference Document and section 5.12 of the 2007 Reference Document, and pursuant to the market-making agreement complying with the AFEI code of ethics approved by the AMF entered into with the Company, Crédit Agricole Cheuvreux, acting as investment service provider, carried out the following transactions during the period from January 1, 2008 to December 31, 2008 :

Shares purchased	114,506
Average purchase price	€65.61
Shares sold	98,021
Average selling price	€67.55
Negotiation fees and commissions	0
Own shares held on December 31, 2008	18,931
Value of shares held at the end of the year based on their average purchase price	€1,080,173.22
Book value on December 31, 2008	€1,135,860
Nominal value of shares	/
Purpose of transactions	Maintaining an orderly market
Percentage of own shares held at the end of the year	0.048 %

The shares thus purchased by Crédit Agricole Cheuvreux were solely acquired to meet the liquidity and market-making requirement through an investment service provider acting independently within the framework of a market-making agreement complying with an AMF-approved code of ethics.

b) Summary of transactions by the Company in its own shares from January 1, 2008 to December 31, 2008, under an agency agreement.

Furthermore, within the framework of agency agreements entered into with Crédit Agricole Cheuvreux and Natixis with the sole purpose of allocating shares upon exercise of rights relating to the grant of free shares to employees and officers of the Company or of member companies of its group, in accordance with the authorisations granted by the ordinary and extraordinary shareholders' meetings of June 9, 2005 and June 12, 2008, as well as the description of the Company's share buyback program described in sections 5.10 of the 2006 Reference Document and section 5.12 of the 2007 Reference Document, the agents carried out the following transactions during the period from January 1, 2008 to December 31, 2008:

Shares purchased	212,100
Average purchase price	€68.06
Shares sold	0
Average selling price	N/a
Own shares held on December 31, 2008	172,500
Value of shares held at the end of the year based on their average purchase price	€11,438,462.63
Book value on December 31, 2008	€10,350,000
Nominal value of shares	/
Purpose of transactions	Distribution of bonus shares upon exercise of rights pertaining to the allocation of bonus shares to employees and officers
Percentage of own shares held at the end of the year	0.44 %

Allocation of treasury shares for various purposes: all of the Company's own shares held by it are used for the purpose of the market-making agreement or for distribution as free shares.

The table below summarizes the trading by the Company in its own shares from January 1, 2008 to December 31, 2008:

	Cumulative gross transactions		Open positions on the date the information note buyback program description was submitted			
	Purchases	Sales/ Transfers	Open buy positions		Open sell positions	
Number of securities	326,606	258,521	Call options bought	Forward acquisitions	Call options sold	Forward sales
Average maximum expiration	N/a	N/a	None	None	None	None
Average trading price* (€)	67.20	64.31	None	None	None	None
Average exercise price (€)	None	None	None	None	None	None
Amounts (€)	21,949,034.61	16,624,898.57	None	None	None	None

(*) Including stock-exchange taxes

The purchases, sales and transfers in shares described above were carried out for two of the objectives of the program authorized by the ordinary and extraordinary general shareholders' meetings of June 7, 2007 and June 12, 2008, i.e. to provide liquidity in the market for the shares and make the market under a market-making agreement with a financial service provider acting with full discretion, in accordance with a code of conduct approved by the Autorité des Marchés Financiers and to distribute shares upon exercise of rights related to bonus shares allocation to employees and representatives of the Company or of member companies of its group.

The Company has not made use of derivatives in connection with this share buyback program and had no open buy or sell position on derivatives on the filing date of this Reference Document.

5.12.2 Limits on the percentage of shares, maximum number, characteristics and maximum purchase price of securities which may be bought back

The Company may not own more than 10 % of its own shares, subject to a limit of 5 % as indicated below; for information, this number would have been to 3,945,374 shares on May 31, 2009. Given the fact that bioMérieux held 147,900 of its own shares on May 31, 2009, the maximum number that could be purchased under this program would be 3,797,474 shares, or approximately 9.6 % of the capital, subject to subsequent changes in the number of treasury shares held by the Company.

The Company may repurchase no more than 5 % of its shares for the purpose of holding and subsequent use as means of payment or exchange in connection with mergers, demergers or contributions.

The maximum purchase price is 100 euros per share. Accordingly, the maximum sum that bioMérieux could pay would be 379,747,400 euros in the event that it should buy 3,797,474 shares at the highest price authorized by the shareholders' meeting.

Pursuant to the authority granted by the ordinary and extraordinary general shareholders' meeting of June 12, 2008 and in accordance with the Company's share buyback program described in subsection 5.12 of the 2008 Reference Document, Credit Agricole Cheuvreux performed the following transactions in the period from January 1 to May 31, 2009:

Percentage of shares held by the Company directly or indirectly on May 31, 2009	0.37 %
Number of shares cancelled over the previous 24 months	0
Number of shares held in treasury on May 31, 2009	147,900
Book value of treasury shares on May 31, 2009	€9,562,518.20
Market value of treasury shares on May 31, 2009	€9,026,337.00

SECTION 6

CORPORATE GOVERNANCE

6.1 COMPOSITION AND FUNCTIONING OF THE GOVERNING BODIES

The Company is a French limited liability company ("société anonyme") with a Board of Directors ("Conseil d'administration").

6.1.1 The Board of Directors

6.1.1.1 Statutory framework

The Board of Directors is composed of at least three members and up to the maximum number permitted by law.

Board membership may be revoked at any time by the shareholders' meeting.

In terms of corporate governance, the Company complies with applicable legal obligations, including those of the French "New Economic Regulations" Act (*Loi* sur les Nouvelles Regulations Economiques). It also follows the recommendations set forth in the AFEP/MEDEF report on current corporate governance practices. This code may be viewed online on the MEDEF website (http://www.medef.fr). The following table shows the provisions of this code that are disapplied, as well as the reasons therefor:

Inapplied provisions	Reasons
Regarding officers and directors' terms of office:	
Their maximum term of office is 4 years	The by-laws set a 6-year term of office
Renewal by tranche or block	In particular in light of the Company's historical background (7 directors out of 9 were appointed during the year 2004) the tranche or block renewal mechanism cannot be easily justified
Regarding the operation of the Committees:	
The existence of an Appointments Committee	This prerogative is exercised by the General Management ("*Direction Générale*")
Regarding the Audit Committee and its duties:	
Major transactions: assessing the validity of the accounting methods and verifying the absence of conflicts of interest	The Audit Committee verifies this ex post facto but any significant issue is referred to the Board of Directors in advance
Submission of a memo by the Financial Chief Officer on risk exposure and off-balance sheet undertakings	Those are listed in the appendices and they are not of such significance as to need a special report by the Financial Chief Officer.
Regarding the Compensation Committee:	
Proposal of the Compensation Committee on compensation payable to officers and non-director managers ("*dirigeants non mandataires*")	Determination of the compensation payable to officers and non-director managers is the sole prerogative of the General Management, which must nevertheless inform the Committee of the compensation policy
Regarding the appraisal of the Board of Directors:	
General Management performance appraisal by outside directors	The Board of Directors appraises General Management performance in an independent and collective manner.

6.1.1.2 Composition of the Board of Directors

The Board of Directors currently has nine members, four of whom are outside directors.

Directors	Principal positions held in other companies - Other offices held	Other business and professional activities over the past five years
Alain Mérieux 70 years Born 7/10/1938 Father of Alexandre Mérieux (director) Business address: Chemin de l'Orme - 69280 Marcy l'Etoile First elected on 7/10/1986 Current term expires in 2010 ***Number of Company's shares held*:** *2*90 ***Principal Company position***: Chairman and Chief Executive Officer	***Positions held in other companies:*** Managing Director of Mérieux Alliance* ***Other offices and positions held:*** Chairman of Compagnie Mérieux Alliance S.A.S. Chairman of the Board of Directors of Mérieux Alliance* Director and Honorary Chairman of Fondation Christophe et Rodolphe Mérieux Chairman of the Board of Directors of Fondation Mérieux Director of Compagnie Plastic Omnium SA Director of Transgene SA* Chairman of the Board of Directors of bioMérieux Hellas (Greece)* Director of bioMérieux Italia SpA (Italy)* Director of Silliker Group Corp. (United States)* Director of Shantha Biotechnics Ltd. (India)* Chairman of the Board of Directors of Ecole Vétérinaire de Lyon Trustee of Fondation Pierre Fabre Trustee of Fondation Pierre Vérots Director of Synergie Lyon Cancer (Cancéropôle) Trustee of Fondation Centaure	***Management experience and expertise:*** Harvard Business School graduate (1968) Chairman and CEO of the Company since 1965 30 years as senior business executive Chairman of Mérieux Alliance, the family holding and majority owner of the Company ***Positions held over the last five years:*** Chairman of the Board of Directors of Mérieux Alliance* Trustee and Honorary Chairman of Fondation Christophe et Rodolphe Mérieux Chairman of the Board of Trustees of Fondation Mérieux (formerly Fondation Marcel Mérieux) Director of Compagnie Plastic Omnium SA Member of the Supervisory Board of Eurazeo Chairman of the Board of Directors and director of New bioMérieux Alliance SA* Chairman of the Board of Directors of SGH SA* Manager of SCI ACCRA* Director of Transgene SA* Director of Rue Impériale de Lyon SA Director of WENDEL Investissement SA Member of the Supervisory Board of Akzo Nobel (Netherlands) Chairman of the Board of Directors of bioMérieux Hellas (Greece)* Chairman of the Board of Directors of bioMérieux Italia SpA (Italy)* Chairman of Silliker Group Corp. (United States)* Director of Lazard LLC (United States)

* A company controlled by Compagnie Mérieux Alliance S.A.S. within the meaning of Article L.233-16 of the French Commercial Code – See §3.3.1 and 3.1.16

Alexandre Mérieux

35 years

Born 1/15/1974 Son of Alain Mérieux (Chairman and CEO)

Business address: Chemin de l'Orme - 69280 Marcy l'Etoile

First elected on 4/16/2004
Current term expires in 2010

Number of Company's shares held: 20

Principal Company position: Deputy Managing Director

Positions held in other companies:
Deputy Managing Director of Mérieux Alliance*

Other offices and positions held:

Director of Mérieux Alliance*

Trustee of Fondation Christophe et Rodolphe Mérieux

Chairman of SGH SAS*

Manager of SCI ACCRA*

Director of Silliker Group Corp. (United States)*

Permanent representative of Silliker Group Corp, Chairman of Silliker France SAS*

Permanent representative of Silliker Group Corp, Chairman of Adriant SAS

Director of Ecosilk (United States)

Director of bioMérieux Inc. (United States)*

Director of BTF (Australia)*

Director of bioMérieux Canada Inc. (Canada)*

Director of bioMérieux China Ltd. (China)*

Director of bioMérieux India Private Ltd. (India)*

Director of bioMérieux Polska sp. z.o.o. (Poland)*

Director of bioMérieux UK

Ltd. (United Kingdom)*

Director of bioMérieux Singapore Pte Ltd. (Singapore)*

Management experience and expertise:

HEC Montréal

Director Marketing of Silliker in 2003 and 2004*

Positions held over the last five years:

Director of Mérieux Alliance*

Director of the Fondation Christophe et Rodolphe Mérieux

Chairman of SGH SAS*

Manager SCI ACCRA*

Director of Silliker Group Corp. (United States)*

Permanent representative of Silliker Group Corp, Chairman of Silliker France SAS*

Permanent representative of Silliker Group Corp, Chairman of Adriant SAS

Director of Ecosilk (United States)

Director of bioMérieux Inc. (United States)*

Director of BTF (Australia)*

Director of bioMérieux Canada Inc. (Canada)*

Director of bioMérieux China Ltd. (China)*

Director of bioMérieux India Private Ltd. (India)*

Director of bioMérieux Polska sp. z.o.o. (Poland)*

Director of bioMérieux UK

Ltd. (United Kingdom)*

Michele Palladino

68 years
Born 6/13/1940

First elected on 7/6/2004
Current term expires in 2010

Number of Company's shares held: 2,000

Principal Company position: None

Outside director**

Positions held in other companies:

None

Other offices and positions held:

Senior Executive of Michele Palladino & C sas

Management experience and expertise:

Managing Director of bioMérieux SA until 1993

Chairman and CEO of Max Meyer

Positions held over the last five years:

None

* A company controlled by Compagnie Mérieux Alliance S.A.S. within the meaning of Article L.233-16 of the French Commercial Code – See §3.3.1 and 3.1.16

** An outside director within the meaning of the definition appearing in the internal by-laws of the Company's Board of Directors (See § 6.1.1.4 below)

Michel Angé

69 years
Born on 11/27/1939

First elected on: 9/30/2004
Current term expires in: 2010

Number of Company's shares held: 160

Principal Company position: None

Outside director**

Positions held in other companies:

None

Other offices and positions held:

Director of Lyonnaise de Banque SA
Director and vice chairman of the Supervisory Board of Banque de Vizille SA
Director of Tessi SA
Chairman of Apicil Prévoyance

Management experience and expertise:

Graduate of Institut Technique de Banque
CEO of Lyonnaise de Banque for 13 years

Positions held over the last five years:

Director of Lyonnaise de Banque SA
Director and vice chairman of the Supervisory Board of Banque de Vizille SA
Director of Tessi SA
Chairman of Apicil Prévoyance
Vice chairman of Apicil Prévoyance
Chairman of the Supervisory Board of Apicil Assurance SA
Vice chairman of the Supervisory Board of Apicil Assurance SA
Chairman of Apicil Preci SA
Director of Centre Technique des Institutions de Prévoyance
Vice chairman and director of Fonds de Garantie des Institutions de Prévoyance
Chairman of GIE Santelog

Jean-Luc Bélingard

60 years
Born on 10/28/1948

First elected on: 9/15/2006
Current term expires in: 2011

Number of Company's shares held: 50

Principal Company position: None
Outside director**

Positions held in other companies:

Chairman and CEO of IPSEN

Other offices and positions held:

Director of LabCorp Of America (United States)
Director of NicOx (France)
Director of Inserm (France)
Director of A.N.R. (France)
Director of Celera Corporation (United States)

Management experience and expertise:

H.E.C. Paris

M.B.A. Cornell University (United States)

Member of the Management Committee and Managing Director of bioMérieux Pierre-Fabre from 1999 through 2001

Since 2001, Chairman and CEO of the IPSEN

Positions held over the last five years:

Director of Applera Corp. (United States)
Director of LabCorp Of America (United States)
Director of ExonHit Therapeutics (France)
Director of NicOx (France)
Director of Inserm (France)

** An outside director within the meaning of the definition appearing in the internal by-laws of the Company's Board of Directors

Georges Hibon 71 years Born on 11/3/1937 First elected on: 7/6/2004 Current term expires in: 2010 ***Number of Company's shares held:*** 10 ***Principal Company position:*** None	***Positions held in other companies***: None ***Other offices and positions held:*** Director of Cerep SA Director of Care France (non-governmental organization) Director of BioAlliance Pharma Chairman of the Board of Shantha Biotechnics Limited (India)* Director of ABL	***Management experience and expertise:*** H.E.C. Paris Chairman of MSD Chibret France Vice-Chairman Merck International Chairman and Chief Executive Officer of Pasteur Mérieux Connaught ***Positions held over the last five years:*** Director of Cerep SA Director of Care France (non-governmental organization) Director of BioAlliance Pharma Chairman of the Board of Shantha Biotechnics Limited (India)* Chairman ABL
Groupe Industriel Marcel Dassault Represented by Mr Benoît Habert 44 years Born on 7/12/1964 First elected on: 4/16/2004 Current term expires in: 2010 ***Number of Company's shares held:*** 2,013,470 **Outside director** ***	***Positions held in other companies***: Director of Groupe Industriel Marcel Dassault***; Chairman and CEO of Dassault Développement*** Manager of Habert Dassault Finance*** ***Other offices and positions held:*** Chairman and director of Dassault Développement*** Director of Groupe Industriel Marcel Dassault*** Director of Transgene SA* Director of Socpresse SA*** Director of Société du Figaro SA*** Director of KTO Director of Sport 24*** Director of Livres invest Director of Dupuis (Belgium) and of Dargaud (France) Director of TM4 (Canada) Member of the Supervisory Board of AdenClassifieds*** Member of the Monitoring Committee of Cooltech SA Representative of GIMD on the Board of SHAN	***Management experience and expertise:*** Director of Groupe Industriel Marcel Dassault; Chairman and CEO of Dassault Développement ***Positions held over the last five years:*** Executive Officer of Groupe Industriel Marcel Dassault Director of Chapitre.com Chairman and CEO and director of Dassault Développement Director of the Groupe Industriel Marcel Dassault Director of Transgene SA* Permanent representative of Dassault Développement, director of Unimédecine PR of Groupe Industriel Marcel Dassault, Director of bioMérieux* Director of New bioMérieux Alliance* Director of LSF (USA)

* A company controlled by Compagnie Mérieux Alliance S.A.S. within the meaning of Article L.233-16 of the French Commercial Code

** An outside director within the meaning of the definition appearing in the internal by-laws of the Company's Board of Directors

*** A company controlled by Groupe Industriel Marcel Dassault within the meaning of Article L.233-16 of the French Commercial Code

T.S.G.H.* Represented by Mr Philippe Archinard 49 years Born on 11/21/1959 First elected on: 4/16/2005 Current term expires in: 2010 ***Number of Company's shares held:*** 10 ***Principal Company position:*** None	***Positions held in other companies***: Managing Director of Transgene SA* Chairman of Association LyonBioPôle ***Other offices and positions held:*** Director of Transgene SA* Other office held by TSGH*: Director of Transgene SA* Director of Erytech SA	***Management experience and expertise:*** Harvard Business School graduate Managing Director of Innogenetics (Belgium) of 2000 to 2003 Managing Director of Transgene SA. ***Positions held over the last five years:*** Managing Director and director of Transgene SA* Director of Innogenetics – Belgium Other office held by TSGH*: Director of Transgene SA*
Christian Bréchot 56 years Born on 7/23/1952 First elected on: 6/12/2008 Current term expires in: 2015 **NUMBER OF COMPANY'S SHARES HELD: 10** ***PRINCIPAL COMPANY POSITION:*** **VICE CHAIRMAN IN CHARGE OF MEDICAL AND SCIENTIFIC AFFAIRS**	***Positions held in other companies:*** Vice Chairman in charge of Medical and Scientific Affairs at Mérieux Alliance* ***Other offices and positions held:*** None	***Management experience and expertise:*** Managing Director of the INSERM U370/ Unit at Université Paris V "Carcinogenèse hépatique and virologie moléculaire" from 1993 through 2001 Head of Hepatology at Necker Children's Hospital from 1997 through 2001 Managing Director of the Centre national de Référence of Institut Pasteur in Paris on the molecular epidemiology of the viral hepatitis from 1998 through 2001 CEO of INSERM from 2001 through 2007 ***Positions over the last five years:*** None

The directors do not hold any reciprocal appointment within the bioMérieux group.

During the fiscal year ended December 31, 2008, Mr Stéphane Bancel, Deputy Managing Director, also held the position of director within the following companies, which are all controlled by the Company within the meaning of Article L.233-16 of the French Commercial Code: bioMérieux Canada Inc., bioMérieux China Ltd., bioMérieux India (Pvt) Ltd., bioMérieux Japan Ltd., bioMérieux Inc.

Notices addressed to the members of the Board of Directors should be sent to the Company's registered office at Marcy L'Etoile (Rhone).

As of the filing date of this Reference Document, the Board of Directors also had an honorary chairman, Gerard Trouyez, elected to that position on May 18, 1990 and a Censor, Philippe Villet, appointed on June 7, 2007.

The Company's Board of Directors does not include any member elected by the employees.

* A company controlled by Compagnie Mérieux Alliance S.A.S. within the meaning of Article L.233-16 of the French Commercial Code

To the Company's knowledge:

– no member of the Board of Directors or deputy managing director of the Company has been convicted of fraud in the past five years;

– no member of the Board of Directors or deputy managing director of the Company has been involved, over the past five years, in a bankruptcy, court-ordered receivership or liquidation, in his or her capacity as member of company boards or CEO;

– no sentence has been pronounced over the past five years against members of the Board of Directors or deputy managing directors of the Company barring them from serving on an issuer's board or from participating in the management of an issuer's affairs and business;

– no member of the Board of Directors or deputy managing director of the Company has been charged or formally sanctioned by legal or regulatory authorities (including recognized trade bodies).

To the Company's knowledge, there is no potential conflict of interest involving the corporate duties of any member of the Board of Directors or deputy managing director of the Company and their private or other interests. In addition, the Company has established corporate governance procedures (see sections 6.1.1.4 and 6.1.2 below).

Information on transactions under regulated agreements is provided in sections 5.7 and 6.2.2 of this Reference Document.

The Company's bylaws, as amended by the ordinary and extraordinary general shareholders' meeting of April 16, 2004, provide that up to three censors (censeurs) may be appointed to assist the Board of Directors in its work. These censors may be selected from among individuals or entities holding shares of the Company or third parties. They participate in meetings of the Board of Directors but can not vote. Their general mission is to advise the directors, who are not required to follow their advice or recommendations. Censors are bound by the same confidentiality obligations as directors and may be removed at any time by the ordinary general shareholders' meeting.

6.1.1.3 Interests held by the Company representatives in the share capital of the Company and of its affiliates

Alain Mérieux and Alexandre Mérieux are the main shareholders and together own the absolute majority of the shares and voting rights of Mérieux Alliance, the holder of the majority of the Company's shares (see §3.3.4).

To the Company's knowledge, the Company's governing and management bodies are not directly and personally bound by any service agreement with the Company or any of its subsidiaries, other than as set forth in sections 5.7 and 6.2.2.

6.1.1.4 Internal rules of the Board of Directors

The Company's Board of Directors adopted a set of rules on March 15, 2004, setting forth its way of functioning and complementing the provisions contained in the law, regulations and the Company's bylaws.

Those rules provide that, prior to taking their seat, all directors must make sure that they are fully informed of their general and specific obligations and are familiar with securities regulations pertaining to breaches of exchange regulations. They must become acquainted with, inter alia, laws and regulations, the bylaws, the Board of Directors' rules and any additional information that the Board of Directors may give them, and must comply with same. The rules also provide that directors (i) while they are themselves shareholders and must own at least ten shares, represent all of the shareholders and must in all circumstances act in conformity with the interest of the Company, (ii) are required to report to the Board of Directors any conflict of interest situation, even potential, and must abstain from voting on any related issue, (iii) must give all of the necessary time and attention to the performance of their duties, (iv) must be diligent and participate in all meetings of the Board of Directors and, if applicable, of committees on which they serve, (v) must consider themselves bound by a strict obligation of confidentiality that goes beyond the simple requirement contained in laws and regulations to refrain from disclosing non-public information acquired as a result of their position, (vi) are bound by an obligation of loyalty and (vii) must refrain from trading in the Company's shares other than in accordance with the Company's code of conduct (see below).

The rules of the Board of Directors provide that the Chairman or Chief Executive Officer of the Company must provide all directors, in a timely manner, with all documents and information required to perform their duties. Accordingly, all directors may request from the Chairman or Chief Executive Officer that they receive, in a timely manner and subject to the confidential nature thereof, all information they may need to effectively discuss the agenda of Board of Directors' meetings, or any other information that may help them perform their duties.

The rules of the Board of Directors provide that directors are considered outside directors when they do not have any direct or indirect relationship of any nature whatsoever with the Company, the group or management, which could compromise their independent judgment. The Board of Directors will determine each year, prior to the publication of the annual report, which of its members are outside directors.

On the basis of the foregoing definition, there are four outside directors on the Board of Directors out of a total of 9 members. They are:

– Groupe Industriel Marcel Dassault, represented by Mr. Benoît Habert;

– Mr. Michele Palladino;

– Mr. Michel Angé;

– Mr. Jean-Luc Bélingard.

As for its rules, the Board of Directors includes in its agenda, once a year, a discussion on its functioning, inter alia, to (i) form an opinion on the quality and effectiveness of debates by the Board of Directors, (ii) assess the actual role of the Board of Directors regarding its assignments and (iii) examine the reasons underlying any malfunctions identified by the Chairman, the directors or the shareholders. The Chairman of the Board of Directors must prepare a report, which is attached to the Board of Directors' annual management report, on the conditions in which the work of the Board of Directors is prepared and organized, as well as on internal control procedures implemented by the Company.

The Board of Directors adopted a code of conduct in 2004, which was revised in 2007, to reflect recent changes in regulations on financial disclosure and compliance with securities trading rules. All Board members have undertaken to comply with the code.

Lastly, the rules contain provisions related to meetings held by telephone or video conference, as permitted by article L. 225-37 of the French Commercial code.

6.1.1.5 Duties of the Board of Directors

The Board of Directors sets guidelines for the Company's business and ensures that they are followed. Subject to the authority expressly granted to shareholders' meetings and within the limit of the corporate purposes, it deals with any matter related to the progress of the Company and settles issues concerning it. The Board of Directors carries out all controls and verifications it deems appropriate.

The rules of the Board of Directors also provide that it has the specific obligation to reach decisions on (i) the approval of the strategic plans of the Company and its subsidiaries, (ii) the approval of the annual budget and its quarterly implementation, and (iii) the approval of all key transactions (acquisitions, exchanges, transactions, creation of securityies, financing by any means, etc.) of more than 30 million euros not provided for in the strategic plan or the budget.

Lastly, the rules also provide that the Board of Directors must be notified of any significant event affecting the operation of the Company and more specifically its financial position, cash position and liabilities.

6.1.1.6 Board of Directors' work

The Chairman schedules and oversees the work of the Board of Directors and reports thereon to the shareholders' meeting.

He ensures that the Company's management bodies operate properly and, in particular, that the directors are in a position to accomplish their duties.

6.1.2 Committees of the Board of Directors

The rules of the Board of Directors provide that the Board of Directors may decide to establish one or more standing or ad hoc committees to help it accomplish its work and contribute to the preparation of its decisions.

The committees are in charge of examining issues assigned to them by the Board of Directors or the Chairman of the Board, preparing the Board of Directors' work on these issues, and reporting their findings to the Board of Directors in the form of reports, proposals, communications or recommendations.

The committees' role is strictly consultative. The Board of Directors determines at its own discretion how to follow up on the matters reported by the committees. The directors remain free to vote as they may choose and are not bound by the work, investigations or reports of the committees, nor by any recommendations they may issue. The Company's annual report includes a review of the activity of each committee for the year ended.

As of the filing date of this Reference Document, the Company's Board of Directors had established two committees: the Audit Committee and the Compensation Committee.

6.1.2.1 The Audit Committee

6.1.2.1.1 Composition of the Audit Committee

Pursuant to the Board of Directors' rules, adopted by the Board of Directors on March 15, 2004 and revised in 2007:

– the Audit Committee is made up of three persons appointed by the Board of Directors among its members;

– the majority of the committee's members must be outside directors.

The members of the audit committee, which was established on December 20, 2002, were as of December 31, 2008, Michel Angé, Benoît Habert and Alexandre Mérieux. Michel Angé and Benoît Habert are outside directors within the meaning of the Board of Directors' rules. Two-thirds of the committee's members are outside directors. Michel Angé serves as chairman of this committee.

6.1.2.1.2 Functioning of the Audit Committee

The committee meets (including by telephone conference calls) as often as it deems necessary and at least twice a year, before the review by the Board of Directors of the annual and interim financial statements. The committee appoints a Chairman from among its members, who may not hold any elected office (other than as director) or management position within the Company or the Group.

The Company's financial department and legal department may be invited to attend meetings of the Audit Committee, at the Committee's initiative. The Committee may also, after consulting with the Chairman of the Board of Directors, obtain any resources it needs to carry out its assignment. In particular, it may hear accounting department executives and the statutory auditors and, if necessary, the audit firm. The Audit Committee reports on the fulfillment of its assignment to the Board of Directors.

As for the rules of the Board of Directors, the Audit Committee is responsible for assisting the Board of Directors in the areas of accounting policy, reporting, internal auditing, external auditing and financial communication, as well as in the area of risk management.

In the areas of accounting policy and internal auditing, the audit committee's tasks include: (i) reviewing the annual and consolidated and interim financial statements, including the appendices attached thereto, at least two days before their examination by the Board of Directors, along with, if applicable, the management report, and reporting to the Board of Directors any observations it deems relevant; (ii) ascertaining that the accounting methods used for the preparation of the annual and consolidated financial statements are appropriate and that those methods are duly applied; (iii) verifying the accounting treatment of all significant transactions carried out by the Company; (iv) examining the Company's significant off-balance-sheet commitments; (v) ascertaining that the internal procedures for collecting and analyzing data guarantee the quality and reliability of the Company's financial statements; (vi) reviewing the entities included in consolidation and, if necessary, the reasons why certain entities may not be consolidated; (vii) examining any question that the Board of Directors may have regarding the foregoing points; and (viii) reporting its observations on accounting and financial matters to the Board of Directors, including in connection with the preparation of the annual and consolidated and interim financial statements.

In the area of risk management, the Audit Committee's tasks are to: (i) review all litigation, including tax disputes, liable to have a material adverse effect on the Company's financial statements or financial position; (ii) examine the Company's exposure to significant financial risks, including financial market exposure (interest rates, exchange rates, stock markets), and to the risk that its debt may be accelerated (pursuant to so-called "event of default" clauses) in the event of adverse developments; and (iii) review the conclusions of the internal audit reports, if needs be.

In the area of external auditing, the Audit Committee's tasks are to (i) make recommendations to the Board of Directors concerning the choice of statutory auditors (audit firms and networks) for the purpose of their appointment or reappointment by the shareholders' meeting, and examine and issue an opinion on the definition of their assignment, their fees, the scope and schedule of audits, and (ii) examine and issue an opinion regarding the audit-related services and the work other than the statutory audits performed by the statutory auditors, taking into consideration the possible impact that such work may have on the independence of the statutory auditors and on their recommendations, and on measures taken based on those recommendations.

In the area of financial communication, the Audit Committee's task is to review the Company's financial communication plans concerning the interim and annual financial statements and quarterly sales.

The Audit Committee reports to the Board of Directors on its assignment and submits to it the observations it deems relevant.

6.1.2.2 The Compensation Committee

6.1.2.2.1 Composition of the Compensation Committee

Under the Board of Directors' rules:

– the Compensation Committee is made up of three persons appointed by the Board of Directors from among its members;

– the majority of the Committee's members must be outside directors.

The Compensation Committee was established by the Board of Directors at its meeting of March 15, 2004.

As of December 31, 2008, the members of the compensation committee were Georges Hibon, Michele Palladino and Jean-Luc Bélingard. Michele Palladino and Jean-Luc Bélingard are outside directors within the meaning of the Board of Directors rules. Two-thirds of Committee members are outside directors. Georges Hibon chairs the meeting of the committee.

6.1.2.2.2 Functioning of the Compensation Committee

The Compensation Committee meets at least once a year, whenever convened by the Chairman of the Board of Directors.

With regard to the compensation of the Company's representatives, the tasks of the Compensation Committee are to: (i) make recommendations to the Board of Directors concerning the fixed and variable compensation, supplementary and specific retirement pension and health and welfare benefit plan, benefits in kind and other financial benefits to which the Chairman and Chief Executive Officer and, if applicable, the Deputy Managing Director, may be entitled; (ii) propose to the Board of Directors the total sum to be earmarked for directors' fees, the rules governing the distribution of such fees and the sums to be paid to individual directors as fees, taking into consideration their attendance at Board of Directors and committees' meetings; and (iii) propose rules to the Board of Directors for setting the variable portion of compensation paid to Company representatives and oversee their implementation. The Compensation Committee also receives information on the compensation policy of the principal senior executives other than its representatives.

Regarding the stock options or bonus shares policy, the Compensation Committee reports to the Board of Directors its observations regarding the Company's overall stock option or bonus shares policy as proposed by the Chairman and Chief Executive Officer and, if applicable, the Deputy Managing Director, and issues notably opinions on such matters as categories of employees to whom options are granted, options granted to Company representatives being examined on a case-by-case basis by the Committee.

6.1.3 General Management (« *Direction Générale* »)

The Company’s General Management is operated by the Chairman of the Board of Directors (as decided by the Board of Directors on October 20, 2002 and reiterated on April 16, 2004).

The Chairman and CEO has extensive authority to act in all circumstances on behalf of the Company. He exercises his authority within the limits of the corporate purposes and subject to the authority expressly granted by law to the shareholders' meetings. He represents the Company in its relations and dealings with third parties.

On a motion by the CEO, the Board of Directors may appoint one or more individuals to assist the Chief Executive Officer, who hold the position of Deputy Managing Director.

At its meeting of December 19, 2008, the Board of Directors appointed Alexandre Mérieux to the position of Deputy Managing Director (Directeur général délégué). The appointment took effect on the same date and is for an indefinite period.

During the year ended December 31, 2008, Alexandre Mérieux also served as a director of the following companies: see § 6.1.1.2 above of this Reference Document.

The General Management is assisted in its duties by a Strategy Committee and a Management Committee, described in the section on the Chairman of the Board of Directors' report on internal control procedures (see §5.9.4.2.1).

6.1.4 Internal control

The Company has internal control procedures for both operational and financial matters; they are described in the special report by the Chairman of the Board of Directors.

The report by the Chairman of the Board of Directors for the fiscal year ended December 31, 2008, prepared in accordance with the provisions of article L. 225-37 paragraph 6 of the French Commercial code, and the Statutory Auditors' report with their observations thereon, will be submitted to the shareholders' meeting of June 11, 2009. They are included in sections 5.9 and 5.10 above.

6.2 MANAGERS' INTERESTS

6.2.1 Directors' compensation

Summary of directors' fees

Fees are paid to the directors based on their attendance at Board of Director's meetings and at meetings of committees to which they belong.

Members of the Board	Fees paid in 2007 in €	Fees paid in 2008 in €
Alain Mérieux	16,000	28,000
Alexandre Mérieux	16,000	32,000
Christian Bréchot	Nil	16,000
Michele Palladino	24,000	36,000
TSGH/Philippe Archinard	12,000	28,000
GIMD/Benoit Habert	20,000	36,000
Michel Angé	24,000	32,000
Georges Hibon	32,000	36,000
Jean-Luc Bélingard	32,000	40,000
Philippe Villet	12,000	Nil
TOTAL	**188,000**	**284,000**

The above directors did not receive directors' fees from other Group subsidiaries.

Furthermore, M. Michele Palladino was paid an amount of nine thousand euros as compensation for an assignment carried out at the request of the Board of Directors, over and above the fees stated in the above table.

- **Mr Alain Mérieux**

Summary of compensation and options and shares allocated to Alain Mérieux - Chairman and CEO		
	2007	**2008**
Compensation for the fiscal year	331,000	352,000
Valuation of options allocated during the fiscal year	Nil	Nil
Valuation of the incentive bonus shares allocated during the fiscal year	Nil	Nil
TOTAL	**331,000**	**352,000**

Alain Mérieux		**Amounts for fiscal year 2007 in €**		**Amounts for fiscal year 2008 in €**	
		Owed	Paid	Owed	Paid
	- fixed compensation(*)	315,000	315,000	324,000	324,000
	- variable compensation	Nil	Nil	Nil	Nil
	- extraordinary compensation	Nil	Nil	Nil	Nil
	- director's fees	16,000	16,000	28,000	28,000
	- benefits in-kind	Nil	Nil	Nil	Nil
TOTAL		**331,000**	**331,000**	**352,000**	**352,000**
Valuation of options allocated during the fiscal year		**Nil**		**Nil**	
Valuation of the incentive bonus shares allocated during the fiscal year		**Nil**		**Nil**	

- **Mr Alexandre Mérieux**

Summary of compensation and options and shares allocated to Alexandre Mérieux – Deputy Managing Director		
	2007	**2008**
Compensation for the fiscal year	239,040	287,765
Valuation of options allocated during the fiscal year	Nil	Nil
Valuation of the incentive bonus shares allocated during the fiscal year	Nil	Nil
TOTAL	**239,040**	**287,765**

(*) Compensation paid by Mérieux Alliance

Alexandre Mérieux		Amounts for fiscal year 2007 in €		Amounts for fiscal year 2008 in €	
		Owed	Paid	Owed	Paid
	- fixed compensation(*)	149,020	149,020	162,995	162 995
	- variable compensation (*)	70,000	50,000	90,600	70,000
	- extraordinary compensation	None	None	None	None
	- director's fees	16,000	16,000	32,000	32,000
	- benefits in-kind(*)	4,020	4,020	2,170	2 170
TOTAL		**239 040**	**219,040**	**287,785**	**267,165**
Valuation of options allocated during the fiscal year		Nil		**Nil**	
Valuation of the incentive bonus shares allocated during the fiscal year		**Nil**		**Nil**	

Mr Alexandre Mérieux's gross variable compensation paid the following year is based on two items: the Company's financial performance and his individual performance appraised in light of targets set at the beginning of the fiscal year.

As of December 31, 2008, Mr Alain Mérieux alone benefited from an additional defined benefits retirement plan. This plan, which applied to officers and directors of the Company, has been closed and no amount was paid into it in 2008. Mr Alexandre Mérieux benefits from the collective (defined contribution) retirement plan available to group officers and directors.

- **Mr Stéphane Bancel**

Summary of compensation and options and shares allocated to Stéphane Bancel – Deputy Managing Director		
	2007	**2008**
Compensation for the fiscal year	1,464,051	1,700,037
Valuation of options allocated during the fiscal year	Nil	Nil
TOTAL	**1,464,051**	1,700,037
Valuation of the incentive bonus shares allocated during the fiscal year	3,720,600 €62.01/share	None

The bonus shares allocated to Stéphane Bancel in 2007 will be definitely vested upon expiration of a two-year period as of the allocation decision and subject to the attainment of the performance target defined in the allocation plan. Furthermore, the shares allocated as of January 1, 2007 to Stéphane Bancel shall be subject to transferability restrictions as follows: a maximum of 40 % may be transferred at the end of the initial two-year vesting period, 70 % after three years, and 90 % after four years. In any event, a minimum of 10 % of the shares allocated shall be retained until expiry of his term of office as director.

Stéphane Bancel		Amounts for fiscal year 2007 in €		Amounts for fiscal year 2008 in €	
		Owed	Paid	Owed	Paid
	- fixed compensation	544,016	544,016	691,104	691,104
	- variable compensation	646,000	38,295	773,469	692,749
	- extraordinary compensation	Nil	Nil	Nil	Nil
	- director's fees	Nil	Nil	Nil	Nil
	- benefits (retirement)	274,035	274,035	235,464	209,457
TOTAL		**1,464,051**	**856,346**	**1,700,037**	**1,593,310**
Valuation of options allocated during the fiscal year		None		**Nil**	
Valuation of the incentive bonus shares allocated during the fiscal year		**3,720,600** €62.01/share		**Nil**	

Mr Bancel's minimum fixed remuneration and variable compensation were approved in 2008 based on the Compensation Committee's recommendations. These recommendations rely in particular on a comparison carried out with similar-sized companies operating within the same business segment.

Performance bonus shares allocated in 2008				
No. and date of plan	**Number of shares allocated**	**Valuation of shares**	**Date of acquisition**	**Date of vesting**
/	Nil	Nil	Nil	Nil
Performance bonus shares vested during the fiscal year 2008				
No. and date of plan	**Number of shares vested during the fiscal year**		**Conditions of acquisition**	**Year of allocation**
Nil	Nil		Nil	Nil

The Company has no commitments whatsoever in favor of its representatives, regarding compensation, indemnities or benefits owed or likely to be owed to them in connection with the beginning, termination or change of appointments or subsequent thereto.

6.2.2 Information regarding transactions with members of the Board of Directors or with companies whose directors also serve on the Company's Board, other than in the ordinary course of business.

6.2.2.1 With Mérieux Alliance

The three main companies of the Group have each entered into service agreements with Mérieux Alliance (bioMérieux S.A. on June 1, 2002, bioMérieux Inc. on June 1, 2002 and bioMérieux B.V. on June 1, 2002). Under the terms of these agreements, Mérieux Alliance furnishes advice and assistance in (i) defining and implementing the Company's general policy and strategic development, (ii) industrial and financial matters, (iii) human resource matters and (iv) leveraging the Company's scientific potential and synergies in research of innovations. Aggregate compensation paid to Mérieux Alliance by various bioMérieux group entities amounted to close to €6.4 million before taxes in 2008.

The sums paid to Mérieux Alliance included amounts that Mérieux Alliance re-billed to the Company under the terms of the above-referenced agreements for services rendered by certain Mérieux Alliance employees who are also managers of the Company. The amounts billed for those employees are determined in relation to the entities to the benefice of which services are performed. Some of these Mérieux Alliance employees work exclusively for bioMérieux, whereas others also (or exclusively) work for one or two other lines of business that are under Mérieux Alliance's control (Transgene and Silliker) (see §3.3.1).In the case of employees who work for several lines of business, the cost of their compensation is divided on the basis of three factors: the segment's revenue, the assets and the total payroll (on this basis, in 2008, approximately 81.5 % of the Mérieux Alliance services were performed for bioMérieux). In other instances, expenses are charged in their entirety to the line of business concerned. In all instances, a margin is added to shared expenses, so as to cover reasonable overhead expenses incurred by Mérieux Alliance under market practice conditions. These service agreements will remain in effect as will the principles governing cost sharing among the various segments controlled by Mérieux Alliance.

An agreement was executed on March 16, 2004 between the Company and Mérieux Alliance concerning the use of the "Mérieux" and "bioMérieux" names, so as to enable each of the parties to exercise their proprietary rights to those names.

6.2.2.2 With Transgene

Various research and development agreements exist between the Company and Transgene (in which Mérieux Alliance holds a 55.2 % equity interest through TSGH) under which the Company did not collected any fees for fiscal year 2008.

6.2.2.3 With Fondation Christophe et Rodolphe Mérieux and Fondation Mérieux

As provided for by Act no. 2003-09 of August 1, 2003, the Board of Directors of the Company has decided to devote a specific share of its revenue to charitable projects. Most of the contributions are allocated to projects supported by Fondation Mérieux and Fondation Rodolphe et Christophe Mérieux, with the balance going to sponsorships and charitable projects carried out by bioMérieux directly. In 2008, the Company contributed 3.251 million euros to such projects, or 5.42‰ of the revenue of bioMérieux SA, including 2.969 million euros to the above two Foundations.

The Company has also decided to support a Fondation Mérieux project to acquire its own research capability in order to develop ways of dealing with infectious diseases adapted to the needs of developing countries. bioMérieux has agreed to provide financial support to the Foundation's project under a special charitable project spread over three years, with contributions of 1.5 million euros in 2008, 1 million euros in 2009 and 0.5 million euros in 2010.

The table below shows the funds contributed to charitable projects, sponsorships and other donations:

Charitable contributions, donations and sponsorships

In thousands of euros	2008	2007	2006
Charitable contributions	3,251	2,369	1,944
of which to Fondation Mérieux	*(a)1,644*	*305*	*345*
of which to Fondation Rodolphe et Christophe Mérieux	*1,325*	*1,556*	*900*
Sponsorships, other donations and amortization of living artists works	174	247	351
	3,425	2,616	2,296

(a) including grants of 1,500 and contributions in-kind of 144

Representatives of the Mérieux family also sit on the Board of Directors of the Fondation Mérieux, recognized as public utility institution since 1976 along with representatives from INSERM, the Rhône Prefecture, CNRS and the Ministry of Research. The Fondation Mérieux aims at promoting research and international scientific cooperation in the area of infectious diseases and assisting public health policies development. In 2008, it received 1,644,000 euros from the Company in the form of corporate donations, in order to finance part of its activities.

Several members of the Mérieux family are members of the Board of Directors of the Fondation Christophe et Rodolphe Mérieux. This foundation is chaired by Gabriel de Broglie, Chancellor of the *Institut de France*, four other representatives from the *Institut de France*, Chantal Mérieux, Alain Mérieux and Alexandre Mérieux. Its purpose is to support public health-applied biological research in developing countries, and more specifically aid in the fight against infectious diseases, and to contribute to scientific and educational projects. The Company has entered into a patronage agreement (for two years and renewable) with the Fondation Rodolphe Mérieux[12] under which it has donated €1,325,000 for the year 2008. The amount donated each year will be adjusted, if needs be, by the bioMérieux Board of Directors.

Some of the projects supported by the Foundations have been undertaken with bioMérieux, in Haïti, Mali and Phnom Penh (Cambodia).

The amounts contributed in the form of corporate donation, except sponsorship, give rise to a tax credit of 60 % of the sums donated to the benefit of the Company, limited to 0.5‰ of the annual revenue of the Group's French companies [(19)].

For more information regarding transactions with members of the Board of Directors or with companies whose directors also serve on the Company's Board, other than in the ordinary course of business, see also the Statutory Auditors' special report in section 5.7[(20)].

6.2.3 Loans granted and guarantees provided to Company representatives

None.

6.3 EMPLOYEE PROFIT-SHARING

6.3.1 Voluntary and mandatory profit-sharing

A new voluntary profit-sharing plan was negotiated for bioMérieux SA's employees for fiscal years 2008 and 2009. The total amount distributable under the plan depends on consolidated operating profit.

A mandatory profit-sharing plan is also in effect at the Company, for which the reserve set aside is calculated on the basis of the legal formula.

[(18)] On June 6, 2004.

[(19)] A net expense of approximately 778,000 euros was recognized in 2006, 948,000 euros in 2007 and 1,454,000 in 2008.

[(20)] This special report also also covers agreements entered into in the ordinary course of business.

6.3.2 Stock-options – bonus shares plan

Making use of the authority granted by the ordinary and extraordinary general shareholders' meetings of June 9, 2005 and June 12, 2008 and pursuant to the bonus shares plan the Board of Directors set and after consulting with the Compensation Committee, it was resolved that 25,000 free shares would be granted during fiscal year ended December 31, 2008. Rights to those shares will be acquired at the end of the period set by the Board, provided that the grant criteria and conditions are fulfilled. The table below shows the number of shares freely distributed to the ten largest recipients other than Company representatives:

Date of allocation	Number of shares allocated	Share price
March 2008	15,000	€71.15
June 2008	10,000	€74.19

Waiting period

The recipients will acquire title to the shares at the end of a two-year period from the date of the grant.

Delivery of shares

At the end of the waiting period set by the Board of Directors and provided that recipients comply with the grant conditions and criteria set by the Board of Directors, the Company will transfer to them the number of shares granted by the Board of Directors. Recipients will be shareholders but will be barred from disposing of their shares during the lock-up period set by the Board of Directors.

Lock-up period

The recipients will undertake to keep their shares for a period of two years from the expiration of the waiting period, as referred to above.

Shares allocated to Company Representatives after January 1, 2007 shall be subject to transferability restrictions as follows: a maximum of 40 % may be transferred at the end of the initial two-year lock-up period, 70 % after three years, and 90 % after four years. In any event, a minimum of 10 % of the shares allocated shall be retained until expiry of the holder’s term of office.

Beneficiaries’ rights

Even though the shares will not be transferable, recipients holding title to shares will be entitled, like any other shareholder, to all other rights attached to such shares during the lock-up period, including:

– preferential subscription rights;

– right to communication;

– right to participate to shareholders' meetings;

– voting rights;

– right to dividends and, if applicable, distributed reserves.

During fiscal year 2008, grants of shares made in 2006 to Company's representatives and employees became final following the expiration of their vesting period. The corresponding shares were transferred to the following beneficiaries: on September 15, 2008 to Stéphane Bancel (eighty five thousand shares), with a unit share value of 63.40 euros; on November 15, 2008, to Thierry Bernard (eight thousand shares), Eric Bouvier (five thousand shares), Jean Deleforge (two thousand five hundred shares), Richard Ding (five thousand shares), Jean-Marc Durano (two thousand five hundred shares), Peter Kaspar (ten thousand shares), Matthieu Lebrun (two thousand five hundred shares), Jean Le Dain (ten thousand shares), with a unit share value of 59.01 euros; on December 20, 2008, to Stéphane Bancel (twenty thousand shares), with a unit share value of 59.00 euros.

SECTION 7

RECENT DEVELOPMENTS AND PROSPECTS

7.1 RECENT COMPANY DEVELOPMENTS

7.1.1 Current events concerning the Board of Directors and the Committees of the Board

The Board of Directors met on March 13, 2009. The principal items on the agenda were the settlement of the company and consolidated financial statements for the year ended December 31, 2008, the allocation of income for fiscal year 2008, the approval of regulated agreements entered into by the Company, and the grant of authority to the Board of Directors in connection with the buyback by the Company of its own shares.

During this meeting, it was decided to submit certain draft resolutions to an ordinary and extraordinary general shareholders' meeting, including notably the usual financial grants of authority to the Board of Directors.

The Audit Committee met on March 10, 2009. The principal items discussed were the settlement of the financial statements for fiscal year 2008; the financial aspects of the management report; a report on the work done on the Chairman's report on internal control procedures; a report on the work done in preparation for the Company's Reference Document; and the draft of press releases on the financial results for the year and quarterly financial announcements.

The Compensation Committee met on March 12, 2009. The principal items discussed were its membership, the distribution of bonus shares policy, the compensation of Company representatives and review of the proposals to revise the compensation and bonuses of Management Committee members.

7.1.2 Principal developments since January 1, 2009

7.1.2.1 Quarterly financial reports

Events during the quarter

As of March 31, 2009, net sales amounted to 286 million euros, representing an increase of 6.4 % on a constant currency and perimeter basis compared to the first quarter of the preceding year. Growth reached 10.6 %, on a constant currency basis, taking into account activities derived from business development agreements.

Net sales by area In million euros	**3 months 2009**	3 months 2008	Variation	**Variation** On a constant currency and perimeter basis
Europe [(1)]	**166.9**	158.5	+5.2 %	**+5.8 %**
North America	**70.6**	55.7	+26.8 %	**+3.0 %**
Asia Pacific	**31.4**	27.1	+16.0 %	**+12.5 %**
Latin America	**17.1**	16.1	+6.1 %	**+13.9 %**
TOTAL	**286.0**	257.4	+11.1 %	**+6.4 %**

(1) including the Middle East and Africa

Activity

As of end March 2009, the growth in revenue was 11.1 % in euros:

Variation of net sales In million euros			
Net sales - 3 months 2008	**257**		
Currency impact	+1		
Organic growth, on a constant currency and perimeter basis	+17	*+6.4 %*	*+10.6 %*
Perimeter variations[(1)]	+11	*+4.2 %*	
Net sales - 3 months 2009	**286**		

[(1)] Of which acquisitions of companies (9 million euros), new distributions (2 million euros) and activities sold or discontinued

Over the first quarter of the fiscal year, activity was different depending on the various regions concerned (figures provided on a constant currency and perimeter basis):

– In Europe – Middle East – Africa (58 % of total revenue), growth reached 5.8 %. In France, sales that had been buoyant during the first quarter 2008 (+4.1 %) underwent a slight decrease (-0.7 %); a review of the Ballereau report by the French Parliament, with a view to amending the statutory provisions governing medical analysis laboratories, weighed down on instrument sales. Outside France, business grew strongly (+8.5 %). The growth figures for Germany, the United Kingdom and South Africa are essentially responsible for this variation.

  The clinical applications segment remained dynamic, spurred on in particular by microbiology reagents and molecular biology. In VIDAS® immunoassays, the growth of reagents with high clinical value remained strong, which corrected the downturn in routine tests. The industrial applications segment, which is more vulnerable to the economic context, underwent a decrease in instruments sales over the quarter.

– In North America (25 % of total revenue), within an especially tense financial and economic context, revenue grew by 3 % over the first three months of 2009.

  In the clinical segment, instrument sales decreased, as certain laboratories continued to postpone their investment decisions. Furthermore, the growth of reagents sales was adversely affected by the low consumption of blood culture bottles, as influenza occurrences were infrequent this winter[21].

  Industrial applications grew by 7.1 %.

– The Asia Pacific region (11 % of total revenue) continued to grow strongly (+12.5 %), which shows good dynamics in the clinical and industrial applications segment. In particular, sales in VIDAS® immunoassays grew strongly.

– In Latin America (6 % of total revenue), business benefited from the success experienced by all product ranges, and increased by nearly 14 % and virtually all of the countries in that region recorded two-digit growth.

[(21)] Source : CDC (Centers for Disease Control and Prevention) – www.cdc.gov

Over the first quarter of the fiscal year, on a constant currency and perimeter basis, the variation in business by application is shown below:

Net sales by Application In million euros	**3 months 2009**	3 months 2008	Variation	**Variation** On a constant currency and perimeter basis
Clinical applications	**242.6**	219.6	+10.5 %	**+6.4 %**
Industrial applications	**43.4**	37.8	+14.6 %	**+6.6 %**
TOTAL	**286.0**	257.4	+11.1 %	**+6.4 %**

– In the clinical segment, sales were driven by VITEK® and NucliSENS® reagents and by culture media. The growth of VIDAS® reagents was especially strong in emerging countries due to the extensive menu on offer.

  In the current context, the Company benefits from its position in the infectious disease, cancer and cardio-vascular emergency segments. Indeed, early detection of these pathologies positively influences patient health, avoids the risk of worsening and assists in the determination of effective treatment.

– In the industrial applications segment, reagent sales were spurred by the strong growth of the BioBall® and TEMPO® product ranges. However, growth was adversely affected by instrument sales.

Overall, sales of reagents and services, representing the recurrent portion of the Group's business, grew by nearly 8 %. As of end March 2009, they represented approximately 92 % of consolidated revenue, which increased following the acquisitions of BTF in 2007, AB BIODISK and PML Microbiologicals in 2008 (which are companies that do only sell reagents).

Other financial items for the quarter

– As of end March 2009, the Group's personnel totaled 6,228 employees (in full-time equivalents); this figure totaled 6,140 employees as of December 31, 2008.

– Net indebtedness as of March 31, 2009 was 36 million euros; it amounted to 51 million euros as of December 31, 2008.

bioMérieux has subscribed a syndicated facility for 260 million euros, maturing in January 2013 and drawn in the amount of 15 million euros as of March 31, 2009.

Highlights for the quarter

During the first quarter, bioMérieux marketed a new range of innovative culture media (Media Fill Test), intended to monitor aseptic manufacturing processes within the pharmaceutical industry. This is required under Manufacturing Best Practice.

Within the framework of its FMLA™ ("Full Microbiology Lab Automation™") strategy, the Company marketed the PREVI™ Isola and PREVI™ Color Gram platforms, launched in 2008, in new territories. It also continued to develop new IT system features, in particular for automated updating of biological databases and remote maintenance.

7.1.2.2 New Products

On April 7, 2009, bioMérieux launched two innovative culture media for aseptic fill simulations or Media Fill Tests (MFT): BTS 3PTM containing animal peptones and BTS 3PTM containing vegetal peptones and a colored indicator to improve the effectiveness of quality control and reduce potential errors.

On May 15, 2009, bioMérieux announced the development of full microbiology laboratory automation (FMLA™) concept, by offering its clients a new tool: the LeanSigma® method, which is to date the best method for improving performance and organizations.

On May 19, 2009, bioMérieux presented the HIV infection detection test at the European Congress of Clinical Microbiology and Infectious Diseases (ECCMID). NucliSENS EasyQ® HIV-1 v2.0 is a test capable of detecting viral loads, even when low, in AIDS patients, thus offering one of the highest sensitivity levels available on the market.

7.1.2.3 Miscellaneous

On May 12, 2009, bioMérieux and the European Society of Clinical Microbiology and Infectious Diseases (ESCMID) awarded the 2009 research subsidy grant, which rewards a young scientific researcher of East European origin for his excellent contribution and remarkable advances in the field of clinical microbiology.

7.2 FINANCIAL TARGETS

In light of the current deterioration of the economic and financial environment, bioMérieux, taking into account the uncertainty surrounding instruments sales, especially in North America, sets a growth target of 5 to 7 % for 2009, on a constant currency and perimeter basis.

It aims for an overall growth of 7 to 9 % of its sales on a constant currency basis, including the recent business development agreements. This growth range is consistent with the aims set out in the 2012 strategic plan.

In 2009, the Company's aim is to achieve a current operational margin close to 16 %, based on the 2008 exchange rate, before deduction of increased costs relating to the shutdown of the Boxtel site. This objective takes into account the scheduled reduction of fees collected and operational losses expected for bioTheranostics.

The above forecasts and objectives are based, entirely or partially, on assessments or decisions that may change or be modified notably due to uncertainties concerning the economic, financial, regulatory or competitive environment. Besides, should certain risks mentioned in section 4 of this Reference Document materialize, this would impact the activity of the Company and its capacity to meet its objectives. The achievement of the objectives also relies on the success of the commercial strategy and the absence of unforeseen break off in the in vitro diagnostics market.

Accordingly, the Company cannot give any assurance or make any representation as to whether these objectives will be met. The Company does not undertake to issue or communicate any correcting or update of forecasts or objectives presented herein, except in compliance with the disclosure obligations applicable to companies whose shares are listed on a stock exchange.

GLOSSARY OF SCIENTIFIC TERMS

– **Acute coronary syndrome**: Decreased blood flow in the coronary arteries resulting in inadequate oxygenation of the myocardial muscle.

– **Amplification**: Technique, usually using enzymes, for multiplying nucleic acids in order to increase the sensitivity of detection methods.

– **Antibiotic**: Substance of natural or synthetic origin capable of stopping the multiplication of bacteria.

– **Antibiotic susceptibility test**: Analysis determining the sensitivity of a bacterium to antibiotics.

– **Antibody**: Protein synthesized by B lymphocytes and plasma cells, capable of recognizing a particular antigen and binding to it.

– **Antigen**: Any substance or element capable of triggering a specific immune reaction in an individual.

– **Bacterium**: Life form consisting of a single independent cell, lacking chlorophyll and visible only under a microscope. Bacteria do not belong to either the plant or the animal kingdom.

– **Biochemistry**: Science which studies the correlation between the structure of natural molecules and the consequences for their activity.

– **Blood culture**: Laboratory technique for determining the presence or absence of bacteria and other microorganisms in the blood.

– **Broad-spectrum beta-lactamase**: Beta-lactamases are a family of enzymes responsible for bacterial resistance to certain antibiotics such as penicillin.

– **Campylobacter**: Genus of Gram-negative bacteria capable of causing food poisoning.

– **Candida albicans**: The most important and best-known yeast species of the genus Candida. It causes infections (candidiasis), mainly of the digestive and vaginal mucosa.

– **Chromogen**: A substance that is colored under certain conditions. Incorporated in a culture medium, it reveals the presence of an enzyme and thereby identifies the cultured bacterium.

– **Consumable**: Single-use accessory, generally employed in an analysis instrument.

– **Contaminant**: Substance present where it should not be.

– **Corynebacterium**: Bacterium of a genus including many species of Gram-positive bacilli which account for a large proportion of the flora of the skin and the mucosa.

– **Culture medium**: Simple or compound nutrient composition in liquid or solid form, used to maintain or increase the development of a microbial species under appropriate biological conditions.

– **Cytology** (or cellular biology) : an area of biology concerning inter alia the study of cells and their organites, the vital processes taking place therein as well as the mechanisms allowing their survival thereof (reproduction, metabolism).

– **Cytomegalovirus**: Virus responsible for infections, usually undetected. It becomes pathogenic above all in patients with weak immune defenses. Member of the herpes virus family, which includes *inter alia* herpes simplex virus (HSV) or herpes virus hominis (HVH), cytomegalovirus (CMV), varicella-zoster virus (VSV) and Epstein-Barr virus (EBV).

– **Cytometry**: Counting of cells.

– **DNA**: Acronym for deoxyribonucleic acid. Polymer composed of a chain of nucleotides. These nucleotides consist of a sugar (deoxyribose), a phosphate group and one of the following nitrogen-containing bases: adenine (A), cytosine (C), guanine (G) or thymine (T).

– **Endogenous**: That which originates inside a system, especially inside an organism.

– **Enterobacteria**: Family of bacilli (bacteria) revealed by Gram-negative staining. Anaerobic (do not require oxygen to live and reproduce).

– **Enterococcus**: Oval-shaped bacterium of the group D streptococcus family, usually resident in the intestine of healthy humans.

– **Enterovirus**: Virus entering the organism through the gastro-intestinal system, developing there, and from there most often attacking the nervous system. Polio viruses are enteroviruses.

– **Enzyme**: Protein macromolecule which speeds up a biochemical reaction.

– **Extraction**: Term applied to the steps which extract nucleic acids from the cells that contain them and process them so they can be used in molecular biology techniques such as amplification.

– **Flow cytometry**: Technique of passing a stream of cells at high speed through a laser beam. The light re-emitted (by diffusion or fluorescence) enables the cell population to be classified and sorted according to several criteria.

– **Functionalized polymer**: Organic or inorganic macromolecule formed by a chain of repeating units to which are grafted chemical groups intended to give the macromolecule a particular function.

– **Fungal**: That which relates to fungi.

– **Genome**: The whole of the genetic information (DNA, RNA) of a living being contained in each of its cells.

– **Genotyping**: Determination of all the genes contained in the cells of an organism.

– **Gram staining**: Staining which reveals the properties of the bacterial wall so that they can be used to distinguish and classify bacteria. The main distinction is between Gram-positive and Gram-negative bacteria.

– **Histology**: the study of tissue; in particular research on tissue composition, structure and renewal.

– **Immunoassay**: Detection of pathology markers using an antigen/antibody reaction.

– **In vitro diagnostics**: Tests performed outside the human body on biological samples: urine, blood, etc.

– **In vivo diagnostics**: Tests performed inside the human body using diagnostic tools such as antibodies.

– **Legionella**: Genus of Gram-negative bacillus-type bacteria present in the environment, in particular in water. Contamination of tank water or air-conditioning condensates in some buildings has caused epidemics.

– **Listeria**: Genus of bacteria which can cause listeriosis, an infectious disease which is potentially serious in new-born babies, pregnant women or individuals with low resistance.

– **Marker**: A reagent used to detect the substance to which it is bound. A biological marker (biomarker) is a substance that is assayed to help diagnose a pathology.

– **Methicillin**: Semi-synthetic penicillin.

– **Microbiology**: Study of microorganisms, including *inter alia* viruses, bacteria and fungi

– **Microorganism**: Living organism of microscopic size.

– **Molecular biology**: New technology based on the detection of DNA or RNA genetic sequences characteristic of a bacterium, a virus, a protein or a cell.

– **MRSA**: Methicillin-resistant Staphylococcus aureus bacterium.

– **Multi-resistant bacteria**: Bacteria are said to be multi-resistant to antibiotics when they are sensitive to only a small number of the antibiotics customarily used in therapy, as a consequence of the accumulation of natural and acquired resistances.

– **Mycobacteria**: Rod-shaped bacillus-type bacteria. Some species of mycobacterium are pathogenic: M. leprae responsible for leprosy; M. tuberculosis, responsible for tuberculosis.

– **Neisseria**: Genus of bacteria which includes the meningococci (causative agents of meningitis) and the gonococci (causative agent of gonorrhoea).

– **Nosocomial**: Disease contracted in a hospital or other healthcare establishment by a patient who did not have this disease on admission.

– **Nucleic acid**: Organic chemical substance present in each cell, capable of carrying and transmitting encoded hereditary instructions, thus enabling the development of the organism. There are two types of nucleic acid, DNA and RNA.

– **Oncology**: Field of medicine concerning the study of tumors.

– **Parasite**: An organism that lives at the expense of another living organism.

– Pathogen: An agent which causes or may cause diseases.

– **Pharmacogenomics**: Area of pharmacology studying the interaction between all the genes of an individual and a drug once it has been absorbed.

– **Protein**: A basic constituent of all living cells. A protein is an assembly of amino acids linked by peptide bonds.

– **Proteomics**: Science which studies proteomes, i.e. the wholet of proteins of a cell, organelle, tissue, organ or organism at a given time and under given conditions.

– **Pulmonary embolism**: Sudden obstruction of one of the branches of the pulmonary artery or of the pulmonary artery itself by a blood clot (small mass of coagulated blood) which forms on the wall of a vein and becomes detached.

– **Quality indicator**: Term used in food processing to define the microorganisms responsible for visual or taste alterations (e.g. mould or bacterial contamination). Quality indicator counts are used to assess product hygiene.

– **Rheumatoid arthritis**: The most frequent chronic inflammatory rheumatism. Its cause is not fully known, but it is one of the autoimmune diseases (the body produces antibodies against its own tissues).

– **RNA**: Acronym for ribonucleic acid. Polymer similar to DNA; like DNA, has a role as a vector of genetic information. The sugar in RNA is a ribose.

– **Sepsis**: Excessive reaction of the immune system and the coagulation system of the organism to an infection. This reaction is characterized by systemic inflammation and by blood coagulation problems, which can rapidly lead to organ failure (severe sepsis) and, in many cases, death.

– **Septicaemia**: Serious systemic infection of the organism by pathogenic germs, indicated by the presence of microorganisms in the blood.

– **Serology**: Study of the alterations in the serum under the influence of diseases, for example by the assay of antibodies.

– **Staphylococcus**: Genus of Gram-positive bacteria, usually observed in clusters resembling bunches of grapes.

– **Substrate**: A molecule which binds to the active site of an enzyme and is converted into one or more products.

– **Theranostics**: The association of a diagnostic test with a therapy, forming the basis for personalized medicine.

– **Total viable count**: Gives a quantitative idea of the presence of microorganisms such as bacteria, yeasts and moulds in a sample. In practice the value is the number of colony-forming units per gram of sample.

– **Typing**: Method which can help in assessment of the compatibility between two individuals, their organs, tissues or blood. Technique use to characterize bacteria.

– **Venous thrombosis**: Formation of a blood clot in a vein. It usually occurs in a vein of the lower limbs, in the leg or hip, rarely in the upper limbs.

– **Virus**: Rudimentary infectious microorganism, containing a single type of nucleic acid encaged in a protein capsid, which uses the materials of the cell that it parasitizes to synthesize its own constituents. It reproduces using just its own genetic material.

CROSS REFERENCE

Items from appendix 1 to European regulation 809/2004	**Sections of the 2008 Reference Document filed with the AMF on June 10, 2009**
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bioMérieux S.A.
69280 Marcy l'Etoile
France
Tél. : 33 (0)4 78 87 20 00
Fax : 33 (0)4 78 87 20 90
www.biomerieux.com

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