



PRESS RELEASE

## bioMérieux - Second-Quarter 2014 Business Review

- ▼ Solid growth in first-half sales
  - Up 7.9%, including BioFire and at constant exchange rates
  - Up 4.2% like-for-like\*, in line with the target for the year
  - Up 3.5% on a reported basis
- ▼ Greater disparity between regions
  - Good sales momentum in North America
  - Business recovery confirmed in Europe
  - Slowdown in China
- ▼ 2014 objective of 3%-5% organic sales growth maintained
- ▼ Effective deployment of the new organization
- ▼ Significant progress on the integration of BioFire
  - Regulatory approval obtained for a third panel
  - Commercial availability of FilmArray<sup>®</sup> extended to new markets
  - Molecular biology sales including BioFire: up 70%

“bioMérieux reported solid growth in net sales in the first half of 2014,” said Chief Executive Officer Alexandre Mériéux. “Led by vigorous demand in North America and a markedly improved sales performance in Europe, organic growth came to 4.2% for the period, despite low sales in China. Following the consolidation of BioFire, which was acquired in mid-January 2014, overall growth totaled 7.9% at constant exchange rates. Backed by our new operating structure which, in particular, will help us to energize the process of executing our strategic plan and by the geographical diversification of our business model, we are confirming our organic sales growth objective for 2014.”

**Marcy l'Etoile, France - July 17, 2014** – bioMérieux, a world leader in the field of *in vitro* diagnostics, today released its business review for the six months ended June 30, 2014.

### SALES

Sales ended the first half at €781 million, versus €754 million a year earlier, for a reported increase of 3.5%. Exchange rate fluctuations, primarily reflecting the rise in the euro against other currencies, resulted in a negative currency effect of €33 million, or 440 bps. In this environment, organic growth (at constant exchange rates and scope of consolidation) came to 4.2%. In addition, consolidated sales included the €28 million in sales generated by BioFire as from January 16, driving a 7.9% increase in sales at constant exchange rates.

Analysis of Sales		
In € millions		
<b>Sales - Six months ended June 30, 2013</b>	<b>754</b>	
Currency effect	-33	-4.4%
Organic growth (at constant exchange rates and scope of consolidation)	+32	+4.2%
Change in the scope of consolidation - Additional sales from BioFire <sup>(1)</sup>	+28	+3.7%
<b>Sales - Six months ended June 30, 2014</b>	<b>781</b>	+3.5%

} +7.9%

<sup>(1)</sup> BioFire has been consolidated since its acquisition closed on January 16, 2014

\* On an organic basis (at constant exchange rates and scope of consolidation)

In first-half 2014, bioMérieux's **sales performance** was in line with the annual target set at the beginning of the year. Vibrant demand in North America and solid sales in Western Europe, in the Eastern Europe-Middle East-Africa region, and in Latin America helped to offset a slow start to business in China, particularly in instrument and industrial application sales, which limited organic growth in emerging markets to around 5%. Broad geographic diversification of the business provided the Company with a solid base for expansion. At constant exchange rates and scope of consolidation, first-half 2014 sales is summarized by region as follows:

<b>Sales By Region</b> In € millions	<b>6 months ended June 30, 2014</b>	6 months ended June 30, 2013	% Change As reported	% Change At constant exch. rates & scope of consolidation	<b>Q2 2014</b>	Q2 2013	% Change As reported	% Change At constant exch. rates & scope of consolidation
Europe <sup>(1)</sup>	<b>402</b>	391	+2.9%	<b>+3.9%</b>	<b>208.5</b>	200.4	+4.1%	<b>+5.0%</b>
North America <sup>(2)</sup>	<b>196</b>	168	+16.4%	<b>+5.6%</b>	<b>99.9</b>	86.1	+16.1%	<b>+5.7%</b>
Latin America	<b>59</b>	64	-7.7%	<b>+9.2%</b>	<b>32.8</b>	34.6	-5.3%	<b>+10.2%</b>
Americas	<b>255</b>	232	+9.8%	<b>+6.6%</b>	<b>132.7</b>	120.7	+10.0%	<b>+7.0%</b>
Asia-Pacific	<b>120</b>	131	-8.3%	<b>-1.7%</b>	<b>66.9</b>	74.2	-9.9%	<b>-4.4%</b>
<b>Total per Region</b>	<b>777</b>	754	+3.1%	<b>+3.7%</b>	<b>408.1</b>	395.3	+3.3%	<b>+3.9%</b>
R&D-related Revenue	<b>4</b>				<b>1.8</b>			
<b>TOTAL</b>	<b>781</b>	754	+3.5%	<b>+4.2%</b>	<b>409.9</b>	395.3	+3.7%	<b>+4.3%</b>

<sup>(1)</sup> Including Middle East and Africa

<sup>(2)</sup> Including €27 million in BioFire sales

- ▼ In the **Europe-Middle East-Africa** region (52% of the consolidated total), sales improved by a significant 3.9% on the prior-year period.

  - In Western Europe (44% of the consolidated total), where the first signs of economic recovery continued, sales rose by 2.8% following four years of decline or stagnation. Vigorous gains in Germany (up 6%) and the United Kingdom (up 7%) were underpinned notably by clinical microbiology sales. In the persistently challenging French market, bioMérieux's sales increased over the period thanks to satisfactory sales of reagents and instruments in the automated ID/AST line. Lastly, in Southern Europe, the upturn in business that began in the first quarter of 2014 was strengthened by a solid performance in clinical microbiology reagents and industrial applications, leading to total year-on-year growth of more than 3% for the countries concerned, even as the Company maintained its strict approach to trade receivables management.

Robust instrument sales supported business in the clinical sector. Boosted by the broad product portfolio, sales of industrial applications were higher in virtually every country.
  - Delivering growth of 10% year-on-year, the Eastern Europe-Middle East-Africa region confirmed its vitality in both clinical and industrial applications. Its ability to sustain this momentum could nevertheless be affected if geopolitical tensions in the region endure.
- ▼ The Group's newly created **Americas** region, accounting for a third of consolidated sales, delivered growth of 6.6% for the period.

  - In **North America** (25% of the consolidated total), sales climbed by a solid 5.6%.

In clinical applications, the VITEK<sup>®</sup> automated ID/AST line pursued its development, helped by the installation of a large number of VITEK<sup>®</sup> MS systems. VITEK<sup>®</sup> MS is the only mass spectrometry system cleared by the U.S. Food and Drug Administration (FDA) for the routine detection of a comprehensive menu of disease-causing microorganisms and the first system in the VITEK<sup>®</sup> line to enable detection in minutes. In addition, VIDAS<sup>®</sup> continued to benefit from the success of the VIDAS<sup>®</sup> B.R.A.H.M.S PCT<sup>™</sup> assay in the intensive care market.

In industrial applications, growth was lifted by reagent sales but dampened by weaker instrument sales, reflecting longer periods required to negotiate certain sales contracts compared with what was previously observed.
  - In **Latin America** (8% of the consolidated total), sales improved in all of the direct distribution countries in the region. Business continued to be driven by reagents, the local currency prices of which were in some cases significantly increased at the beginning of the year in order to adjust the sales strategy to the volatile exchange rate environment.

- In the **Asia-Pacific** region (15% of the consolidated total), business contracted by 1.7% year-on-year. While sales in India climbed by a rapid 21% in the second quarter, particularly in clinical applications, business in China recovered more slowly than anticipated. In China, reagent sales grew at a solid pace, especially in clinical applications. Nevertheless, the Company saw a sharp slowdown in business from its distributors in the public health laboratory equipment sector and its performance in industrial applications was negatively impacted by the observed postponement of tenders by customers. In this environment, sales were down by 5% year-on-year in China for the first time since March 2009. However, the Company believes that the current trend in clinical reagent sales should help to turn business around to a certain extent in the second half of the year, and that market fundamentals – such as healthcare reform, the emerging middle class, the fight against infectious diseases and antibiotic resistance, as well as growing food safety needs – remain unchanged. The Company therefore reaffirms its development strategy for China and remains convinced that it has the necessary competitive advantages to achieve its ambitions there.

In the Asia-Pacific region as a whole, growth in the VIDAS<sup>®</sup> reagent line drove bioMérieux's sales performance in the clinical sector, whereas sharply lower sales in China held back business in industrial applications.

First-half 2014 sales, at constant exchange rates and scope of consolidation, may be analyzed by application as follows:

<b>Sales By Application</b> In € millions	<b>6 months ended June 30, 2014</b>	<b>6 months ended June 30, 2013</b>	<b>% Change As reported</b>	<b>% Change At constant exch. rates &amp; scope of consolidation</b>
<b>Clinical Applications</b>	<b>620</b>	597	+3.9%	<b>+4.4%</b>
Microbiology	<b>365</b>	377	-3.3%	<b>+1.0%</b>
Immunoassays <sup>(1)</sup>	<b>185</b>	175	+5.5%	<b>+10.4%</b>
Molecular Biology <sup>(2)</sup>	<b>62</b>	37	+69.6%	<b>+9.9%</b>
Other Lines	<b>8</b>	8	+3.2%	<b>+8.7%</b>
<b>Industrial Applications <sup>(3)</sup></b>	<b>157</b>	157	+0.0%	<b>+1.2%</b>
<b>Total per Application</b>	<b>777</b>	754	+3.1%	<b>+3.7%</b>
R&D-related Revenue	<b>4</b>			
<b>TOTAL</b>	<b>781</b>	754	+3.5%	<b>+4.2%</b>

<sup>(1)</sup> Including VIDAS<sup>®</sup>: +11.8%

<sup>(2)</sup> Including €23 million in BioFire sales

<sup>(3)</sup> Including €5 million in BioFire Defense sales

- In **clinical applications**, sales advanced by a solid 4.4%.
  - Microbiology** sales rose by 1%, led in particular by the strong performance of the automated ID/AST line, culture media and full microbiology lab automation solutions. However, there was a year-on-year erosion in sales of the BacT/ALERT<sup>®</sup> blood culture line, for which production volumes continued to fall short of customer needs (see paragraph about Durham in “Second-Quarter Operating Highlights” below). In 2014, the Company will broaden its commercial offering further with the launch of two new, particularly innovative systems. The new generation Virtuo<sup>™</sup> blood culture system is in its final phase and teams are actively preparing for its upcoming market launch in target countries that recognize the CE marking. At the same time, the first incubator incorporating imaging technologies is being installed in the laboratory of the partner with whom bioMérieux is developing this system. In this way, it can be gradually introduced for use in routine microbiology diagnostics before the year-end.
  - In immunoassays**, VIDAS<sup>®</sup> line sales accelerated rapidly in the second quarter, bringing growth to nearly 12% for the first six months of the year. Sales were led by reagents and instruments, helped by the successful positioning of the VIDAS<sup>®</sup> line in high medical value assays and in emerging markets. In addition, the VIDAS<sup>®</sup> 25 OH Vitamin D Total test, which was CE-marked in late 2013, enjoyed a promising start-up during the period.
  - Molecular biology** reported a nearly 10% year-on-year increase in organic sales, thanks to the fast growth in the ARGENE<sup>®</sup> line. Including the contribution of BioFire, which has been consolidated from January 16, molecular biology sales grew by 70% in the first half of the year.

- Industrial applications represent 20% of consolidated sales. Up 1.2% year-on-year, they were penalized by delays in public tenders in China and weak instrument sales in North America. However, business remained robust in the Eastern Europe-Middle East-Africa region and continued to trend upwards in Western Europe. Over the rest of the year, the Company expects the favorable trend observed in Europe to continue and a return to buoyancy in North America, and thereby aims to gradually reinvigorate sales in industrial applications. The Company has a variety of unique competitive advantages – the market’s broadest product line-up, marketed innovative solutions, a rich development pipeline, and a global presence – and therefore believes that it is capable of meeting the growing needs of its client base.
- Sales of reagents and services, which represented 90.7% of consolidated sales, rose by more than 5% on an organic basis.

## OTHER INFORMATION

### Installed base

The installed base at June 30, 2014 represented approximately 76,270 instruments. It included more than 860 FilmArray® units. Over the period, it increased by 1,560 new instruments, of which 150 FilmArray® units.

### Consolidated income statement

First-half operating income before non-recurring items should be more adversely impacted than expected by the decline in certain currencies against the euro since second-half 2013. It will also be penalized by distribution conditions in China, which were more difficult than forecast, budget overruns at the Durham plant and the increase in shipping costs, which outpaced the growth in sales.

In response, the Company has implemented an operating cost control plan. However, most of the plan’s expected financial impact will not be reflected in the financial statements until the second half.

### Net debt

At June 30, 2014, net debt stood at €307 million after 1) payment of the BioFire acquisition price (€359 million in January 2014) and the dividend (€39 million in early June 2014) and 2) receipt of payments from the Spanish authorities settling all of the past-due public-sector receivables until December 31, 2012 (€13 million in February 2014) and of the proceeds from the sale of the Boxel plant (€11 million in late June 2014). At December 31, 2013, the Company had a net cash position of €25 million.

The Company has €300 million in seven-year bonds, placed with institutional investors in October 2013. Lastly, it has a €350-million syndicated line of credit whose expiration date was extended during the first half to May 20, 2019.

## SECOND-QUARTER OPERATING HIGHLIGHTS

### Solid progress in integrating BioFire

The integration of U.S.-based BioFire continued apace over the quarter. Acquired mid-January 2014, BioFire is specialized in the molecular and syndromic diagnosis of infectious diseases with FilmArray®, a multiplex PCR molecular biology system that is CE-marked and FDA-cleared. FilmArray®’s menu currently comprises three panels – respiratory, blood culture ID and gastrointestinal – all of which are CE-marked and FDA-cleared.

As soon as the transaction closed, the bioMérieux and BioFire teams began the integration process, which is already starting to deliver real benefits:

- Discussions have been initiated with BioFire distributors and, beginning in July, FilmArray® can be directly marketed by the Company’s local sales subsidiaries in eight European countries (including France, the United Kingdom, Germany and Scandinavia). Fees due on the cancellation of these agreements are only expected to total a little more than €1 million as of end-June 2014, and will be recognized as a non-recurring operating expense.
- FilmArray® has also been granted commercial authorizations in new markets. In particular, in June, approval by Australia’s Therapeutic Goods Administration (TGA) for the FilmArray® instrument, respiratory panel, and blood culture identification panel was obtained in only five days. Moreover, the commercial availability of FilmArray® was expanded to new European territories including Hungary, Norway, Slovakia, the Czech Republic and Poland.

- As a result, by the end of June, FilmArray<sup>®</sup> was available for sale in the United States, in 25 European countries that recognize the CE marking, in Hong Kong, in Australia, in Thailand and in other countries that do not require regulatory licenses (such as Chile and South Africa). The Company is actively working to obtain regulatory approvals for commercialization in other countries, such as China, India and Brazil.
- On the other hand, the legal protest action initiated by a competing company regarding the award of the \$240 million Next Generation Diagnostic System (NGDS) Technology Development contract to BioFire Defense by the U.S. Department of Defense (DoD) was still underway at the end of June and the related work was still on hold.

Over the five and a half months from January 16 to June 30, 2014, BioFire contributed sales of €28 million, reported in “change in the scope of consolidation” for the period. This represented a year-on-year gain of around 42%. With the global marketing organization still in the deployment phase, North America accounted for €27 million of the total.

#### ▼ **Commercial offer**

In the first half of the year, bioMérieux enhanced its commercial offer and launched three new products, including:

- The **FilmArray<sup>®</sup> gastrointestinal (GI) panel**, which received FDA 510(k) clearance and was CE-marked during the second quarter. Now commercially available in the United States and Europe, the 22-target GI panel allows a syndromic approach to the diagnosis of infectious diarrhea as it includes bacteria, viruses and parasites in one test. It is the most comprehensive gastrointestinal test to be cleared by the FDA and contains several pathogens receiving FDA clearance for the first time.
- During the quarter, bioMérieux expanded the TEMPO<sup>®</sup> menu with the launch of its 10<sup>th</sup> card, **TEMPO<sup>®</sup> BC**, which is used for *Bacillus cereus* group enumeration in 24 hours. Found around the world, these bacteria are transmitted by eating contaminated food (chiefly poorly refrigerated cooked food, like rice) and can cause food poisoning.

In addition, since its European launch a year ago, **VIDAS<sup>®</sup> 3** has been favorably received and has gradually set the new standard for the VIDAS<sup>®</sup> line in all of the 42 countries where it is commercially available. Today, following the launch in Europe, bioMérieux is continuing to commercially deploy the instrument in Latin America and the Asia-Pacific region, where it has been cleared for sale in China by the SFDA. During the second quarter, bioMérieux filed for U.S. FDA approval for commercialization in the U.S. By the end of June, the VIDAS<sup>®</sup> 3 installed base represented about 350 instruments. Its expansion reflected both the intrinsic qualities of the instrument, as well as the breadth and relevance of its menu. In particular, the VIDAS<sup>®</sup> 25 OH Vitamin D Total assay has proven to be an effective demand catalyst.

In addition, as part of the streamlining of its product portfolio, the Company has decided to stop the commercialization of certain lines whose associated business accounted for around an aggregate 1% of 2013 consolidated sales. These included LyfoCults<sup>®</sup> Quality Control reagents, which will be gradually phased out in 2015, the vast majority of biochemical reagents, to be terminated in first-half 2015, and BacT/ALERT<sup>®</sup> bottles for mycobacteria detection in the blood stream, to be terminated in first-quarter 2015. In the last case, the bottles are still made of glass and their manufacturing process is becoming obsolete. bioMérieux has therefore decided to suspend the sale of these BacT/ALERT<sup>®</sup> reagents and to conduct a study to determine the feasibility of marketing them in unbreakable polycarbonate bottles.

#### ▼ **The Durham, NC plant in the United States**

The Company is pursuing a broad action plan intended to reinforce the Durham site's quality system and to return to a satisfactory blood culture bottle production situation by the end of 2014. In particular, in accordance with this schedule, bioMérieux is validating the newest BacT/ALERT<sup>®</sup> production line on which capacities have been increased this summer to 24 hours / 7 days production (versus the current 24/5). Moreover, in early July, the Company has initiated the construction on an additional blood culture bottle production line. This new line is expected to be effective in the first half of 2017 to provide sufficient production capacity to meet the world's further increasing demand of blood culture bottles for the years to come.

#### ▼ **Deployment of the new operating organization**

On April 15, 2014, the Company announced the deployment of a **new organization** led by Alexandre Mérieux.

Three regional organizations with expanded responsibilities have been created: a Europe-Middle East-Africa region, an Americas region and an Asia-Pacific region. In parallel, two business units for bioMérieux's customer segments, a Clinical Unit and an Industry Unit, have been introduced.

The new organization, which is now up and running, should enable the Company to intensify the deployment of its strategic plan and to pursue its international expansion while always better serving customers.

## 2014 OBJECTIVE

Based on the current sales outlook, bioMérieux maintains its 2014 objective of between 3% and 5% **organic growth** at constant exchange rates and scope of consolidation. The Company will benefit from the resilience of its business model and the technological and geographic diversification of its business base.

## INVESTOR CALENDAR

First-half earnings: September 3, 2014, before start of trading

Third-quarter sales: October 22, 2014, before start of trading

*The above forward-looking statements are based, entirely or partially, on assessments or judgments that may change or be modified, due to uncertainties and risks related to the Company's economic, financial, regulatory and competitive environment, notably those described in the 2013 Registration Document. Accordingly, the Company cannot give any assurance nor make any representation as to whether the objectives will be met. The Company does not undertake to update or otherwise revise any forecasts or objectives presented herein, except in compliance with the disclosure obligations applicable to companies whose shares are listed on a stock exchange.*

## ABOUT BIOMERIEUX

### *Pioneering Diagnostics*

A world leader in the field of in vitro diagnostics for 50 years, bioMérieux is present in more than 50 countries through 41 subsidiaries and a large network of distributors. In 2013, revenues reached €1,588 million with 87% of sales outside of France.

bioMérieux provides diagnostic solutions (reagents, instruments, software) which determine the source of disease and contamination to improve patient health and ensure consumer safety. Its products are used for diagnosing infectious diseases and providing high medical value results for cancer screening and monitoring and cardiovascular emergencies. They are also used for detecting microorganisms in agri-food, pharmaceutical and cosmetic products.

bioMérieux is listed on the NYSE Euronext Paris market (Symbol: BIM – ISIN: FR0010096479).

Corporate website: [www.biomerieux.com](http://www.biomerieux.com). Investor website: [www.biomerieux-finance.com](http://www.biomerieux-finance.com).

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## APPENDIX: QUARTERLY SALES

Sales by Region – in € millions						
	First Quarter		Second Quarter		First Half	
	2014	2013	2014	2013	2014	2013
Europe <sup>(1)</sup>	193.9	190.7	208.5	200.4	<b>402.4</b>	<b>391.1</b>
North America	95.5	81.7	99.9	86.1	<b>195.4</b>	<b>167.8</b>
Latin America	26.2	29.4	32.8	34.6	<b>59.0</b>	<b>64.0</b>
Americas	121.7	111.1	132.7	120.7	<b>254.4</b>	<b>231.8</b>
Asia-Pacific	53.5	57.1	66.9	74.2	<b>120.4</b>	<b>131.3</b>
Total per Region	369.1	358.9	408.1	395.3	<b>777.2</b>	<b>754.2</b>
R&D-related Revenue	1.7		1.8		<b>3.5</b>	
<b>TOTAL</b>	<b>370.8</b>	<b>358.9</b>	<b>409.9</b>	<b>395.3</b>	<b>780.7</b>	<b>754.2</b>

<sup>(1)</sup> Including Middle East and Africa

Change in Sales by Region - in %						
	First Quarter		Second Quarter		First Half	
	As reported	At constant exch. rates & scope of consolidation	As reported	At constant exch. rates & scope of consolidation	As reported	At constant exch. rates & scope of consolidation
Europe <sup>(1)</sup>	+1.6%	+2.7%	+4.1%	+5.0%	+2.9%	<b>+3.9%</b>
North America	+16.8%	+5.4%	+16.1%	+5.7%	+16.4%	<b>+5.6%</b>
Latin America	-10.5%	+8.0%	-5.3%	+10.2%	-7.7%	<b>+9.2%</b>
Americas	+9.6%	+6.1%	+10.0%	+7.0%	+9.8%	<b>+6.6%</b>
Asia-Pacific	-6.3%	+1.9%	-9.9%	-4.4%	-8.3%	<b>-1.7%</b>
Total per Region	+2.3%	+3.6%	+3.3%	+3.9%	+3.1%	<b>+3.7%</b>
R&D-related Revenue						
<b>TOTAL</b>	<b>+3.3%</b>	<b>+4.1%</b>	<b>+3.7%</b>	<b>+4.3%</b>	<b>+3.5%</b>	<b>+4.2%</b>

<sup>(1)</sup> Including Middle East and Africa