

PRESS RELEASE

# bioMérieux makes a significant acquisition in molecular biology in the U.S.

# With the acquisition of BioFire, bioMérieux consolidates its position as a major player in infectious disease diagnostics

With a complete range of technologies for clinical microbiology diagnostics, bioMérieux reinforces its leadership in microbiology

FilmArray<sup>®</sup> technology for a syndromic approach to infectious diseases enhances bioMérieux's offer in high medical-value tests

**Marcy l'Etoile, France, September 3, 2013** - bioMérieux, a world leader in the field of *in vitro* diagnostics, announces that it has entered into an agreement to acquire BioFire Diagnostics Inc., a privately held U.S.-based company specialized in molecular biology. BioFire invented, manufactures and commercializes its multiplex PCR FilmArray<sup>®</sup> system, a simple and rapid molecular biology solution dedicated to the diagnosis of infectious diseases. Thanks to its syndromic approach to the diagnosis of these diseases, FilmArray<sup>®</sup> contributes to improving patient care and reducing healthcare spending. By further stimulating sales of this system and expanding its menu, bioMérieux intends to strengthen the Company's position as a major player in infectious disease diagnostics, its core strategic focus.

Created over 20 years ago, BioFire has developed, produced and marketed a number of automated molecular biology systems, in particular LightCycler<sup>®</sup>, licensed to Roche Diagnostics. BioFire, which is specialized in PCR<sup>+</sup> technology, recently developed FilmArray<sup>®</sup>, a revolutionary system that has introduced a new standard in molecular diagnostics: a syndromic approach to infectious diseases. This new medical approach is based on analyzing a syndrome (i.e. a set of symptoms) and, with a single reagent, identifying the disease-causing organisms responsible for this syndrome, whether they are viruses or bacteria. FilmArray<sup>®</sup> is a closed system that integrates all molecular diagnostics steps into a single process: sample preparation, amplification, detection and analysis of results. With unmatched user-friendliness, the system makes it easier for hospitals to perform the molecular biology tests available on its menu in the hospital laboratory, increasing the efficiency of diagnostics from both a medical and an economic viewpoint. The company's first commercially launched solution is a respiratory panel<sup>++</sup> that tests for 20 viruses and bacteria and delivers results in one hour. This respiratory panel is CE-marked and also received FDA clearance for commercialization in the United States. In addition, the sepsis panel was approved by the FDA at the end of June. Other panels are currently under development, including a gastrointestinal panel and meningitis panel.

<sup>\*</sup> PCR : Polymerase Chain Reaction

<sup>\*\*</sup> A test panel is a predetermined group of medical tests used as an aid in the diagnosis and treatment of diseases

The two companies present powerful strategic synergies. The FilmArray<sup>®</sup> system represents a key asset in the development of bioMérieux's franchise in infectious disease diagnostics, its primary area of expertise, which accounts for 85% of sales in clinical applications. On the basis of ongoing R&D, FilmArray<sup>®</sup> should make it possible to detect over 70 disease agents responsible for respiratory, gastrointestinal and blood infections within the next three years. Thus, FilmArray<sup>®</sup> is the ideal addition to bioMérieux's differentiated position in molecular biology, which is based on the easyMAG<sup>®</sup> extraction system and the ARGENE range in particular. BioFire's solutions will furthermore benefit from the extensive and dynamic bioMérieux commercial network, particularly in North America and Europe. In addition, bioMérieux will contribute its capabilities to the automation of reagent production, thereby optimizing manufacturing costs.

A company specialized in molecular biology, BioFire has facilities for research and development, manufacturing and commercialization based in Salt Lake City (Utah - United States). With over 500 employees, BioFire should generate \$70 million<sup>\*</sup> in sales in 2013, including \$40 million<sup>\*</sup> from FilmArray<sup>®</sup>, with a current operating loss before non-recurring items of \$7 million<sup>\*</sup> due to R&D investments (\$18 million<sup>\*</sup>) and expenditures to ramp up the commercial launch of FilmArray<sup>®</sup>.

"The acquisition of BioFire fits perfectly into bioMérieux's selective strategy for external growth. Following the AES purchase, which strengthened our leadership in industrial applications, the purchase of ARGENE, which showed very strong organic growth of 31% at the end of June 2013, as well as our recently signed partnership with Quanterix in ultrasensitive and multiplex immunoassays, this new acquisition represents a decisive step for our Company. It enables us to reinforce our infectious disease franchise, our main area of specialization. FilmArray<sup>®</sup> is the only system that makes it possible to detect disease-causing viruses and bacteria using a single reagent. As such, it eliminates the borders between different technologies, simplifying the diagnosis of infectious diseases and delivering faster results for better patient care," said Jean-Luc Belingard, Chairman and Chief Executive Officer of bioMérieux. "On all our markets, we now have a complete portfolio of particularly innovative technologies with two key benefits: enhanced medical value of diagnostics and optimized workflows in medical laboratories. The Salt Lake City BioFire's site will become our hub for our expansion in molecular biology. We are especially pleased to welcome the talented employees of BioFire, who will work in close collaboration with bioMérieux teams at our Grenoble and Verniolle sites."

"We could not have found a better shareholder than bioMérieux, world leader in clinical and industrial microbiology. This is an exciting next step in the evolution of BioFire, and it will allow us to achieve our mission of helping to make the world a healthier and safer place and to continue to support our biodefense customers in the United States Department of Defense and allied forces," said Kirk Ririe, Chief Executive Officer and Founder of BioFire. "bioMérieux's commercial network will further boost sales of our flagship product, FilmArray<sup>®</sup>. In addition, the Company's unique know-how in the field of infectious diseases will contribute to the development of new panels, creating very attractive prospects for the future."

## Financial information

Under the terms of the agreement, bioMérieux will acquire 100% ownership of BioFire. The transaction will include a \$450 million acquisition price and the company's net financial debt. Completion of this acquisition remains subject to usual closing conditions, in particular certain regulatory approvals. The deal is expected to close by the end of the fiscal year or in early 2014 and consequently will not have a significant impact on sales and current operating income before non-recurring items in 2013. Acquisition costs will amount to  $\in 6$  million to be recorded under non-recurring items. This acquisition will be funded through indebtedness. In July 2013, the Company obtained an additional line of credit. Its loan facilities now total  $\in 500$  million with maturity dates of July 2014 ( $\in 150$  million) and March 2017 ( $\in 350$  million).

Budget for the fiscal year ending September 30, 2013

In 2014, revenue recognized from BioFire should increase the Group's sales by about \$80 million on a full-year basis. The rapid development of BioFire will subsequently act as a key growth driver for the Group (increase of 100 to 200 basis points in bioMérieux's organic growth over the 2015 - 2017 period). In light of an ambitious plan to stimulate the development of this new line, the acquisition is expected to have a dilutive effect on current operating income before non-recurring items for the next two years (in 2014 and 2015).

In addition, bioMérieux intends to review, with its partner Biocartis, its role in their joint project, Apollo.

### INVESTOR CALENDAR

The Company will hold a meeting on September 4, 2013 in Paris (at 3:30 p.m. French time) and a web conference the same day (at 6:30 p.m. French time).

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 2012 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 150 countries through 41 subsidiaries and a large network of distributors. In 2012, revenues reached €1,570 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. Investor website: www.biomerieux-finance.com. BioFire website: www.biofiredx.com.

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