

**September 21, 2004**

## **Unilabs reaches milestones in the year ended May 31, 2004**

- **Revenues of CHF 251.4 million, up 4.1%**
- **EBITDA of CHF 44.6 million, up 0.7%**
- **Earnings before taxes CHF 19.8 million, up 19%**
- **Net income CHF 11.8 million, up 4.4%**
- **Stockholders' equity CHF 104.3 million, up 20.4%**
- **The Board of Directors will propose a 13.5% dividend increase to CHF 0.85 per bearer share**

For the fiscal year 2003/2004, which ended on 31 May 2004, Unilabs (SWX: ULB) achieved revenues of CHF 251.4 million, up 4.1% compared to the prior financial year. At constant exchange rates, revenues grew by 2.2%. Revenues increased by 0.8% in Switzerland, while internal growth in local currency increased by 12.2% in Spain and 4.5% in France. This positive performance in the company's three largest markets, allowed Unilabs to exceed its own guidance of 3% Group revenue growth for the fiscal year ended May 31, 2004. It also reflects a more dynamic market environment that should allow Unilabs to accelerate revenue growth in fiscal 2004/2005 and take advantage of new market opportunities through select acquisitions.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 0.7% to reach CHF 44.6 million. During the period, the Group incurred non-capitalized costs for project development amounting to CHF 1.2 million, representing 2.7% of the prior year's EBITDA.

Operating profit (EBIT) reached CHF 27.5 million, compared with CHF 26.8 million, an increase of 2.5% compared to the prior year.

In connection with a swap contract, which purports to protect the company against an increase in interest rates, in accordance with accounting rule IAS 39, an amount of CHF 1.6 million was written back to profit out of the previously-established provisions of CHF 4.9 million. As indicated previously, the balance of such provisions at May 31, 2004 (CHF 3.3 million), will be written back to profit at the latest upon termination of the contract in 2007.

Earnings before taxes increased significantly by 19.0% to CHF 19.8 million, compared with CHF 16.7 million in the previous financial year.

Income tax provisions having increased to CHF 7.3 million as compared to CHF 4.6 million, net income amounted to CHF 11.8 million (or CHF 1.23 per bearer share), compared with CHF 11.3 million (or CHF 1.18 per bearer share) in the previous financial year.

Net income adjusted for the effect of goodwill amortisation charges was CHF 20.7 million (or CHF 2.17 per bearer share), as compared to CHF 19.8 million (or CHF 2.07 per bearer share) in the previous financial year.

### **Strong balance sheet and cash position**

At 31 May 2004, stockholders' equity grew to CHF 104.3 million versus CHF 86.6 million the previous year, an increase of 20.4%.

Free cash flow increased substantially by 19.9% to CHF 17.7 million from CHF 14.8 million in the fiscal year 2003/2004.

**During the year ended May 31, 2004, Unilabs:**

- Consolidated its market share in Switzerland, Spain and France
- Devoted substantial resources to the development of new tests and to the improvement of its laboratory management systems
- Pursued its profit improvement program in our major labs
- Devoted significant time to the identification and review of acquisition targets
- Renewed and secured new credit lines now totalling CHF 94.0 million, which, compounded with the Group's current liquidity, make a total of over CHF 50 million currently available for acquisitions.

**Increased dividend**

At the Annual Shareholders' meeting in November 2004, the Board of Directors will propose a dividend of CHF 0.85 per bearer share versus CHF 0.75 the previous year, an increase of 13.5%.

**Outlook**

For the current fiscal year, ending May 31, 2005, Unilabs expects an organic Group revenue growth of 4.5% in local currencies.

**Conference call**

Today, Unilabs will hold an investor and analyst meeting in Zurich at 2:00 p.m. CET to discuss the financial results for the full fiscal year. This event will be relayed live through a conference call. To participate in the conference call, dial: +41 91 610 5600 (Europe and Switzerland), +44 20 7107 06 11 ( UK), +1 866 291 41 66 (US). Digital playback is available for 48 hours after the conference starting at 5 p.m. until 23 September 5 p.m., dial: +41 91 612 4330 (Europe); +44 20 866 4300 (UK); +1 412 317 0088 (US/Canada); Conference ID: 204#. In order to view the slide presentation, a link to the presentation will be provided immediately prior to the event on [www.unilabs.ch](http://www.unilabs.ch). Please note that sound will only be provided through the telephone conference.

**About Unilabs**

The Unilabs Group (SWX: ULB) is the European leader of clinical testing laboratories. With 40 laboratories and over 1500 employees operating in 5 countries, Unilabs tests over 3 million samples per year using more than 1500 different tests. Unilabs' clinical testing services are used by over 60 public and private hospitals in France, Spain and Switzerland. Unilabs has been listed on the SWX Swiss Stock Exchange since 1997.

*Edgard Zwirn, Executive Chairman, is at your disposal for any further query (tel. +4122 909 77 77). Our press releases are also available on the Internet at our web site [www.unilabs.ch](http://www.unilabs.ch).*

**Key figures (in CHF million)**
**Income statement**

	Year ended <u>31/5/2003</u>	<b>Year ended <u>31/5/2004</u></b>	<u>Variation</u>
Revenues	241.6	<b>251.3</b>	+ 4.1%
EBITDA	44.3	<b>44.6</b>	+ 0.7%
Operating income (EBIT)	26.8	<b>27.5</b>	+ 2.5%
Net income before taxes	16.7	<b>19.8</b>	+ 19.0%
Net income	11.3	<b>11.8</b>	+ 4.4%
Goodwill amortisation charges	8.5	<b>8.9</b>	+ 5.2%
Net income adjusted for goodwill amortisation charges	19.8	<b>20.7</b>	+ 4.8%

**Balance sheet**

	Year ended <u>31/5/2003</u>	<b>Year ended <u>31/5/2004</u></b>	<u>Variation</u>
Current assets	78.1	<b>87.6</b>	+ 12.1%
Total assets	222.8	<b>221.2</b>	- 0.7%
Current liabilities	51.3	<b>54.0</b>	+ 5.2%
Total liabilities	132.4	<b>111.9</b>	- 15.5%
Stockholders' equity	86.6	<b>104.3</b>	+ 20.4%

**Other**

	Year ended <u>31/5/2003</u>	<b>Year ended <u>31/5/2004</u></b>	<u>Variation</u>
Non-capitalized development costs	0.5	<b>1.7</b>	3.4x
Free cash flow	14.8	<b>17.7</b>	+ 19.9%
Available cash and unused credit lines	31.1	<b>48.7</b>	+ 56.6%
Net financial debt	64.5	<b>45.5</b>	- 29.5%

**Financial ratios**

EBITDA / interest	11.1x	Covenants Minimum 5x
Revenues / noncurrent assets	1.88x	Minimum 1x
Stockholders' equity / total assets	47.1%	Minimum 40%
Net debt / Stockholders' equity	0.44x	Maximum 0.90x
Net debt / EBITDA	1.02x	Maximum 2.50x