

February 21, 2006

Unilabs reports first half year results and revises full year guidance

- **Revenues: CHF 139.8 million, up 11.6%**
- **EBITDA: CHF 22.3 million, up 7.7%**
- **Earnings before taxes: CHF 15.1 million, up 7.5%**
- **Net income: CHF 8.6 million, up 11.6%**

For the first half of the fiscal year 2005/2006, which ended on November 30, 2005, Unilabs (SWX: ULB) achieved revenues of CHF 139.8 million, an increase of 11.6% compared to the same period of the previous financial year. At constant exchange rates, revenues grew by 11.1% or 10.4% excluding acquisitions made during the fiscal year 2005/2006. This positive performance allowed Unilabs to exceed its own guidance of 6.0% of group revenue growth. Earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 7.7% to reach CHF 22.3 million, or 16.0% of sales. Operating profit increased by 4.1% while net income decreased by 11.6%, due to the growth of minority interests related to the positive performance of its investees.

Second quarter revenues were CHF 76.5 million, up 9.2% compared with the same quarter a year earlier. EBITDA reached CHF 15.4 million, or 20.2% of revenues.

In Switzerland, Unilabs' largest market, half year revenues increased over the same period a year earlier by a strong 11.3%, or 2.9% excluding any acquisitions, to reach CHF 92.1 million. Revenues grew by 24.2% in Spain to CHF 19.1 million and by 1.8% in France to CHF 22.7 million.

The positive market environment witnessed in 2004/2005 continued during the first six months of the current year. However, the decision of the Swiss Federal Council to impose a 10% linear reduction in the reimbursement prices for tests, beginning 1 January 2006, will lead to a reduction of CHF 7 million in expected revenues for the current fiscal year and of CHF 3 million maximum of profit.

Through select acquisitions, Unilabs intends to pursue its external growth strategy, both in Switzerland as in the rest of Europe. In this respect, the company announced the acquisition, on December 30, 2005, of a leading laboratory in Portugal, allowing it to enter this new market.

Financial performance

For the first half year 2005/2006, earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 7.7% to reach CHF 22.3 million, or 16.0% of revenues. Operating profit (EBIT) reached CHF 16.6 million, compared with CHF 16.0 million in the previous fiscal year, an increase of 4.1%.

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 1.0 million was written back to profit out of the previously-established provisions of CHF 2.8 million. As indicated previously, the balance of such provisions at May 31, 2005 (CHF 1.8 million), will be written back to profit at the latest upon termination of the contract in 2007.

Earnings before taxes increased by 7.5% to CHF 15.1 million, compared with CHF 14.0 million in the comparable prior year period.

Income tax provisions were CHF 4.1 million as compared to CHF 3.8 million. Minority interests in net income increased to CHF 2.4 compared to CHF 0.5 million a year ago. Net income amounted to CHF 8.6 million (or CHF 0.87 per bearer share), compared with CHF 9.7 million (or CHF 0.99 per bearer share) in the previous financial year.

Strong balance sheet and debt position

At November 30, 2005, stockholders' equity grew from CHF 115.4 million to CHF 122.1 million the comparable prior year period, an increase of 5.8%.

Net financial debt decreased by 3.2% to 37.1 million, and unused credit facilities and cash were CHF 84.4 million on November 30, 2005.

During the half year ended November 30, 2005, Unilabs:

- Entered the Portuguese market with a strategic acquisition
- Consolidated its market share in Switzerland, Spain and France
- Pursued the identification and review of acquisition targets
- Completed one acquisition in Spain
- Received the approval of the General Shareholders Meeting for the issuance of a conditional capital and to distribute options to all shareholders that will enable them to buy Unilabs shares at a price of CHF 40.- per bearer share on December 14, 2008.

Outlook

Taking into account the decision of the Swiss Federal Council to impose a reduction in the reimbursement prices for tests, beginning January 1, 2006, and the impact of this decision on its revenues, Unilabs has reduced its outlook for global growth in Switzerland to 3% for the fiscal year 2005/2006. Accordingly, global revenue growth for the Group has been reduced to 5% in local currencies (6% previously) for the current fiscal year.

Without cost-cutting measures, the decision of the Swiss Federal Council will result in a reduction of Unilabs' annual net income of about CHF 12 million for the fiscal year 2006/2007. The cost-cutting measures implemented by the company should allow it to achieve savings to a level close to the expected loss of margin. Unilabs intends to pursue its organic and external growth strategy.

Conference call

To discuss the financial results for the first half year 2005/2006, Unilabs will hold conference call today at 3:00 p.m. CET. This event will be relayed live through a conference call. To participate in the conference call, dial: +41 (0)91 610 5600 (Europe and Switzerland), +44 (0) 20 7107 06 11 (UK), +1 866 291 41 66 (US/Canada). Digital playback is available for 48 hrs from February 21st at 18:00 pm CET until February 23rd until 18:00 pm CET. Dial: +41 91 612 4330 (Europe); +44 207 1086233 (UK); +(1) 866 416 2558 (USA/Canada); Conference ID: 362 followed by #. In order to view the slide presentation, a link to the presentation will be provided immediately prior to the event on 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 51 laboratories and over 1500 employees operating in 6 countries, Unilabs tests over 3.5 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.

Key figures (in CHF million)
Income statement

	Six months ended	Six months ended	
	<u>30/11/2004</u>	<u>30/11/2005</u>	<u>Variation</u>
Revenues	125.3	139.8	+ 11.6%
EBITDA	20.7	22.3	+ 7.7%
Operating income (EBIT)	16.0	16.6	+ 4.1%
Net income before taxes	14.0	15.1	+ 7.5%
Net income	9.7	8.6	- 11.6%

Balance sheet

	At	At	
	<u>31/05/2005</u>	<u>30/11/2005</u>	<u>Variation</u>
Current assets	95.9	94.3	- 15.0%
Total assets	241.6	242.1	- 7.0%
Current liabilities	59.2	50.3	+ 5.8%
Total liabilities	119.4	111.0	- 15.0%
Stockholders' equity	115.4	122.1	- 7.0%

Financial ratios

EBITDA / interest	10.6x	Covenants Minimum 5x
Revenues / noncurrent assets	1.92x	Minimum 1x
Stockholders' equity / total assets	50.4%	Minimum 40%
Net debt / Stockholders' equity	0.30x	Maximum 0.90x
Net debt / EBITDA	0.78x	Maximum 2.50x

Key figures Q2 2005/2006 (in CHF million)
Income statement

	Quarter ended	Quarter ended	
	<u>30/11/2004</u>	<u>30/11/2005</u>	<u>Variation</u>
Revenues	70.1	76.5	+ 9.2%
EBITDA	14.9	15.4	+ 3.4%
Operating income (EBIT)	12.5	12.7	+ 1.6%
Net income before taxes	11.9	12.1	+ 1.9%
Net income	8.6	7.4	- 13.6%