MERIDIAN BIOSCIENCE NDQ-VIVO

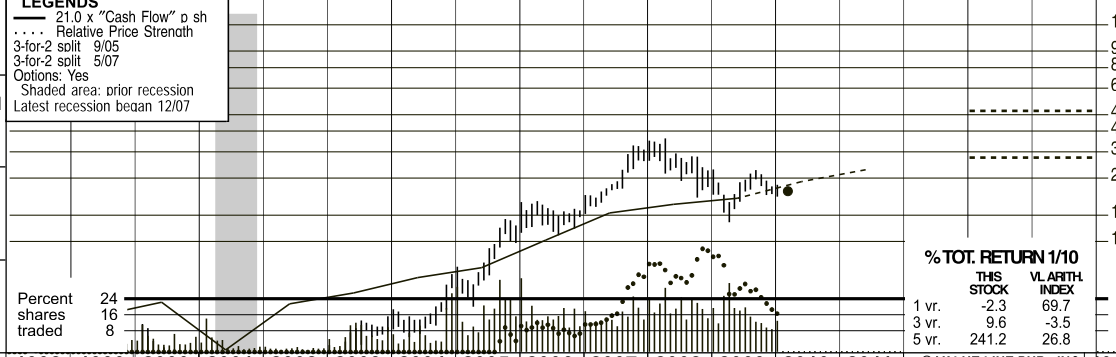
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
20.80	21.9	(Trailing: 25.1 Median: 25.0)	1.34	3.8%	VALUE LINE

TIMELINESS 3 Lowered 11/20/09
SAFETY 3 New 2/29/08
TECHNICAL 2 Raised 2/5/10
BETA .85 (1.00 = Market)

High:	3.9	4.9	3.0	3.5	5.3	8.4	15.3	18.7	34.2	37.0	26.4	22.3
Low:	2.6	2.0	0.9	2.0	2.9	4.2	5.9	12.8	16.3	19.4	14.8	19.6

Target Price Range
2013 | 2014 | 2015

LEGENDS
— 21.0 x "Cash Flow" p sh
.... Relative Price Strength
3-for-2 split 9/05
3-for-2 split 5/07
Options: Yes
Shaded area: prior recession
Latest recession began 12/07



2013-15 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+140%)	27%
Low	30	(+45%)	13%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	2	0	0	0	1	0	0	0	0
Options	1	0	0	0	3	0	0	0	1
to Sell	1	0	0	0	3	0	0	0	0

Institutional Decisions

	1Q2009	2Q2009	3Q2009
to Buy	94	92	91
to Sell	75	78	71
Hld's(000)	33616	36515	34872

% TOT. RETURN 1/10

	THIS STOCK	VL ARITH. INDEX
1 yr.	-2.3	69.7
3 yr.	9.6	-3.5
5 yr.	241.2	26.8

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC.	13-15
.79	.86	.91	1.09	1.03	1.67	1.74	1.72	1.80	1.99	2.36	2.39	2.76	3.09	3.46	3.66	*4.05*	*4.55*	Sales per sh A	*6.70*
.15	.19	.23	.28	.24	.25	.29	.18	.29	.33	.39	.43	.58	.78	.86	.92	*1.10*	*1.25*	"Cash Flow" per sh	*1.90*
.09	.13	.16	.19	.15	.17	.24	.03	.17	.21	.27	.35	.45	.66	.74	.80	*.95*	*1.10*	Earnings per sh AB	*1.75*
.03	.04	.07	.08	.09	.09	.10	.11	.12	.16	.17	.20	.31	.40	.53	.65	*.74*	*.88*	Div'ds Decl'd per sh C	*1.35*
.05	.09	.04	.05	.04	.07	.12	.06	.11	.05	.07	.07	.08	.08	.10	.09	*.10*	*.10*	Cap'l Spending per sh	*.15*
.48	.65	.92	1.01	1.07	1.04	1.12	.70	.74	.83	.98	2.15	2.42	2.83	3.19	3.41	*3.60*	*3.85*	Book Value per sh D	*5.25*
27.66	29.08	32.13	32.32	32.36	32.47	32.82	32.83	32.91	33.12	33.67	38.89	39.24	39.85	40.31	40.49	*40.50*	*40.50*	Common Shs Outst'g E	*41.00*
28.3	21.1	31.2	24.8	31.1	17.8	14.2	NMF	16.0	17.7	18.3	24.0	33.8	30.2	40.8	27.3	*Bold figures are*		Avg Ann'l P/E Ratio	*23.0*
1.86	1.41	1.95	1.43	1.62	1.01	.92	NMF	.87	1.01	.97	1.28	1.82	1.60	2.46	1.80	*Value Line*		Relative P/E Ratio	*1.55*
1.3%	1.6%	1.3%	1.8%	1.9%	2.9%	3.1%	5.1%	4.4%	4.3%	3.5%	2.5%	2.0%	2.0%	1.8%	3.0%	*estimates*		Avg Ann'l Div'd Yield	*3.4%*

CAPITAL STRUCTURE as of 12/31/09
Total Debt None

Uncapitalized Lease Rental $0.6 mill.

No Defined Pension Benefit Plan

Preferred Stock None

Common Stock 40,604,296 shares
As of 1/31/10
MARKET CAP: $850 million (Small Cap)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		13-15
57.1	56.5	59.1	65.9	79.6	93.0	108.4	123.0	139.6	148.3	*165*	*185*	Sales ($mill) A	*275*
21.3%	17.0%	25.3%	25.2%	23.2%	26.2%	28.9%	32.1%	35.0%	35.8%	*38.8%*	*39.6%*	Operating Margin	*42.0%*
2.0	4.7	3.7	3.8	3.8	4.2	4.5	4.4	4.5	4.4	*5.0*	*5.0*	Depreciation ($mill)	*5.0*
7.6	1.0	5.8	7.0	9.2	12.6	18.3	26.7	30.2	32.8	*39.0*	*45.0*	Net Profit ($mill)	*73.0*
1.4%	58.6%	38.5%	39.5%	30.4%	35.9%	34.7%	27.2%	34.3%	33.6%	*34.0%*	*34.0%*	Income Tax Rate	*34.0%*
13.4%	1.8%	9.8%	10.7%	11.5%	13.5%	16.9%	21.7%	21.6%	22.1%	*23.6%*	*24.3%*	Net Profit Margin	*26.5%*
22.9	16.1	15.1	17.9	19.4	50.4	60.6	76.7	83.4	100.3	*110*	*120*	Working Cap'l ($mill)	*175*
27.1	24.3	23.6	21.5	17.1	2.7	1.8	- -	- -	- -	*Nil*	*Nil*	Long-Term Debt ($mill)	*Nil*
36.6	22.9	24.4	27.5	32.9	83.8	94.8	112.9	128.5	137.9	*145*	*155*	Shr. Equity ($mill)	*215*
13.6%	4.4%	14.0%	16.0%	19.9%	15.0%	19.0%	23.7%	23.5%	23.8%	*27.0%*	*29.0%*	Return on Total Cap'l	*34.0%*
20.8%	4.5%	23.9%	25.5%	27.9%	15.0%	19.3%	23.7%	23.5%	23.8%	*27.0%*	*29.0%*	Return on Shr. Equity	*34.0%*
11.7%	NMF	7.4%	7.4%	10.3%	6.4%	7.6%	9.6%	7.0%	4.7%	*6.0%*	*6.0%*	Retained to Com Eq	*8.0%*
44%	NMF	69%	71%	63%	57%	61%	59%	70%	80%	*77%*	*79%*	All Div'ds to Net Prof	*76%*

CURRENT POSITION ($MILL.)	2008	2009	12/31/09
Cash Assets	49.3	54.0	66.7
Receivables	25.1	27.0	17.9
Inventory (FIFO)	19.9	23.3	26.8
Other	5.2	12.8	4.8
Current Assets	99.5	117.1	116.2
Accts Payable	4.8	6.9	5.7
Debt Due	- -	- -	- -
Other	11.3	9.9	7.8
Current Liab.	16.1	16.8	13.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '07-'09 to '13-'15
Sales	10.5%	10.5%	*12.0%*
"Cash Flow"	12.5%	20.5%	*14.5%*
Earnings	15.5%	27.5%	*15.5%*
Dividends	19.5%	28.5%	*17.0%*
Book Value	11.5%	30.0%	*9.0%*

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2007	28.7	32.1	29.8	32.4	123.0
2008	33.8	36.2	33.1	36.5	139.6
2009	34.3	33.3	38.2	42.5	148.3
2010	42.5	*38.5*	*40.0*	*44.0*	*165*
2011	*46.5*	*43.5*	*45.0*	*50.0*	*185*

Fiscal Year Ends	EARNINGS PER SHARE ABF Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2007	.13	.15	.22	.16	.66
2008	.18	.18	.19	.19	.74
2009	.20	.18	.21	.22	.80
2010	.22	*.22*	*.25*	*.26*	*.95*
2011	*.26*	*.25*	*.28*	*.31*	*1.10*

Cal-endar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.077	.077	.077	.077	.31
2007	.107	.107	.11	.11	.43
2008	.14	.14	.14	.14	.56
2009	.17	.17	.17	.17	.68
2010	.19				

BUSINESS: Meridian Bioscience, Inc. provides various diagnostic test kits, purified reagents, and related products, as well as biopharmaceutical enabling technologies. Markets its products to hospitals, laboratories, research centers, veterinary centers, physician offices, diagnostics manufacturers, and biotech companies worldwide. Three operating segments: U.S. Diagnostics (67% of sales in '09), European Diagnostics (17%), and Life Science (16%). Has 420 employees. '09 depr. rate, 5.2%. '09 R&D, 5.7% of sales. Off. and dir. own 3.9% of common; Barclays Global Inv., 6.3%; Brown Cap'l Mgmt., 5.5% (12/09 Proxy). Pres. & CEO: John A. Kraeutler. Inc.: OH. Addr.: 3471 River Hills Dr., Cincinnati, OH 45244. Tel.: 513-271-3700. Internet: www.meridianbioscience.com.

Meridian Bioscience's bottom line should advance nearly 20% in fiscal 2010 (year ends September 30th), largely thanks to a surge in respiratory test sales. The H1N1 outbreak in the Northern Hemisphere created an early start to the 2009–2010 flu season that continued into the first quarter of this fiscal year. The H1N1 pandemic also sparked increased interest in flu testing in European markets, where rapid testing has not been traditionally performed, resulting in sales growth of 75% for flu testing products during the December period. We expect influenza product sales to moderate somewhat during the remainder of the year, though, since the company's customers likely have enough inventory to cover further outbreaks over the coming months.

Competitive pressures may well constrain sales of C. difficile tests. Several new competitive products have been introduced into this market, resulting in reduced demand for Meridian's C. difficile offerings. The launch of the company's new molecular test for C. difficile on its illumigene platform should help to combat some of this pressure. illumigene is currently in clinical trials and should be launched later this fiscal year.

Improved manufacturing ought to boost fiscal 2011 earnings. Higher sales should improve Meridian's production efficiency next year. Also, management has brought some of its flu test manufacturing in house. The company's salesforce is no longer incentivized to sell outside products and, as a result, sales of its own upper respiratory products comprised 44% of sales for the first quarter of fiscal 2010, versus 25% for all of fiscal 2009. We expect this percentage to continue to rise, leading to improved profitability. Thus, Meridian's share earnings are likely to climb more than 15% next year, to $1.10.

Neutrally ranked Meridian shares should appeal to long-term investors. While competitive pressures are likely to constrain growth this year, the company has a strong balance sheet and offers a generous dividend. Also, we believe that the approval later this year of the company's illumigene platform has the potential to spark above-average, long-term price appreciation.

Jerry W. Gray Jr. February 26, 2010

(A) Fiscal year ends September 30th.
(B) Primary earnings until '99, diluted earnings thereafter. Excludes nonrecurring (losses): '99, (22¢); '00, (4¢); '01, (77¢); '02, (5¢). Next earnings report due mid-April.
(C) Dividends historically paid in February, May, August, and December.
(D) Includes intangibles. In fiscal '09: $17.2 million or $0.42 a share. (E) In millions, adjusted for stock splits. (F) 2009 quarterly earnings do not sum to total due to rounding.

Company's Financial Strength	B++
Stock's Price Stability	55
Price Growth Persistence	90
Earnings Predictability	95

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