



Quidel Reports Fourth Quarter and Fiscal 1999 Financial Results

May 17, 1999

SAN DIEGO, May 17 /PRNewswire/ -- Quidel Corporation (Nasdaq: QDEL) today announced its financial results for the fourth quarter and the fiscal year. Net income for the year ended March 31, 1999 was \$7.7 million, or \$.32 per share, compared to a net income of \$1.1 million, or \$.05 per share for the year ended March 31, 1998. Net income for the three months ended March 31, 1999 was \$7.4 million, or \$.31 per share, compared to a net loss of \$107,000 for the three months ended March 31, 1998. The most significant difference in net income for fiscal year 1999 compared to fiscal year 1998 is a deferred tax benefit of \$6.4 million in the fourth quarter of 1999 associated with the accumulated tax benefit of prior operating losses. The Company recorded a similar tax benefit of \$2.7 million in fiscal 1998.

Operating income for the year ended March 31, 1999 was approximately \$1.2 million or \$.05 per share, compared to an operating loss of approximately \$1.5 million, or \$.06 per share, for fiscal 1998. Included in the results of operations for fiscal year 1999 and 1998 were charges of \$440,000 and \$3.1 million, respectively, associated with the write-down and closure of certain European subsidiaries.

"As of the end of the fiscal year 1999, we have completed the organizational and structural changes to the Company discussed with the stockholders during the year," said Andre de Bruin, vice chairman, president and chief executive officer of Quidel Corporation. "While we are pleased to report a profit for the fourth quarter and the year, we recognize that substantially improved financial performance is our obligation for the future. We believe that there are many opportunities in our existing markets where the recognition of QUIDEL's product quality and distribution strength should allow increased market share achievement and improved gross margins. At the same time, significant efforts have been made to increase the efficiency and cost effectiveness of our manufacturing operations which should also increase gross margin performance next year. During fiscal year 2000, our attention will be focused both on our existing products related to women's health and infectious diseases and also the opportunities associated with the expected new influenza and herpes diagnostic product introductions."

Quidel Corporation discovers, develops, manufactures and markets rapid immunodiagnostic products for point-of-care detection of human medical conditions and illnesses. These products provide simple, accurate and cost-effective diagnoses for acute and chronic conditions in the areas of women's health and infectious diseases. QUIDEL's products are sold to professionals in the physician's office and clinical laboratories, and to consumers through organizations that provide private label, store brand products. QUIDEL is based in San Diego, California.

This press release contains forward-looking statements regarding QUIDEL and its future activities within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. QUIDEL believes that its expectations are based on reasonable assumptions but it can give no assurance that its goals will be achieved. Actual results could differ materially from those described or implied in this press release as a result of a number of factors, including, but not limited to, the future growth of the waived-only physician markets, any adverse actions by the Company's distribution partners, competitive products, new product introductions by competitors, changes in regulations, other economic factors affecting the Company's markets, the degree of acceptance that new products achieve, and seasonality. Please see the discussion of these and other factors in the Company's annual report on Form 10-K and subsequent quarterly reports on Form 10-Q. For more information on QUIDEL, visit <http://www.quidel.com>

QUIDEL CORPORATION
Condensed Consolidated Statements of Operations
(In thousands, except per share data)

	Three months ended		Year ended	
	3/31/99	3/31/98	3/31/99	3/31/98
	(unaudited)			
Net sales	\$13,270	\$13,273	\$47,163	\$45,721
Research contracts, license fees and royalties	1,008	1,408	4,333	3,758
Total revenues	14,278	14,681	51,496	49,479
Operating expenses				
Cost of sales	7,037	7,432	26,106	24,248
Research and development	1,926	2,268	7,942	7,940
Sales and marketing	2,898	2,992	9,701	10,625
General and administrative	1,542	1,739	6,115	5,107
Write-down and closure of European subsidiaries	20	3,058	440	3,058
Total operating expenses	13,423	17,489	50,304	50,978
Operating income (loss)	855	(2,808)	1,192	(1,499)
Other income (expense)	(17)	19	202	(22)
Benefit (provision) for income taxes	6,575	2,682	6,267	2,631

Net income (loss	\$ 7,413	\$ (107)	\$ 7,661	\$ 1,110
Basic and diluted earnings per share	\$.31	\$.00	\$.32	\$.05
Shares used in basic EPS	23,806	23,730	23,782	23,649
Shares used in diluted EPS	23,816	23,807	23,804	23,857
Gross profit % of net sales	47%	44%	45%	47%

Balance sheet data at March 31, 1999:

Cash and Cash Equivalents	\$ 6,622	\$ 9,720
Working Capital	16,547	16,790
Total Assets	52,606	47,782
Stockholders' Equity	44,706	36,889

SOURCE Quidel Corporation

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