



## Quidel Reports Record Fourth Quarter Pre-Tax EPS of \$0.11

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### **- Fourth Quarter Net Sales of \$21.2 Million Up 15% Over Comparable Period of Last Year -**

Quidel Corporation (Nasdaq: QDEL), a leading provider of rapid point-of-care (POC) diagnostic tests, today reported results for the three and 12 months ended December 31, 2001.

Net sales for the fourth quarter of 2001 were \$21.2 million, up 15% compared with net sales of \$18.5 million for the fourth quarter of 2000. Pre-tax earnings for the 2001 fourth quarter were \$3.2 million, or \$0.11 per share, compared with a pre-tax loss of \$1.8 million, or \$0.07 per share, for the fourth quarter of 2000. Net earnings for the fourth quarter of 2001 were \$1.4 million, or \$0.05 per share, compared with a net loss of \$1.8 million, or \$0.07 per share, for the fourth quarter of 2000. Pro forma pre-tax earnings for the fourth quarter of 2001 were \$2.2 million, or \$0.07 per share, which excludes a cost of \$0.7 million associated with corporate mergers and acquisitions activities and a gain of \$1.7 million related to recovery of business interruption proceeds. This compares with pro forma pre-tax earnings of \$0.5 million, or \$0.02 per share, for the fourth quarter of 2000, which excludes a \$2.3 million one-time write-off associated with the acquisition of Litmus Concepts.

Quidel reported positive cash flow (earnings before taxes, depreciation, amortization and change in accounting principle) for the 2001 fourth quarter of \$5.1 million, or \$0.17 per share, compared with negative cash flow for the 2000 fourth quarter of \$0.1 million, or \$0.01 per share.

Gross margin on net sales for the fourth quarter of 2001 was 53%, compared with 43% for the fourth quarter of 2000. Total costs and expenses for the fourth quarter of 2001 were \$19.8 million, compared with \$20.5 million for the fourth quarter of 2000.

For the year 2001, the Company reported net sales of \$72.4 million, up 6% over 2000 net sales of \$68.4 million. Full-year 2001 pre-tax earnings were \$3.9 million, or \$0.13 per share, compared with a full-year 2000 pre-tax loss of \$4.8 million, or \$0.19 per share. Net earnings for the year 2001 were \$0.9 million, or \$0.03 per share, compared with a net loss of \$5.8 million, or \$0.23 per share, for the year 2000. Taking into account the charges and gain identified above, pro forma pre-tax earnings for the year 2001 were \$2.9 million, or \$0.10 per share, versus a loss of \$2.5 million, or \$0.10 per share, for 2000. Cash flow for the year 2001 was \$11.9 million, or \$0.41 per share, compared with \$1.7 million, or \$0.06 per share, for the year 2000.

Fourth quarter results mark the fifth consecutive quarter that Quidel has met or exceeded consensus earnings expectations. These results reflect the Company's continued focus on improving manufacturing operations, growing sales, controlling costs and achieving profitability.

"Seasonally strong fourth quarter earnings and net sales made a significant contribution to a very successful year for Quidel. Our growth was driven primarily by our core products with added contributions from recent product launches, including our CLIA-waived QuickVue(R) Dipstick Strep A test in the U.S. and pipeline filling for our QuickVue(R) Influenza test in Japan. During the fourth quarter, we also launched the QUS-2(R) product to the U.S. primary care market and received national Medicare coverage for our Metra(TM) DPD test. We believe that these core bone health products will position Quidel as a significant player in the field of osteoporosis diagnostic technologies," said S. Wayne Kay, President and Chief Executive Officer.

"Looking forward, we anticipate strong sales from our QuickVue(R) Influenza test in the first quarter of 2002 both in the U.S. and in Japan as we are now at the peak of the flu season, and we expect to make further progress in the continued development of our Layered Thin Film platform. We believe we have set the stage for sustained market penetration over the next few years, remaining focused on cost control," added Mr. Kay. "We are pleased with the strength across all product lines demonstrated in our fourth quarter results, and look forward to further improvements in supply-chain and manufacturing efficiencies."

### Conference Call Information

Quidel management will host a conference call to discuss fourth quarter results and provide financial guidance for 2002 today, February 12, 2002, beginning at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time). To participate via telephone, please call (888) 882-0109 from the U.S., or for international callers (212) 346-0333. A telephone replay will be available for 48 hours following the conclusion of the call by dialing (800) 633-8284 or (858) 812-6440, and entering reservation number 20274063. The conference call will be broadcast live over the Internet at [www.quidel.com](http://www.quidel.com). A replay will also be available on Quidel's Website for 14 days.

### About Quidel Corporation

Quidel Corporation discovers, develops, manufactures and markets rapid point-of-care diagnostic tests for detection of medical conditions and illnesses. These products provide accurate, rapid and cost-effective diagnostic information for acute and chronic conditions associated with women's health in areas such as reproduction and diseases of the elderly. Quidel also provides point-of-care diagnostics for infectious diseases, including influenza A and B, Strep throat, H. pylori infection, chlamydia, infectious mononucleosis and bacterial vaginosis. Quidel's products are sold to healthcare professionals for use in physician offices, clinical laboratories and pharmacies, and to consumers through organizations that provide private label, store brand products. These tests provide diagnostic information that enables rapid treatment and improves health outcomes, lowers costs and increases patient satisfaction. For more information, please visit Quidel's Website at [www.quidel.com](http://www.quidel.com).

This press release contains forward-looking statements regarding Quidel's future activities within the meaning of the federal securities laws. These forward-looking statements involve material risks and uncertainties. Many possible factors could affect the future results and performance of Quidel's business, such that actual results and performance may differ materially. If Quidel's products fail to perform as expected, or if there is lower consumer demand for these products than expected, Quidel's financial condition and operating results may be materially and adversely affected. Quidel's financial condition and operating results may also be materially and adversely affected by a number of other factors, including, without limitation,

seasonality, adverse changes (both domestically and internationally) in competitive and economic conditions, actions by the Company's distributors, manufacturing and production delays or difficulties and adverse actions or delays in product reviews by the FDA. Please see the discussion of these and other factors in Quidel's annual report on Form 10-K/A and subsequent quarterly reports on Form 10-Q.

QUIDEL CORPORATION  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share data)

	Three months ended		Year ended	
	December 31,		December 31,	
	2001	2000	2001	2000
	(unaudited)		(audited)	
Net sales	\$21,234	\$18,504	\$72,419	\$68,351
Research contract, license and royalty income	319	208	1,636	1,048
Total revenues	21,553	18,712	74,055	69,399
Cost of sales	10,021	10,479	35,271	36,503
Research and development	1,435	1,174	6,203	7,046
Sales and marketing	4,036	3,189	14,801	16,341
General and administrative	3,150	2,901	9,690	8,845
Acquired in-process research and development	--	2,300	--	2,300
Restructuring	--	--	550	--
Amortization of intangibles	1,119	483	4,365	1,981
Total costs and expenses	19,761	20,526	70,880	73,016
Earnings (loss) from operations	1,792	(1,814)	3,175	(3,617)
Interest expense	304	265	1,314	1,164
Interest income	(8)	(17)	(51)	(86)
Other, net	(1,682)	(281)	(1,944)	83
Total other (income) expense	(1,386)	(33)	(681)	1,161
Earnings (loss) before income taxes and cumulative effect of change in accounting principle	3,178	(1,781)	3,856	(4,778)
Income tax expense	1,800	--	3,002	--
Earnings (loss) before cumulative effect of change in accounting principle	1,378	(1,781)	854	(4,778)
Cumulative effect of January 1, 2000 change in accounting principle for adoption of SAB 101	--	--	--	(1,068)
Net earnings (loss)	\$1,378	\$(1,781)	\$854	\$(5,846)
Earnings (loss) per share before income taxes and cumulative effect of change in accounting principle - basic	\$0.11	\$(0.07)	\$0.14	\$(0.19)
Earnings (loss) per share before income taxes and cumulative effect of change in accounting principle - diluted	\$0.11	\$(0.07)	\$0.13	\$(0.19)
Earnings (loss) per share before cumulative effect of change in				

accounting principle - basic and diluted	\$0.05	\$(0.07)	\$0.03	\$(0.19)
Cumulative effect of change in accounting principle per share - basic and diluted	\$--	\$--	\$--	\$(0.04)
Net earnings (loss) per share - basic and diluted	\$0.05	\$(0.07)	\$0.03	\$(0.23)
Weighted shares used in basic per share calculation	28,538	24,842	28,287	24,882
Weighted shares used in diluted per share calculation	29,983	24,842	29,282	24,882
Gross profit as a % of net sales	53%	43%	51%	47%
Research and development as a % of net sales	7%	6%	9%	10%
Sales and marketing as a % of net sales	19%	17%	20%	24%
General and administrative as a % of net sales	15%	16%	13%	13%

Condensed balance sheet data (in thousands):	12/31/01	12/31/00
	(audited)	
Cash and cash equivalents	\$3,396	\$1,901
Working capital	17,790	10,024
Total assets	82,393	82,032
Long term obligations	10,481	10,729
Stockholders' equity	60,409	58,307

QUIDEL CORPORATION  
 Proforma Pre-Tax Earnings and Cash Flow Information  
 (In thousands, except per share data)

	Three months ended December 31,		Year ended December 31,	
	2001	2000	2001	2000
	(unaudited)		(audited)	
Proforma pre-tax earnings (loss), excluding cost of corporate M&A activity, gain on business interruption and acquired in-process research and development:				
Pre-tax earnings (loss) before income taxes and cumulative effect of change in accounting principle	\$3,178	\$(1,781)	\$3,856	\$(4,778)
Add:				
Corporate M&A activity, included in general and administrative	710	--	710	--
Acquired in-process research and development	--	2,300	--	2,300
Less: Gain on business interruption, included in other income	(1,698)	--	(1,698)	--
Proforma pre-tax earnings (loss)	\$2,190	\$519	\$2,868	\$(2,478)
Proforma pre-tax earnings (loss) per share - basic	\$0.08	\$0.02	\$0.10	\$(0.10)
Proforma pre-tax earnings (loss)				

per share - diluted	\$0.07	\$0.02	\$0.10	\$(0.10)
Weighted shares used in basic per share calculation	28,538	24,842	28,287	24,882
Weighted shares used in diluted per share calculation	29,983	26,267	29,282	24,882
Cash flow (net earnings (loss) before taxes, depreciation, amortization, and cumulative effect of change in accounting principle:				
Net earnings (loss)	\$1,378	\$(1,781)	\$854	\$(5,846)
Add:				
Income tax expense	1,800	--	3,002	--
Depreciation	794	1,157	3,675	4,516
Amortization	1,119	483	4,365	1,981
Cumulative effect of change in accounting principle	--	--	-	1,068
Cash flow	\$5,091	\$(141)	\$11,896	\$1,719
Cash flow per share - basic	\$0.18	\$(0.01)	\$0.42	\$0.07
Cash flow per share - diluted	\$0.17	\$(0.01)	\$0.41	\$0.06
Weighted shares used in basic per share calculation	28,538	24,842	28,287	24,882
Weighted shares used in diluted per share calculation	29,983	24,842	29,282	26,875

**CONTACT:**

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