



Quidel Reports First Quarter 2011 Financial Results

April 28, 2011

SAN DIEGO, CA, Apr 28, 2011 (MARKETWIRE via COMTEX) -- **Quidel Corporation (NASDAQ: QDEL)**, a leading provider of rapid diagnostic testing solutions and cellular-based virology assays, announced today financial results for the first quarter ended March 31, 2011.

First Quarter 2011 Highlights:

- Increased total revenues 110% to \$59.6 million compared to \$28.4 million in the first quarter of 2010.
- Expanded gross margin to 66% from 53% in the first quarter of 2010.
- Achieved 30% operating margin.
- Generated \$25.6 million in cash flow from operations.
- Completed secondary equity offering raising net proceeds of \$57.2 million in cash.
- Paid down \$30 million in debt.

First Quarter 2011 Results

For the first quarter of 2011, total revenues increased to \$59.6 million from \$28.4 million in the first quarter of 2010, an increase of 110%. The increase in revenues was driven by influenza and other respiratory product sales.

Net income for the first quarter of 2011 was \$11.4 million, or \$0.35 per diluted share, compared to net loss of \$2.5 million, or \$0.09 per share, for the first quarter of 2010. On a non-GAAP basis, excluding non-recurring items, amortization of acquired intangibles and stock compensation expense, net income for the first quarter of 2011 was \$13.6 million, or \$0.41 per diluted share, compared to a net loss of \$0.2 million, or \$0.01 per share for the same period of 2010.

"We are pleased with the overall performance of the business in the first quarter. Even with a respiratory season that we characterize as at the lighter end of a normal range, we still achieved thirty percent operating margin and generated \$26 million of cash flow that we used to reduce the debt outstanding on our revolving credit facility," said Douglas Bryant, president and CEO of Quidel Corporation. "In addition, we achieved an important new product development milestone with the completion of the clinical trial for our next generation influenza assay, and continue to be on track with our other development programs."

Non-GAAP Financial Information

The Company is providing non-GAAP financial information to reflect the effect of certain non-recurring items on earnings (loss) and net earnings (loss) per share as a supplement to its consolidated financial statements, which are presented in accordance with generally accepted accounting principles in the U.S., or GAAP.

Management is providing the adjusted net earnings (loss) and adjusted net earnings (loss) per share information for the periods presented because it believes this enables a better comparison of the Company's financial performance from period-to-period, and to that of its competitors. This presentation is not meant to be considered in isolation, or as a substitute for results prepared in accordance with GAAP. A reconciliation of the non-GAAP financial measures to the comparable GAAP measures is included in this press release as part of the attached financial tables.

Conference Call Information

Quidel management will host a conference call to discuss the first quarter results as well as other business matters today beginning at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time). During the conference call, management may answer questions concerning business and financial developments and trends. Quidel's responses to these questions, as well as other matters discussed during the conference call, may contain or constitute material information that has not been previously disclosed.

To participate in the live call by telephone from the U.S., dial (800) 591-6945 or from outside the U.S. dial (617) 614-4911, and enter the passcode 49495823.

A live webcast of the call can be accessed at <http://www.quidel.com>, and the Web site replay will be available for 14 days. The telephone replay will be available for 48 hours beginning at 8:00 p.m. Eastern Time (5:00 p.m. Pacific Time) today by dialing (888) 286-8010 from the U.S., or (617) 801-6888 for international callers, and entering passcode 58682696.

About Quidel Corporation

Quidel Corporation serves to enhance the health and well being of people around the globe through the development of diagnostic solutions that can lead to improved patient outcomes and provide economic benefits to the healthcare system. Marketed under the leading brand names QuickVue(R), D3(R) Direct Detection and Thyretain(TM), Quidel's products aid in the detection and diagnosis of many critical diseases and conditions, including [influenza](#), [respiratory syncytial virus](#), Strep A, herpes, pregnancy, [thyroid disease](#) and [fecal occult blood](#). Quidel's research and development engine is also developing a continuum of diagnostic solutions from advanced lateral-flow and direct fluorescent antibody to molecular diagnostic tests to further improve the quality of healthcare in physicians' offices and hospital and reference laboratories. For more information about Quidel's comprehensive

product portfolio, visit www.guidel.com and Diagnostic Hybrids at www.dhiusa.com.

This press release contains forward-looking statements within the meaning of the federal securities laws that involve material risks, assumptions and uncertainties. Many possible events or factors could affect our future financial results and performance, such that our actual results and performance may differ materially from those that may be described or implied in the forward-looking statements. As such, no forward-looking statement can be guaranteed. Differences in actual results and performance may arise as a result of a number of factors including, without limitation, seasonality, the timing of onset, length and severity of cold and flu seasons, the level of success in executing on our strategic initiatives, our reliance on sales of our influenza diagnostic tests, uncertainty surrounding the detection of novel influenza viruses involving human specimens, our ability to develop new products and technology, adverse changes in the competitive and economic conditions in domestic and international markets, our reliance on and actions of our major distributors, technological changes and uncertainty with research and technology development, including any molecular-based technology, the medical reimbursement system currently in place and future changes to that system, manufacturing and production delays or difficulties, adverse actions or delays in product reviews by the U.S. Food and Drug Administration (the "FDA"), our ability to comply with FDA, environmental and other regulations, our ability to meet unexpected increases in demand for our products, our ability to execute our strategy, including the integration of new companies or technologies, disruptions in the global capital and credit markets, our ability to hire key personnel, intellectual property, product liability, environmental or other litigation, potential required patent license fee payments not currently reflected in our costs, adverse changes in our international markets, potential inadequacy of booked reserves and possible impairment of goodwill, and lower-than-anticipated acceptance, sales or market penetration of our new products. Forward-looking statements typically are identified by the use of terms such as "may," "will," "should," "might," "expect," "anticipate," "estimate," and similar words, although some forward-looking statements are expressed differently. The risks described under "Risk Factors" in reports and registration statements that we file with the SEC from time to time should be carefully considered. You are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date of this press release. We undertake no obligation to publicly release the results of any revision or update of the forward-looking statements, except as required by law.

QUIDEL CORPORATION						
CONSOLIDATED STATEMENTS OF OPERATIONS						
AND RECONCILIATION OF NON-GAAP ADJUSTMENTS (1)						
(In thousands, except per share data; unaudited)						
	Three months ended March 31, 2011			Three months ended March 31, 2010		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Total revenues	\$59,595	\$ -	\$59,595	\$ 28,379	\$ -	\$28,379
Cost of sales (excludes amortization of intangible assets)	20,043	(135) (2)	19,908	12,634	(134) (2)	\$12,500
Amortization of inventory fair value adjustment from acquisition	-	-	-	719	(719) (3)	-
Total cost of sales (excludes amortization of intangible assets)	20,043	(135)	19,908	13,353	(853)	12,500
Research and development	7,814	(167) (2)	7,647	6,275	(150) (2)	6,125
Sales and marketing	6,255	(54) (2)	6,201	5,999	(103) (2)	5,896
General and administrative	5,759	(1,415) (2)	4,344	4,241	(824) (2)	3,417
Amortization of intangible assets from acquired businesses	1,632	(1,632) (4)	-	652	(652) (4)	-
Amortization						

of intangible assets from licensed technology	144	-	144	324	-	324
Business acquisition and integration costs	-	-	-	1,350	(1,350)	(5)
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Total costs and expenses	41,647	(3,403)	38,244	32,194	(3,932)	28,262
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Operating income (loss)	17,948	3,403	21,351	(3,815)	3,932	117
Interest expense	(655)	-	(655)	(399)	-	(399)
Interest income	52	-	52	169	-	169
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Total other expense	(603)	-	(603)	(230)	-	(230)
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Income (loss) before taxes	17,345	3,403	20,748	(4,045)	3,932	(113)
Income tax expense (benefit)	5,897	1,293	(6)	7,190	(1,528)	1,573
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Net income (loss)	\$11,448	\$ 2,110	\$13,558	\$ (2,517)	\$ 2,359	\$ (158)
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Basic earnings (loss) per share:	\$ 0.35		\$ 0.42	\$ (0.09)		\$ (0.01)
Diluted earnings (loss) per share:	\$ 0.35		\$ 0.41	\$ (0.09)		\$ (0.01)
Weighted shares used in basic per share calculation	32,451		32,451	28,505		28,505
Weighted shares used in diluted per share calculation	32,838		32,838	28,505		28,505
Gross profit as a % of total revenues	66%		67%	53%		56%
Research and development as a % of total revenues	13%		13%	22%		22%
Sales and marketing as a % of total revenues	10%		10%	21%		21%
General and administrative as a % of						

total revenues 10% 7% 15% 12%

(1) The Company reports Non-GAAP results which primarily excludes certain acquisition related costs and stock-based compensation to provide a supplemental comparison of the results of operations.

(2) Add back stock-based compensation

(3) Add back amortization of inventory fair value adjustment from acquisition

(4) Add back amortization of acquired intangibles

(5) Add back business acquisition and integration costs

(6) The Company's marginal tax rate of approximately 38% and 40% for the three months ended March 31, 2011 and 2010, respectively, has been applied to the Non-GAAP adjustments.

Condensed balance sheet data (in thousands):

	3/31/11	12/31/10
Cash, cash equivalents and marketable securities	\$ 58,938	\$ 6,788
Accounts receivables	16,210	13,477
Inventory	14,834	17,707
Total assets	263,327	214,593
Long term debt	49,641	79,774
Stockholders' equity	183,380	112,521

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