

QUIDEL®

Investor Presentation

Doug Bryant, President & CEO

Forward-looking statements

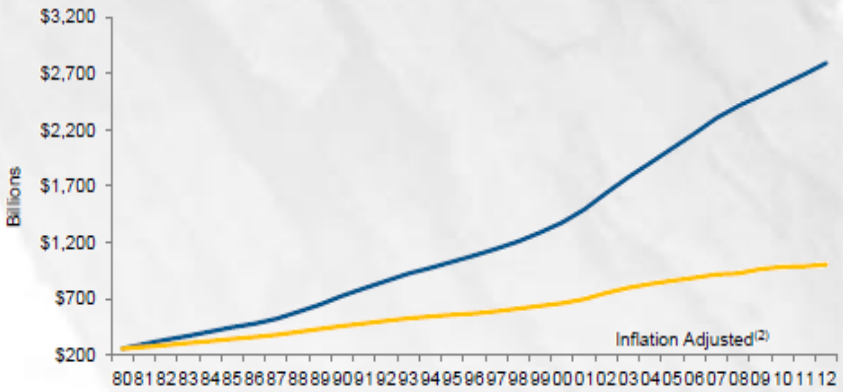
This presentation contains forward-looking statements within the meaning of the federal securities laws that involve material risks, assumptions and uncertainties. Many possible events or factors could affect our future financial results and performance, such that our actual results and performance may 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, fluctuations in our operating results resulting from seasonality, the timing of the onset, length and severity of cold and flu seasons, government and media attention focused on influenza and the related potential impact on humans from novel influenza viruses, adverse changes in competitive conditions in domestic and international markets, the reimbursement system currently in place and future changes to that system, changes in economic conditions in our domestic and international markets, changes in sales levels as it relates to the absorption of our fixed costs, lower than anticipated market penetration of our products, the quantity of our product in our distributors' inventory or distribution channels, changes in the buying patterns of our distributors and changes in the health care market and consolidation of our customer base; our development and protection of intellectual property; our development of new technologies, products and markets; our reliance on a limited number of key distributors; our reliance on sales of our influenza diagnostics tests; our ability to manage our growth strategy, including our ability to integrate companies or technologies we have acquired or may acquire; intellectual property risks, including but not limited to, infringement litigation; limitations and covenants in our senior credit facility; that we may incur significant additional indebtedness; our need for additional funds to finance our operating needs; volatility and disruption in the global capital and credit markets; acceptance of our products among physicians and other healthcare providers; competition with other providers of diagnostic products; adverse actions or delays in product reviews by the U.S. Food and Drug Administration (the "FDA"); changes in government policies; compliance with other government regulations, such as safe working conditions, manufacturing practices, environmental protection, fire hazard and disposal of hazardous substances; third-party reimbursement policies; our ability to meet demand for our products; interruptions in our supply of raw materials; product defects; business risks not covered by insurance and exposure to other litigation claims; interruption to our computer systems; competition for and loss of management and key personnel; international risks, including but not limited to, compliance with product registration requirements, exposure to currency exchange fluctuations and foreign currency exchange risk sharing arrangements, longer payment cycles, lower selling prices and greater difficulty in collecting accounts receivable, reduced protection of intellectual property rights, political and economic instability, taxes, and diversion of lower priced international products into US markets; volatility in our stock price; dilution resulting from future sales of our equity; and provisions in our charter documents and Delaware law that might delay stockholder actions with respect to business combinations or the election of directors. Forward-looking statements typically are identified by the use of terms such as "may," "will," "should," "might," "expect," "anticipate," "estimate," "plan," "intend," "goal," "project," "strategy," "future," and similar words, although some forward-looking statements are expressed differently. Forward-looking statements in this presentation include, among others, statements concerning: our outlook for this fiscal year and beyond, including, among others, projections about our revenue, gross margins, cash flow, EBITDA, COGS, market opportunities, geographic expansion, and development, manufacturing and commercial activities;; our strategy, goals and objectives , including, among others, continuing to make substantial investments in research and development and sales and marketing; our expectations regarding regulatory submissions, approvals and CLIA waivers in 2014; and our intention to continue to evaluate technology and outside acquisition opportunities. The risks described in reports and registration statements that we file with the Securities and Exchange Commission (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 presentation. We undertake no obligation to publicly release the results of any revision or update of these forward-looking statements, except as required by law.

Traditional healthcare is changing

Current healthcare trends include:

- Increased access points for healthcare
- Investment in healthcare technology
- Informed patient -> consumerism
- Expanded clinical roles for nurse practitioners, nurses, physician assistants, pharmacists to meet increasing demand for healthcare

Total National Health Expenditures (1980-2012)[1]



"By the end of 2014, more than half of states were weighing expanding the clinical duties of nurses, physician assistants, pharmacists and others."

- pwc, ***Top health industry issues of 2015***[3]

"Patient screenings and advanced, gene-based diagnostics may soon become a standard and universally accepted part of retail pharmacy's service platform. The shrinking pool of overburdened family doctors is shifting more primary care services to pharmacists, just as…rapid advances in diagnostic technology put cheap, easy-to-use screening tools into the hands of pharmacists."

- Jim Frederick, ***Drug Store News***[2]

1) Avalere TrendWatch Chart Book 2014: Trends Affecting Hospitals and Health Systems
2) http://www.drugstorenews.com/article/rx-trends-2015-pharmacy-based-diagnostic-screenings via Pharmacy.com
3) http://www.pwc.com/en_US/us/health-industries/top-health-industry-issues/assets/pwc-hri-top-healthcare-issues-2015.pdf

Quidel is developing new products that can compete in the evolving healthcare environment

Diagnostic products will need to be connected as compliance, access to testing data and the handling of those data will increase in importance.

Assays will need to be faster and easier to use as testing moves into retail clinics and alternative sites that are closer to the patient.

Along with accuracy, price will also become a factor in a customer's decision to adopt new testing platforms.



Quidel is…

A market leader in the development of innovative medical diagnostic platforms…

- **Traditional and Next-generation Immunoassays,**
- **Cellular-Based Virology assays, and**
- **Versatile Molecular Diagnostic platforms**

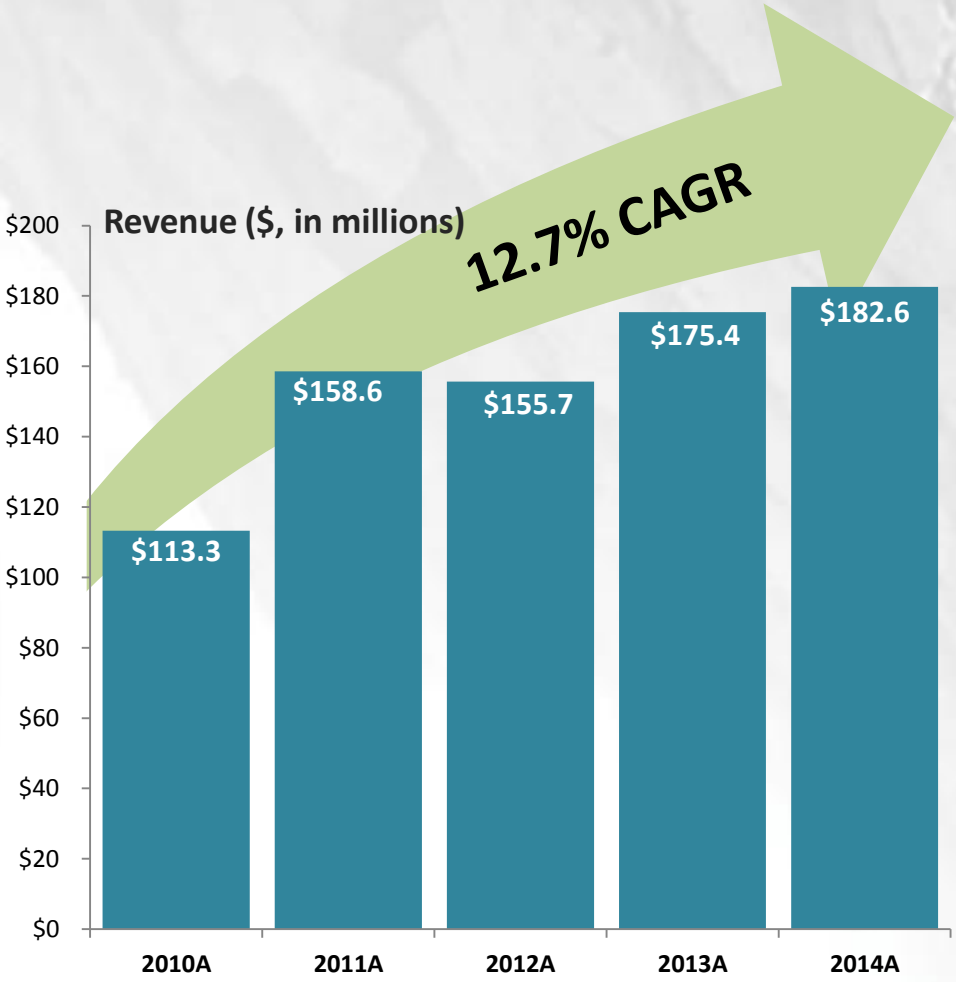
…that is focused on delivering smart, connected new products with low instrument and assay costs to the Point-of-Care (POC).

Quidel – building on a history of innovation

2009 – Present Submitted over 25 510(k) packages to the FDA, 18 FDA clearances, 4 CLIA waiver designations. Launched Sofia and 4 FDA-cleared assays. Launched 2 molecular systems (AmpliVue & Lyra) Acquired DHI ($45 million direct business). Acquired BioHelix (proprietary HDA amplification technology).

1989 – 2009 Launched QuickVue Influenza A/B rapid diagnostic assay. First company to receive CLIA waiver for Flu, Strep and H. pylori tests.

1979 – 1989 Company founded. Primarily a provider of Strep A and Pregnancy rapid diagnostics



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Quidel's experienced management team is assembled to win

Douglas C. Bryant **President and Chief Executive Officer** Served as Executive Vice President and Chief Operating Officer, Luminex Corporation, Vice President of Abbott Vascular for Asia/Japan, Vice President of Abbott Molecular Global Commercial Operations and Vice President of Abbott Diagnostics Global Commercial Operations. Mr. Bryant holds a B.A. in Economics from the University of California at Davis.

Randall J. Steward **Chief Financial Officer** Served as Chief Financial Officer for Navilyst Medical, Inc., Chief Operating Officer for SeQual Technologies, Inc., Executive Vice President and CFO for Spectrum Brands. Mr. Steward holds a B.B.A. in Accounting from Southern Methodist University. Mr. Steward is also a Certified Public Accountant and a member of AICPA.

Michael Abney **Senior Vice President, Distribution** Served as Vice President, Channel and Distribution for ConvaTec; previously Vice President, Supplier Management, PSS Inc.

Robert J. Bujarski, J.D. **Senior Vice President, Business Development and General Counsel** Served as General Counsel and Vice President, previously was an associate attorney with Gibson, Dunn & Crutcher LLP. Mr. Bujarski received his B.A. degree in 1991 from the University of Arizona and his law degree in 2001 from the University of Arizona.

Werner Kroll, Ph.D. **Senior Vice President, Research and Development** Previously served as Vice President and Global Head of Research and Innovation for Novartis Molecular Diagnostics/Co-diagnostics. Has also held senior positions at Novartis, Bayer Diagnostics and Bayer Pharmaceuticals, and AGFA. Dr. Kroll received his doctorate in Physiological Chemistry from the University of Marburg.

Scot M. McLeod **Senior Vice President, Operations** Vice President, Operations for the Company since 2001, having responsibility for the performance of the San Diego manufacturing facility. Worked at Medtronic Inc. and Hybritech in engineering and project leadership roles. Mr. McLeod has a Bachelor of Science degree in Chemical Engineering from the University of New Hampshire.

Mark W. Smits **Senior Vice President, U.S. Commercial Operations** Served in several positions at NeoGenomics, ThermoFisher Healthcare. Previously served as Divisional Vice President, U.S. Customer Service Operations for Abbott Diagnostics Division. Mr. Smits holds a Bachelor of Science Degree in Building Construction from Texas A&M University.

John D. Tamerius, Ph.D. **Senior Vice President, Clinical and Regulatory Affairs** Dr. Tamerius originally joined Quidel in 1983 with the acquisition of Cytotech, Inc. where he was president. Dr. Tamerius holds a Bachelor of Science, a Master of Science, and a Ph.D. in Microbiology and Immunology, all from the University of Washington.

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Our strategic intent

Build a broader-based diagnostic company that delivers revenue and margin more consistently. Develop technologies and products that give us access to market segments that are significantly larger.

Solidify price and volume in core business while expanding into molecular.

Create and commercialize innovative new products that are differentiated in at least two attributes:

- Improved Accuracy
- Lower Cost
- Faster Time to Result
- Easier to Use
- Unique Menu

The strategy behind our new product development is two-fold

For Immunoassays: *protect and expand our Core Business through the development of compelling and connected next-generation assays that deliver more value to the customer and provide greater, more consistent margin to our business*

For Molecular Assays: *leverage our core knowledge of Infectious Diseases to develop unique molecular systems with interesting menu and low product costs that allow us to compete with favorable margins in a rapidly growing market*

Since 2011, Quidel has submitted over 25 510(k) packages resulting in 18 FDA clearances, 4 CLIA-waiver designations and numerous product introductions

FDA- cleared Products since 2011

Sofia® Instrumented Immunoassay		AmpliVue® HDA Isothermal Molecular		Lyra® Real-Time PCR Molecular
CLIA-Waived	Sofia Analyzer	Mod-Complex	C. difficile	Influenza A+B
CLIA-Waived	Influenza A+B	Mod-Complex	Group A Strep	RSV+hMPV
CLIA-Waived	Group A Strep	Mod-Complex	Group B Strep	Adenovirus
CLIA-Waived	RSV	Mod-Complex	Pertussis	Parainfluenza 123
	Pregnancy	Mod-Complex	HSV 1+2	Strep A+ C/G
	Legionella (CE Mark only)	Mod-Complex	Trichomonas	C. difficile
				HSV1+2/VZV







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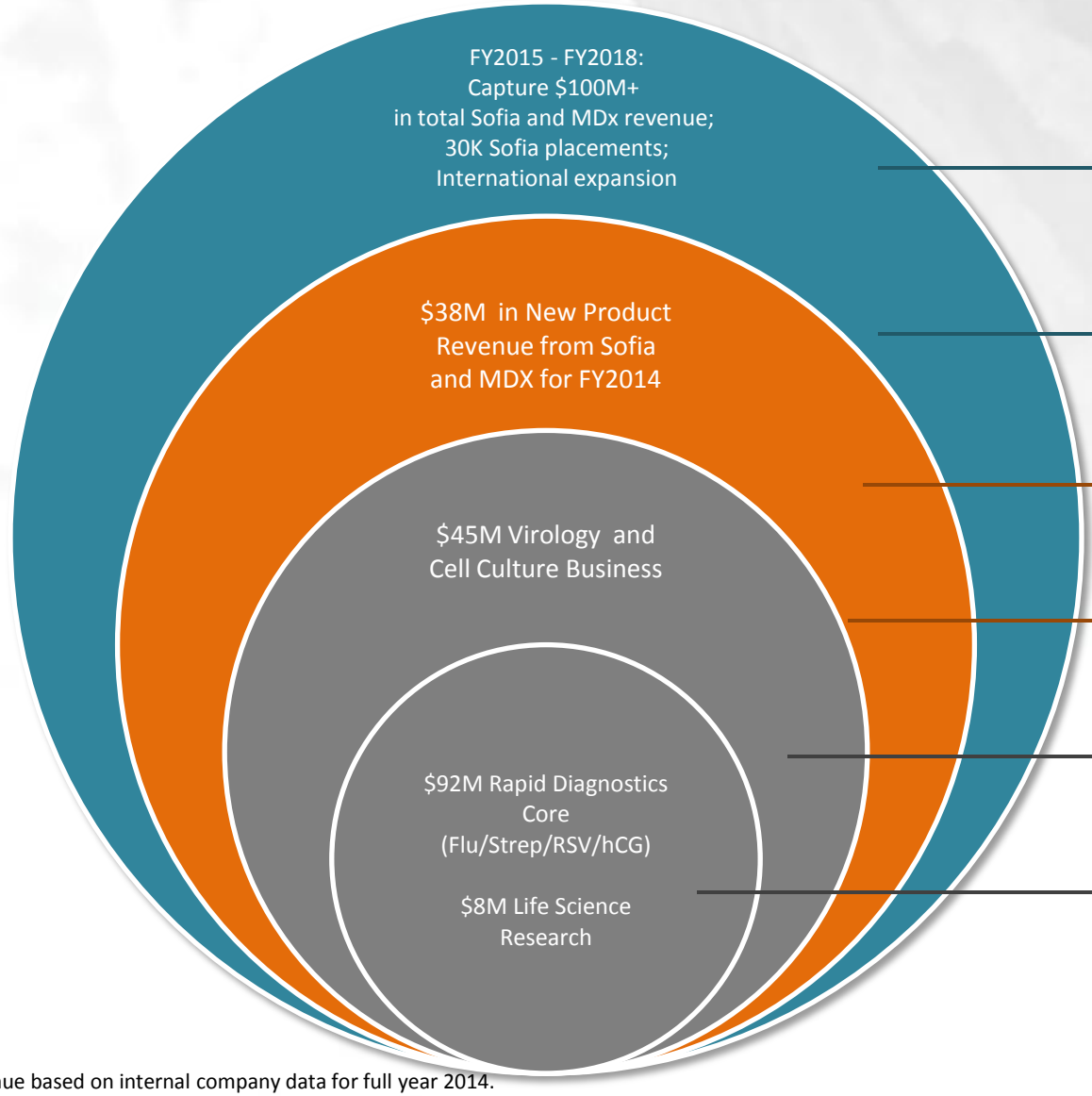
Quidel's near-term growth opportunities come from the commercialization of new products and longer-term, from products in development.



- Instrumented Solana and Savanna capture MDx market share in low-volume labs with ease of use and low product costs
- Vitamin D and the next wave of Sofia Immunoassays expand into adjacent markets
- Lyra and AmpliVue capture market share in high growth molecular segment and promote Quidel brand
- Instrumented Sofia solidifies price and share in core business
- Acquisition of Diagnostics Hybrids provides direct revenue in single-digit growth virology field
- Diagnostics LF core, stabilize business through conversion to Sofia, next-gen. immunoassay

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Revenue based on internal company data for full year 2014.

Today, new product sales from Sofia and MDx products are driving Quidel's growth.

In just 2 years, revenue from new products has grown to 21% of total revenues



Revenue percentages and CAGR calculations are based on internal company data for TTM sales of new products.

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Our new products are designed to meet the various needs of the customer

FDA-cleared, CLIA-waived



Sofia Immunoassay platform is the next generation, objectively-read system in support of our legacy lateral flow business, designed to deliver more value and a higher gross margin.

Sofia captures market share with the first wave of assays (for Respiratory Disease) in physician offices, hospitals and alternative sites.

FDA-cleared



AmpliVue, a non-instrumented, hand-held disposable molecular device requires no thermocycler or upfront costs.

Moderately complex claim provides an easy-to-use entry point into molecular testing for smaller hospitals and lower-volume users wishing to convert from legacy testing methods.

CE-Marked



Solana, our first instrumented molecular system, extends AmpliVue's proprietary HDA technology to offer a low-cost, medium volume molecular solution that can multiplex, running up to 12 samples at a time in approx. 30 minutes.

Solana is designed for samples that do not require extraction or quantitation in mod-complex and potentially CLIA-waived settings.

FDA-cleared



Lyra, the Real-time molecular PCR assays, are designed to run on a hospital lab's existing thermocycler, and provides a real-time testing solution to higher throughput labs using a hospital's established systems – with no upfront costs.

Lyra molecular assays can be paired with other Lyra assays to create customized multiplex Respiratory Disease panels.

In Develop-ment



Savanna is the low-cost, fully integrated "sample-to-answer" molecular diagnostic system.

Target cartridge cost is less than $5 and target instrument cost is $10,000, designed for low-volume and potentially CLIA-waived settings.

Savanna can run either traditional PCR using Phase Gate extraction or HDA assays for samples that do not require extraction.

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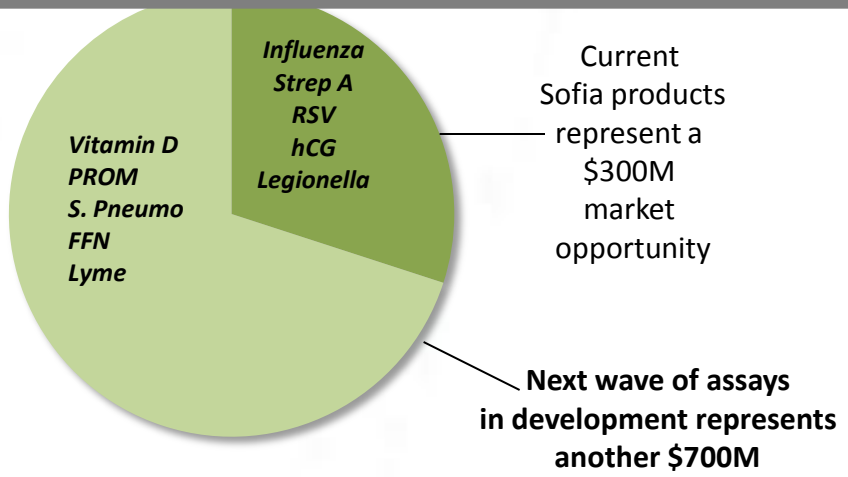
From a customer perspective, Sofia is a compelling next-generation rapid immunoassay system

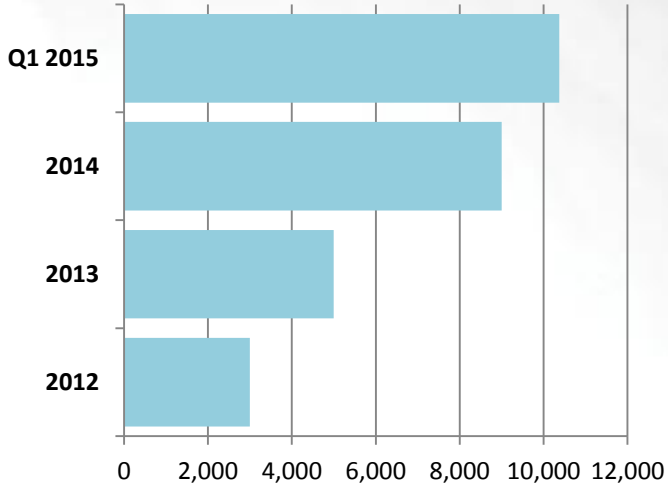
- FDA-cleared and CLIA-waived instrument and assays
- Objectively read result, with many fail-safe and data management features
- Improved accuracy and performance relative to traditional rapid point of care devices
- Cellular wireless data management capability
- Easy to use



Sofia increases testing opportunity to $1B



Sofia placements by year



Market data are based on internal company estimates for 2014. Flu market size varies with volatility and seasonality. Sofia placements are based on qualitative company disclosures from 2013-2015.

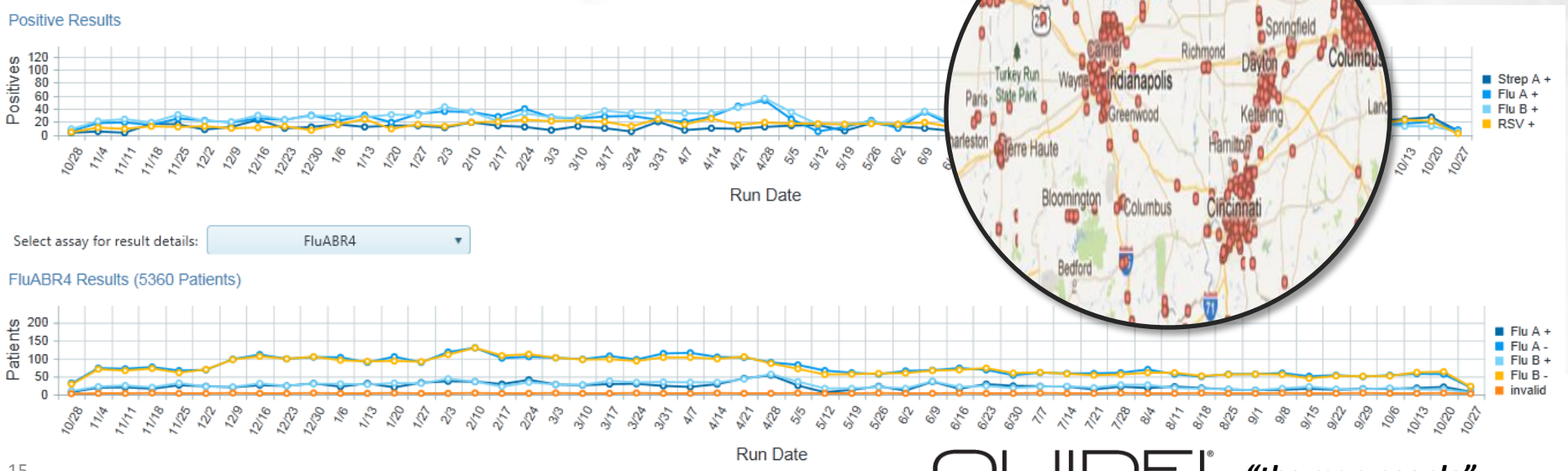
Virena adds another dimension of functionality to Sofia



Can utilize cellular to transmit/gather/analyze de-identified testing data by test type, facility, result, etc.

Map and monitor respiratory disease incidence at the local or national level in near real-time.

Remotely manage and view instrument usage data, improve risk management, support operator training and monitor QC compliance.



Testing and geographic data are shown for illustrative purposes only.

QUIDEL *"the map people"*

Quidel's molecular products are evolving from introductory offerings into more sophisticated instrumented molecular systems

In-market MDx products



AmpliVue
Isothermal HDA technology
in a hand-held disposable format



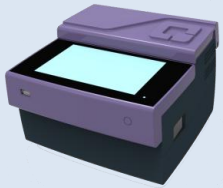
Lyra
RT PCR technology for
established PCR instruments

HDA & Assay Menu

HDA & Assay Menu

Assay Menu

MDx systems in development



Solana
Isothermal HDA instrumented
System with lower cost assay



Savanna
Integrated MDx system
capable of Phase-Gate extraction
or HDA amplification

Phase-Gate
Extraction Technology

AmpliVue introduces Quidel's molecular brand to the lower-volume segment of the hospital market

AmpliVue features and benefits

Uses our **proprietary HDA technology**

Non-instrumented, **hand-held disposable** cartridge

Performance rivals that of high-cost systems in terms of **accuracy**

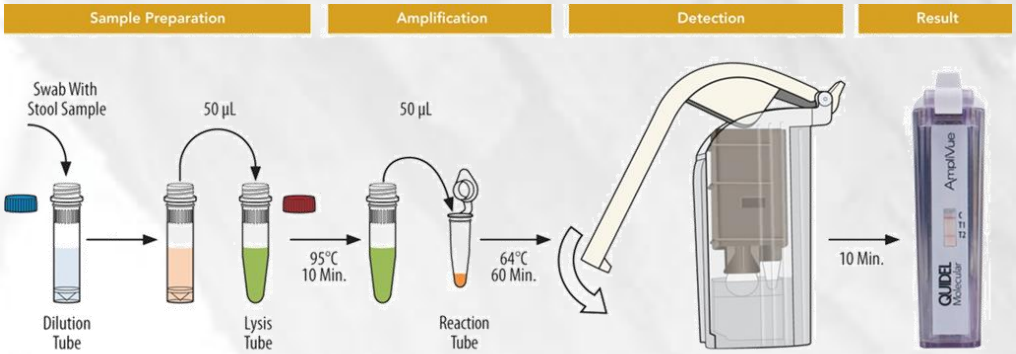
Results in 55-80 minutes (varies by assay)

Minimal start up cost allows deep reach into the 25-200 bed hospital market in

an economical way without sacrificing performance

6 FDA-cleared molecular assays with Moderate Complexity designation:

- **C. Difficile**
- **Group A Strep**
- **Group B Strep**
- **B. Pertussis**
- **T. Vaginalis**
- **HSV1+2**





Quidel's Lyra® Real-time PCR assays offer several advantages to the higher throughput labs

Lyra MDx features and benefits

Simplified workflow as compared to LDT and other on-market assays.

Superior sensitivity and specificity.

Results in **approx. 75 minutes**.

FDA clearance on multiple platforms provides end-user flexibility on system choice.

Multi-well, multiplexing format that allows for customized panels for analytes from the same specimen type provides the higher-volume customer with the ability to handle their respiratory panel requests during an epidemic.

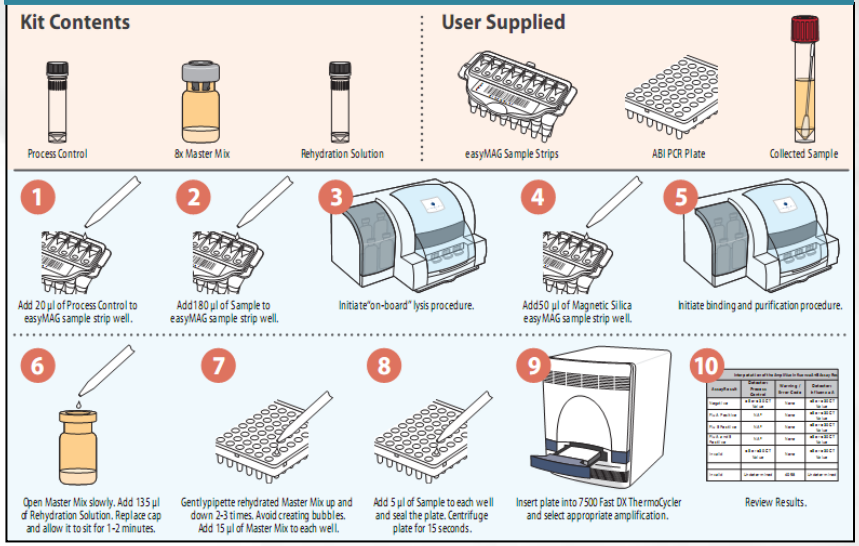
Very low assay COGS gives flexibility in pricing and still allows for achievement of target GM.







Lyra assay workflow



FDA-cleared assays

Influenza A+B	**HSV1&2/VZV – L***
RSV + hMPV	**Adenovirus**
C. difficile	**Parainfluenza 123**
Strep A + C/G*	**de novo assays*

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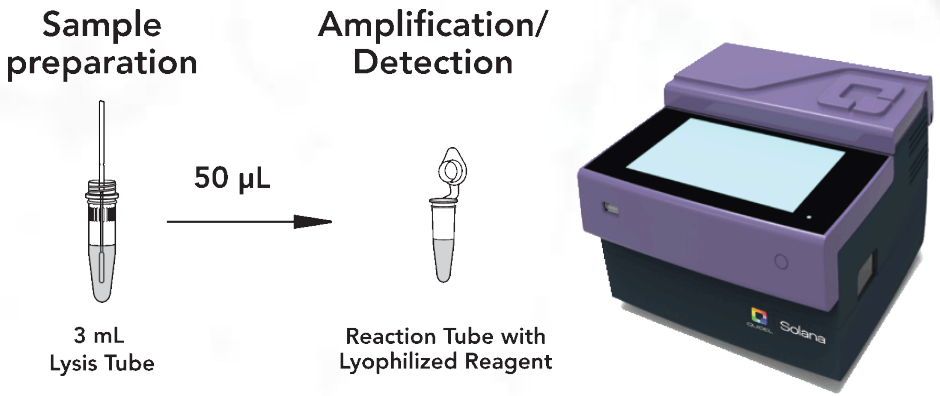
easyMAG ® is a registered trademark of bioMerieux.
QuantStudio™ Dx and 7500 Fast DX ® are registered trademarks of Life Technologies.

The lower end of the IVD market's move to molecular methods has been greatly hampered by the lack of access to capital and the cost of molecular reagents. Solana's low COGS solves this

New Solana Strep A+C/G Assay



1. Transfer specimen to Lysis Tube with swab
2. Swirl the swab 10 times
3. Transfer 50 µL to Reaction Tube

1. Insert the Reaction Tube into the Solana Instrument
2. Results available in approx. 30 minutes

The typical U.S. Solana customer

- Would move to a molecular method for targets that don't require extraction, but is highly price sensitive
- Throughput requirement is less than 192 samples per instrument per 8-hour shift
- Can commit to at least 2 MDx tests per day on a reagent agreement plan
- At 75% GM profile*, is a financially viable and attractive customer for Quidel

*Assumes an AUP of $15 per test.

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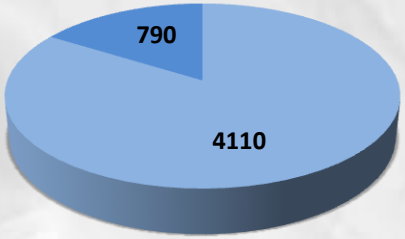
The lower end of the U.S. hospital lab market is significantly under-penetrated by fully integrated MDx platforms





U.S. Hospitals ≤ 400 Beds

The typical U.S. Savanna customer

- Is one of 4110 hospitals ≤ 400 beds without a sample-to-answer MDx platform
- Concern with cost has delayed move to molecular methods
- Can commit to at least 5 MDx tests per day on a reagent agreement plan
- At 75% GM profile*, is a financially viable and attractive customer for Quidel

*Assumes an AUP of $25 per test.

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Savanna and Solana initial menu is designed to deliver the test volume needed for a profitable reagent agreement plan

Desired Assay Requirements *(Assays and systems are currently in development)*	Solana	Savanna	
	HDA	PCR	HDA
Sample extraction		X	X
Quantitation		X	
Fast Time-to-Results	X		X
Random Access		X	X
Random Batch	X		
Multiplex Panel	X		

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We are on a path to our longer term financial objectives

1. Achieve low- to mid-teens in annual revenue growth through new product introductions.

2. Invest in the development and commercialization of new products driving gross margins to exceed 65%.

3. Leverage operational efficiency driving EBITDA margins in excess of 30%.

4. Maximize cash flow from the core business.

5. Pursue outside opportunities to complement organic growth.

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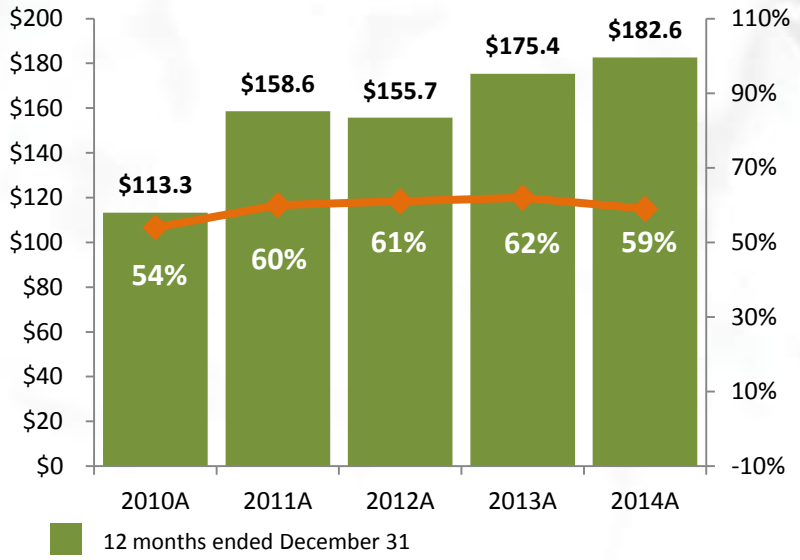
Quidel financial overview

Revenue
(in $ million, percent gross margin in white)



Adjusted EBITDA [1]
(adjusted, in $ million)



Balance Sheet as of March 31, 2015
(in millions)

Cash and Cash Equivalents	**$232.9**
Total Assets	**$455.2**
Long-term Debt and Lease Obligations	**$143.7**
Stockholder's Equity	**$251.5**

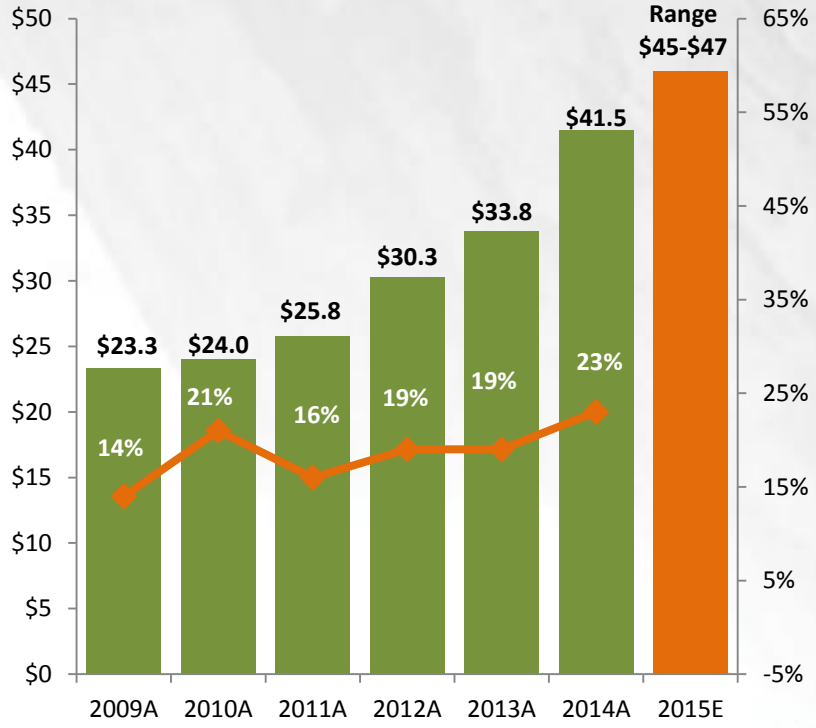
Adjusted EBITDA excludes interest, depreciation, amortization, stock compensation, business acquisition costs, asset impairment and restructuring charges.

2015 expected operating cost structure

Annual Investment: R&D
(in $ million; percentage of sales in white)



Annual Investment: S&M
(in $ million; percentage of sales in white)



Note: R&D investment includes the Q2 2013 acquisition of BioHelix and acceleration of Savanna.
S&M investment includes the additional increase in resources in Q2 2013.

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Growth drivers and milestones for 2015



- Expand **Sofia installed base** through **commercialization of CLIA-waived Sofia Strep A**
- Receive **CLIA waiver** for **Sofia hCG**
- Continue **Sofia conversions** from **visually-read lateral flow** products
- **Submit 510(k)** package to the FDA for **Quantitative Vitamin D**



- Grow revenue and expand AmpliVue customer base with **6 FDA-cleared** hand-held **molecular products:**
  - C. difficile
  - Group A Strep
  - Group B Strep
  - HSV 1+2
  - Bordetella Pertussis
  - Trichomonas



- **510(k) submission** and **clearance** of Solana **instrument** and **Group A Strep** assay
- **510(k) submission** of **Influenza A+B** assay
- Development of **additional Solana assays**



- Commercialization of **15 FDA-cleared PCR analytes:**
  - Influenza A+B
  - RSV+hMPV
  - C. difficile
  - Strep A+C/G
  - HSV 1+2/VZV
  - Adenovirus
  - Parainfluenza 1,2,3



- Continue **field testing** of Savanna **cartridge** and **integrated system** in **Africa**
- **Optimize** and **automate manufacturing line** for **test cartridges**

In summary…

In a relatively short amount of time, Quidel has demonstrated its ability to ***bring to market innovative new rapid immunoassays*** *and* ***molecular diagnostic products with low COGS****.*

New product revenue from FDA-cleared assays *(Sofia, Lyra and AmpliVue) is* ***contributing to top-line growth*** *and* ***margin expansion****. These products are well-positioned to continue to drive growth in the near- to mid-term.*

Longer-term growth *will come from two places:*

1) ***Sofia Vitamin D, Virena*** *and the* ***next wave of Sofia assays****, and*

2) ***Solana and Savanna****, our molecular platforms currently in-development.*

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