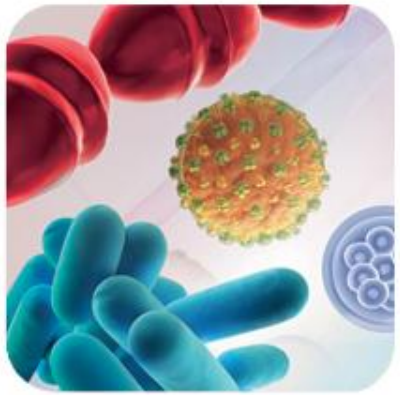
QUIDEL

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.

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Company history (1979 – 2009)

1979
Quidel founded



1985
FDA-cleared test for Strep A



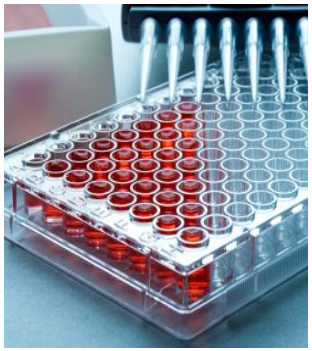
1999
Flu A/B product receives FDA clearance



1970 | 1980 | 1990 | 2000 | 2009



1984
First commercial product introduced: pregnancy



1989
Acquired Bone Health and Complement Pathway marker business

First company to receive CLIA waiver for Strep A, Helicobacter pylori, and Influenza A+B

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Recent History of Innovation (2009 – present)

2009
AmpliVue development begins



2010
NU agreement signed

2010
Acquires Diagnostic Hybrids

2011
FDA clearance for **Sofia Analyzer** and **Influenza A+B** FIA



2011
FDA clearance for its first two molecular assays: **Lyra Influenza A+B** and **Lyra hMPV**



2012
CLIA waiver for **Sofia Influenza A+B FIA**

2012
FDA clearance for **AmpliVue C. difficile**



2013
FDA clearance for **Lyra C. difficile** and **Lyra RSV+hMPV** PCR assays

2013
Acquires BioHelix and AnDiaTec

2013
3 FDA clearances for **Sofia** assays: **Strep A**, **hCG** and **RSV**

2013
FDA clearance for **AmpliVue GBS**

2014
FDA clearance for **Lyra Adenovirus** and **Lyra Parainfluenza 123** PCR assays

2014
FDA clearance for **AmpliVue HSV 1+2** assay

2014
CLIA waiver for **Sofia RSV** FIA

2014
FDA clearance for **Lyra Strep A+C/G** and **Lyra HSV 1+2/VZV** PCR assays

2014
2 FDA clearances for **AmpliVue Group A Strep** and **Bordetella** assays

2014
Simultaneous FDA clearance and **CLIA** waiver for **Sofia Strep A** FIA

2009 | 2010 | 2011 | 2012 | 2013 | 2014

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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 products that are differentiated in at least two attributes:

	Sofia	AmpliVue	Lyra/QS	Savanna	Solana
Improved Accuracy	●	●	◒	◒	◒
Lower Cost	○	◒	●	●	●
Faster Time to Result	○	●	●	●	●
Easier to Use:					
- More Efficient Workflow	●	●	●	●	●
- Easier Data Handling	●	○	◒	◒	◒
Unique Menu	●	●	●	●	◒

Quidel molecular platforms address different segments -- uniquely

Next Gen. Immunoassay SOFIA

FDA CLEARED SYSTEM & ASSAYS



Objective read eliminates errors

All-new fluorescent strip chemistry improves sensitivity

LIS and EMR connectivity provides more than just an answer

Solidifies price and volume for our core business

Access to larger quantitative markets

Quidel Molecular AMPLIVUE

FDA CLEARED ASSAYS



Disposable: requires no thermocycler or capital

Multiplex isothermal improves TTR

Moderately complex means it's easy

Quidel Molecular SOLANA



Extension of AmpliVue product line. Runs same proprietary HDA technology

Minimal sample preparation/hands-on time enables potential CLIA waiver

Runs up to 12 assays in as little as 30 minutes, depending on assay

Different assay types can be run at the same time for customized multiplexing

LIS and EMR connectivity

Quidel Molecular LYRA REAL-TIME PCR

FDA CLEARED ASSAYS



Addresses higher throughput customer needs

Random batch format allows for higher throughput multiplex panels

Simplified assays can be run on existing thermocyclers

Improved workflow and storage saves process time

Quidel Molecular SAVANNA



A rugged, low-cost, fully-integrated system with novel extraction; sample in, result out simplicity

Cartridge COGS target <$5

Can run either PCR or HDA assays

Multiple sample types: plasma, whole blood, UTM, stool, urine, sputum

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

- Improved performance relative to traditional rapid point of care devices
- Objectively read result, with many fail-safe and data management features
- Cellular wireless capability
- Currently marketed Sofia products represent an approx. $300M total market opportunity:

Influenza A+B
Group A Strep
RSV
Qualitative hCG
Legionella

- Next wave of assays represents another $700M:

hCG Quant
Vitamin D Quant
PROM
S. Pneumo
FFN



Market data are based on internal company estimates for 2013. Flu market size varies with volatility and seasonality.

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AmpliVue fits the market and fits Quidel's competencies

- Performance rivals that of high cost systems in terms of speed and accuracy, in a disposable format.
- Minimal start up cost allows deep reach into the 25-200 bed hospital market in an economical way without sacrificing performance.
- FDA cleared menu includes ***C. difficile, Group B Strep, HSV1+2, Group A Strep, Bordetella Pertussis***.



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

Lyra features and benefits…

- Simplified workflow as compared to LDT and other on-market assays.
- Direct assays that allow for the elimination of the extraction step for certain analytes. Decreases assay TAT and cost.
- Superior performance for sensitivity and specificity.
- FDA clearance on multiple platforms provides end-user flexibility on system choice.
- Validation on non-FDA cleared thermocycling platforms.
- Multi-well, multiplexing format that allows for end-user designed panels for analytes from the same specimen type. This provides the higher-volume customer with the ability to handle their respiratory panel requests during an epidemic
- LIS interface-able with the QuantStudio Platform.
- Very low COGS on assay gives flexibility in pricing and still allows for achievement of target GM.



FDA cleared assays include:

- ***Influenza A+B***
- ***RSV+hMPV***
- ***C. difficile***
- ***Direct Strep A +C/G***
- ***HSV1&2/VZV- L***
- ***Adenovirus***
- ***Parainfluenza 123***

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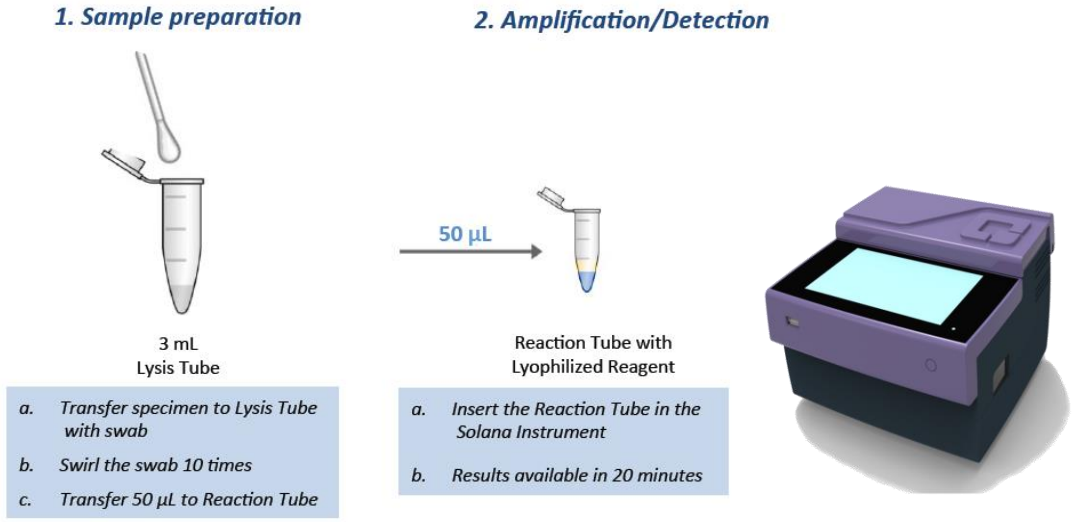
The lower end of the IVD market's move to molecular methods has been greatly hampered by the lack of access to capital and the cost of molecular reagents. Solana's low COGS solves this.

New Solana Strep A + C/G Assay



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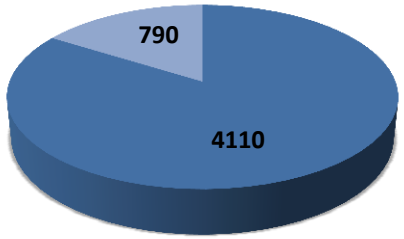
The lower end of the U.S. hospital lab market is significantly under-penetrated by fully integrated MDx platforms





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		

We are on a path to our longer term financial objectives



1. Achieve incremental revenue growth of at least $100 million 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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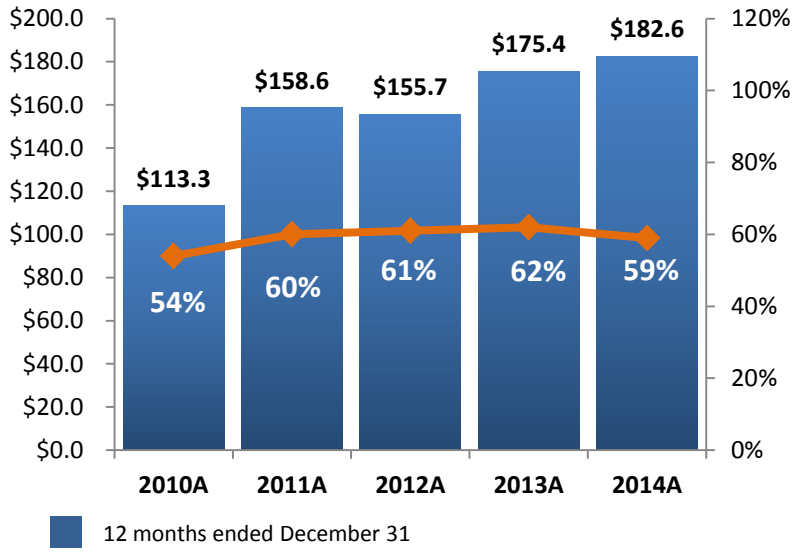
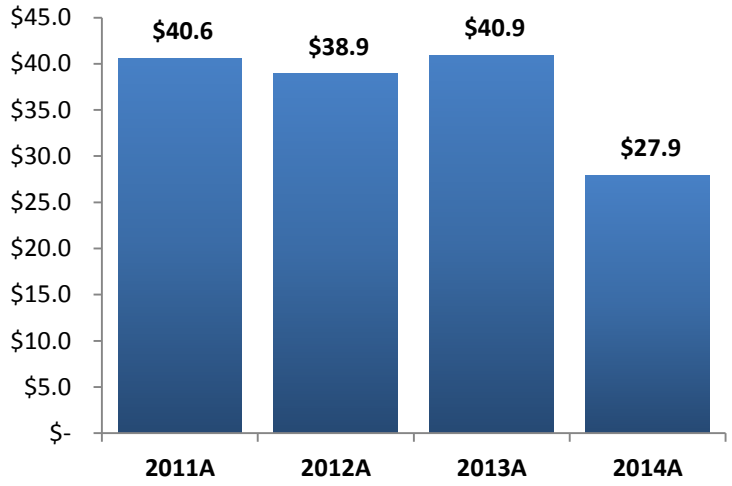
Quidel financial overview

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



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



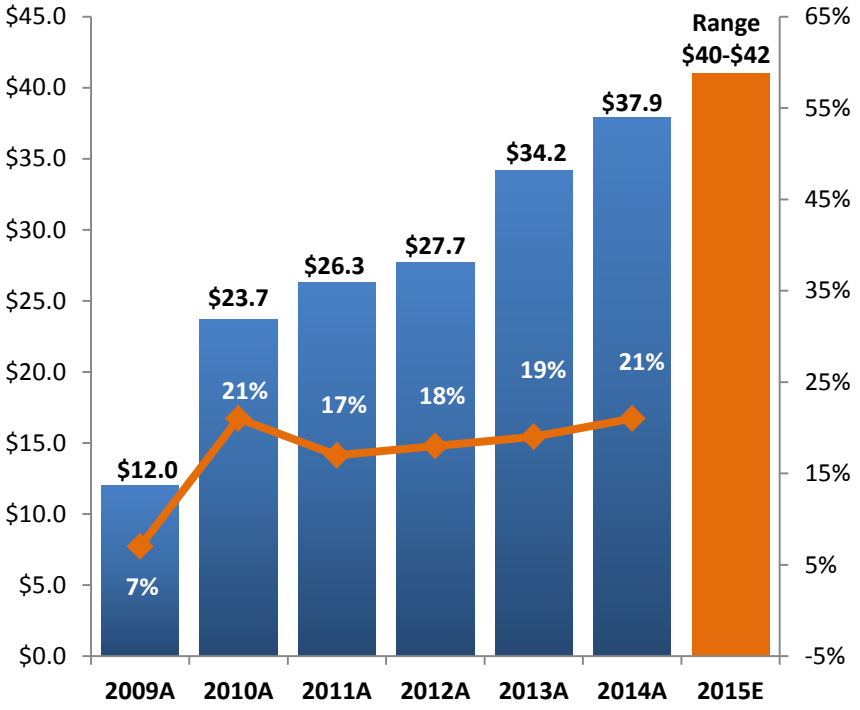
Balance Sheet as of December 31, 2014
(in millions)

Cash and Cash Equivalents	**$204.0**
Total Assets	**$451.6**
Long-term Debt and Lease Obligations	**$146.7**
Stockholder's Equity	**$245.0**

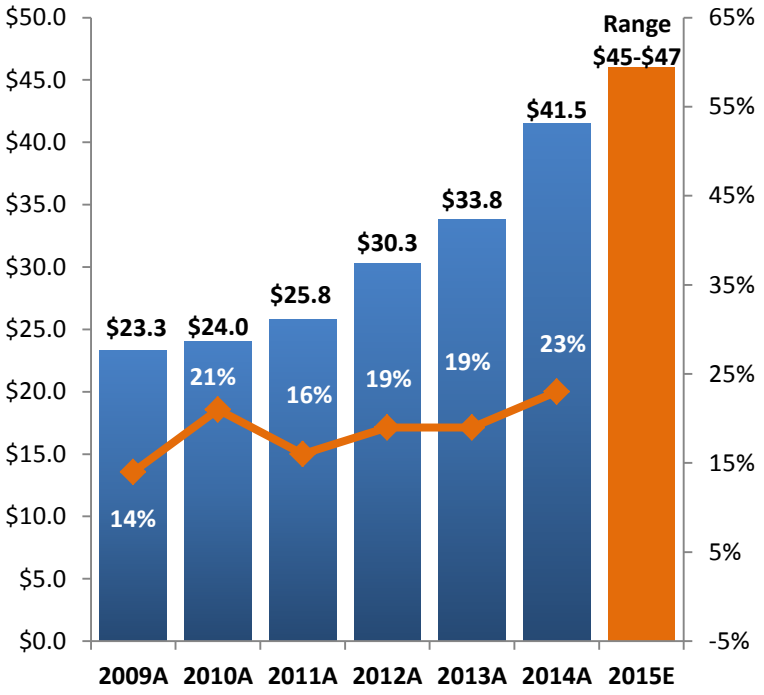
Adjusted EBITDA excludes interest, depreciation, amortization, stock compensation, business acquisition costs, asset impairment and restructuring charges.

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.

Quidel's milestones for 2014



- **10,000** instrument **placements generating revenue***
- Receive **CLIA waiver** for **Strep A and hCG** assays
- **Quantitative assay** development: hCG, Vitamin D



- Commercialization of **C. difficile, GBS, HSV1+2 and GAS** products
- FDA **submission of Bordetella** and **Trichomonas** assays



- Commercialization of **HSV 1+2/VZV** and **Strep A + C/G** assays
- FDA **submission of Adenovirus** and **Parainfluenza 1, 2, 3** assays
- Enter **clinical trials** for **Norovirus** assay



- First **integrated units** manufactured
- **Appearance** at a U.S. **trade show**
- Initial field lab **placements in Africa,** start **clinical sample study**



- Move **instrument and 5 assays** to next development phase, prepare for **H1 2015 launch**

*assumes receipt of CLIA waiver by no later than Q3 2014.

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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**



- Commercialization of **6 FDA-cleared** hand-held **molecular products:**
  - **C. difficile**
  - **Group A Strep**
  - **Group B Strep**
  - **HSV 1+2**
  - **Bordetella Pertussis**
  - **Trichomonas (in review by FDA)**



- **510(k) submission** and **clearance** of Solana **instrument** and **Group A Strep** assay
- **510(k) submission** and **clearance** 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**