Second Quarter 2009
Interim Earnings Report
07.21.09

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Q2-09 Overview - Revenue

- **Achieved $22.3M in revenue:**
  - **Consolidated revenue below expectations due to the following factors:**
    - **Delayed purchases of in-vitro diagnostics capital equipment by our US customers approaching ~$1.5M, resulting in approximately 25% decline in consolidated instruments revenue over prior year's quarter**
    - **Many of the expected domestic orders were in the final stages of the selling cycle but capital funding was not released**
    - **Increased rental pattern: ~$500k in equipment rentals whose instrument's revenue will be deferred over future periods**
    - **$400K lower than expected sales in our Sample Processing Division**
  - **Strong international demand for both iChem VELOCITY and iRICELLs**
    - **72 iQ Analyzers**
    - **50 iChem Velocity analyzers**
    - **56% of iChem VELOCITY shipments were part of an iRICELL**
  - **Record Consumables and Service revenue: $12.9M, 58% of total sales**
    - **8% increase over prior year's quarter**
    - **3% sequential revenue growth**

The financial estimates disclosed on this presentation are preliminary and subject to external auditor's review and, therefore remain subject to change.

Other financial indicators for Q2-09

- Estimated Consolidated gross margins for the comparable second quarter remain at 51% despite significant lower instruments volume, severance costs and VELOCITY introduction and retrofit costs
- Estimated Consumables and Service gross margins improved to 59% from 58%, after severance charges related to a reduction in force implemented in June 2009 (61% on pro forma basis)
- Cash and cash equivalents improved to approximately $29 million from $27 million in Q1-09
- Financial results include severance and terminations cost of approximately $325k

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Q2-09 Overview - Earnings

- GAAP Earnings for the quarter expected to be in the range of $0.05 to $0.07 including the following non-recurring costs
  - Severance and termination costs
  - iChem VELOCITY Retrofit Cost Provision
  - Impact: $0.03

  Pro-forma earnings are expected to be $0.08 - $0.10 versus $0.11 in guidance primarily due to the domestic instruments revenue shortfall

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Q2-09 Overview – Action Plan

- Laid-off 19 full time equivalents which would generate $450K net savings in the second half of 2009 and over $1.0 million in 2010

- Increasing emphasis in domestic sales funnel to compensate for potentially lower close rate

- Implemented cost containment measures in all areas

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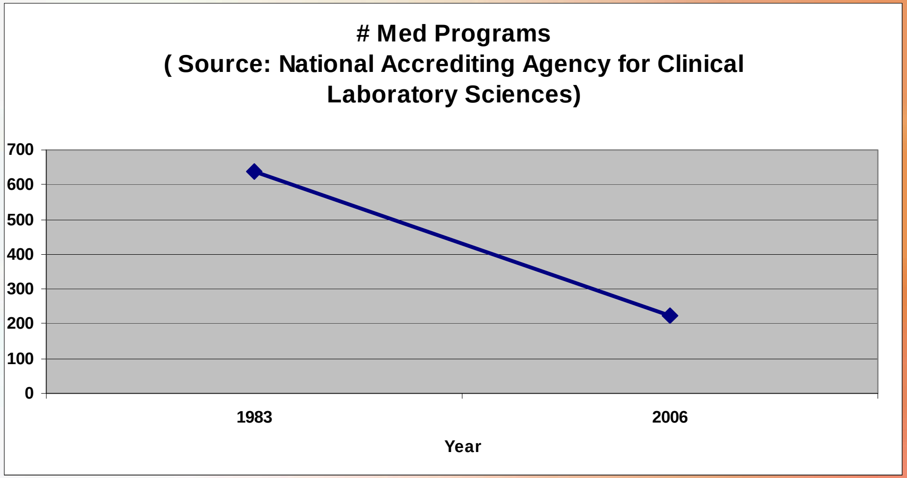
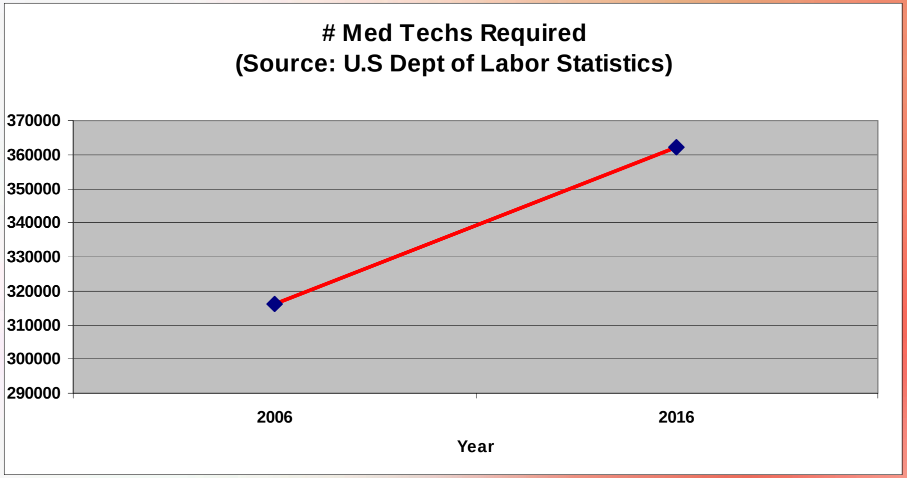
Demand for Lab Automation Should Continue and Help the Recovery of Instruments Sales in 2010

- According to the Wage & Vacancy survey by the American Society of Clinical Pathology, 50% of all laboratories in the US have difficulty hiring lab personnel
- Average lab worker age is 50+ years
- Baby boomer population is driving the demand for more and higher complexity lab tests in the US





Adapting to Challenging Market Conditions

- Providing multiple acquisition options for IRIS products
- Limited promotional discounts on high margin options
- Selective international promotions/ concessions
- Cost improvements and containment programs implemented

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2H-2009 Outlook

- Expect a stronger second half in revenue and earnings
  - Historical seasonality pattern: very strong fourth quarter
  - iChem VELOCITY learning curve should be over early 2H-09
  - Higher iChem VELOCITY consumable pull through in 2H-09
  - Higher R&D spending in the second half to support 3GEMS and NADiA clinical studies etc.

- Updated full year guidance to be provided July 30

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iChem®VELOCITY™ Launch Status

- Successful re-launch of iChem Velocity in Q2-09
  - Customer satisfaction is high
  - Most distributors have re-initiated their full scale launch and field retrofit program
  - Shipped 50 analyzers bringing the total to approximately 150 units shipped since September 08
  - Beginning to experience the pull through of iChem test strips
- Pending 510(k) Clearance: IRIS responses are being reviewed by the FDA and an official response is expected imminently

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NADiA ProsVue Status as of 07.21.09

- **Adopted all FDA recommendations from their latest Pre-IDE review. Protocol and proposed claim are final.**
- **The clinical trials will be initiated as soon as <u>ALL</u> IRB's are approved by the following institutions:**
- **Duke University (Lead Investigators) IRB Aug 09**
- **Sloan Kettering IRB Aug 09**
- **Eastern Virginia Medical School – IRB approved**
- **University of Washington – IRB approved**

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Q & A