

The final quarter of 2008 saw a 22.5% drop in TSG's Point of Care Diagnostics index. The POCDI was substantially impacted by the broader economic climate due to the emerging nature of this fast-growing field of diagnostics.

INDEX PERFORMANCE*

Since Inception (1/1/'03) : **+98.5%**

36 Month : **-5.4%**

12 Month : **-42.5%**

6 Month : **-24.9%**

3 Month : **-22.5%**

*Data as of 12/31/08

INDEX COMPONENTS

- 20 public companies
- All companies are primarily focused on platforms, tests and reagents used in a Point-of-Care Diagnostics setting
- Index is largely focused on companies in the US, however there are also companies based in Canada and the UK
- Companies range in market value (capitalization) from \$2.2 Bn to < \$5 Mn USD

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- ➔ In Vitro Diagnostics (IVD) is one of the fastest-growing segments of the global healthcare industry, and innovations in Point of Care (POC) diagnostics for chronic and infectious diseases are expected to drive future growth.
- ➔ Technological advances and validation of new biomarkers are driving the need for new POC platforms, and improvements in turn-around time and quantitative capabilities offer an opportunity for POC companies to establish leadership in the adoption of molecular diagnostics at the point of care.
- ➔ Many companies in the POCDI have pending FDA decisions – for instance, OraSure's pending FDA application for its OraQuick® Hepatitis C test, and Osmetech's eSensor® Warfarin Sensitivity Extended Panel Test – which are likely to impact their stock prices in 2009.
- ➔ Although the average market cap of companies in the POCDI is \$356M, half of the twenty companies in the index have market caps of \$25M or less. As a result, general investor wariness of small cap investments towards the end of 2008 amplified the effects of broader market uncertainties on this emerging sector.
- ➔ With the POCDI returning to first quarter 2005 valuations in Q4 2008, larger players have begun to signal an interest in acquisitions. As the capital markets begin to stabilize and improve, we expect to see increasing momentum on this front, especially among larger IVD companies with strong balance sheets.
- ➔ Several smaller players performing poorly in this index have been public companies for over 5 years, and used IPOs as an exit strategies rather than another source of financing. Emerging companies which use this strategy generally underperform the market.

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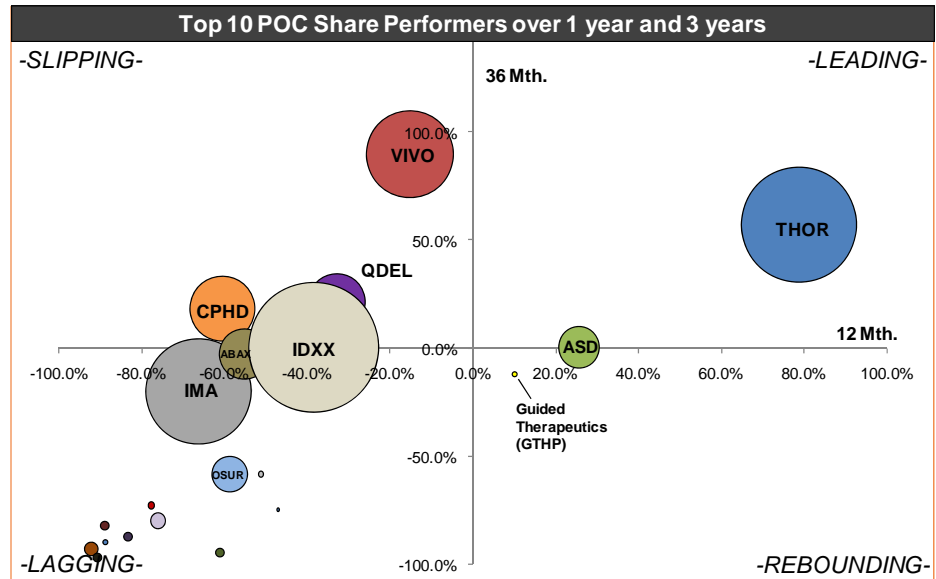
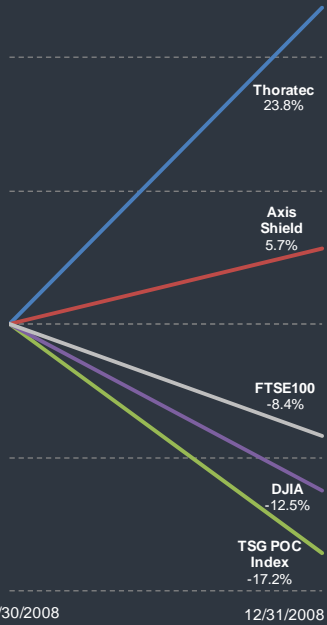
Two companies have gained share value and outperformed the broader markets during Q4 2008.

Company (Q4 Returns)

Key Criteria for Gains

- Thoratec (+23.8%)
 - Increased FY 2008 guidance for revenue by 5.8% and for EPS by 55% to \$302M and \$0.31 respectively; both above analysts' estimates
 - Interim data analysis demonstrated statistical superiority for the HeartMate II Destination Therapy Trial; Plans to file a PMA application in the first half of 2009
- Axis Shield (+5.2%)
 - Formed an agreement with Abbott to develop and manufacture its proprietary Active B-12 assay to run on Abbott's Architect family of automated immunoassay analyzers
 - Expects revenue to be in line with the Company's expectations

SELECT Q4 2008
SHARE RETURNS



Company	Valuation Ratios		Key Financials		Share Performance		
	EV/Rev	EVEBIT	Mkt. Cap	Rev. (ttm)	12 Mo.	36 Mo.	60 Mo.
Idexx Labs	2.07	12.29	\$2,209.2	\$1,030.0	-38.5%	0.3%	55.9%
Thoratec Corporation	5.70	85.65	\$1,745.4	\$292.0	78.6%	57.0%	151.3%
Inverness Medical	1.88	73.69	\$1,477.2	\$1,500.0	-66.3%	-20.2%	-13.2%
Meridian Bioscience	6.90	21.74	\$1,013.3	\$139.6	-15.4%	89.6%	448.7%
Cepheid	3.20	24.11	\$576.1	\$172.2	-60.6%	18.2%	8.4%
Quidel	2.80	11.99	\$427.1	\$132.6	-32.9%	21.5%	21.4%
Abaxis	2.62	15.30	\$344.0	\$104.7	-55.3%	-2.7%	-11.4%
Large Co. Averages	3.28	30.75			-27.2%	23.4%	94.4%
Axis Shield	2.01	55.05	\$221.5	\$114.0	25.5%	0.3%	98.7%
OraSure Technologies	1.28	8.12	\$171.1	\$73.7	-58.7%	-58.4%	-53.9%
Trinity Biotech plc	0.36	1.60	\$30.4	\$141.9	-76.1%	-80.0%	-92.7%
Osmetech	45.07	0.78	\$25.0	\$0.3	-92.3%	-93.1%	-94.6%
NeuroMetrix	N/A	0.44	\$10.7	\$35.0	-90.8%	-96.9%	N/A
Response Biomedical	4.93	1.29	\$10.2	\$3.9	-88.9%	-82.0%	-79.1%
Nanogen	0.34	0.43	\$10.2	\$47.2	-61.1%	-94.6%	-98.4%
Midsize Co. Averages	2.14	N/A			-63.2%	-72.1%	-53.3%
Calypte Biomedical	21.62	1.08	\$8.8	\$0.5	-83.3%	-87.5%	N/A
Chembio Diagnostics	0.48	2.55	\$6.2	\$11.0	-77.8%	-73.0%	-80.4%
Spectral Diagnostics	0.94	0.95	\$3.9	\$2.0	-51.2%	-58.4%	N/A
Guided Therapeutics	4.45	1.88	\$3.4	\$1.3	9.9%	-12.1%	-88.2%
MedMira	2.83	1.24	\$2.9	\$1.5	-89.0%	-90.0%	-92.4%
NIR Diagnostics	1.47	1.37	\$1.3	\$1.6	-47.2%	-75.0%	-84.4%
Small Co. Averages	2.42	N/A			-56.4%	-66.0%	-86.3%
Index Averages	2.67	30.75			-48.6%	-36.9%	-0.3%

Valuation Averages do not include highs, lows and negatives in each category

Both Thoratec and Axis Shield have outperformed the market and the TSG POC Dx Index in 2008 and have been profiled below.

KEY TAKEAWAYS

THORATEC

- Thoratec's ITC division, a leader in cardiovascular POC diagnostics, supplemented a strong performance from the company's cardiovascular division and Heartmate II line with above-average growth across the spectrum of care.
- Continued performance will require a successful re-launch of ITC's ProTime platform.

AXIS SHIELD

- Revenue growth was driven in part by demand for Axis-Shield's Afinion point of care system, with over 4,000 new systems placed in physician office labs in 2008.
- TSG expects demand for the company's HbA1c testing products will increase as this biomarker is increasingly adopted for diabetes screening diagnostics.

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Founded in 2001



Company overview

- Thoratec Corporation (Thoratec) is a manufacturer of circulatory support products for use by patients with heart failure (HF). The Company develops, manufactures and markets products that are used by physicians and hospitals for cardiac assist, vascular and diagnostic applications.
- Thoratec operates in two business segments: Cardiovascular and International Technidyne Corporation (ITC), a wholly owned subsidiary. The Cardiovascular segment develops, manufactures and markets medical devices used for mechanical circulatory support (MCS). ITC designs, develops, manufactures and markets point-of-care diagnostic test systems and incision products.

POC Platforms & tests

- Platforms include blood analysis testing, hemoglobin testing, and finger and heel incision testing.
- Developed a microcoagulation system.

Selected financials

	2005A	2006A	2007A	2008 Thru Q3
Sales	\$202	\$214	\$234	\$227
% growth	17%	6%	9%	
Gross % margin	61%	59%	58%	60%
EBIT % margin	9%	-1%	-1%	8%

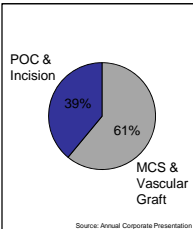
Source: Company 10-K and website

Company statistics

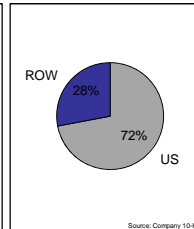
Location	Pleasanton, CA
Employees	1,023
Ownership	Public (THOR)
EV	\$1,538Mn
Mkt Cap	\$1,620Mn
Cash	\$224.8Mn

Source: Company 10-K, Yahoo!

FY07 revenue mix Sales by (sub) segment



FY07 revenue mix Sales by (sub) segment



5-year share price performance



Company overview

- Axis-Shield plc is a United Kingdom-based company focused on the development and manufacture of in vitro diagnostic tests for use in clinical laboratories and at the point-of-care. The Company comprises Laboratory Division in Dundee, a point-of-care division in Oslo and local distribution subsidiaries in the United Kingdom (Axis-Shield UK), in Norway, Sweden, Denmark and Finland (Medinor) and in Switzerland (Axis-Shield AG).

POC Platforms & tests

- At the point of care its products include the NycoCard range and the new Afinion system.

Selected financials

	2005A	2006A	2007A	2008 Thru Q2
Sales	\$87.3	\$91.2	\$100	\$64
% growth	11%	4%	10%	
Gross % margin	54%	53%	51%	51%
EBIT % margin	3%	3%	3%	4%

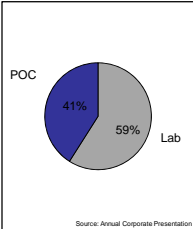
Source: Company 10-K and website

Company statistics

Location	Dundee, SCO
Employees	482
Ownership	Public (ASD)
EV	\$250.3Mn
Mkt Cap	\$247.3Mn
Cash	\$7.7Mn

Source: Company 10-K, Yahoo!

FY07 revenue mix Sales by (sub) segment



FY07 revenue mix Sales by (sub) segment

Geographic Data Unavailable

Source: Company 10-K

5-year share price performance

