Personalizing Disease Management: Driving Growth

Celera Analyst Day
New York, NY
September 9, 2008
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Agenda

8:30  Welcome – David Speechly, Ph.D.
Overview of Celera – Kathy Ordoñez
Q&A

A KIF6 Variant Predicts Risk for Coronary Heart Disease and Statin Benefit – Tom White, Ph.D.
KIF6 in Practice: Panel Discussion and Q&A with Tom White, Ph.D., Chris Hall, Robert Fishberg, M.D., F.A.C.C., and Jackie Hollywood, M.D., F.A.C.C.

10:10  Coffee Break
Berkeley HeartLab - Chris Hall
Berkeley HeartLab’s Disease Management Program - Phyllis Cox, R.N.
Q&A

Celera’s Products Business - Mike Zoccoli, Ph.D.
Celera’s Innovation Pipeline - Stacey Sias, Ph.D., & Tom White, Ph.D.
Understanding our Financials – Joel Jung
Conclusions and Q&A

12:30  Meeting ends
Overview

*Kathy Ordoñez, CEO*
A New Day for Celera
Now Listed on NASDAQ

THE WALL STREET JOURNAL.

You may remember Celera as the company that sequenced the human genome and forever changed our understanding of biology. Today Celera is a growing healthcare business that uses knowledge of human variability to provide new tests and services to personalize disease management.

We have a strong balance sheet and a promising pipeline of new products. Our Berkeley HeartLab business embeds our commitment to diagnostic testing while personalized services to improve health. Today Celera emerges as an independent company with highly energized employees and its own Board of Directors, all focused on building a strong future.

CELERA
It’s a New Day.

CELERA
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Why Independence is Great for Celera

- FOCUS, FOCUS, FOCUS
- Fiscal year harmonized with calendar year
- No distraction as ABI moves forward with its planned merger with Invitrogen
- Celera culture
- Energized employees
- Celera-focused Board of Directors

Access to Applera resources in Norwalk during transition
New Board of Directors

*William G. Green Elected Non-Executive Chairman*

- **Richard H. Ayers**, retired Chairman and Chief Executive Officer of The Stanley Works, a tool and hardware manufacturer, and previously a director of Applera Corporation

- **Jean-Luc Bélingard**, Chairman and Chief Executive Officer of Ipsen S.A., a diversified French healthcare company, and previously a director of Applera Corporation

- **William G. Green**, General Counsel and Chief Program Officer of the Gordon and Betty Moore Foundation, a private philanthropic foundation, and previously Senior Vice President, General Counsel and Secretary of Chiron Corporation, a biotechnology company

- **Peter Barton Hutt**, senior counsel in the law firm of Covington & Burling, specializing in Food and Drug Law

- **Gail K. Naughton, Ph.D.**, Dean of the College of Business Administration at San Diego State University and Chairman and Chief Executive Officer of Histogen, Inc., a regenerative medicine company

- **Kathy Ordoñez**, Chief Executive Officer and President of Celera and previously president of the Celera Group and founder of Celera Diagnostics

- **Bennett M. Shapiro, M.D.**, a director of PureTech Ventures, a venture capital firm specializing in investments in novel therapeutics, medical devices, and research technologies, and previously an Executive Vice President of Merck & Co., Inc.
Celera People and Capabilities

- ~600 Employees, including Berkeley HeartLab and Atria Genetics
- 5 Principal facilities: 2 in Alameda, CA; Burlingame, CA; South San Francisco, CA; Rockville, MD
- Comprehensive capabilities for development, GMP manufacturing and registration of molecular diagnostic products, with most currently sold through Abbott
- Berkeley HeartLab provides a CLIA-certified laboratory with U.S. commercial infrastructure
- Strong pipeline of innovative new tests
Our Mission: Personalizing Disease Management

Empowering Patients

- Providing diagnostic tests (as products and laboratory services) and patient education services to help manage disease on an individual basis, empowering patients to improve their health.
- Central to our growth and differentiation is a series of proprietary tests derived from our discovery programs, developed for personalizing disease management.
Our Growth Strategy

Leveraging our Innovation Pipeline

DNA Tests – Cheek Swab Possible

Menu Extension at BHL
Direct to Physician (some with partners)

IP Partners

Innovation Pipeline

Cat K  LuCa  DVT  BrCa  Stroke  LPA  KIF6

CELERA Products Business

Distribution through Abbott
Other Distribution Partners
What Makes Us Different?

- A strong innovation pipeline

- Capability to realize value from our innovations through new products and laboratory services, providing global reach and registration plus full margin in the U.S.

- Berkeley HeartLab disease management model
Our Business

Reported as Three Discrete Segments

$42.8 Million in Revenue Last Quarter; $138.7 Million for FY08

- Lab Services revenue generated by Berkeley HeartLab – through both its current sales activities and future Direct to Physician sales activities, with associated direct costs

- Products revenue from sales of molecular diagnostic products, including an “equalization payment” from Abbott, with associated direct costs

- Licensing revenue and other value from our innovation pipeline, with associated research costs and corporate overhead
Berkeley HeartLab (BHL) Business
*Personalizing Disease Management and Empowering Patients*

- CLIA certified laboratory with cardiovascular secondary prevention focus and commercial infrastructure of sales people and Clinical Educators (CE’s)
- Physicians select relevant tests from a panel of ~35 laboratory tests, centered on proprietary sGGE technology for lipoprotein classification and genetic tests used to characterize a patient’s individual disease risk and expected response
  - The physician sends a blood sample to BHL
- Test results are sent to the physician, and the patient is referred to a BHL CE for education regarding exercise, nutrition, stress management and medication compliance
- As the patient’s condition improves, physicians may request additional BHL testing to monitor the patient’s progress
Berkeley HeartLab (BHL) Business

*Personalizing Disease Management and Empowering Patients*

- BHL testing services are sold through a sales organization of ~40 professionals, representing 24 sales territories
  - Concentrated in mid-Atlantic, south-east, Texas and California
- Supported by ~80 clinical professionals
- The secondary prevention cardiovascular market represents at least 20 million people in the U.S.
  - Currently penetrated ~3% of the available market
- During calendar 2007, BHL processed ~225,000 samples referred by ~4,200 physicians
  - ~50% of the samples are currently from patients with previous BHL testing
- Last quarter (ending June 2008), revenues generated by BHL were $25.8 million
- Growth strategy for BHL:
  - Add new physicians through expanded sales activities
  - Add new tests, with many incorporating Celera original discoveries
  - Direct to Physician program
Celera’s Products Business

Abbott Alliance – Profit Sharing for Most Products

- Cystic fibrosis – world’s leading supplier, with FDA cleared product in the U.S. and CE marked product in Europe and other countries
- ViroSeq™ for HIV Genotyping – world’s leading supplier of kits and FDA cleared on four ABI platforms and CE-marked in Europe and other countries
- Analyte Specific Reagents for thrombosis, Fragile X and HLA
- m2000 and menu of tests
  - HIV viral load: CE-marked and FDA approved
  - HCV viral load: CE-marked
  - HBV viral load: CE-marked
  - HCV genotyping: CE-marked
  - CT/NG: CE-marked and FDA cleared
  - HPV: targeting launch in Europe by end of ‘08
  - Breast cancer metastasis: under development
Celera’s Products Business

Providing Global Reach for our Innovation

- Non-Alliance products
  - Analyte Specific Reagents for KIF6 – expect to develop and register the product with FDA and CE-mark
  - Other genetic testing products in development, based on additional Celera discoveries

- The Products business segment generated $9.2 million in revenue for Celera last quarter (ending June 2008), representing 48% growth over prior year quarter

- Growth strategy for Celera’s Products Business:
  - Continue to upgrade and add tests, migrating to a new IVD sequencing platform in development with ABI, and updated versions of the m2000
  - Focus on Celera’s proprietary new genetic tests
Licensing and Collaborations

Corporate Business Segment

- Partnered small molecule programs
  - Cathepsin K inhibitor in Phase 3 trial for osteoporosis with Merck
  - HDAC inhibitor in Phase 1/2 trial for cancer with Pharmacyclics
  - Factor VIIa and Btk programs partnered with Pharmacyclics undergoing studies for IND
  - 2 Undisclosed programs undergoing preclinical work

- Partnered therapeutic antibody programs
  - Multiple pre-clinical programs partnered with Abbott and Merck

- Pharmacogenomic collaborations with Merck and Ipsen

- Royalty-bearing licenses to Cepheid, Beckman, and Siemens
In addition to revenue and value generated through our current licensing and collaborative partnerships, Celera may license technology from its innovation pipeline or use its findings as a basis for future collaborations.

The Corporate Business Segment captures revenue associated from licensing and partnership activities and costs from discovery research as well as corporate G&A costs.

Corporate revenues during the quarter ending June 2008 were $7.8 million, an increase of 95% over prior year quarter.

Today’s meeting will focus on the potential from KIF6, but we expect that other tests in our innovation pipeline could yield similar value.
**KIF6**

*A Blueprint for Celera’s New Genetic Testing – and Driver for Growth*

- **KIF6**, a marker discovered by Celera, predicts genetic risk for cardiovascular events independent of lipid levels and other risk factors, that can be mitigated by statin therapy
  - *KIF6* test launched as a laboratory developed blood test (menu extension) at BHL during July, (following a 4 month test market) with strong uptake (11,000 tests during August), with average reimbursement >$100 per test
  - *KIF6* Direct to Physician cheek swab DNA test (StatinCheck™) in development at BHL, with planned test market during Q4 calendar 2008 and broader launch during 2009
  - *KIF6* test in development as a product for FDA and CE-mark registration and global distribution
**KIF6 Testing**

*Potential Value Could be Over $100 Million*

- The blood-based “menu extension” *KIF6* test could soon generate >$10 million in annual revenue.

- The StatinCheck™ test uptake is difficult to predict, but the potential is significant:
  - There are ~40 million Americans with known risk factors for CVD.
  - Penetration of only 4% of this U.S. market could result in ~$150 million in annual revenue.
  - A commercial partner could accelerate uptake.

- A *KIF6* kit distributed through one or more IVD partners would provide global reach and could add tens of millions of dollars annually.
Celera’s Leadership in Genetic Testing

*Celera Innovation and Physician Supervision*

- Specific disease tests – medically informative and actionable
- Physician involvement to request tests and explain the results to patients
- Plan to seek registration of tests in the U.S. and other major markets
- Patents applied for Celera discoveries in key territories
- Multiple channels for global distribution – laboratory services, IVD products and licensing arrangements
A Look Forward

- Plan to maintain an annual growth rate of ~20% over next 5 years
  - BHL growth expected to be >20%
  - Strong double digit growth for Products
  - New Genetic Tests should represent over 20% of total revenues after 5 years
- Expect gross profits to be in the range of 65-70%, as more testing at BHL moves under contract at lower prices, offset by higher pricing for New Genetic Tests
- Expect R&D and SG&A expenses to decline as a percentage of revenues
- Targeting ~10% non-GAAP EBIT in 3 years
- Large carry-forward of tax assets (>90 million) to be utilized over next 15 years
A Look Backward

Relative to Last Analyst/Investor Meeting – June 2006

- M&A activities concluded as expected
  - Acquired Atria Genetics and Berkeley HeartLab in October, 2007
  - Both acquisitions accretive, as expected
- Profitability in 2008 achieved on a non-GAAP basis
- Products business
  - $m2000 gaining more traction than expected in Europe and less than expected in U.S., with menu expansion generally on track
  - HCV-GT test withdrawn due to Innogenetics litigation and then reintroduced outside the U.S. following settlement
  - Fragile X and HLA products growing strongly
  - Overall revenue development somewhat slower than expected, but growing strongly
- New Genetic Test development
  - Cirrhosis Risk Score licensed to Specialty Laboratories, which was acquired by Quest, and the CRS was de-prioritized with the transition
  - Test priorities were revised at Celera, with the publication of $KIF6$ work and acquisition of BHL
  - Current pipeline, with full control over cardiovascular test commercialization at BHL, now expected to yield more value than originally estimated
Future Possibilities

● Possible expansion into metabolic disease and women’s health

● Other M&A
  – Celera has a strong balance sheet with ~$335 million in cash and short term investments on June 30, 2008

● Potential for some of our New Genetic Tests to be sold direct-to-consumer
  – Not part of our current plans until registration achieved

● Potential for expansion of BHL service model outside the U.S.
Financial Guidance

Last Half of 2008

- Celera has the following expectations regarding its financial performance for the last six months of calendar 2008:
  - Total reported revenues are anticipated to be $88 - $93 million.
  - Reported R&D expenses are anticipated to be $18 - $21 million, and SG&A expenses are anticipated to be $45 - $50 million.
  - Celera anticipates low single digit EPS on a non-GAAP basis for the second half of calendar 2008, although non-GAAP earnings for the period ending September 27, 2008, may be near break-even.
  - Amortization of intangibles relating to acquisitions, which are excluded in the determination of non-GAAP earnings per share, are expected to be approximately $0.04 per share.
  - The total pre-tax impact of FAS 123R is expected to be between $3 - $4 million, with an EPS impact of approximately $0.03.

Note: It is Celera policy to update its business outlook once per quarter when it reports financial results. This information is provided for reference purposes only and is not an affirmation or an update to Celera’s 7/23/08 outlook statement.
Summary – Key Take Home Messages

*Celera - Positioned for Growth*

- Celera is a growing healthcare business uniquely positioned to provide both products and services for **Personalizing Disease Management** and **Empowering Patients**
- We have a rich pipeline of innovative discoveries expected to become new products and services that will drive growth
  - *KIF6*, the “blueprint” for realizing value from our Innovation Pipeline:
    - Has launched successfully at BHL as a blood-based menu extension test
    - Will soon enter a test market at BHL as StatinCheck™ - a Direct to Physician cheek swab test
    - Is expected to be followed by an IVD product in Europe and other territories
- We are targeting to maintain annual revenue growth of ~20% and achieve non-GAAP EBIT of ~10% in 3 years
- Our strong balance sheet provides additional options for growth
Q&A

Kathy Ordoñez, CEO
A *KIF6* Variant Predicts Risk for Coronary Heart Disease and Statin Benefit

*Tom White, Ph.D.*

*Chief Scientific Officer*
KIF6 Encodes a Kinesin

- Kinesins: a class of dimeric motor proteins involved in the intracellular transport of organelles, protein complexes, and mRNAs
- Trp719Arg replaces a non-polar residue with a basic residue near the predicted coiled-coil structure and might affect cargo binding
- In some human coronary arteries, *KIF6* is among the 5% most over-expressed genes
Traditional Risk Factors for CHD

- Cigarette smoking
- Diabetes
- Hypertension
  - Blood pressure above 140/90 mmHg
- Low HDL cholesterol
  - Less than 40mg/dL
- High LDL cholesterol
  - Greater than 130mg/dL
- Family history of premature CHD in a first degree relative
  - Men younger than 55
  - Women younger than 65
- Age
  - Men older than 45
  - Women older than 55

Adult Treatment Panel III (ATPIII) Guidelines recommend that physicians should use emerging risk factors to improve risk assessment.
A majority of middle-age patients who experienced a first MI had a traditional risk factor profile which would not have qualified them for preventive medical therapy. Akosah et al. JACC (2003)

“…even risk algorithms based on established risk factors are limited in predictive power for individuals. More effective prediction tools are needed.” Grundy et al. Circulation (2006)

“Although current risk estimates work very effectively in populations, variation of estimated risk leads to misclassification of true risk in individual patients.” Berman et al. JACC (2004)
The addition of one risk factor can change a treatment decision and move people to make lifestyle changes or begin drug therapy.

~40 million Americans
**KIF6**

*Marker Validated in 6 Studies of >50,000 People*

**CARE and WOSCOPS**

**ARIC**

**CHS**

**WHS**

**PROVE IT**
Association of *KIF6* with CHD

*Two Prospective Trials of Pravastatin*

- **CARE: Cholesterol and Recurrent Events**
  - Secondary prevention in patients with a prior MI
  - 40 mg pravastatin vs placebo
  - 87% men and 13% women
  - LDL-C 115 to 174 mg/dL at baseline

- **WOSCOPS: West of Scotland Coronary Prevention Study**
  - Primary prevention
  - 40 mg pravastatin vs placebo
  - Men aged 45 to 64
  - LDL-C 174 to 232 mg/dL at baseline
KIF6 Variant is Associated with CHD

Placebo Groups of 2 Prospective Studies

- KIF6 variant predicts risk of CHD
- ~50% increased risk in the placebo groups

*Adjusted for traditional risk factors
Risk of CHD in CARE Placebo Arm

*KIF6 Variant and Traditional Risk Factors*

Magnitude of risk predicted by *KIF6* variant was:

- Similar to that of traditional risk factors
- Independent of traditional risk factors
Risk of CHD in WOSCOPS Placebo Arm

*KIF6 Variant and Traditional Risk Factors*

Magnitude of risk predicted by *KIF6* variant was:
- Similar to that of traditional risk factors
- Independent of traditional risk factors
**KIF6 Variant and Risk of CHD**

*Three Prospective Studies*

- **ARIC**: Atherosclerosis Risk in Communities
  - Population-based observational study
  - 15,792 Participants
  - Men and women aged 45 to 64

- **CHS**: Cardiovascular Health Study
  - Population-based observational study
  - 5,888 Participants
  - Men and women 65 years of age or older

- **WHS**: Women’s Health Study
  - Randomized, double-blind, placebo-controlled trial of low-dose aspirin and vitamin E
  - 28,345 Participants
  - Women 45 years of age or older without previous history of CHD
**KIF6 Variant is Associated with CHD**

*Five Prospective Studies*

- **CARE**
- **WOSCOPS**
- **CHS**
- **ARIC**
- **WHS**

**Adjusted Hazard Ratio**

- **Untreated patients**
- **Some treatment**

- *KIF6* variant predicts risk of CHD
- Up to 55% increased risk in untreated populations
Clinical Significance of KIF6 Testing

Prognostic Test for CHD Risk

- KIF6 carriers (~60% of the population) have an additional risk factor, increasing the number of patients considered eligible for lifestyle changes or drug therapy

- KIF6 noncarriers (~40% of the population) may still have standard risk factors that justify lifestyle changes or drug therapy

KIF6 variant also predicts reduction of cardiovascular events due to statin therapy
CHD Event Reduction during Therapy

According to KIF6 719Arg Carrier Status

- Carriers of the 719Arg risk allele received significant benefit from pravastatin therapy.
- In WOSCOPS, risk reduction was significantly greater in carriers than in noncarriers (Pinteraction = 0.003).

**Absolute Risk Reduction (%)**

- Carriers: 5.5%
- Non-carriers: 4.9%

CARE

All

3.5%
Number Needed to Treat

*NNT According to KIF6 Status*

- In the CARE trial, the NNT with pravastatin to prevent 1 cardiovascular event was 34 for all patients, but 20 for *KIF6* carriers and 72 for noncarriers in the genetic study.

- In the WOSCOPS trial, the NNT was 46 for all patients, but 18 for *KIF6* carriers and >100 for noncarriers in the genetic study.
Polymorphism in \textit{KIF6} Gene and Benefit From Statins After Acute Coronary Syndromes

Results From the PROVE IT-TIMI 22 Study

Olga A. Iakoubova, MD, PhD,* Marc S. Sabatine, MD, MPH, FACC,† Charles M. Rowland, MS,* Carmen H. Tong, BS,* Joseph J. Catanese, BS,* Koustubh Ranade, PhD,‡ Katy L. Simonsen, PhD,‡ Todd G. Kirchgessner, PhD,‡ Christopher P. Cannon, MD, FACC,† James J. Devlin, PhD,* Eugene Braunwald, MD, MACC†

\textit{Alameda, California; Boston, Massachusetts; and Princeton, New Jersey}

- **PROVE IT - TIMI 22 study**
  - Pravastatin or Atorvastatin Evaluation and Infection Therapy

- Patients hospitalized within 10 days after an acute coronary syndrome
**PROVE-IT TIMI 22**

Acute Coronary Syndrome patients

- Pravastatin 40 mg
  - Placebo
  - Gatifloxacin
- Atorvastatin 80 mg
  - Placebo
  - Gatifloxacin

- Double-blind trial; mean follow-up was 2 years
- Primary endpoints were a composite of death, MI, unstable angina, revascularization, or stroke
Prevention of CHD Events with Statin Therapy

*Carriers of the KIF6 Variant Benefit the Most*

- Carriers of the *KIF6* risk allele received a significant reduction in CHD events from high dose atorvastatin in PROVE IT.
- *KIF6* prediction of drug benefit may also apply to treatment with other statins.
Statin Intensity and CHD Event Reduction
According to KIF6 Carrier Status

- KIF6 carriers received greater benefit from 80 mg atorvastatin, compared with 40 mg pravastatin, than did noncarriers.
- Number Needed to Treat with atorvastatin (vs. pravastatin) for 2 years to prevent 1 event was 10 for KIF6 carriers and 125 for noncarriers.
Despite a similar reduction of LDL-C levels in carriers and noncarriers, a greater reduction of risk for CVD events was received by KIF6 carriers from intensive statin therapy.
**KIF6 Summary**

**Risk for CHD and Event Reduction from Statins**

- **KIF6** carriers (~60% of the population) have greater risk of CHD
  - Up to 55% increased risk
  - Independent of traditional risk factors, but similar in magnitude of risk
  - Associated with CHD risk in men, women, the middle aged and the elderly

- **KIF6** carriers treated with pravastatin or atorvastatin had a greater reduction of coronary events than noncarriers
  - The difference was observed despite a similar reduction of LDL-C levels

\[
\text{Relative Risk Reduction (\%)}
\]

\[
\begin{array}{ccc}
\text{WOSCOPS} & \text{CARE} & \text{PROVE-IT*} \\
\text{carriers} & \text{carriers} & \text{carriers} \\
\text{noncarriers} & \text{noncarriers} & \text{noncarriers} \\
50 & 37 & 41 \\
9 & 20 & 6 \\
\end{array}
\]

\( p < 0.005 \) for each

\* ACS patients
Clinical Significance of *KIF6* Testing

**CHD Risk and Statin Benefit**

- For people **not** currently taking a statin
  - *KIF6* carriers have an additional risk factor, increasing the number of patients eligible for statins who had previously only been candidates for lifestyle changes
  - *KIF6* noncarriers may still have standard risk factors that justify statin therapy. Niacin or fenofibrates, which reduce events in patients with standard risk factors, are likely to also benefit noncarriers.

- For people currently taking a statin
  - *KIF6* carriers have an additional rationale for increased compliance
  - *KIF6* noncarriers have standard risk factors that justify continuing statin therapy. Niacin or fenofibrates, which reduce events in patients with standard risk factors, are likely to also benefit noncarriers.
KIF6 in Practice: Commercial Considerations

Chris Hall
Chief Business Officer, BHL
**KIF6 Genotype at Berkeley HeartLab**

- Laboratory developed test validated at BHL
- Fully commercialized in July 2008
- Uptake of the KIF6 assay in trial market was very strong – nearly 15,000 tests requested from selected group of physicians from March – July, 2008 and with approximately 11,000 tests performed in August
- Reimbursement of testing achieving expectations
Q&A

Tom White, Ph.D. Chief Scientific Officer
Chris Hall, Chief Business Officer at BHL
Jackie Hollywood, M.D., F.A.C.C.
Robert Fishberg, M.D., F.A.C.C.
Berkeley HeartLab

Chris Hall, Chief Business Officer
Berkeley HeartLab Overview

- Rapidly growing healthcare company focused on providing personalized management of cardiovascular disease
- 9-month revenues of $69.4 million from October 2007 to June 2008
- Provides proprietary baseline risk characterization by integrating advanced lipid testing with other CVD and genetic risk markers
- All tests performed at BHL’s CLIA-certified laboratory in Alameda, CA
- Focused on the 20 million U.S. patients in secondary CVD prevention market
- Disease management program available to each patient to promote compliance and drive improved clinical outcomes
- Payors include Medicare, commercial insurance companies and private individuals
Reimbursement varies significantly by payor, plan, and market.

- Medicare reimburses based on a pre-established fee schedule and generally pays within 20 days.
- Commercial reimbursement takes a significantly longer time than Medicare but generally reimburses at a higher rate.
- United Healthcare and Aetna California are under contract, which speeds payment, but discounts revenue per test; other contracts expected over next several years.
Market Dynamics
*A Targeted Approach*

- BHL is represented in many of the states where cardiovascular disease rates are most significant: New Jersey, the southeast, Texas, Washington and California.

**HEART DISEASE DEATH RATES, 1999-2003**
Average annual deaths per 100,000 adults 35 years and older, by county

National Geographic, Feb. 2007

BHL Presence
# Berkeley HeartLab Business Model

*Tests Ordered by Physicians; Program Delivered to Patients*

<table>
<thead>
<tr>
<th></th>
<th>First Samples $(V_1)$</th>
<th>Follow-up Samples $(V_x)$</th>
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<tbody>
<tr>
<td><strong>Enabled by</strong></td>
<td>Sales Organization</td>
<td>Clinical Educators</td>
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<tr>
<td>Avg. Tests per Sample</td>
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<td>7</td>
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<tr>
<td>Average Revenue per</td>
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<td>$285</td>
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<tr>
<td>Sample</td>
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<tr>
<td>Percent of Revenue</td>
<td>56%</td>
<td>44%</td>
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<tr>
<td>Number of Staff</td>
<td>~40</td>
<td>~80</td>
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Note: Sales people are commissioned for ability to maintain business and grow new business; CE’s are not commissioned on sales $(V_1$ or $V_x$).
Challenges in Treating CVD

There are several obstacles in achieving desired treatment outcomes with currently available tests in today’s U.S. healthcare system:

- **Inability to Offer Personalized Treatment**
  
  Standard tests do not assess certain factors in sufficient detail to fully characterize an individual patient’s risk

- **Lack of Precision to Measure Changes in Risk**
  
  Current competitive CVD tests do not provide the required accuracy to explain changes in test results over time

- **Patient Compliance**

  Current disease management programs generally are not integrated with test results nor are integrated with physician’s treatment plans

- **Implementation of Disease Management Programs not Supported**
  
  Other programs are disconnected from physician and physician attempts to provide program are not supported by payors
The Berkeley Delivery Model

Overcoming The Challenges in Treating Cardiovascular Disease

- Discriminating Tests
- Doctor Personalizes Treatment Plan
- 4myheart Program
- Compliance

Better Outcomes
Comprehensive Testing for CVD Risk Factors

- BHL test menu provides a comprehensive way to characterize risk and monitor treatment and adherence for CVD patients. We offer:

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<thead>
<tr>
<th>LDL Snapshot</th>
<th>HDL Snapshot</th>
<th>Inflammation</th>
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<td>Apo B</td>
<td>ApoA1</td>
<td>hs C-Reactive Protein</td>
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<td>LDLS$_3^GGE$</td>
<td>HDLS$_{10}^GGE$</td>
<td>Fibrinogen</td>
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<td>Lp(a)</td>
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<td>Lp-PLA$_2$</td>
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<td>Liver Profile</td>
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<tr>
<td>Insulin</td>
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4myheart Program Model

Guided by the Clinical Educator

- Personalized Education
- Touch Points
- Community
- Physician Collaboration
- Nutrition
- Exercise
- Medication Compliance
- Stress Management
4myheart Program Outcomes

Patients who improved (%)

- LDL IIIa+b (%)
  - Non-Program: 16.0%
  - 4myheart Program: 19.2%
  - p=0.002

- Apo B (mg/dl)
  - Non-Program: 22.6%
  - 4myheart Program: 38.9%
  - p=0.002

- HDL-C (mg/dl)
  - Non-Program: 34.0%
  - 4myheart Program: 44.7%
  - p≤0.0001

- HDL2b (%)
  - Non-Program: 1.8%
  - 4myheart Program: 19.8%
  - p≤0.72

Note: 4myheart Program Benefit
BHL Growth Strategy

*Expectation of >20% Revenue Growth*

Three growth drivers:

- Increase number of samples tested at BHL
  - Sales force generates initial sample growth through increased geographic penetration ($V_1$)
  - 4myheart Program ensures repeat testing ($V_x$)
- Expand the menu of tests offered by BHL
- Add the Direct to Physician program to access more physicians and patients

These assumptions drive our optimism:

- Today, BHL’s penetration is low
  - ~3% of 20 million people in the U.S. diagnosed with CVD have been tested at BHL
- Understanding of CVD is progressing, opening the door for genetic testing opportunities and more discriminating phenotypic tests
Growth Strategy

*Increasing Samples Tested*

Plan to grow samples includes:
- Develop new markets and open new 4myheart centers
- Leverage the existing 4myheart centers

4myheart Centers
Growth Strategy

Test Menu Expansion

- Focus on proprietary tests and educational elements to insulate BHL from competition
- Goal to increase the number of medically relevant tests ordered per sample
  - Top line growth
  - Hedge against pressure from private insurers who press for contractual discounts
- Add both new genetic tests based on Celera discoveries and other new third-party biomarkers for cardiovascular disease
## Growth Strategy

*Direct to Physician Program – Cheek Swab (StatinCheck™)*

<table>
<thead>
<tr>
<th></th>
<th><strong>4myheart Offering</strong></th>
<th><strong>Direct to Physician</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample type</td>
<td>Blood</td>
<td>Cheek Swab</td>
</tr>
<tr>
<td>Sales Force</td>
<td>Disease Management Consultants</td>
<td>Separate (combination of direct and marketing partners)</td>
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<tr>
<td>Positioning</td>
<td>Cutting Edge offering</td>
<td>Tests support standard of care</td>
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<tr>
<td>Turnaround</td>
<td>12-15 days</td>
<td>3-4 days</td>
</tr>
<tr>
<td>Patient Service</td>
<td>4myheart program/Website</td>
<td>Website support</td>
</tr>
</tbody>
</table>
| Expected Menu Expansion |                                                | StatinCheck™ (2009)  
AspirinCheck™  
StrokeCheck™  
ClotCheck™ |
Growth Strategy
Direct to Physician Program – StatinCheck™ Test Market

IMS Lists
BHL Lists

Inbound and Outbound Marketing and Sales

Statincheck result delivery

BHL DNA Collection Kit

Field based Marketing and Sales
Growth Strategy

*Expand Horizontally into other Disease States*

- Potential to replicate the Berkeley HeartLab Model to other disease states

- **Leverage** the 4myheart infrastructure to deliver a program with the proprietary test offering

- **Focus on:**
  - Metabolic Syndrome
  - Women’s Health
Summary – Berkeley HeartLab

- BHL’s business model provides differentiated and personalized disease management services
- Driving toward >20% revenue growth based on:
  - Grow existing sample volume
  - Geographic expansion and new 4myheart centers
  - Additional menu extension tests for current blood profiles
  - New Direct to Physician program, with StatinCheck™ test market to begin next quarter
- Acceptance of KIF6 test as a menu extension has been outstanding
Berkeley HeartLab’s Disease Management Program

Empowering Patients

Phyllis Cox, R.N.
Senior Manager, 4myheart Program
Expanding from Diagnosing Risks to Disease Management Education

Physician Collaboration

Nutrition
Exercise
Medication Adherence
Stress Management

CE
Personalized 4myheart Program Modules

- **Personalizing Nutrition**
  - Portions/Calories – Quantity
  - Apo E Genotype – Genetic influence for fat metabolism
  - Macro Nutrients - Quantity and Quality
  - Cardioprotective points - Quantity and Quality

- **Personalizing Exercise**
  - Cardio
  - Strength

- **Personalizing Medications**
  - Supporting physician recommendations through:
    - Pharmacogenomics – KIF6 genotype carrier vs noncarrier status
    - Helping patients adhere to prescribed medications
    - Communicating non-adherence to physicians

- **Managing Stress**
  - “Rate your Stress” survey
  - Deep breathing techniques
  - Stress Management Group Series
4myheart Standardized Personalization Education Model

- Medical History
- Berkeley Test V1

Patient Motivation

Personalized Education Focus

- Nutrition
- Exercise
- Medications
- Stress

Touch Points and Community

Vx Testing to Check for Compliance
Case Scenario: JF - 41 year old male

- **Medical History**
  - No known history of CVD or diabetes
  - Obesity
  - Hypertension
  - Arrhythmias/Palpitations
  - Gout

- **Social History**
  - Married with two teenage sons
  - Chef for Italian bistro
  - Tobacco use: 2 – 3 cigarettes per day
  - Alcohol: 2 – 3 glasses of wine each night after work
  - No formal exercise program

- **Family History**
  - Father died of CVD – age 63

- **Current Medications**
  - Allopurinol 100 mg/d
  - Zestoreitic 10/12.5 mg/d
  - Crestor 10 mg/d
  - Lopressor 25 mg, as needed
  - Aspirin 325 mg/d

- **VS at last MD visit**
  - Ht. - 5’9”
  - Wt. – 230#
  - BP – 132/84

- **Physician referred patient to 4myheart Program after testing**
May 1, 2008

<table>
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<tr>
<th></th>
<th>Normal</th>
<th>Intermediate</th>
<th>At Risk</th>
<th>Last Visit</th>
<th>Alert Value</th>
<th>ATP III Goal</th>
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<tbody>
<tr>
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<td>201</td>
<td></td>
<td></td>
<td>&gt;=200</td>
<td>&lt;200</td>
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<tr>
<td>LDL-C (mg/dL)</td>
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<td>131</td>
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<td>&gt;=100</td>
<td>&lt;100</td>
<td></td>
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<tr>
<td>HDL-C (mg/dL)</td>
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<td>&lt;40</td>
<td>&gt;=40</td>
<td></td>
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<tr>
<td>Triglycerides (mg/dL)</td>
<td></td>
<td>187</td>
<td></td>
<td>&gt;=150</td>
<td>&lt;150</td>
<td></td>
</tr>
</tbody>
</table>

July 3, 2008

Non BHL Labs
LDL - 104 mg/dL
HDL - 44 mg/dL
Trigs – 119 mg/dL

Added after 1st test
Niaspan - 500mg/day
Lovaza - 1 capsule/day
Aspirin - 81mg/day

BHL Labs
KIF6 Genotype 719
Trp/Trp
Case Scenario: JF - 41 year old male
Personalizing Education

● Medical History
  – No known history of CVD or diabetes
  – Obesity
  – Hypertension
  – Arrhythmias/Palpitations
  – Gout
  – Carotid IMT “+” on recent report

● Social History
  – Married with two teenage sons
  – Chef for Italian bistro
  – Tobacco use: 2 – 3 cigarettes per day
  – Alcohol: 2 – 3 glasses of wine each night after work
  – No formal exercise program

● Family History
  – Father died suddenly of CVD – age 63

● Current Medications
  – Allopurinol 100 mg/d
  – Zestoreitic 10/12.5 mg/d
  – Crestor 10 mg/d
  – Lopressor 25 mg, as needed
  – Aspirin 325 mg/d

● VS at last MD visit
  – Ht. - 5’9”
  – Wt. – 230#
  – BP – 132/84 BMI 34

● Physician referred patient to 4myheart Program after Berkeley testing

Exercise Focus
→ JF is adhering to pharma program and making nutritional changes.

→ He is ready for exercise!
Berkeley HeartLab’s 4myheart Program

Tying BHL Test Education to Pathophysiology

Factors that Worsen Early Detection

Heart attack Or Death

Cholesterol Burden

Oxidation

Impaired RCT

Impaired Metabolic State

Endothelial Integrity

Inflammation

Procoagulant State

Age

Genetic Traits

Gender
4myheart Program
Access for All Patients Who Have Had a BHL Test

4MYHEART Regional Approach
- Telephone-based lifestyle education is available to all patients after their first Berkeley test
- Convenient to patient’s needs, time, and location
- Provides individual and group phone sessions designed around the 4myheart Program elements

4MYHEART Market Center
- Provides a community-based Center to patients after their first Berkeley test
- Supports individualized and group patient education designed around the 4myheart Program elements
- Integrates educational offering with existing community resources
4myheart Program
*Guided by Berkeley Clinical Educators*

**Multi-Discipline Approach (Four Elements)**

- **Behavior Modification**
- **Adherence**
- **Outcomes - phenotypic $\Delta$**

**Physician Collaboration**

- **Nutrition**
- **Exercise**
- **Medication Adherence**
- **Stress Management**

**BHL Test**

Based on patient’s:
- Test results
- Medical history
- Lifestyle needs
- Willingness to change

The Clinical Educator works with providers to integrate a strategic care plan through the 4 disciplines.
Q&A

Chris Hall and Phyllis Cox
Celera Products Business

Michael Zoccoli, Ph.D.
General Manager, Celera Products Business
Products Business

Targeting the High-Growth Molecular Diagnostics Sector

- Products for personalizing disease management
- Most sold through Alliance with Abbott
- Development, manufacturing and registration capabilities for complex molecular products
- Global leader in clinical sequencing platforms and products
- Products for infectious disease testing, genetics, and transplantation
Products Business

*Strategy for Growth*

- Increase revenues of current Celera products sold through upgrades and registration
  - ViroSeq® HIV-1 Genotyping
  - Cystic Fibrosis
  - Fragile X
  - Analyte specific reagents for thrombosis
  - HLA high resolution sequencing products
- Harness value from *m*2000 through Alliance with Abbott
- Bring new molecular diagnostic products to market
  - New IVD sequencer
  - Chimerism reagents
  - Breast Cancer Metastasis and ER/PR
  - *KIF6*
  - Other products based on Celera’s discoveries
Products Business

*m2000 RealTime PCR System through Abbott*

**Test Menu**

- HIV viral load: CE-marked and FDA approved
- HCV viral load: CE-marked
- HBV viral load: CE-marked
- HCV Genotyping: CE-marked
- CT/NG: CE-marked and FDA cleared
- HPV – targeting launch in Europe by end of year
- Breast cancer metastasis – under development

*m2000sp*  
*m2000rt*
**m2000 Placements**

**European Placements – by Calendar Quarter**

- **Strong growth in Europe**
- **Worldwide total of >450 placements in over 300 accounts through March 2008**
- **U.S. slower progress than we had anticipated**
- **Current run rate = ~ $147,000 in annual reagent sales per instrument placed**
Products Business

**IVD Sequencer**

- Next generation sequencer to be developed and manufactured under the Quality System Regulations and suitable for registration in the U.S.
- Platform will be the foundation for the U.S. registration of:
  - Next generation ViroSeq HIV-1 genotyping product
  - HLA high resolution sequencing products
  - Fragile X
  - Cystic Fibrosis
  - ViroSeq HCV and HBV genotyping products
Products Business

ViroSeq™ HIV-1 Genotyping

- Sequencer-based test to identify drug resistance in HIV positive patients
  - Identifies >20 drug mutations
  - Updated yearly as mutations are identified; additional drug class will be added early 2009
  - Registered on multiple ABI sequencers worldwide
- Leading commercial supplier of HIV-1 Genotyping kits
  - Capturing new business in emerging markets - Russia and China
  - >50% market share in the U.S. commercial kit market
- Major upgrade of the product under development
  - New chemistry, providing improved sensitivity and operator ease of use
  - New IVD sequencer platform
  - More competitive to homebrew assays
Products Business

**Cystic Fibrosis**

- Genetic test used for the detection of mutations in the CFTR gene
  - Screening for couples considering having a baby
  - Prenatal and newborn testing
  - ACOG recommended for preconception and pre-natal testing
- High through-put test on sequencing platform capable of identifying the most significant mutations responsible for Cystic Fibrosis
- Three out of the top five U.S. commercial reference labs are customers
  - ~75% market share in the U.S.
Products Business

Fragile-X ASR

- The only commercial products for Fragile-X testing
  - Same day results
  - Similar results as southern blot, which is the current gold standard
- Fragile-X syndrome is the most common cause of inherited mental impairment
  - The cause is often misdiagnosed in the early developmental stages of life
- Three out of the top five U.S. commercial reference labs are customers
- Industry discussions to include Fragile-X testing as part of couple screening programs similar to cystic fibrosis testing
  - Opportunity could be >$100MM
  - Additional opportunity for Newborn Screening, Primary Ovarian Insufficiency, and Non-Parkinson’s Tremor/Ataxia
Products Business

**HLA Sequencing Products**

- High resolution sequencing of HLA genes used for matching bone marrow donors
- Used in approximately 75% of all HLA DNA typing labs
  - High-resolution improves the selection of donors and minimizes rejection risk
- HLA typing continues to grow each year
  - Adoption of high-resolution testing globally
  - >1MM new donors are added to the bone marrow registry each year
  - Awarded French registry tender and looking to capture business at other registries
- On track to have the first HLA sequencing test cleared by the FDA on new IVD sequencer
Products Business

New Product - Chimerism

- Fully automated real-time PCR test for screening and monitoring mixed DNA samples after an organ or bone marrow transplant
- Highly sensitive and easy to use compared with current methods
  - Earlier detection of a rejection
  - Non subjective reporting
  - Quantitative
  - Performed on the m2000 system
- Expect to launch first version in Fall of 2009
- Over 20,000 hematopoietic stem cell transplants per year, creating an opportunity for:
  - >240,000 tests a year and >$10MM annually
  - Expanded use could include solid organ, cord blood contamination, stem cell repositories, and forensics
Products Business

New Products - Breast Cancer Metastasis

- LabCorp licensed and developed an expression panel assay for prognosis and metastasis risk
- LabCorp also licensed and developed a molecular expression assay for ER/PR.
- Both assays under development for the m2000 platform
- Targeting both assays for FDA clearance on the m2000 platform, with CE-marked product targeted for launch mid-2010, providing global reach

#36

Using Multiplex TaqMan® Assays to Profile a Prognostic Signature for Breast Cancer

Sigua C¹, Santini C¹, Gillett C², Springall R², Iverson A¹, Sninsky J¹, Tutt A²,³, Wong A¹, Chang S-Y¹

¹Celera, Alameda, CA, ²Guy’s Breast Tissue and Databank, Guy’s Hospital, London, UK, and ³Breakthrough Breast Cancer Research Center, Institute of Cancer Research, London
Products Business

New Product – KIF6 – Maximizing Global Value

- Currently providing ASRs and GPRs to BHL for their laboratory developed test
- Assay under development for the m2000 system for blood and cheek swabs
  - Expect to drive uptake by expanding sample types to include simple in-office cheek swab
- FDA cleared product targeted for mid 2010
  - Timing depends on clinical trial design
  - Pre-IDE meeting with FDA scheduled for Oct. 24, 2008
- Expansion outside the U.S.
  - CE marked kit targeted for Q4 2009
  - Ability to license technology on other platforms
Celera’s Innovation Pipeline

Stacey Sias, Ph.D., Chief Business Officer
Tom White, Ph.D., Chief Scientific Officer
Celera’s Innovation Pipeline

*Delivering on the Promise*

- Our discovery programs have identified novel genetic and proteomic markers, empowering patients and physicians to achieve improved outcomes in managing disease.

- Core value will come from:
  - Patent protected tests
  - Services for disease management
  - Registered products to address a world-wide opportunity

- *KIF6* is the first of these tests.
Celera’s Innovation Pipeline

*KIF6 is Just the Beginning*

- Celera’s discovery effort is expected to yield new proprietary tests

- **In cardiovascular disease:**
  - *KIF6*: CHD risk and statin benefit
  - *LPA*: CHD risk and aspirin benefit
  - *KIF6+*: CHD risk and statin benefit
  - Stroke Risk
  - Deep Vein Thrombosis (DVT) Risk

- **Opportunities in cancer, metabolic syndrome and women’s health**
  - Breast Cancer Prognosis & ER/PR
  - Lung Cancer Screening
  - Liver Disease
  - Adverse pregnancy outcomes

- **Four commercialization strategies to optimize value and opportunity**
  - Menu extension at BHL
  - Direct to Physician
  - IVD Products through a distributor
  - Other licensing or sales arrangements
CVD Impact on Women

Addressing an Unmet Need

● Prevalence
   – 10% of women 45-64 are currently living with heart disease

● Mortality
   – Six fold more women die each year from heart attacks than from breast cancer

● Compared to men, mortality statistics for women after a heart attack are striking:

<table>
<thead>
<tr>
<th></th>
<th>W</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Die within a year of the 1st attack</td>
<td>38%</td>
<td>25%</td>
</tr>
<tr>
<td>2nd Occurrence within 6 years</td>
<td>35%</td>
<td>18%</td>
</tr>
<tr>
<td>Survivors who will undergo heart failure within 6 years</td>
<td>46%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: www.WomenHeart.org
Celera’s Innovation Pipeline

LPA: CHD Risk/Aspirin Benefit

- **LPA** is a single SNP test that predicts ~2-fold increased risk for CHD and stroke events in men and women.

- Risk is independent of traditional risk factors and Lp(a) levels.

- Increased risk due to **LPA** was eliminated by aspirin treatment in the Women’s Health Study of 28,000 women.

- In noncarriers, aspirin was more likely to cause bleeding than to prevent an event.

Low-dose aspirin could be useful in women over 65 years for prevention of stroke in situations where benefits outweigh the risks.

"However, women less than 65 years of age and who are healthy should not use aspirin to prevent a heart attack."
Risk of Heart Disease in Women
Genotype and Aspirin Treatment

- Carriers of the *LPA* variant have hazard ratios of
  - 2.4 for myocardial infarction
  - 2.3 for ischemic stroke
  - 2.2 for major CVD events

- Aspirin benefit is greater in carriers than in noncarriers
  - NNT: 37 vs 625
  - 8-fold more CVD events avoided in carriers per major bleeding event
**LPA: CHD Risk/Aspirin Benefit**

*Reaching a Key Demographic*

- Test identifies women from 45-65 who will most benefit from aspirin due to a strong risk/benefit profile

- Three commercial paths are anticipated for the test;
  - Secondary prevention market through BHL
  - Direct to Physician: “AspirinCheck”
  - Distribution partner for kits

- Pilot launch through BHL menu extension planned for CY2009

- Potential for partnership with women’s health focus
**KIF6+: CHD Risk Panel and Statin Benefit**

*Market Potential and Competition*

- **Strategy for Product Upgrades**
  - Adding independent, validated CHD risk markers to *KIF6*
  - Combination increases value of individual markers
  - Like smoking or diabetes, they increase global risk
  - Treatment with statins, niacin, aspirin, reduces global risk

- Expanding *KIF6* into a panel to provide additional information for physicians and patients to best manage disease risk and treatment

- Additional validated markers expected to further strengthen *KIF6* franchise, increasing market penetration and enhancing revenue opportunities

- *No* other genetic markers have been described that identify those patients who derive the optimal benefit from statin therapy in reducing CHD events
Stroke Risk/Statin Benefit Test
Over 40 Million Americans at Risk for Stroke

- Strokes affect ~700,000 people annually in the U.S.
  - Lifetime cost ~$150,000 per patient

- Identified two proprietary markers associated with stroke risk
  - Replicated in multiple studies

- Analyzing data to see if the markers also predict statin benefit

- In conjunction with traditional risk factors, i.e. hypertension and diabetes, expected to enable physicians to identify high-risk patients and initiate more aggressive preventive therapy to reduce the incidence of stroke

- No tests identify both stroke risk and statin benefit - potential to surpass KIF6

- Carotid imaging companies and statin manufacturers are potential marketing partners - creating significant financial upside opportunities
DVT Risk Test

- Over 2 million DVT’s diagnosed annually in the U.S. at a cost of ~$3.5B
  - 30% result in pulmonary embolism, resulting in >50,000 deaths
- Variants in Factor V and Factor II confer a 4-fold and 3-fold higher risk of DVT, but are rare (5%, 2%)
- Celera identified novel markers that predict for risk of DVT, pulmonary embolism, and cancer-associated DVT
- Combinations of novel and existing markers have higher Hazard Ratios and address a larger fraction of the population
- Testing these markers to see if they also predict risk for recurrent DVT and adverse pregnancy outcomes
- Partnership in women’s health may optimize the value of these findings
- Potential link to efficacy of new anticoagulants from pharma partners’ clinical trials
Pharma Partners

Unique Marketing Opportunities

- New opportunities for marketing drugs combined with patient testing to empower physicians
- Direct to Physician program is scalable
- Opportunity for pharma reps to expand on their drug message to physicians
- \textit{KIF6} testing could identify additional high risk patients and increase compliance
- Similar opportunities possible for \textit{KIF6+}, \textit{LPA}, Stroke Risk and DVT Risk
- Pharma marketing could substantially increase testing volume at BHL, with limited additional investment
## Cardiovascular New Genetic Tests
### Markets and Strategies

### PAM

<table>
<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>Ex-U.S.</th>
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<tbody>
<tr>
<td><strong>KIF6</strong></td>
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<tr>
<td><strong>LPA</strong></td>
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<td>12</td>
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<tr>
<td><strong>KIF6 +</strong></td>
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<tr>
<td><strong>Stroke</strong></td>
<td>39</td>
<td>24</td>
</tr>
<tr>
<td><strong>DVT</strong></td>
<td>12</td>
<td>7</td>
</tr>
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</table>

### Strategies Utilized

1. **BHL Menu Add**
   - U.S.
   - Ex-U.S.

2. **Direct to Physician**
   - Ex-U.S.
   - U.S.

3. **Ex-U.S. Distributor**
4. **U.S. Distributor**

5. **Pharma Partner**

6. **Academic/KOL Labs**

### Potential ($MM)

<table>
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<th></th>
<th>3% (U.S.)</th>
<th>6% (U.S.)</th>
<th>3% (Ex-U.S.)</th>
<th>6% (Ex-U.S.)</th>
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<tr>
<td><strong>U.S.</strong></td>
<td>$117</td>
<td>$235</td>
<td>$71</td>
<td>$141</td>
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<td><strong>LPA</strong></td>
<td>$59</td>
<td>$118</td>
<td>$35</td>
<td>$70</td>
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<tr>
<td><strong>KIF6 +</strong></td>
<td>$235</td>
<td>$469</td>
<td>$141</td>
<td>$282</td>
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<tr>
<td><strong>Stroke</strong></td>
<td>$117</td>
<td>$235</td>
<td>$71</td>
<td>$141</td>
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<tr>
<td><strong>DVT</strong></td>
<td>$74</td>
<td>$147</td>
<td>$44</td>
<td>$88</td>
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</table>

1. Testing services at BHL
New Genetic Test Value

Opportunities for Products and Services

- BHL provides a variety of commercial opportunities offering greater control and financial benefit from our investment
- Higher percentage of proprietary product margin retained
  - Gross profits from services are significantly higher than from products
- Publication success, pre-market awareness and association with novel IP could impact timing and revenue
- *KIF6* creates opportunity for significant upside through pharma marketing
  - Stroke risk could provide similar upside
New Genetic Test Opportunities

Beyond CVD

● Products In Development
  – Breast Cancer Prognosis and quantitative ER/PR/Her2

● Pipeline Programs
  – Lung Cancer Detection and Screening in Conjunction with CT Scan
  – Liver Disease
    ● Cirrhosis Risk Score for fibrosis progression in subjects with chronic HCV
    ● Test for fibrosis progression in subjects with metabolic syndrome
  – Risk for Adverse Pregnancy Outcomes
Breast Cancer Prognosis and ER/PR

Opportunity Overview

● Indication
  – Test predicts risk for metastasis in ER/PR positive, node-negative women
  – Second test quantitates ER, PR and Her2
  – Collaboration with International Breast Cancer Study group (IBCSG) to test Metastasis Score in a trial of Tamoxifen-treated women +/- chemotherapy
  – Collaboration with IBCSG on a trial of women treated with an aromatase inhibitor

● Commercial Strategy
  – Licensed non-exclusively to LabCorp and internally validated
  – Product development and registration activities underway
  – Abbott will be world-wide distributor for these m2000 products
Pipeline Programs
Lung Cancer Early Detection

● Target Indication
  – Could be used following CT imaging to confirm the likelihood a lesion is cancerous
  – For the high risk population of smokers, a screening test could identify people for CT imaging
  – Immunoassay panel of 11 serum proteins detects all stages of lung cancer with 85% sensitivity and 98% specificity
  – Testing additional samples with CT information

● Marketing Opportunities
  – In discussions with several potential partners including reference labs, imaging companies and diagnostic product manufacturers for collaboration, development and distribution

AUC = 0.88
Pipeline Programs

Liver Disease and Adverse Pregnancy Outcomes

● Liver Disease
  – Target Indications
    ● Cirrhosis Risk Score (CRS) predicts risk for cirrhosis in chronic HCV
    ● CRS also predicts fibrosis progression
    ● Other novel SNPs predict risk for fibrosis progression in patients with non-alcoholic fatty liver disease
  – Potential opportunity to expand BHL franchise into metabolic syndrome

● Adverse Pregnancy Outcomes
  – Target Indication
    ● Pre-eclampsia is the most common hypertensive disorder during pregnancy, affecting an estimated 5-8% of pregnant women annually in the United States, and is the leading cause of pregnancy related deaths in the world
    ● The cure for pre-eclampsia is delivery of the baby; however, prior to 30 weeks gestation treatment with anti-hypertensives is common
Our IP strategy

- Patent applications filed for all genetic discoveries with statistically significant association/clinical implications
- First patent filing prior to publication
- Pending applications for all proprietary commercial tests, products and pipeline programs
- Marker-specific IP provides exclusivity for each particular marker
  - Picket fence approach to protect full spectrum of value
- Monitor third party IP and actively pursue in-licensing opportunities for relevant IP to complement our tests, products and services
- Expand BHL’s exclusive test panels by combining our novel biomarkers with others from publicly-funded or third-party studies with freedom to operate
Innovation Pipeline

Blueprint for Celera’s New Genetic Tests

- *KIF6* is a proprietary, unique diagnostic test with “blockbuster potential”
- *KIF6* is the first new genetic test in a strong CVD portfolio strategy
- *KIF6* established a blueprint for leveraging our proprietary portfolio
- Provides opportunity to contribute to financial growth through both services and products businesses
- Our science and our commercial strategies generate near-term value and provide a pipeline of options for sustainable long-term growth
Understanding our Financials

Segment Reporting

● Lab Services Business Segment
  – Berkeley HeartLab testing and disease management service revenues

● Products Business Segment
  – Alliance product transfers to Abbott at cost
  – Equalization revenue
  – Atria product sales to Abbott
  – OEM royalties through the Alliance

● Corporate Business Segment
  – Royalties
    ● Cepheid
    ● Siemens
    ● Potential future royalties from out-license activities
  – License Fees
    ● Siemens - $2.4MM/qtr – through 12/09
    ● Beckman - $2MM/qtr - through 12/08
Understanding our Financials

Revenue Recognition within the Segments

- **Lab Services Business Segment**
  - Testing services – revenue recorded when results delivered to doctors
  - Disease Management services – amortized
- **Products Business Segment**
  - Alliance products – recognized when shipped at cost
  - Equalization Revenue – recorded quarterly
  - Atria products – distribution margins recorded when products shipped to Abbott
- **Corporate Business Segment**
  - Royalties
    - Cepheid – accrued quarterly
    - Siemens – accrued quarterly
  - License Fees
    - Siemens – amortized over non-refundable time periods
    - Beckman – amortized over non-refundable time periods
### Understanding our Financials

**Revenue by Segment and Category – FY08**

All amounts in $'000

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>Lab Services</th>
<th>Products</th>
<th>Corporate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products, incl Alliance Equalization</td>
<td></td>
<td>32,043</td>
<td></td>
<td>32,043</td>
</tr>
<tr>
<td>Services</td>
<td>69,336</td>
<td></td>
<td>1,657</td>
<td>70,993</td>
</tr>
<tr>
<td>Royalty, License and Milestones</td>
<td></td>
<td>471</td>
<td>35,161</td>
<td>35,632</td>
</tr>
<tr>
<td>Total</td>
<td>69,336</td>
<td>32,514</td>
<td>36,818</td>
<td>138,668</td>
</tr>
</tbody>
</table>

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## Understanding our Financials

### Operating Income by Segment – FY08

All amounts in $'000

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>Lab Services</th>
<th>Products</th>
<th>Corporate</th>
<th>Total</th>
<th>Non-GAAP Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>69,336</td>
<td>32,514</td>
<td>36,818</td>
<td>138,668</td>
<td>138,668</td>
</tr>
<tr>
<td>Cost of Sales and Operating Expenses</td>
<td>64,085</td>
<td>42,173</td>
<td>48,893</td>
<td>155,151</td>
<td>149,295</td>
</tr>
<tr>
<td>Depreciation and Amortization of Intangibles</td>
<td>2,283</td>
<td>1,361</td>
<td>9,496</td>
<td>13,140</td>
<td>6,025</td>
</tr>
<tr>
<td>Operating Income / (Loss)</td>
<td>2,968</td>
<td>(11,020)</td>
<td>(21,571)</td>
<td>(29,623)</td>
<td>(16,652)</td>
</tr>
<tr>
<td>Other Income, Net</td>
<td></td>
<td></td>
<td></td>
<td>14,681</td>
<td>17,761</td>
</tr>
<tr>
<td>Net Income/(Loss) Before Tax</td>
<td></td>
<td></td>
<td></td>
<td>(14,942)</td>
<td>1,109</td>
</tr>
<tr>
<td>Provision for Tax</td>
<td></td>
<td></td>
<td></td>
<td>(89,122)</td>
<td>(634)</td>
</tr>
<tr>
<td>Net Income/(Loss)</td>
<td></td>
<td></td>
<td></td>
<td>(104,064)</td>
<td>475</td>
</tr>
</tbody>
</table>
Understanding our Financials

**Tax Considerations**

- Deferred Tax Assets transferred to Celera with the split-off
  - NOL’s
  - Capitalized R&D
  - R&D tax credits
- Potential limitations on use
  - Expiration
  - Annual limits
Understanding our Financials

**Balance Sheet and Cash Flow – FY08**

- Ended June 30, 2008 with $335MM in cash and short term investments and essentially no debt

- Deferred Tax Assets (~ $90MM) fully reserved with reasonable opportunity to use them to offset taxable income over the next 15 years

- Expect to generate positive cash flow from operations over the coming years as the business becomes more profitable
Conclusions

Kathy Ordoñez, CEO
Summary – Key Take Home Messages

Celera - Positioned for Growth

- Celera is a growing healthcare business uniquely positioned to provide both products and services for Personalizing Disease Management and Empowering Patients
- We have a rich pipeline of innovative discoveries expected to become new products and services that will drive growth
  - *KIF6*, the “blueprint” for realizing value from our Innovation Pipeline:
    - Has launched successfully at BHL as a blood-based menu extension test
    - Will soon enter a test market at BHL as StatinCheck™ - a Direct to Physician cheek swab test
    - Is expected to be followed by an IVD product in Europe and other territories
- We are targeting to maintain annual revenue growth of ~20% and achieve non-GAAP EBIT of ~10% in 3 years
- Our strong balance sheet provides additional options for growth