TRINITY BIOTECH PLC
Form 20-F
April 14, 2011

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SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549
FORM 20-F

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2010

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

o **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

Commission file number: 0-22320

Trinity Biotech plc

(Exact name of Registrant as specified in its charter and translation of Registrant s name into English)

Ireland

(Jurisdiction of incorporation or organization)

IDA Business Park, Bray, Co. Wicklow, Ireland

(Address of principal executive offices)

Kevin Tansley

Chief Financial Officer

Tel: +353 1276 9800

Fax: +353 1276 9888

IDA Business Park, Bray, Co. Wicklow, Ireland

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
None	**None**

Securities registered or to be registered pursuant to Section 12(g) of the Act:

American Depositary Shares (each representing 4 A Ordinary Shares, par value US$0.0109)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report:

84,116,865 Class A Ordinary Shares and 700,000 Class B Shares

(as of December 31, 2010)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes o No þ

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes o No þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o Accelerated filer þ Non-accelerated filer o

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP o	**International Financial Reporting Standards as issued by the International Accounting Standards Board þ**	**Other o**

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 o Item 18 o

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No þ

This Annual Report on Form 20-F is incorporated by reference into our Registration Statements on Form S-8 File No. 33-76384, 333-220, 333-5532, 333-7762, 333-124384 and 333-166590.

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PART III

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General

As used herein, references to we , us , Trinity Biotech or the Group in this form 20-F shall mean Trinity Biotech and its world-wide subsidiaries, collectively. References to the Company in this annual report shall mean Trinity Biotech plc.

Our financial statements are presented in US Dollars and are prepared in accordance with International Financial Reporting Standards (IFRS) both as issued by the International Accounting Standards Board (IASB) and as subsequently adopted by the European Union (EU). The IFRS applied are those effective for accounting periods beginning on or after 1 January 2010. Consolidated financial statements are required by Irish law to comply with IFRS as adopted by the EU which differ in certain respects from IFRS as issued by the IASB. These differences predominantly relate to the timing of adoption of new standards by the EU. However, as none of the differences are relevant in the context of Trinity Biotech, the consolidated financial statements for the periods presented comply with IFRS both as issued by the IASB and as adopted by the EU. All references in this annual report to Dollars and $ are to US Dollars, and all references to Euro or are to European Union Euro. Except as otherwise stated herein, all monetary amounts in this annual report have been presented in US Dollars. For presentation purposes all financial information, including comparative figures from prior periods, have been stated in round thousands.

Forward-Looking Statements

This Annual Report on Form 20-F contains forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor from civil litigation for forward-looking statements accompanied by meaningful cautionary statements. Except for historical information, this report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, which may be identified by words such as estimates , anticipates , projects , plans , seeks , may , wi intends , believes , should and similar expressions or the negative versions thereof and which also may be identified by their context. Such statements, whether expressed or implied, are based upon current expectations of the Company and speak only as of the date made. The Company assumes no obligation to publicly update or revise any forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized. These statements are subject to various risks, uncertainties and other factors please refer to the risk factors in Item 3 for a more comprehensive outline of these risks and the threats which they pose to the Company and its results.

Item 1 ***Identity of Directors, Senior Management and Advisers***

Not applicable.

Item 2 ***Offer Statistics and Expected Timetable***

Not applicable.

Item 3 ***Selected Consolidated Financial Data***

The following selected consolidated financial data of Trinity Biotech as at December 31, 2010 and 2009 and for each of the years ended December 31, 2010, 2009 and 2008 have been derived from, and should be read in conjunction with, the audited consolidated financial statements and notes thereto set forth in Item 18 of this annual report. The selected consolidated financial data as at December 31, 2008, 2007 and 2006 and for the years ended December 31, 2007 and December 31, 2006 are derived from the audited consolidated financial statements not appearing in this Annual Report. This data should be read in conjunction with the financial statements, related notes and other financial information included elsewhere herein.

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CONSOLIDATED STATEMENT OF OPERATIONS DATA

	Year ended December, 31				
	2010 Total US$ 000	*2009 Total US$ 000*	*2008 Total US$ 000*	*2007 Total US$ 000*	*2006 Total US$ 000*
Revenues	**89,635**	**125,907**	**140,139**	**143,617**	**118,674**
Cost of sales	(45,690)	(68,891)	(77,645)	(75,643)	(62,090)
Cost of sales restructuring expenses				(953)	
Cost of sales inventory write off / provision				(11,772)	(5,800)
Total cost of sales	**(45,690)**	**(68,891)**	**(77,645)**	**(88,368)**	**(67,890)**
Gross profit	**43,945**	**57,016**	**62,494**	**55,249**	**50,784**
Other operating income	1,616	437	1,173	413	275
Research and development expenses	(4,603)	(7,341)	(7,544)	(6,802)	(6,696)
Research and development restructuring expenses				(6,907)	
Total research and development expenses	**(4,603)**	**(7,341)**	**(7,544)**	**(13,709)**	**(6,696)**
Selling, general and administrative expenses	(26,929)	(36,013)	(47,816)	(51,010)	(42,422)
Selling, general and administrative impairment charges and restructuring expenses			(87,882)	(20,315)	
Total selling, general and administrative expenses	**(26,929)**	**(36,013)**	**(135,698)**	**(71,325)**	**(42,422)**
Net gain on divestment of business and restructuring expenses	**46,474**				
Operating profit/(loss)	**60,503**	**14,099**	**(79,575)**	**(29,372)**	**1,941**
Financial income	1,352	8	65	457	1,164
Financial expenses	(495)	(1,192)	(2,160)	(3,148)	(2,653)

Net financing income/(costs)	**857**	**(1,184)**	**(2,095)**	**(2,691)**	**(1,489)**
Profit/(loss) before tax	**61,360**	**12,915**	**(81,670)**	**(32,063)**	**452**
Income tax (expense)/ credit	(942)	(1,091)	3,892	(3,309)	2,824
Profit/(loss) for the year (all attributable to owners of the parent)	**60,418**	**11,824**	**(77,778)**	**(35,372)**	**3,276**
Basic earnings/(loss) per A ordinary share (US Dollars)	0.71	0.14	(0.96)	(0.47)	0.05
Basic earnings/(loss) per B ordinary share (US Dollars)	1.43	0.28	(1.91)	(0.94)	0.10
Diluted earnings/(loss) per A ordinary share (US Dollars)	0.70	0.14	(0.96)	(0.47)	0.05
Diluted earnings/(loss) per B ordinary share (US Dollars)	1.39	0.28	(1.91)	(0.94)	0.10
Basic earnings/(loss) per ADS (US Dollars)	2.85	0.57	(3.82)	(1.86)	0.19
Diluted earnings/(loss) per ADS (US Dollars)	2.79	0.57	(3.82)	(1.86)	0.19
Weighted average number of shares used in computing basic EPS	84,734,378	83,737,884	81,394,075	76,036,579	70,693,753
Weighted average number of shares used in computing diluted EPS	86,661,535	83,772,094	81,394,075	76,036,579	72,125,740

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Consolidated Balance Sheet Data	*December 31, 2010 US$ 000*	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*	*December 31, 2007 US$ 000*	*December 31, 2006 US$ 000*
Net current assets (current assets less current liabilities)	89,068	42,835	39,494	36,298	60,996
Non-current liabilities	(7,331)	(27,500)	(27,897)	(35,623)	(45,928)
Total assets	160,874	132,445	129,509	215,979	249,131
Capital stock	1,092	1,080	1,070	991	978
Shareholders equity	141,287	79,344	65,905	136,845	167,262

No dividends were declared in any of the periods from December 31, 2006 to December 31, 2009. The Board have proposed a final dividend of 10 cent per ADR in respect of 2010 and this proposal will be submitted to shareholders for their approval at the next Annual General Meeting of the Company. As provided in the Articles of Association of the Company, dividends or other distributions are declared and paid in US Dollars.

Risk Factors

You should carefully consider all of the information set forth in this Form 20-F, including the following risk factors, when investing in our securities. The risks described below are not the only ones that we face. Additional risks not currently known to us or that we presently deem immaterial may also impair our business operations. We could be materially adversely affected by any of these risks.

Our long-term success depends upon the successful development and commercialization of new products.

Our long-term viability and growth will depend upon the successful discovery, development and commercialization of other products from our research and development (R&D) activities. We are committed to significant expenditure on R&D. However, there is no certainty that this investment in research and development will yield technically feasible or commercially viable products. Development of new diagnostic tests is subject to very stringent regulatory control and very significant costs in research, development and marketing. Failure to introduce new products could significantly slow our growth and adversely affect our market share.

Technological advances in the industry could render our products obsolete.

We have invested in research and development but there can be no guarantees that our R&D programmes will not be rendered technologically obsolete or financially non-viable by the technological advances of our competitors, which would also adversely affect our existing product lines and inventory. The main competitors of Trinity Biotech (and their principal products with which Trinity Biotech competes) include Siemens (Immulite , Enzygnost®), Inverness Medical Innovations, Inc. (Determine , Wampole , Athena), Diasorin Inc. (Liasion , ETIMAX), Abbott Diagnostics (AxSYM , IMx), Bio-Rad (ELISA, WB, Bioplex & A1c), Roche Diagnostics (COBAS AMPLICOR , Ampliscreen , Accutrend) and OraSure Technologies, Inc (OraQuick®).

We may be unable to protect or obtain proprietary rights that we utilize or intend to utilize.

In developing and manufacturing our products, we employ a variety of proprietary and patented technologies. In addition, we have licensed, and expect to continue to license, various complementary technologies and methods from academic institutions and public and private companies. We cannot provide any assurance that the technologies that we own or license provide protection from competitive threats or from challenges to our intellectual property. In addition, we cannot provide any assurances that we will be successful in obtaining licenses or proprietary or patented technologies in the future.

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Our business is heavily regulated and non-compliance with applicable regulations could reduce revenues and profitability.

Our manufacturing and marketing of diagnostic test kits are subject to government regulation in the United States of America by the Food and Drug Administration (FDA), and by comparable regulatory authorities in other jurisdictions. The approval process for our products, while variable across countries, is generally lengthy, time consuming, detailed and expensive. Our continued success is dependent on our ability to develop and market new products, some of which are currently awaiting approval from these regulatory authorities. There is no certainty that such approval will be granted or, even once granted, will not be revoked during the continuing review and monitoring process.

We are required to comply with extensive post market regulatory requirements. Non-compliance with applicable regulatory requirements of the FDA or comparable foreign regulatory bodies can result in enforcement action which may include recalling products, ceasing product marketing, paying significant fines and penalties, and similar actions that could limit product sales, delay product shipment, and adversely affect profitability.

Our business could be adversely affected by changing market conditions.

The diagnostics industry is in transition with a number of changes that affect the market for diagnostic test products. Changes in the healthcare industry delivery system have resulted in major consolidation among reference laboratories and in the formation of multi-hospital alliances, reducing the number of institutional customers for diagnostic test products. There can be no assurance that we will be able to enter into and/or sustain contractual or other marketing or distribution arrangements on a satisfactory commercial basis with these institutional customers.

Future acquisitions may be less successful than expected, and therefore, growth may be limited.

Trinity Biotech has historically grown organically and through the acquisition of, and investment in, other companies, product lines and technologies. There can be no guarantees that recent or future acquisitions can be successfully assimilated or that projected growth in revenues or synergies in operating costs can be achieved. Our ability to integrate future acquisitions may also be adversely affected by inexperience in dealing with new technologies, and changes in regulatory or competitive environments. Additionally, even during a successful integration, the investment of management s time and resources in the new enterprise may be detrimental to the consolidation and growth of our existing business.

Our revenues are highly dependent on a network of distributors worldwide.

Trinity Biotech currently distributes its product portfolio through distributors in approximately 75 countries worldwide. Our continuing economic success and financial security is dependent on our ability to secure effective channels of distribution on favourable trading terms with suitable distributors.

Our patent applications could be rejected or the existing patents could be challenged; our technologies could be subject to patent infringement claims; and trade secrets and confidential know-how could be obtained by competitors.

We can provide no assurance that the patents Trinity Biotech may apply for will be obtained or that existing patents will not be challenged. The patents owned by Trinity Biotech and its subsidiaries may be challenged by third parties through litigation and could adversely affect the value of our patents. We can provide no assurance that our patents will continue to be commercially valuable.

Trinity Biotech currently owns 6 US patents with remaining patent lives varying from less than one year to 16 years. In addition to these US patents, Trinity Biotech owns a total of 5 additional non-US patents with expiration dates varying between the years 2011 and 2023.

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Also, our technologies could be subject to claims of infringement of patents or proprietary technology owned by others. The cost of enforcing our patent and technology rights against infringers or defending our patents and technologies against infringement charges by others may be high and could adversely affect our business.

Trade secrets and confidential know-how are important to our scientific and commercial success. Although we seek to protect our proprietary information through confidentiality agreements and other contracts, we can provide no assurance that others will not independently develop the same or similar information or gain access to our proprietary information.

Trinity Biotech may be subject to liability resulting from its products or services.

Trinity Biotech may be subject to claims for personal injuries or other damages resulting from its products or services. Trinity Biotech has global product liability insurance in place for its manufacturing subsidiaries up to a maximum of 6,500,000 (US$8,679,000) for any one accident, limited to a maximum of 6,500,000 (US$8,679,000) in any one year period of insurance. A deductible of US$25,000 is applicable to each insurance event that may arise. There can be no assurance that our product liability insurance is sufficient to protect us against liability that could have a material adverse effect on our business.

Significant interruptions in production at our principal manufacturing facilities and/or third-party manufacturing facilities would adversely affect our business and operating results.

Products manufactured at our facilities in Bray, Ireland, Jamestown, New York, Kansas City Missouri and Carlsbad, California comprised approximately 76% of revenues in 2010. Our global supply of these products and services is dependent on the uninterrupted and efficient operation of these facilities. In addition, we currently rely on a small number of third-party manufacturers to produce certain of our diagnostic products and product components. The operations of our facilities or these third-party manufacturing facilities could be adversely affected by fire, power failures, natural or other disasters, such as earthquakes, floods, or terrorist threats. Although we carry insurance to protect against certain business interruptions at our facilities, there can be no assurance that such coverage will be adequate or that such coverage will continue to remain available on acceptable terms, if at all. Any significant interruption in the Group s or third-party manufacturing capabilities could materially and adversely affect our operating results.

We are highly dependent on our senior management team and other key employees, and the loss of one or more of these employees could adversely affect our operations.

Trinity Biotech s success is dependent on certain key management personnel. Our key employees at December 31, 2010 were Ronan O Caoimh, our CEO and Chairman, Rory Nealon, our COO, Jim Walsh, our Chief Scientific Officer and Kevin Tansley, our CFO/Company Secretary. If such key employees were to leave and we were unable to obtain adequate replacements, our operating results could be adversely affected.

We are dependent on suppliers for the primary raw materials required for its test kits.

The primary raw materials required for Trinity Biotech s test kits consist of antibodies, antigens or other reagents, glass fibre and packaging materials which are acquired from third parties. Although Trinity Biotech does not expect to be dependent upon any one source for these raw materials, alternative sources of antibodies with the characteristics and quality desired by Trinity Biotech may not be available. Such unavailability could affect the quality of our products and our ability to meet orders for specific products.

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We could be adversely affected by healthcare reform legislation.

Changes in government policy could have a significant impact on our business by increasing the cost of doing business, affecting our ability to sell our products and negatively impacting our profitability. The newly enacted Patient Protection and Affordable Care Act imposes a new 2.3% excise tax on medical device makers beginning in 2013, which could have a material negative impact on our results of operations and our cash flows. At present, given the infancy of the enacted reform, we are unable to predict what effect the legislation might ultimately have on reimbursement rates for our products. If reimbursement amounts for diagnostic testing services are decreased in the future, such decreases may reduce the amount that will be reimbursed to hospitals or physicians for such services and consequently could place constraints on the levels of overall pricing, which could have a material effect on our sales and/or results of operations. Other elements of this legislation could meaningfully change the way healthcare is developed and delivered, and may materially impact numerous aspects of our business.

Global economic conditions may have a material adverse impact on our results.

We currently generate significant operating cash flows, which combined with access to the credit markets provides us with discretionary funding capacity for research and development and other strategic activities. Current uncertainty in global economic conditions poses a risk to the overall economy that could impact demand for our products, as well as our ability to manage normal commercial relationships with our customers, suppliers and creditors, including financial institutions. If global economic conditions deteriorate significantly, our business could be negatively impacted, including such areas as reduced demand for our products from a slow-down in the general economy, supplier or customer disruptions resulting from tighter credit markets and/or temporary interruptions in our ability to conduct day-to-day transactions through our financial intermediaries involving the payment to or collection of funds from our customers, vendors and suppliers.

Our sales and operations are subject to the risks of fluctuations in currency exchange rates.

A substantial portion of our operations are in Ireland and Europe is one of our main sales territories. As a result, changes in the exchange rate between the U.S. dollar and the euro can have significant effects on our results of operations.

The conversion of our outstanding employee share options and warrants would dilute the ownership interest of existing shareholders.

The warrants issued in 2008 and 2010 and the total share options exercisable at December 2010, as described in Item 18, note 19 to the consolidated financial statements, are convertible into American Depository Shares (ADSs), 1 ADS representing 4 Class A Ordinary Shares. The exercise of the share options exercisable and of the warrants will likely occur only when the conversion price is below the trading price of our ADSs and will dilute the ownership interests of existing shareholders. For instance, should the options and warrant holders of the 5,226,413 A Ordinary shares (1,306,603 ADSs) exercisable at December 31, 2010 be exercised, Trinity Biotech would have to issue 5,226,413 additional A ordinary shares (1,306,603 ADSs). On the basis of 84,116,865 A ordinary shares outstanding at December 31, 2010, this would effectively dilute the ownership interest of the existing shareholders by approximately 6%.

It could be difficult for US holders of ADSs to enforce any securities laws claims against Trinity Biotech, its officers or directors in Irish Courts.

At present, no treaty exists between the United States and Ireland for the reciprocal enforcement of foreign judgements. The laws of Ireland do however, as a general rule, provide that the judgements of the courts of the United States have in Ireland the same validity as if rendered by Irish Courts. Certain important requirements must be satisfied before the Irish Courts will recognize the United States judgement. The originating court must have been a court of competent jurisdiction, the judgement may not be recognized if it is based on public policy, was obtained by fraud or its recognition would be contrary to Irish public policy. Any judgement obtained in contravention of the rules of natural justice will not be enforced in Ireland.

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Information on the Company

History and Development of the Company

Trinity Biotech (the Group) develops, acquires, manufactures and markets medical diagnostic products for the clinical laboratory and point-of-care (POC) segments of the diagnostic market. These products are used to detect autoimmune, infectious and sexually transmitted diseases, diabetes and disorders of the liver and intestine. The Group is also a significant provider of raw materials to the life sciences industry. The Group sells worldwide in over 75 countries through its own sales force and a network of international distributors and strategic partners.

Trinity Biotech was incorporated as a public limited company (plc) registered in Ireland in 1992. The Company commenced operations in 1992 and, in October 1992, completed an initial public offering of its securities in the US. The principal offices of the Group are located at IDA Business Park, Bray, Co Wicklow, Ireland. The Group has expanded its product base through internal development and acquisitions.

The Group, which has its headquarters in, Bray Ireland, employs approximately 345 people worldwide and markets its portfolio of over 350 products to customers in 75 countries around the world. Trinity Biotech markets its products in the US through a direct sales force and in the rest of the world through a combination of direct selling and a network of national and international distributors. Trinity Biotech has manufacturing facilities in Bray, Ireland, in Jamestown, New York, Carlsbad, California and Kansas City, Missouri in the USA.

In May 2010, the Group sold its worldwide Coagulation business to Diagnostica Stago for US$90 million. Diagnostica Stago purchased the share capital of Trinity Biotech (UK Sales) Limited, Trinity Biotech GmbH and Trinity Biotech S.à r.l., along with Coagulation assets of Biopool US Inc. and Trinity Biotech Manufacturing Limited. Included in the sale are Trinity s lists of coagulation customers and suppliers, all coagulation inventory, intellectual property and developed technology. In total, 321 Trinity employees transferred their employment to Diagnostica Stago following the sale.

The following represents the acquisitions made by Trinity Biotech in recent years.

Acquisition of the immuno-technology business of Cortex Biochem Inc

In September 2007, the Group acquired the immuno-technology business of Cortex Biochem Inc (Cortex) for a total consideration of US$2,925,000, consisting of cash consideration of US$2,887,000 and acquisition expenses of US$38,000.

Acquisition of certain components of the distribution business of Sterilab Services UK

In October 2007, the Group acquired certain components of the distribution business of Sterilab Services UK (Sterilab), a distributor of Infectious Diseases products, for a total consideration of US$1,489,000, consisting of cash consideration of US$1,480,000 and acquisition expenses of US$9,000.

Principal Markets

The primary market for Trinity Biotech s tests remains the USA. During fiscal year 2010, the Group sold 60% (US$54.0 million) (2009: 54% or US$68.1 million) (2008: 50% or US$69.9 million) of product in the USA. Sales to non-US (principally European and Asian/ African) countries represented 40% (US$35.6 million) for fiscal year 2010 (2009: 46% or US$57.8 million) (2008: 50% or US$70.2 million).

For a more comprehensive segmental analysis please refer to Item 5, Results of Operations and Item 18, note 2 to the consolidated financial statements.

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Principal Products

Trinity Biotech develops, acquires, manufactures and markets a wide range of clinical in-vitro diagnostic products. This product portfolio, firstly split by point of use, is then subdivided on the basis of application.

Product portfolio sub-division with associated established brand names:

		Clinical Laboratory	
Point-Of-Care	**Infectious Disease**	**HbA1c + Hb Variant**	**Clinical Chemistry**
UniGold	Bartels®	Primus	EZ
Recombigen®	Captia		
	MarDx®		
	MarBlot®		
	MicroTrak		

Trinity Biotech also sells raw materials to the life sciences industry and research institutes globally through the Company subsidiary, Fitzgerald Industries.

Trinity Biotech products are sold through our direct sales organisations in USA and through our network of principal distributor partners into approximately 75 countries in the rest of the world.

Point of Care (POC)

Point of Care refers to diagnostic tests which are carried out in the presence of the patient.

UniGold HIV

Trinity Biotech makes a very significant contribution to the global effort to meet the challenge of HIV. The Group s principal product is UniGold HIV.

In Africa, UniGold HIV has been used for several years in voluntary counselling and testing centres (VCTs) in the sub-Saharan region where they provide a cornerstone to early detection and treatment intervention. The UniGold HIV brand is recognized for its quality and reliability. These same factors are the springboard in some countries for national testing algorithm changes in favour of wider usage of UniGold HIV.

In the USA, the Centres for Disease Control (CDC) recommend the use of rapid tests to control the spread of HIV/AIDS. As part of this, UniGold HIV is used in public health facilities, hospitals and other outreach facilities.

The Future of Point-Of-Care at Trinity Biotech

Point-Of-Care is strategically key to the growth of Trinity Biotech in the future. The company has already invested in establishing 3 new product development teams in the US and Ireland to provide a product pipeline for future growth. In phase one, the areas of development focus include rapid tests for:

Sexually transmitted diseases: Building on the existing success with HIV, the products will include rapid tests for Syphilis, Herpes simplex (HSV) 1 & 2 and HIV combination assay (1 & 2 + Antigen)

Enteric pathogens: Separate products for Clostridium toxin A&B, Giardia and Cryptosporidium

Respiratory pathogens: Flu A&B, *Streptococcus pneumoniae*,

Clinical Laboratory

Trinity Biotech supplies the clinical laboratory segment of the *in-vitro* diagnostic market with a range of diagnostic tests and instrumentation which detect:

Infectious diseases: bacterial and viral diseases and autoimmune disorders.

HbA1c and Hb Variant: Diabetes and Haemoglobin disorders.

Clinical Chemistry: Liver & kidney disease and haemolytic anaemia.

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Infectious Diseases

Trinity Biotech manufactures products for niche/specialised applications in Infectious Disease and Autoimmune disorders. The products are used with patient samples and the results generated help physicians to guide diagnosis for a broad range of infectious diseases. The key niche/specialist disease areas served by the Trinity Biotech products include: (1) Lyme disease, (2) Sexually transmitted diseases: Syphilis, Chlamydia and Herpes simplex, (3) Respiratory infections: Legionella, Flu A&B, (4) Epstein Barr Virus, (5) other viral pathogens, e.g. Measles, Mumps, Rubella and Varicella, (6) Autoimmune disorders (e.g. lupus, celiac and rheumatoid arthritis).

The vast majority of the infectious diseases product line is FDA cleared for sale in the USA and CE marked in Europe. Products are sold in over 75 countries, with the focus on North America, Europe and Asia.

HbA1c and Hb Variants

The Primus Corporation, a Trinity Biotech company, focuses on products for the *in-vitro* diagnostic testing for haemoglobin A1c (HbA1c) used in the monitoring of diabetes. Primus manufactures a range of instrumentation using patented HPLC (high pressure liquid chromatography) technology.

HbA1c : These products are the most accurate and precise methods available for detection and monitoring the patient status and overall diabetic control.

Haemoglobin Variants: The Primus Ultra^2 instrument is the most accurate and precise method for detection of haemoglobin variants which is important for screening populations for genetic abnormalities that can lead to conditions such as Sickle Cell Anaemia and Thalassemia.

Neonatal Haemoglobin: The most recent addition, the GeneSys system, designed for assay and detection of Haemoglobin variants in neo-natal screening, addresses the largest segment of this niche area, i.e. the reference laboratories (responsible for state-wide screening of newborns).

The current Primus products are sold through the Trinity Biotech sales and marketing organization to clinical and reference laboratories directly in the USA and via distribution in other countries.

In preparation for the planned 2011 launch of a new high throughput HbA1c instrument, the Premier Hb 9210 (formerly known as Pdx), Trinity Biotech has entered into a distribution agreement with Menarini Diagnostics, for Europe. The US launch is expected later in 2011. This new instrument will also give access to markets not previously open to Trinity Biotech due to instrument price and test capability.

Clinical Chemistry

The Trinity Biotech speciality clinical chemistry business includes reagent products such as ACE, Bile Acids, Lactate, Oxalate and Glucose-6-Phosphate Dehydrogenase (G6PDH) that are clearly differentiated in the marketplace. These products are suitable for both manual and automated testing and have proven performance in the diagnosis of many disease states from liver and kidney disease to G6PDH deficiency which is an indicator of haemolytic anaemia.

Sales and Marketing

Trinity Biotech sells its product through its own direct sales-force in the United States. Our sales team in the United States is responsible for marketing and selling the Trinity Biotech range of clinical chemistry, point of care, infectious disease, Primus and clinical chemistry products.

Through its sales and marketing organisation in Ireland, Trinity Biotech sells:

Its Clinical Chemistry product range directly to hospitals and laboratories in Germany and France;

All products directly to hospitals and laboratories in the UK; and

All product lines through independent distributors and strategic partners in a further 75 countries.

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Competition

The diagnostic industry is very competitive. There are many companies, both public and private, engaged in the sale of medical diagnostic products and diagnostics-related research and development, including a number of well-known pharmaceutical and chemical companies. Competition is based primarily on product reliability, customer service and price. Innovation in the market is rare but significant advantage can be made with the introduction of new disease markers or innovative techniques with patent protection. The Group s competition includes several large companies such as, but not limited to, Roche, Abbott, Johnson & Johnson, Siemens (from the combined acquisitions of Bayer Diagnostics, Dade-Behring and DPC), Beckman Coulter, Inverness Medical Innovations, Inc., Bio-Rad and Thermo Fisher.

Patents and Licences

Patents

Many of Trinity Biotech s tests are not protected by specific patents, due to the significant cost of putting patents in place for Trinity Biotech s wide range of products. However, Trinity Biotech believes that substantially all of its tests are protected by proprietary know-how, manufacturing techniques and trade secrets.

From time-to-time, certain companies have asserted exclusive patent, copyright and other intellectual property rights to technologies that are important to the industry in which Trinity Biotech operates. In the event that any of such claims relate to its planned products, Trinity Biotech intends to evaluate such claims and, if appropriate, seek a licence to use the protected technology. There can be no assurance that Trinity Biotech would, firstly, be able to obtain licences to use such technology or, secondly, obtain such licences on satisfactory commercial terms. If Trinity Biotech or its suppliers are unable to obtain or maintain a licence to any such protected technology that might be used in Trinity Biotech s products, Trinity Biotech could be prohibited from marketing such products. It could also incur substantial costs to redesign its products or to defend any legal action taken against it. If Trinity Biotech s products should be found to infringe protected technology, Trinity Biotech could also be required to pay damages to the infringed party.

Licences

Trinity Biotech has entered into a number of key licensing arrangements including the following:

In 2005 Trinity Biotech obtained a license from the University of Texas for the use of Lyme antigen (Vlse), thus enabling the inclusion of this antigen in the Group s Lyme diagnostic products. Trinity also entered a Biological Materials License Agreement with the Centre for Disease Control (CDC) in Atlanta, GA, USA for the rights to produce and sell the CDC developed HIV Incidence assay.

In 2002, Trinity Biotech obtained the Unipath and Carter Wallace lateral flow licences under agreement with Inverness Medical Innovations (IMI). In 2006, Trinity Biotech renewed its license agreement with Inverness Medical Innovations covering IMI s most up to date broad portfolio of lateral flow patents, and expanded the field of use to include over the counter (OTC) for HIV products, thus ensuring Trinity Biotech s freedom to operate in the lateral flow market with its UniGold technology.

On December 20, 1999 Trinity Biotech obtained a non-exclusive commercial licence from the National Institute of Health (NIH) in the US for NIH patents relating to the general method of producing HIV-1 in cell culture and methods of serological detection of antibodies to HIV-1.

Trinity Biotech has also entered into a number of licence/supply agreements for key raw materials used in the manufacture of its products.

Each of the key licensing arrangements terminates on the expiry of the last of the particular licensed patents covered by the respective agreement, except in the case of one of the agreements which expires in 2015. Each licensor has the right to terminate the arrangement in the event of non-performance by Trinity Biotech. The key licensing arrangements requires the Group to pay a royalty to the license holder which is based on sales of the products which utilize the relevant technology being licensed. The royalty rates vary from 2% to 8.5% of sales. The total amount paid by Trinity Biotech under key licensing arrangements in 2010 was US$1,233,000 (2009: US$899,000).

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Government Regulation

The preclinical and clinical testing, manufacture, labelling, distribution, and promotion of Trinity Biotech s products are subject to extensive and rigorous government regulation in the United States and in other countries in which Trinity Biotech s products are sought to be marketed. The process of obtaining regulatory clearance varies, depending on the product categorisation and the country, from merely notifying the authorities of intent to sell, to lengthy formal approval procedures which often require detailed laboratory and clinical testing and other costly and time-consuming processes. The main regulatory bodies which require extensive clinical testing are the Food and Drug Administration (FDA) in the US, the Irish Medicines Board (as the authority over Trinity Biotech in Europe) and Health Canada. The process in each country varies considerably depending on the nature of the test, the perceived risk to the user and patient, the facility at which the test is to be used and other factors. As 60% of Trinity Biotech s 2010 revenues were generated in the US and the US represents approximately 43% of the worldwide diagnostics market, an overview of FDA regulation has been included below.

FDA Regulation

Our products are medical devices subject to extensive regulation by the FDA under the Federal Food, Drug, and Cosmetic Act. The FDA s regulations govern, among other things, the following activities: product development, testing, labeling, storage, pre-market clearance or approval, advertising and promotion and sales and distribution.

Access to US Market. Each medical device that Trinity Biotech may wish to commercially distribute in the US will require either pre-market notification (more commonly known as 510(k)) clearance or pre-market application (PMA) approval prior to commercial distribution. Devices intended for use in blood bank environments fall under even more stringent review and require a Blood Licence Application (BLA). Some low risk devices are exempted from these requirements. The FDA has introduced fees for the review of 510(k) and PMA applications. The fee for a PMA or BLA in 2010 is in the region of US$200,000.

510(k) Clearance Pathway. To obtain 510(k) clearance, Trinity Biotech must submit a pre-market notification demonstrating that the proposed device is substantially equivalent in intended use and in safety and effectiveness to a predicate device either a previously cleared class I or II device or a class III preamendment device, for which the FDA has not called for PMA applications. The FDA s 510(k) clearance pathway usually takes from 3 to 9 months, but it can take longer. After a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, requires a new 510(k) clearance or could even require a PMA approval.

PMA Approval Pathway. A device that does not qualify for 510(k) clearance generally will be placed in class III and required to obtain PMA approval, which requires proof of the safety and effectiveness of the device to the FDA s satisfaction. A PMA application must provide extensive preclinical and clinical trial data and also information about the device and its components regarding, among other things, device design, manufacturing and labeling. In addition, an advisory committee made up of clinicians and/or other appropriate experts is typically convened to evaluate the application and make recommendations to the FDA as to whether the device should be approved. It generally takes from one to three years but can take longer.

Although the FDA is not bound by the advisory panel decision, the panel s recommendation is important to the FDA s overall decision making process. The PMA approval pathway is more costly, lengthy and uncertain than the 510(k) clearance process. It generally takes from one to three years or even longer. After approval of a PMA, a new PMA or PMA supplement is required in the event of a modification to the device, its labeling or its manufacturing process. As noted above, the FDA has recently implemented substantial fees for the submission and review of PMA applications.

BLA approval pathway. BLA approval is required for some products intended for use in a blood bank environment, where the blood screened using these products may be administered to an individual following processing. This approval pathway involves even more stringent review of the product.

Clinical Studies. A clinical study is required to support a PMA application and is required for a 510(k) pre-market notification. Such studies generally require submission of an application for an Investigational Device Exemption (IDE) showing that it is safe to test the device in humans and that the testing protocol is scientifically sound.

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Post-market Regulation

After the FDA permits a device to enter commercial distribution, numerous regulatory requirements apply, including the Quality System Regulation (QSR), which requires manufacturers to follow comprehensive testing, control, documentation and other quality assurance procedures during the manufacturing process; labeling regulations; the FDA s general prohibition against promoting products for unapproved or off-label uses; and the Medical Device Reporting (MDR) regulation, which requires that manufacturers report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur.

Trinity Biotech is subject to inspection by the FDA to determine compliance with regulatory requirements. If the FDA finds any failure to comply, the agency can institute a wide variety of enforcement actions, ranging from a public warning letter to more severe sanctions such as fines, injunctions, and civil penalties; recall or seizure of products; the issuance of public notices or warnings; operating restrictions, partial suspension or total shutdown of production; refusing requests for 510(k) clearance or PMA approval of new products; withdrawing 510(k) clearance or PMA approvals already granted; and criminal prosecution.

Unanticipated changes in existing regulatory requirements or adoption of new requirements could have a material adverse effect on the Group. Any failure to comply with applicable QSR or other regulatory requirements could have a material adverse effect on the Group s revenues, earnings and financial standing.

There can be no assurances that the Group will not be required to incur significant costs to comply with laws and regulations in the future or that laws or regulations will not have a material adverse effect upon the Group s revenues, earnings and financial standing.

CLIA classification

Purchasers of Trinity Biotech s clinical diagnostic products in the United States may be regulated under The Clinical Laboratory Improvements Amendments of 1988 (CLIA) and related federal and state regulations. CLIA is intended to ensure the quality and reliability of clinical laboratories in the United States by mandating specific standards in the areas of personnel qualifications, administration and participation in proficiency testing, patient test management, quality control, quality assurance and inspections. The regulations promulgated under CLIA established three levels of diagnostic tests (waived , moderately complex and highly complex) and the standards applicable to a clinica laboratory depend on the level of the tests it performs.

Export of products subject to 510(k) notification requirements, but not yet cleared to market, are permitted without FDA export approval, if statutory requirements are met. Unapproved products subject to PMA requirements can be exported to any country without prior FDA approval provided, among other things, they are not contrary to the laws of the destination country, they are manufactured in substantial compliance with the QSR, and have been granted valid marketing authorization in Australia, Canada, Israel, Japan, New Zealand, Switzerland, South Africa or member countries of the European Union or of the European Economic Area (EEA). FDA approval must be obtained for exports of unapproved products subject to PMA requirements if these export conditions are not met.

There can be no assurance that Trinity Biotech will meet statutory requirements and/or receive required export approval on a timely basis, if at all, for the marketing of its products outside the United States.

Regulation outside the United States

Distribution of Trinity Biotech s products outside of the United States is also subject to foreign regulation. Each country s regulatory requirements for product approval and distribution are unique and may require the expenditure of substantial time, money, and effort. There can be no assurance that new laws or regulations will not have a material adverse effect on Trinity Biotech s business, financial condition, and results of operation. The time required to obtain needed product approval by particular foreign governments may be longer or shorter than that required for FDA clearance or approval. There can be no assurance that Trinity Biotech will receive on a timely basis, if at all, any foreign government approval necessary for marketing its products.

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Organisational Structure

Trinity Biotech plc and its subsidiaries (the Group) is a manufacturer of diagnostic test kits and instrumentation for sale and distribution worldwide. Trinity Biotech s executive offices are located at Bray, Co. Wicklow, Ireland while its research and development, manufacturing and marketing activities are principally conducted at Trinity Biotech Manufacturing Limited, based in Bray, Co. Wicklow, Ireland and at Trinity Biotech (USA), MarDx Diagnostics Inc, Primus Corporation and Biopool US Inc. based in Jamestown, New York State, Carlsbad, California, Kansas City, Missouri and Jamestown, New York State respectively. The Group s distributor of raw materials for the life sciences industry, Fitzgerald Industries, is based in Acton, Massachusetts and Bray, Co. Wicklow, Ireland.

For a more comprehensive schedule of the subsidiary undertakings of the Group please refer to Item 18, note 31 to the consolidated financial statements.

Property, Plant and Equipment

Trinity Biotech has four manufacturing sites worldwide, three in the US (Jamestown, NY, Kansas City, MO and Carlsbad, CA) and one in Bray, Co. Wicklow, Ireland. The US and Irish facilities are each FDA and ISO registered facilities. As part of its ongoing commitment to quality, Trinity Biotech was granted the latest ISO 9001: 2000 and ISO 13485: 2003 certification. This certificate was granted by the Underwriters Laboratory, an internationally recognised notified body. It serves as external verification that Trinity Biotech has an established an effective quality system in accordance with an internationally recognised standard. By having an established quality system there is a presumption that Trinity Biotech will consistently manufacture products in a controlled manner. To achieve this certification Trinity Biotech performed an extensive review of the existing quality system and implemented any additional regulatory requirements.

Until the divestiture of our Coagulation business in May 2010, our facilities and offices in Ireland were located in four buildings at IDA Business Park, Bray, Co. Wicklow. Following the divestiture, the lease on one of these buildings was assigned to Diagnostica Stago and the lease on another of the buildings is currently in the process of being assigned to Diagnostica Stago. Upon completion of this assignment, the Company will have leases on the remaining two buildings at IDA Business Park, Bray, Co. Wicklow. The lease to be transferred to Diagnostica Stago in 2011 relates to the manufacturing and research and development facility consisting of approximately 45,000 square feet. This facility is ISO 9001 approved and was purchased in December 1997. The facility includes offices, research and development laboratories, production laboratories, cold storage and drying rooms and warehouse space. The annualised rent on this facility is 479,000(US$639,000). Diagnostica Stago has been reimbursing the Company for the payments made on this lease since the divestiture of the Coagulation business in May 2010.

Trinity Biotech has entered into a number of related party transactions with JRJ Investments (JRJ), a partnership owned by Mr O Caoimh and Dr Walsh, directors of the Company, and directly with Mr O Caoimh and Dr Walsh, to provide current and potential future needs for the Group s manufacturing and research and development facilities, located at IDA Business Park, Bray, Co. Wicklow, Ireland. In July 2000, Trinity Biotech entered into a 20 year lease with JRJ for a 25,000 square foot warehouse adjacent to the existing facility at a current annual rent of 275,000 (US$367,000). As described above, this was the lease which was assigned to Diagnostica Stago during 2010.

In November 2002, Trinity Biotech entered into an agreement for a 25 year lease with JRJ, for 16,700 square feet of offices at an annual rent of 381,000 (US$509,000), payable from 2004. In December 2007, the Group entered into an agreement with Mr O Caoimh and Dr Walsh pursuant to which the Group took a lease on an additional 43,860 square foot manufacturing facility in Bray, Ireland at a rate of 17.94 per square foot (including fit out) giving a total annual rent of 787,000 (US$1,051,000). See Item 7 Major Shareholders and Related Party Transactions.

Trinity Biotech USA operates from a 24,000 square foot FDA and ISO 9001 approved facility in Jamestown, New York. The facility was purchased by Trinity Biotech USA in 1994. Additional warehousing space is also leased in upstate New York at an annual rental charge of US$133,000.

MarDx operates from two facilities in Carlsbad, California. The first facility comprises 21,500 square feet and is the subject of a five year lease, renewed in 2009, at an annual rental cost of US$255,978. The second adjacent facility comprises 14,500 square feet and is the subject of a three year lease, amended in 2009, at an annual rental cost of US$172,356.

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Trinity Biotech sold its facility located in Lemgo, Germany during 2010 as part of the Sale of its Coagulation business see Item 18, note 3 for further information.

The Group also had leases on premises in the UK and France which were transferred to Diagnostica Stago in May 2010, following the sale of the Coagulation business. These consisted of two units in Berkshire, UK, at an annual rent of £91,000 (US$141,000) and a lease for a 5,750 square foot premises in Paris, France, at an annual rent of 46,000 (US$61,000).

Additional office space is leased by the Group in Ireland, Kansas City, Missouri and Acton, Massachusetts at an annual cost of 115,000(US$154,000), US$100,000 and US$86,000 respectively.

At present we have sufficient productive capacity to cover demand for our product range. We continue to review our level of capacity in the context of future revenue forecasts. In the event that these forecasts indicate capacity constraints, we will either obtain new facilities or expand our existing facilities.

We do not currently have any plans to expand or materially improve our facilities.

In relation to products produced at our facilities these are as follows:

Bray, Ireland Point of Care/HIV, Immunoflourescence and Clinical Chemistry products are manufactured at this site.

Jamestown, New York this site specializes in the production of Microtitre Plate EIA products for infectious diseases and auto-immunity.

Carlsbad, California this facility specializes in the development and manufacture of products utilizing Western Blot technology. Our Lyme suite of products is manufactured at this facility.

Kansas City, Missouri this site is responsible for the manufacture of the Group s A1c range of products.

We are fully in compliance with all environmental legislation applicable in each jurisdiction in which we operate.

Capital expenditures and divestitures

Please refer to Item 18, note 29 with regard to the acquisition of Phoenix Bio-tech Corp. in 2011 and to Item 18, note 3 concerning the divestiture of the Coagulation business during 2010.

Item 5

Operating and Financial Review and Prospects

Operating Results

Trinity Biotech s consolidated financial statements include the attributable results of Trinity Biotech plc and all its subsidiary undertakings collectively. This discussion covers the years ended December 31, 2010, December 31, 2009 and December 31, 2008, and should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this Form 20-F. The financial statements have been prepared in accordance with IFRS both as issued by the International Accounting Standards Board (IASB) and as subsequently adopted by the European Union (EU) (together IFRS). Consolidated financial statements are required by Irish law to comply with IFRS as adopted by the EU which differ in certain respects from IFRS as issued by the IASB. These differences predominantly relate to the timing of adoption of new standards by the EU. However, as none of the differences are relevant in the context of Trinity Biotech, the consolidated financial statements for the periods presented comply with IFRS both as issued by the IASB and as adopted by the EU.

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Trinity Biotech has availed of the exemption under SEC rules to prepare consolidated financial statements without a reconciliation to U.S. generally accepted accounting principles (US GAAP) as at and for the three year period ended December 31, 2010 as Trinity Biotech is a foreign private issuer and the financial statements have been prepared in accordance with IFRS both as issued by the International Accounting Standards Board (IASB) and as subsequently adopted by the European Union (EU).

Overview

Trinity Biotech develops, manufactures and markets diagnostic test kits used for the clinical laboratory and point of care (POC) segments of the diagnostic market. These test kits are used to detect infectious diseases, sexually transmitted diseases, blood disorders and autoimmune disorders. The Group markets over 350 different diagnostic products in approximately 75 countries. In addition, the Group manufactures its own and distributes third party infectious disease diagnostic instrumentation. The Group, through its Fitzgerald operation, is also a significant provider of raw materials to the life sciences industry.

Factors affecting our results

The global diagnostics market is growing due to, among other reasons, the ageing population and the increasing demand for rapid tests in a clinical environment.

Our revenues are directly related to our ability to identify high potential products while they are still in development and to bring them to market quickly and effectively. Efficient and productive research and development is crucial in this environment as we, like our competitors, search for effective and cost-efficient solutions to diagnostic problems. The growth in new technology will almost certainly have a fundamental effect on the diagnostics industry as a whole and upon our future development.

The comparability of our financial results for the years ended December 31, 2010, 2009, 2008, 2007 and 2006 have been impacted by acquisitions made by the Group in two of the five years and by the divestiture of the Coagulation business in 2010. There were no acquisitions made in 2010, 2009 or 2008. In 2007, the Group acquired the immuno-technology assets of Cortex and certain components of the distribution business of Sterilab. In 2006, the Group acquired the coagulation business of bioMerieux (subsequently divested) and a direct selling entity in France.

For further information about the Group s principal products, principal markets and competition please refer to Item 4, Information on the Company .

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with IFRS. The preparation of these financial statements requires us to make estimates and judgements that affect the reported amount of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities.

On an on-going basis, we evaluate our estimates, including those related to intangible assets, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the critical accounting policies described below reflect our more significant judgements and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

Revenue from the sale of goods is recognised in the statement of operations when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from products is generally recorded as of the date of shipment, consistent with our typical ex-works shipment terms. Where the shipment terms do not permit revenue to be recognised as of the date of shipment, revenue is recognised when the Group has satisfied all of its obligations to the customer in accordance with the shipping terms. Revenue, including any amounts invoiced for shipping and handling costs, represents the value of goods supplied to external customers, net of discounts and excluding sales taxes.

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Revenue from services rendered is recognised in the statement of operations in proportion to the stage of completion of the transaction at the balance sheet date.

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Group, that the risks and rewards of ownership have passed to the buyer and the revenue can be measured. No revenue is recognised if there is uncertainty regarding recovery of the consideration due at the outset of the transaction or the possible return of goods.

The Group leases instruments under operating and finance leases as part of its business. In cases where the risks and rewards of ownership of the instrument pass to the customer, the fair value of the instrument is recognised as revenue at the commencement of the lease and is matched by the related cost of sale. In the case of operating leases of instruments which typically involve commitments by the customer to pay a fee per test run on the instruments, revenue is recognised on the basis of customer usage of the instruments.

Research and development expenditure

We write-off research and development expenditure as incurred, with the exception of expenditure on projects whose outcome has been assessed with reasonable certainty as to technical feasibility, commercial viability and recovery of costs through future revenues. Such expenditure is capitalised at cost within intangible assets and amortised over its expected useful life of 15 years, which commences when commercial production starts.

Factors which impact our judgement to capitalise certain research and development expenditure include the degree of regulatory approval for products and the results of any market research to determine the likely future commercial success of products being developed. We review these factors each year to determine whether our previous estimates as to feasibility, viability and recovery should be changed.

At December 31, 2010 the carrying value of capitalised development costs was US$10,073,000 (2009: US$12,785,000) (see Item 18, note 12 to the consolidated financial statements). The decrease in 2010 was as a result of development costs of US$5,887,000 being capitalised in 2010 which were more than offset by amortisation of US$297,000 and reductions associated with the divestment of the Coagulation business; which had a net book value of US$8,289,000.

Impairment of intangible assets and goodwill

Definite lived intangible assets are reviewed for indicators of impairment annually while goodwill and indefinite lived assets are tested for impairment annually, individually or at the cash generating unit level. Factors considered important, as part of an impairment review, include the following:

Significant underperformance relative to expected, historical or projected future operating results;

Significant changes in the manner of our use of the acquired assets or the strategy for our overall business;

Obsolescence of products;

Significant decline in our stock price for a sustained period; and

Our market capitalisation relative to net book value.

When we determine that the carrying value of intangibles, non-current assets and related goodwill may not be recoverable based upon the existence of one or more of the above indicators of impairment, any impairment is measured based on our estimates of projected net discounted cash flows expected to result from that asset, including eventual disposition. Our estimated impairment could prove insufficient if our analysis overestimated the cash flows or conditions change in the future.

The recoverable amount of goodwill and intangible assets contained in each of the Group s CGU s is determined based on the greater of the fair value less cost to sell and value in use calculations. The Group operates in one market sector (namely diagnostics) and accordingly the key assumptions are similar for all CGU s. The value in use calculations use cash flow projections based on the 2011 budget and projections for a further four years using projected revenue and cost growth rates of between 3% and 5%. At the end of the five year forecast period, terminal values for each CGU, based on a long term growth rate are used in the value in use calculations. The cashflows and terminal values for the CGU s are discounted using pre-tax discount rates which range from 18% to 32%.

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The value in use calculation is subject to significant estimation, uncertainty and accounting judgements and are particularly sensitive in the following areas. In the event that there was a variation of 10% in the assumed level of future growth in revenues, which would represent a reasonably likely range of outcomes, the following impairment loss/write back would be recorded at December 31, 2010:

No impairment loss or reversal of impairment in the event of a 10% increase in the growth in revenues.

No impairment loss or reversal of impairment in the event of a 10% decrease in the growth in revenues.

Similarly if there was a 10% variation in the discount rate used to calculate the potential impairment of the carrying values, which would represent a reasonably likely range of outcomes, there would be the following impairment loss/write back would be recorded at December 31, 2010:

No impairment loss or reversal of impairment in the event of a 10% decrease in the discount rate

No impairment loss or reversal of impairment in the event of a 10% increase in the discount rate

Allowance for slow-moving and obsolete inventory

We evaluate the realisability of our inventory on a case-by-case basis and make adjustments to our inventory provision based on our estimates of expected losses. We write off any inventory that is approaching its use-by date and for which no further re-processing can be performed. We also consider recent trends in revenues for various inventory items and instances where the realisable value of inventory is likely to be less than its carrying value. Given the allowance is calculated on the basis of the actual inventory on hand at the particular balance sheet date, there were no material changes in estimates made during 2008, 2009 or 2010 which would have an impact on the carrying values of inventory during those periods, except as discussed below.

At December 31, 2010 our allowance for slow moving and obsolete inventory was US$6,400,000 which represents approximately 26.7% of gross inventory value. This compares with US$12,566,000, or approximately 24.3% of gross inventory value, at December 31, 2009 (see Item 18, note 15 to the consolidated financial statements) and US$16,461,000, or approximately 28.0% of gross inventory value, at December 31, 2008. There has been a small increase in the estimated allowance for slow moving and obsolete inventory as a percentage of gross inventory between 2010 and 2009. In the case of finished inventory, the size of this provision has been calculated based on the expected future sales of products which are being rationalised. In the case of raw materials and work in progress, the size of the provision has been based on expected future production of these products. Management is satisfied that the assumptions made with respect to future sales and production levels of these products are reasonable to ensure the adequacy of this provision. In the event that the estimate of the provision required for slow moving and obsolete inventory was to increase or decrease by 2% of gross inventory, which would represent a reasonably likely range of outcomes, then a change in allowance of US$480,000 at December 31, 2010 (2009: US$1,035,000) (2008: US$1,176,000) would result.

Allowance for impairment of receivables

We make judgements as to our ability to collect outstanding receivables and where necessary make allowances for impairment. Such impairments are made based upon a specific review of all significant outstanding receivables. In determining the allowance, we analyse our historical collection experience and current economic trends. If the historical data we use to calculate the allowance for impairment of receivables does not reflect the future ability to collect outstanding receivables, additional allowances for impairment of receivables may be needed and the future results of operations could be materially affected. Given the specific manner in which the allowance is calculated, there were no material changes in estimates made during 2010 or 2009 which would have an impact on the carrying values of receivables in these periods. At December 31, 2010, the allowance was US$1,443,000 which represents approximately 1.6% of Group revenues. This compares with US$855,000 at December 31, 2009 which represents approximately 0.7% of Group revenues (see Item 18, note 16 to the consolidated financial statements) and to US$619,000 at December 31, 2008, which represents approximately 0.4% of Group revenues. In the event that this estimate was to increase or decrease by 0.4% of Group revenues, which would represent a reasonably likely range of outcomes, then a change in the allowance of US$359,000 at December 31, 2010 (2009: US$504,000) (2008: US$561,000) would result.

Accounting for income taxes

Significant judgement is required in determining our worldwide income tax expense provision. In the ordinary course of a global business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Some of these uncertainties arise as a consequence of revenue sharing and cost reimbursement arrangements among related entities, the process of identifying items of revenue and expense that qualify for preferential tax treatment and segregation of foreign and domestic income and expense to avoid double taxation. In addition, we operate within multiple taxing jurisdictions and are subject to audits in these jurisdictions. These audits can involve complex issues that may require an extended period of time for resolution. Although we believe that our estimates are reasonable, no assurance can be given that the final tax outcome of these matters will not be different than that which is reflected in our historical income tax provisions and accruals. Such differences could have a material effect on our income tax provision and profit in the period in which such determination is made. Deferred tax assets and liabilities are determined using enacted or substantively enacted tax rates for the effects of net operating losses and temporary differences between the book and tax bases of assets and liabilities.

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While we have considered future taxable income and ongoing prudent and feasible tax planning strategies in assessing whether deferred tax assets can be recognised, there is no assurance that these deferred tax assets may be realisable. The extent to which recognised deferred tax assets are not realisable could have a material adverse impact on our income tax provision and net income in the period in which such determination is made. In addition, we operate within multiple taxing jurisdictions and are subject to audits in these jurisdictions. These audits can involve complex issues that may require an extended period of time for resolution. In management s opinion, adequate provisions for income taxes have been made.

Item 18, note 13 to the consolidated financial statements outlines the basis for the deferred tax assets and liabilities and includes details of the unrecognized deferred tax assets at year end. The Group does not recognize deferred tax assets arising on unused tax losses except to the extent that there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which will result in taxable amounts against which the unused tax losses can be utilised before they expire.

Share-based payments

For equity-settled share-based payments (share options), the Group measures the services received and the corresponding increase in equity at fair value at the measurement date (which is the grant date) using a trinomial model. Given that the share options granted do not vest until the completion of a specified period of service, the fair value, which is assessed at the grant date, is recognised on the basis that the services to be rendered by employees as consideration for the granting of share options will be received over the vesting period.

The share options issued by the Group are not subject to market-based vesting conditions as defined in IFRS 2, *Share-based Payment*. Non-market vesting conditions are not taken into account when estimating the fair value of share options as at the grant date; such conditions are taken into account through adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised equates to the number of equity instruments that actually vest. The expense in the statement of operations in relation to share options represents the product of the total number of options anticipated to vest and the fair value of those options; this amount is allocated to accounting periods on a straight-line basis over the vesting period. Given that the performance conditions underlying the Group s share options are non-market in nature, the cumulative charge to the statement of operations is only reversed where the performance condition is not met or where an employee in receipt of share options relinquishes service prior to completion of the expected vesting period. Share based payments, to the extent they relate to direct labour involved in development activities, are capitalised.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The Group does not operate any cash-settled share-based payment schemes or share-based payment transactions with cash alternatives as defined in IFRS 2.

Impact of Recently Issued Accounting Pronouncements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) both as issued by the International Accounting Standards Board (IASB) and as subsequently adopted by the European Union (EU). The IFRS applied are those effective for accounting periods beginning on or after 1 January 2010. Consolidated financial statements are required by Irish law to comply with IFRS as adopted by the EU which differ in certain respects from IFRS as issued by the IASB. These differences predominantly relate to the timing of adoption of new standards by the EU. However, as none of the differences are relevant in the context of Trinity Biotech, the consolidated financial statements for the periods presented comply with IFRS both as issued by the IASB and as adopted by the EU. During 2010, the IASB and the International Financial Reporting Interpretations Committee (IFRIC) issued additional standards, interpretations and amendments to existing standards which are effective for periods starting after the date of these financial statements. A list of these additional standards, interpretations and amendments, and the potential impact on the financial statements of the Group, is outlined in Item 18, note 1(z).

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Subsequent Events

Acquisition of Phoenix Bio-tech Corp.

On January 4, 2011, the Group purchased 100% of the common stock of Phoenix Bio-tech Corporation for US$2.5 million. Phoenix Bio-tech manufactures and sells products for the detection of syphilis. This acquisition has not been reflected in the financial statements for the year ended December 31, 2010 as it was completed subsequent to the financial year end. The fair values of the acquired assets and liabilities have not been established yet.

Phoenix Bio-tech was founded in 1992 and is based in Toronto, Canada. It sells its products under the TrepSure and TrepCheck labels. Phoenix s annual revenues are approximately US$1.25 million. Prior to the acquisition, Trinity Biotech distributed Phoenix Bio-tech s syphilis products on a non-exclusive basis in the USA.

The key terms of the acquisition are as follows:

Consideration of US$2,500,000. US$1,000,000 was payable on closing and the remaining US$1,500,000 is payable in four instalments in the period April 2011 to January 2012.

The consideration of US$2,500,000 includes acquired net working capital of approximately US$500,000.

As the initial accounting and fair value assessment for the business combination is incomplete at the time that these financial statements were authorised for issue the following disclosures cannot be made but will be reported if relevant in the Form 20-F for the period ended December 31, 2011:

A qualitative description of the factors that make up the goodwill to be recognised,

Details of the indemnification assets,

Details of acquired receivables,

The amounts recognised as of the acquisition date for each major class of asset acquired and liability assumed,

Details of contingent liabilities recognised; and

The total amount of goodwill that is expected to be deductible for tax purposes.

Dividend

In 2011 the Company announced that it intended to commence a dividend policy, to be paid once a year. In this regard, the Board of Directors has proposed a final dividend of 10 cent per ADR in respect of 2010 and this proposal will be submitted to shareholders for their approval at the next Annual General Meeting of the Company. As provided in the Articles of Association of the Company, dividends or other distributions are declared and paid in US Dollars.

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Results of Operations

Year ended December 31, 2010 compared to the year ended December 31, 2009

The following compares our results in the year ended December 31, 2010 to those of the year ended December 31, 2009 under IFRS. Our analysis is divided as follows:

1. *Overview*
2. *Revenues*
3. *Operating Profit*
4. *Profit for the year*

1. Overview

In 2010, Trinity Biotech divested its coagulation business and this was the main reason for the US$36.3 million decline in revenues compared to 2009. Excluding coagulation revenues, the decrease was US$4.8 million, representing a reduction of 6% compared to 2009. In 2010, point-of-care revenues declined by 11%, largely due to the company s decision not to ship to a major HIV customer beginning in the second half of 2009 and continuing into 2010 due to credit related issues. Lower levels of public expenditure on testing in the US market also caused the reduction in point-of-care revenues. Clinical laboratory revenues (excluding coagulation) declined by just under 5%.

The gross margin is 49% for 2010, which is 3.7% higher than the gross margin for 2009. The increase in gross margin this year is primarily attributable to the divestiture of the coagulation business. Due to the costly instrument servicing requirements in the coagulation business, it was the Group s least profitable product line.

The divestiture of the coagulation business resulted in a once-off gain of US$46.8 million.

The table hereunder compares the profit before tax for year ended December, 2010 to the previous financial year.

	Year ended December 31,		
	2010	**2009**	
	US$ 000	**US$ 000**	**%Change**
Profit before Tax	61,360	12,915	
Profit before Tax (2010 figure shown before net gain on divestment of business and restructuring expenses)	14,886	12,915	15.3%

The profit before tax is US$61.4 million for the year ended December 31, 2010 which compares to a profit before tax of US$12.9 million for the year ended December 31, 2009. Excluding the gain on the divestiture of the coagulation business and the impact of restructuring expenses in 2010, the profit before tax would have been US$14.9 million in 2010. On a like-for-like basis, there was therefore an increase in profit before tax of 15.3% in 2010. The US$2.0 million increase in profit before tax was primarily due to the elimination of bank debt, causing the net interest expense of US$1.2m in 2009 to become net interest income of US$0.9m in 2010.

The profit for the year ended December 31, 2010 was US$60.4 million which compares to a profit for the year ended December 31, 2009 of US$11.8 million. Excluding the gain on the divestiture of the coagulation business and the impact of restructuring expenses in 2010, the profit for 2010 would have been US$13.6 million.

2. Revenues

The Group s revenues consist of the sale of diagnostic kits and related instrumentation and the sale of raw materials to the life sciences industry. Revenues from the sale of the above products are generally recognised on the basis of shipment to customers. The Group ships its products on a variety of freight terms, including ex-works, CIF (carriage including freight) and FOB (free on board), depending on the specific terms agreed with customers. In cases where the Group ships on terms other than ex-works, the Group does not recognise the revenue until its obligations have been fulfilled in accordance with the shipping terms.

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No right of return exists in relation to product sales except in instances where demonstrable product defects occur. The Group has defined procedures for dealing with customer complaints associated with such product defects as they arise. The Group also derives a portion of its revenues from leasing infectious diseases diagnostic instruments to customers. In cases where the risks and rewards of ownership of the instrument passes to the customer, the fair value of the instrument is recognised at the time of sale matched by the related cost of sale. In the case of operating leases of instruments which typically involve commitments by the customer to pay a fee per test run on the instruments, revenue is recognised on the basis of customer usage of the instruments. In certain markets, the Group also earns revenue from servicing infectious diseases located at customer premises.

Revenues by Product Line

Trinity Biotech s revenues for the year ended December 31, 2010 were US$89,635,000 compared to revenues of US$125,907,000 for the year ended December 31, 2009, which represents a decrease of US$36,272,000 or 29%. The following table sets forth selected sales data for each of the periods indicated.

	Year ended December 31,		
	2010 US$ 000	2009 US$ 000	% Change
Revenues			
Clinical Laboratory	73,553	107,778	(31.8%)
Point of Care	16,082	18,129	(11.3%)
Total	**89,635**	**125,907**	**(28.8%)**

Clinical Laboratory

In 2010 Clinical Laboratory revenues decreased by US$34,225,000 which equates to a 32% decline. The decrease was largely due to the divestiture of the coagulation product line in May 2010. Excluding coagulation, clinical laboratory revenues decreased by US$2.8 million when compared to 2009. This represents a decrease of 4.5%.

The decrease was caused by four main factors:

- a slower lyme season due to weather conditions in the USA;
- lower sales of antibodies and antigens by our Fitzgerald business due to the fact that 2009 sales of antibodies and antigens benefitted from the incidence of H1N1;
- the move from selling direct in France and Germany to a distribution selling model; and
- changes in exchange rates, principally the strengthening of the US Dollar against the Euro.

These decreases were partially offset by a growth in sales of our clinical chemistry product line.

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Point of Care

Our principal Point of Care product is Unigold , which tests for the presence of HIV antibodies. Our two main markets for Point of Care tests are USA and Africa. Point of Care revenues decreased by US$2,047,000, which represents a decline of 11%.

Point of Care revenues in the USA decreased by 10% mainly due to lower levels of public expenditure on testing in the US market. In Africa, revenues decreased by 7% largely due to the company s decision not to ship to a major HIV customer due to credit related issues beginning in the second half of 2009 and continuing into 2010.

Revenues by Geographical Region

The following table sets forth selected sales data, analysed by geographic region, based on location of customer:

	Year ended December 31,		
	2010	2009	
	US$ 000	US$ 000	% Change
Revenues			
Americas	53,993	68,130	(21%)
Europe	15,890	32,389	(51%)
Asia/Africa	19,752	25,388	(22%)
Total	**89,635**	**125,907**	(29**%)**

In the Americas, the 21% decrease amounting to US$14,137,000 is primarily attributable to a reduction in coagulation revenue due to the divestiture of this business in May 2010. The other main factor was a slower lyme season due to weather conditions in the USA.

Revenues in Europe decreased by US$16,499,000, or 51% compared to 2009. The decrease was mainly due to the divestiture of the coagulation product line and the move to a distributor selling model for non-coagulation products in Germany and France in the post-divestiture period. Part of the decrease was due to the weakening of the Euro against the US Dollar.

Asia/Africa revenues experienced a decline of 22%, or US$5,636,000 compared to 2009. There were two main reasons for the decrease in Asia/Africa revenues. Firstly, coagulation sales ceased in April 2010 as a result of the divestiture of the coagulation product line. Secondly, there were lower sales of Trinity s Unigold rapid HIV tests following Trinity s decision not to ship to a major customer in Africa due to the credit related issues.

For further information about the Group s principal products, principal markets and competition please refer to Item 4, Information on the Company .

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3. Operating Profit

The following table sets forth the Group s operating profit

	Year ended December 31,		
	2010	2009	
	US$ 000	US$ 000	%Change
Revenues	89,635	125,907	(29%)
Cost of sales	(45,690)	(68,891)	(34%)
Gross profit	43,945	57,016	(23%)
Other operating income	1,616	437	270%
Research & development	(4,603)	(7,341)	(37%)
SG&A expenses	(26,929)	(36,013)	(25%)
Net gain on divestment of business and restructuring expenses	46,474		
Operating profit	**60,503**	**14,099**	**329%**

Cost of sales

Total cost of sales decreased by US$23,201,000 from US$68,891,000 for the year ended December 31, 2009 to US$45,690,000, for the year ended December 31, 2010, a decrease of 34%. The main reasons for the decrease in cost of sales in 2010 were the lower revenues following the divestiture of the coagulation business and the transfer of approximately 190 coagulation production employees to Diagnostica Stago in May 2010.

Gross margin

The gross margin of 49.0% in 2010 compares to a gross margin of 45.3% in 2009. The increase in gross margin in 2010 is attributable to the divestiture of the coagulation business, which was the product line with the lowest gross margin.

Other operating income

Other operating income comprises income from the provision of services to Diagnostica Stago under a Transition Services Agreement (TSA) and rental income from sublet properties. TSA income commenced in May 2010 and it accounts for the increase of US$1,179,000 compared to the year ended December 31, 2009. A variety of services were provided to Stago including accounting, information technology and logistics support and warehousing services.

Research and development expenses

Research and development (R&D) expenditure reduced from US$7,341,000 in 2009 to US$4,603,000 in 2010. The decrease was caused by the transfer of approximately 46 coagulation specialists to Diagnostica Stago in May 2010. For details of the Company s various R&D projects see Research and Products under Development in Item 5 below.

Selling, General & Administrative expenses (SG&A)

Total SG&A expenses decreased by US$9,084,000 from US$36,013,000 for the year ended December 31, 2009 to US$26,929,000 for the year ended December 31, 2010. The decrease is primarily due to the transfer of approximately 85 coagulation employees and the transfer of our UK, German and French premises to Diagnostica Stago.

Net gain on divestment of business and restructuring expenses

This comprises the gain on the sale of the worldwide coagulation business of US$46.8 million and a charge for restructuring expenses of US$0.3 million. There were no equivalent gains or expenses in 2009. The gain comprised consideration of US$89.9 million less US$43.1 million for coagulation net assets and other attributable costs such as professional fees. For further information on the divestiture, refer to Item 18, note 3.

The restructuring expenses related to a re-organisation of the Group s HIV manufacturing activities and comprised termination payments of US$0.3 million for employees located in Ireland.

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The following table outlines the breakdown of SG&A expenses in 2010 compared to 2009.

	Year ended December 31, 2010 US$ 000	2009 US$ 000	(Decrease) US$ 000	% Change
SG&A (excl. share-based payments and amortisation)	24,260	33,567	(9,307)	(28%)
Share-based payments	1,080	487	593	122%
Amortisation	1,589	1,959	(370)	(19%)
Total	**26,929**	**36,013**	**(9,084)**	**(25%)**

Selling General & Administrative Expenditure (excluding share-based payments and amortisation)

SG&A expenses excluding share-based payments and amortisation decreased from US$33,567,000 for the year ended December 31, 2009 to US$24,260,000 for the year ended December 31, 2009, which represents a decrease of 28%.

The decrease this year of US$9,307,000 is mainly due to the transfer of approximately 48% of the Group s selling, general and administrative employees to Diagnostica Stago in May, 2010. Stago purchased Trinity s UK, German and French operations employing 43 selling, general and administrative employees. A further 42 selling, general and administrative employees in Ireland and USA were transferred to Stago.

SG&A costs also reduced in 2010 due to the full year effect of the cost reduction measures implemented during 2009 (for a summary of these measures please refer to last year s analysis of the results of operations), including the rationalisation of the Group s US finance function and overhead savings in communications, utilities and professional fees. The Group continued its cost reduction program in 2010 with the notable initiatives being the introduction of remote working arrangements for all US sales staff which allowed the closure of a sales office in New Jersey and the rationalisation of the customer service function in the US.

Share-based payments

The expense represents the fair value of share options granted to directors and employees which is charged to the statement of operations over the vesting period of the underlying options. The Group has used a trinomial valuation model for the purposes of valuing these share options with the key inputs to the model being the expected volatility over the life of the options, the expected life of the option, the option price and the risk free rate.

The Group recorded a total share-based payments charge of US$1,109,000 (2009 : US$521,000). The increase of US$588,000 in the total share-based payments expense is due to the granting of new share options to employees and directors during 2009 and 2010. The total charge is shown in the following expense headings in the statement of operations: US$29,000 (2009:US$19,000) was charged against cost of sales, US$31,000 (2009: US$15,000) was charged against research and development expenses and US$1,049,000 (2009 : US$487,000) was charged against selling, general and administrative expenses.

For further details refer to Item 18, note 19 to the consolidated financial statements.

Amortisation

Amortisation reduced from US$1,959,000 for the year ended December 31, 2009 to US$1,589,000 for the year ended December 31, 2010. The decrease of US$370,000 is mainly due to the divestiture of all coagulation intangible assets, including the Destiny range of instruments, to Diagnostica Stago as part of the divestiture of the coagulation business.

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4. Profit for the year

The following table sets forth selected statement of operations data for each of the periods indicated.

	Year ended December 31,		
	2010	**2009**	
	US$ 000	**US$ 000**	**% Change**
Operating profit	60,503	14,099	329%
Net financing income/(costs)	857	(1,184)	172%
Profit before tax	61,360	12,915	375%
Income tax expense	(942)	(1,091)	(14%)
Profit of the year	**60,418**	**11,824**	**411%**

Net Financing income/(costs)

Net financing income is US$857,000 for year end December 31, 2010 compared to a net financing cost of US$1,184,000 in 2009. Financial expenses decreased from US$1,192,000 for year end December 31, 2009 to US$495,000 in 2010. The decrease is due to the repayment of all bank loans from the proceeds of sale of the coagulation business. Financial income increased from US$8,000 for year end December 31, 2009 to US$1,352,000 in 2010 due to higher balances on deposit and due to the interest income earned on the deferred consideration. The deposit balances totalled US$55.6 million at December 31, 2010 compared to US$1.4 million at December 31, 2009.

Taxation

The Group recorded a tax charge of US$942,000 for the year ended December 31, 2010 compared to US$1,091,000 for the year ended December 31, 2009. The decrease is due to a lower deferred tax charge in respect of temporary differences as a result of the sale of the Group s coagulation property, plant, equipment and intangible assets. This decrease was partially offset by an increase in current year taxable profits in the Group s Irish operations. The 2010 tax charge comprises US$847,000 of current tax and US$95,000 of deferred tax. For further details on the Group s tax charge please refer to Item 18, note 9 and note 13 to the consolidated financial statements.

Profit for the year

The profit for the year amounted to US$60,418,000 which represents an increase of US$48,594,000 when compared to US$11,824,000 in 2009. Excluding the after tax impact of the gain on the sale of the coagulation business of US$47,129,000 and the restructuring expenses of US$301,000, the 2010 profit for the year would be US$13,590,000. The increase in profits in 2010 of US$1,766,000 compared to 2009, excluding once-off gains and expenses, represents an increase of 14.9%.

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Results of Operations

Year ended December 31, 2009 compared to the year ended December 31, 2008

The following compares our results in the year ended December 31, 2009 to those of the year ended December 31, 2008 under IFRS. Our analysis is divided as follows:

5. *Overview*
6. *Revenues*
7. *Operating Profit/(loss)*
8. *Profit/(loss) for the year*

1. Overview

Group revenues declined by US$14.2 million to US$125.9 million, representing a decrease of 10% compared to 2008. The decrease was mainly due to an 11% decrease in Clinical Laboratory revenues. The main reason for the decrease in Clinical Laboratory revenues was a decrease in coagulation revenues, caused by a reduction in the number of installed instruments and by the strengthening of the US Dollar against both the Euro and Sterling. Point of Care revenues decreased by 5%, largely due to the company s decision not to ship to a major HIV customer due to credit related issues in the second half of 2009.

The gross margin for the year ended December 31, 2009 is 45.3%, which is 0.7% higher than the gross margin for 2008. The increase in gross margin this year is primarily attributable to a reduction in overheads and payroll costs following a cost reduction program, lower depreciation charges and the more favourable Euro exchange rate compared to the previous financial year.

In 2008, Trinity Biotech recognised an impairment charge of US$85.8 million relating to the carrying value of goodwill and other intangible assets, property, plant and equipment and prepayments, in the statement of operations. Additionally in 2008, restructuring expenses of US$2.1 million were recognised. The total effect of these once-off charges on the 2008 results was a reduction in profit before tax of US$87.9 million and a reduction of US$83.1m in profit after tax.

The table hereunder compares the operating profit/(loss) and profit after tax for year ended December, 2009 to the previous financial year.

	Year ended December 31,		
	2009	**2008**	
	US$ 000	**US$ 000**	**%Change**
Operating Profit/(loss)	14,099	(79,575)	
Operating Profit (2008 figure shown before impairment and restructuring charges)	14,099	8,307	70%
Profit/(loss) after Tax	11,824	(77,778)	
Profit after Tax (2008 figure shown before impairment and restructuring charges)	11,824	5,353	121%

The operating profit is US$14.1 million for the year ended December 31, 2009 which compares to an operating loss of US$79.6 million for the year ended December 31, 2008. Excluding the impact of impairment charges and restructuring expenses in 2008, the operating profit would have been US$8.3 million in 2008. On a like-for-like basis, there was therefore an increase in operating profit of 70% in 2009. The increase in operating profit was due to the impact of significant cost reduction measures more than offsetting the negative effect of a 10% fall in revenues. The profitability in 2009 was also helped by a reduction in depreciation and amortisation charges and by more favourable Euro versus US Dollar exchange rates.

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The profit for the year ended December 31, 2009 was US$11.8 million which compares to a loss for the year ended December 31, 2008 of US$77.8 million. Excluding the after tax impact of the restructuring expenses and goodwill impairment, the profit for 2008 would have been US$5.4 million.

2. Revenues

The Group s revenues consist of the sale of diagnostic kits and related instrumentation and the sale of raw materials to the life sciences industry. Revenues from the sale of the above products are generally recognised on the basis of shipment to customers. The Group ships its products on a variety of freight terms, including ex-works, CIF (carriage including freight) and FOB (free on board), depending on the specific terms agreed with customers. In cases where the Group ships on terms other than ex-works, the Group does not recognise the revenue until its obligations have been fulfilled in accordance with the shipping terms.

No right of return exists in relation to product sales except in instances where demonstrable product defects occur. The Group has defined procedures for dealing with customer complaints associated with such product defects as they arise.

The Group also derives a portion of its revenues from leasing infectious diseases and coagulation diagnostic instruments to customers. In cases where the risks and rewards of ownership of the instrument passes to the customer, the fair value of the instrument is recognised at the time of sale matched by the related cost of sale. In the case of operating leases of instruments which typically involve commitments by the customer to pay a fee per test run on the instruments, revenue is recognised on the basis of customer usage of the instruments. In certain markets, the Group also earns revenue from servicing infectious diseases and coagulation instrumentation located at customer premises.

Revenues by Product Line

Trinity Biotech s revenues for the year ended December 31, 2009 were US$125,907,000 compared to revenues of US$140,139,000 for the year ended December 31, 2008, which represents a decrease of US$14,232,000 or 10%. The following table sets forth selected sales data for each of the periods indicated.

	Year ended December 31,		
	2009	**2008**	
	US$ 000	**US$ 000**	% Change
Revenues			
Clinical Laboratory	107,778	121,143	(11%)
Point of Care	18,129	18,996	(5%)
Total	**125,907**	**140,139**	(10%)

Clinical Laboratory

In 2009 Clinical Laboratory revenues decreased by US$13,365,000 which equates to an 11% decline. The decrease was mainly due to a decline in sales of coagulation products in advance of the worldwide launch of the Destiny Max instrument.

The decrease in coagulation revenues was caused by a reduction in the installed customer base and by movements in foreign exchange rates. The installed base of MDA instruments in the US and UK declined in advance of the launch of the newly developed Destiny Max instrument. The Destiny Max was launched in all markets by July 2009 and is the designated replacement for the MDA. 5% of the overall decrease was caused by changes in exchange rates, principally the strengthening of the US Dollar against the Euro.

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Point of Care

Our principal Point of Care product is Unigold , which tests for the presence of HIV antibodies. Sales of Point of Care tests decreased by US$867,000, which equates to a 5% decline.

Our two main markets for Point of Care tests are Africa and USA. Sales of HIV tests in Africa decreased by 18% largely due to the company s decision not to ship to a major HIV customer due to credit related issues in the second half of 2009. Point of Care revenues continued to show strong growth in the USA with an increase this year of 17% compared to 2008. Outside of our two main Point of Care markets, revenues increased by 4% in 2009, with most of this increase coming from Latin America.

Revenues by Geographical Region

The following table sets forth selected sales data, analysed by geographic region, based on location of customer:

	Year ended December 31,		
	2009	2008	
	US$ 000	US$ 000	% Change
Revenues			
Americas	68,130	69,915	(3%)
Europe	32,389	43,481	(26%)
Asia/Africa	25,388	26,743	(5%)
Total	**125,907**	**140,139**	(10%)

The 3% decrease in the Americas amounting to US$1,785,000 is primarily attributable to a reduction in coagulation revenue arising from an erosion of the MDA customer base. This reduction was largely offset by growth in the sales of the Unigold rapid HIV test, higher sales of infectious diseases tests mainly Lyme disease and higher revenues for diabetes related tests.

European revenues experienced a decline of US$11,092,000, or 26% compared to 2008. 9% of the decrease was due to the weakening of both Euro and Sterling against the US Dollar. The remaining 17% decrease was mainly due to a reduction in coagulation revenues arising from an erosion of the installed customer base of medium and high throughput analyzers, particularly in UK and Germany.

A US$1,355,000 decrease in Asia/Africa revenues is largely due to lower sales of Trinity s Unigold rapid HIV tests following Trinity s decision not to ship to a major customer in Africa due to the credit related issues.

For further information about the Group s principal products, principal markets and competition please refer to Item 4, Information on the Company .

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3. Operating Profit/(loss)

The following table sets forth the Group s operating profit/(loss)

	Year ended December 31,		
	2009	2008	
	US$ 000	US$ 000	%Change
Revenues	125,907	140,139	(10%)
Cost of sales	(68,891)	(77,645)	(11%)
Gross profit	57,016	62,494	(9%)
Other operating income	437	1,173	(63%)
Research & development	(7,341)	(7,544)	(3%)
SG&A expenses	(36,013)	(47,816)	(25%)
SG&A expenses impairment charges and restructuring expenses		(87,882)	(100%)
Operating profit/(loss)	**14,099**	**(79,575)**	

Cost of sales

Total cost of sales decreased by US$8,754,000 from US$77,645,000 for the year ended December 31, 2008 to US$68,891,000, for the year ended December 31, 2009, a decrease of 11%. The main reasons for the decrease in cost of sales in 2009 were the lower revenues, the savings achieved by a cost reduction program and the change in the Euro exchange rate compared to the previous financial year.

The cost reduction program succeeded in reducing a wide range of direct costs including wages and salaries, utilities and freight costs. Depreciation charges decreased also in 2009.

A significant proportion of the Group s Cost of Sales is denominated in Euro. During 2009 the average Euro versus US Dollar exchange rate was 6% lower than in 2008 and this had the effect of reducing Cost of Sales.

Gross margin

The gross margin of 45.3% in 2009 compares to a gross margin of 44.6% in 2008. The increase in gross margin in 2009 is primarily attributable to a reduction in overheads and payroll costs following the cost reduction program, lower depreciation charges and the slightly more favourable Euro exchange rate compared to the previous financial year.

Other operating income

Other operating income comprises government grants and rental income from sublet properties. The 63% reduction in 2009 is mainly due to lower government grants following the completion of the related grant-aided activity.

Research and development expenses

Research and development (R&D) expenditure reduced from US$7,544,000 in 2008 to US$7,341,000 in 2009. The main reason for the decrease was the change in the US Dollar to Euro exchange rate, which caused research and development costs incurred in our Irish and German operations to decrease by approximately 6%. This decrease was partly offset by an increase in average R&D headcount from 57 in 2008 to 61 in 2009. For details of the Company s various R&D projects see Research and Products under Development in Item 5 below.

Selling, General & Administrative expenses (SG&A)

Total SG&A expenses decreased by US$99,685,000 from US$135,698,000 for the year ended December 31, 2008 to US$36,013,000 for the year ended December 31, 2009. The decrease is primarily due to the impairment charges and restructuring expenses of US$87,882,000 incurred in 2008.

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The following table outlines the breakdown of SG&A expenses in 2009 compared to 2008.

	Year ended December 31, 2009 US$ 000	2008 US$ 000	(Decrease) US$ 000	% Change
SG&A (excl. share-based payments and amortisation)	33,567	43,314	(9,747)	(23%)
SG&A impairment charges and restructuring expenses		87,882	(87,882)	(100%)
Share-based payments	487	886	(399)	(45%)
Amortisation	1,959	3,616	(1,657)	(46%)
Total	**36,013**	**135,698**	**(99,685)**	**(73%)**

Selling General & Administrative Expenditure (excluding share-based payments and amortisation)

SG&A expenses excluding share-based payments and amortisation decreased from US$43,314,000 for the year ended December 31, 2008 to US$33,567,000 for the year ended December 31, 2009, which represents a decrease of 23%. The decrease this year of US$9,747,000 is mainly attributable to cost reductions as follows:

- a cost reduction program involving a headcount reduction was announced in December 2008, which delivered payroll cost savings in SG&A of approximately US$5,100,000 in 2009. The headcount reduction also had the effect of reducing travel and other employee expenses by almost US$1,000,000.
- other headcount reductions implemented in 2009 contributed to a further reduction in SG&A payroll costs of US$700,000. These headcount reductions mainly involved the rationalisation of the French sales and US finance functions.
- a salary reduction for directors and senior managers was implemented in early 2009 and resulted in a cost saving of approximately US$700,000.
- a significant proportion of the Group s SG&A expenses are denominated in Euro. During 2009 the average US dollar versus Euro exchange rate was 6% lower compared to 2008 and this had the effect of reducing SG&A expenses by about US$1,100,000. The US dollar also strengthened versus Sterling in 2009 and this had the effect of reducing the reported SG&A costs for our UK selling entity by just over US$350,000.
- through strict cost control the Group succeeded in reducing its selling overheads and administrative expenses by about US$750,000 in 2009. A wide range of overhead savings were achieved, including communications, utilities, travel costs, legal and professional fees and recruitment fees.

SG&A impairment charges and restructuring expenses

No impairment charges or restructuring expenses were recorded in 2009. In 2008, an impairment charge of US$85,793,000 was recognized arising from the annual impairment review of the asset valuations included on the balance sheet. The Company recognized an impairment loss against goodwill and other intangible assets (US$71,684,000), property, plant and equipment (US$13,095,000) and prepayments (US$1,014,000).

Restructuring expenses of US$2,089,000 were recorded in SG&A in year ended December 31, 2008. This was made up of US$1,465,000 arising from the resignation of the Company s former Chief Executive and US$589,000 in relation to costs associated with the implementation of headcount reductions. Other restructuring costs amounted to US$35,000.

Share-based payments

The expense represents the value of share options granted to directors and employees which is charged to the statement of operations over the vesting period of the underlying options. The Group has used a trinomial valuation model for the purposes of valuing these share options with the key inputs to the model being the expected volatility over the life of the options, the expected life of the option and the risk free rate.

The Group recorded a total share-based payments charge of US$521,000 (2008: US$1,166,000). The total charge is shown in the following expense headings in the statement of operations: US$19,000 (2008: US$51,000) was charged

against cost of sales, US$15,000 (2008: US$48,000) was charged against research and development expenses and US$487,000 (2008: US$886,000) was charged against selling, general and administrative expenses. In 2008 a further share option charge of US$181,000 was included within the selling, general and administrative expenses restructuring charge relating to the share option cost associated with the resignation of the former Chief Executive Officer.

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The decrease of US$645,000 in the total share-based payments expense is primarily because share option holders ended their employment with the company and thereby forfeited their share options. For further details refer to Item 18, note 19 to the consolidated financial statements.

Amortisation

Amortisation reduced from US$3,616,000 for the year ended December 31, 2008 to US$1,959,000 for the year ended December 31, 2009. The decrease of US$1,657,000 is partially due to the reduction resulting from the prior year write down of the carrying value of intangible assets following the annual impairment review carried out at December 31, 2008.

4. Profit/(loss) for the year

The following table sets forth selected statement of operations data for each of the periods indicated.

	Year ended December 31,		
	2009	**2008**	
	US$ 000	**US$ 000**	**%Change**
Operating profit/(loss)	14,099	(79,575)	118%
Net financing costs	(1,184)	(2,095)	(43%)
Profit/(Loss) before tax	12,915	(81,670)	116%
Income tax (expense)/credit	(1,091)	3,892	128%
Profit/(Loss) of the year	**11,824**	**(77,778)**	**115%**

Net Financing Costs

Net financing costs decreased by US$911,000 from US$2,095,000 in 2008 to US$1,184,000 in 2009. The decrease is primarily due to a combination of lower interest bearing loan balances outstanding and lower interest rates. The interest bearing loan balances at December 31, 2008 were US$36,121,000 compared to US$31,856,000 at December 31, 2009. The interest rate for the majority of the Group s borrowings is based on LIBOR rates, which reduced significantly during 2009. The deposit interest earned during the year reduced from US$65,000 to US$8,000 due to lower cash balances and lower interest rates.

Taxation

The Group recorded a tax charge of US$1,091,000 for the year ended December 31, 2009 compared to a net tax credit of US$3,892,000 for the year ended December 31, 2008. The 2009 tax charge comprises US$1,000 of current tax and US$1,090,000 of deferred tax. In 2008, the net tax credit was primarily attributable to the impairment of goodwill and other intangible assets, property, plant and equipment. For further details on the impairment please refer to Item 18, note 28 and for further details on the Group s tax charge please refer to Item 18, note 9 and note 13 to the consolidated financial statements.

Profit/(loss) for the year

The profit for the year amounted to US$11,824,000 which represents an increase of US$89,602,000 when compared to the loss for the year of US$77,778,000 in 2008. Excluding the after tax impact of the restructuring expenses and impairment loss of US$83,131,000, the 2008 profit for the year would have been US$5,353,000. The increase in profits in 2009 of US$6,471,000 compared to 2008, excluding once-off charges, represents an increase of 121%.

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Liquidity and Capital Resources

Financing

During 2010 the Group repaid in full the outstanding portion of its US$48,340,000 club banking facility with Allied Irish Bank plc and Bank of Scotland (Ireland) Limited (the banks) using the proceeds from the divestiture of the coagulation business. The facility consisted of a US Dollar floating interest rate term loan of US$41,340,000 and a one year revolver of US$7,000,000. This facility had been secured on the assets of the Group (see Item 18, note 25(c)).

The balance on this facility at December 31, 2010 was therefore US$NIL (December 31, 2009:US$29,327,000, net of unamortised funding costs of US$180,000).

During 2008, the Group issued 7,260,816 A Ordinary shares as part of a private placement. These shares were issued for a consideration of US$7,115,600, settled in cash. The Group incurred costs of US$438,000 in connection with the issue of these shares.

Working capital

In the Group s opinion the Group will have access to sufficient funds to support its existing operations for at least the next 12 months by utilising existing cash resources and cash generated from operations.

The amount of cash generated from operations will depend on a number of factors which include the following:

- The ability of the Group to continue to generate revenue growth from its existing product lines;
- The ability of the Group to generate revenues from new products following the successful completion of its development projects;
- The extent to which capital expenditure is incurred on additional property plant and equipment;
- The level of investment required to undertake both new and existing development projects;
- Successful working capital management in the context of a growing group.

The Group has some finance lease obligations outstanding at December 31, 2010 and the expected maturity dates of these are set out in more detail in Item 11.

Cash management

As at December 31, 2010, Trinity Biotech s consolidated cash and cash equivalents were US$58,002,000. This compares to cash and cash equivalents of US$6,078,000 at December 31, 2009.

Cash generated from operations for the year ended December 31, 2010 amounted to US$22,973,000 (2009: US$15,533,000), an increase of US$7,440,000. The increase in cash generated from operations of US$7,440,000 is attributable to an increase in operating cash flows before changes in working capital of US$1,433,000 and favourable working capital movements of US$6,007,000. The increase in operating cash flows before changes in working capital of US$1,433,000 is primarily due to higher net profits arising in 2010 from improved gross margin following the divestiture of the coagulation business. The favourable working capital movements are primarily due to the effect of the substantial cash inflow from trade and other payables of US$11,983,000 being partially offset by the increase in cash outflows for trade and other receivables of US$778,000 and inventory of US$5,198,000. The cash generated from operations was attributable to a profit before interest, taxation and gain on divestiture of business of US$13,728,000 (2009: US$14,099,000), as adjusted for non cash items of US$7,403,000 (2009: US$5,599,000) plus cash inflows due to changes in working capital of US$1,842,000 (2009: cash outflows of US$4,165,000).

The increase in other non cash charges from US$5,599,000 for the year ended December 31, 2009 to US$7,403,000 for the year ended December 31, 2010 is mainly attributable to the movement in items including inventory provisions and the share option expense.

The net cash inflows in 2010 due to changes in working capital of US$1,842,000 are due to the following:

- A decrease in accounts receivable of US$3,094,000 due to a decrease in debtors days in the year as a result of better collections;
- An increase in inventory of US$2,826,000 due to the strategic build up of certain stock items during the course of the year; and
- An increase in trade and other payables of US$1,574,000 due mainly to the timing of payments to suppliers.

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Net interest received amounted to US$339,000 (2009: net interest paid of US$871,000). This consisted of interest received of US$842,000 (2009: US$12,000) on the Group s cash deposits and interest payments of US$503,000 (2009: US$883,000) on the Group s interest bearing debt; including bank loans and finance leases. The movement from a net interest payment amount in 2009 to a net interest received amount in 2010 was brought about by the elimination of bank debt in 2010 and the placing of funds on deposit following the sale of the coagulation business.

Net cash inflows from investing activities for the year ended December 31, 2010 amounted to US$56,885,000 (2009: net cash outflows of US$10,335,000) which were principally made up as follows:

Proceeds from the divestiture of the coagulation business, net of associated costs, of US$65,886,000

Payments to acquire intangible assets of US$6,233,000 (2009: US$8,103,000), which principally related to development expenditure capitalised as part of the Group s on-going product development activities;

Acquisition of property, plant and equipment of US$2,784,000 (2009: US$2,481,000) incurred as part of the Group s investment programme for its manufacturing and distribution activities;

Proceeds from the disposal of property, plant and equipment of US$16,000 (2009: US$249,000).

Net cash outflows from financing activities for the year ended December 31, 2010 amounted to US$27,984,000 (2009: US$3,512,000). The main driver of the cash outflow in 2010 was the repayment of long-term debt of US$29,775,000 (2009: US$5,400,000). This payment in 2010 has resulted in all bank debt being eliminated from the Group balance sheet as at December 31, 2010. Other cash outflows included expenses paid in connection with share issues and debt financing of US$74,000 (2009: US$68,000) and payments in respect of finance lease liabilities of US$638,000 (2009: US$546,000). These outflows were partially offset by the receipt of US$1,023,000 from the issue of ordinary shares in 2010 (2009: US$897,000). Ordinary shares issued in 2010 and 2009 are as a result of share options and warrants exercised during the course of the year. The Group also received US$1,480,000 from the proceeds of new finance leases (2009: US$1,298,000). The Group did not receive any proceeds from long-term debt in 2010 (2009: US$307,000).

The majority of the Group s transactions are conducted in US Dollars. The primary foreign exchange risk arises from the fluctuating value of the Group s Euro denominated expenses as a result of the movement in the exchange rate between the US Dollar and the Euro. Trinity Biotech continuously monitors its exposure to foreign currency movements and based on expectations on future exchange rate exposure implements a hedging policy which may include covering a portion of this exposure through the use of forward contracts. When used, these forward contracts are cashflow hedging instruments whose objective is to cover a portion of these Euro forecasted transactions.

As at December 31, 2010, total interest-bearing debt, consisting entirely of leases, was US$273,000 (2009: US$31,856,000 consisting of bank loans and leases) and cash and cash equivalents were US$58,002,000 (2009: US$6,078,000). For a more comprehensive discussion of the Group s level of borrowings at the end of 2010, the maturity profile of the borrowings, the Group s use of financial instruments, its currency and interest rate structure and its funding and treasury policies please refer to Item 11 Qualitative and Quantitative Disclosures about Market Risk .

Contractual obligations

The following table summarises our minimum contractual obligations and commercial commitments, including interest, as of December 31, 2010:

		Payments due by Period			
Contractual Obligations	Total US$ 000	less than 1 year US$ 000	1-3 Years US$ 000	3-5 Years US$ 000	more than 5 years US$ 000
Capital (finance) lease obligations	285	172	113		
Operating lease obligations	36,556	2,411	4,527	4,320	25,298
Total	36,841	2,583	4,640	4,320	25,298

In the past, Trinity Biotech incurred debt and raised equity to pursue its policy of growth through acquisition. However, since the divestiture of the coagulation business in 2010, the Group has now eliminated bank debt and has

considerable cash resources. The Group intends to grow organically for the foreseeable future and Trinity Biotech believes that it will have sufficient funds to meet its capital commitments and continue existing operations in to the future, in excess of 12 months. If the Group was to make a large and unanticipated cash outlay, the Group would have further funding requirements. If this were the case, there can be no assurance that financing will be available at attractive terms, or at all. The Group believes that success in raising additional capital or obtaining profitability will be dependent on the viability of its products and their success in the market place.

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Impact of Currency Fluctuation

Trinity Biotech s revenue and expenses are affected by fluctuations in currency exchange rates especially the exchange rate between the US Dollar and the Euro. Trinity Biotech s revenues are primarily denominated in US Dollars and its expenses are incurred principally in US Dollars and Euro. The weakening of the US Dollar could have an adverse impact on future profitability. Management are actively seeking to reduce the mismatch in this regard to mitigate this risk. The revenues and costs incurred by US subsidiaries are denominated in US Dollars.

Trinity Biotech holds most of its cash assets in US Dollars. As Trinity Biotech reports in US Dollars, fluctuations in exchange rates do not result in exchange differences on these cash assets. Fluctuations in the exchange rate between the Euro and the US Dollar may impact on the Group s Euro monetary assets and liabilities and on Euro expenses and consequently the Group s earnings.

Off-Balance Sheet Arrangements

After consideration of the following items the Group s management have determined that there are no off-balance sheet arrangements which need to be reflected in the financial statements.

Leases with Related Parties

The Group has entered into lease arrangements for premises in Ireland with JRJ Investments (JRJ), a partnership owned by Mr O Caoimh and Dr Walsh, directors of Trinity Biotech plc, and directly with Mr O Caoimh and Dr Walsh. Independent valuers have advised Trinity Biotech that the rent fixed with respect to these leases represents a fair market rent. Details of these leases with related parties are set out in Item 4 Information on the Company , Item 7 Major Shareholders and Related Party Transactions and Item 18, note 26 to the consolidated financial statements.

Research & Development (R&D) carried out by third parties

Certain of the Group s R&D activities have been outsourced to third parties. These activities are carried out in the normal course of business with these companies.

In 2005 a software development company based in France was contracted to develop and enhance the software in the Destiny Max instrument. Under the terms of the contract, all software developed by the software development company is the property of Trinity Biotech. Fees were agreed for each separate software development task and payment was made once a specific project milestone had been achieved. A total of 271,000 (US$362,000) was paid to this software development company in 2010. Additionally, a number of individuals acted as third party consultants working principally on the Destiny Max, Premier Hb9210 and Tristat instruments. The total amount paid to R&D consultants in 2010 was US$960,000.

Research and Products under Development

History

Historically, Trinity Biotech had been primarily focused on infectious diseases diagnostics. The Group acquired a broad portfolio of microtitre plate (EIA) and Western Blot products and has added to these over the last number of years through additional internally developed products. More recently, the Group has entered into several other diagnostic areas including point-of-care (POC) and clinical chemistry. The Research and Development (R&D) activities of the Group have mirrored this expansion by developing new products in these areas also. There were no significant development projects in their research phase during 2010.

Centres of Excellence

Trinity Biotech has research and development groups focusing separately on Western Blot products, Clinical Chemistry products and Point-of-Care products. These groups are located in Ireland and the US and largely mirror the production capability at each production site, hence creating a centre of excellence for each product type. In addition to in-house activities, Trinity Biotech sub-contracts some research and development from time to time to independent researchers based in the US and Europe.

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Principal Development Projects

The following table sets forth for each of the main development projects, the costs incurred during each period presented and the cumulative costs incurred as at 31 December 2010:

Product Name	*2010 US$ 000*	*2009 US$ 000*	*Total project costs to December 31, 2010 US$ 000*
Premier Hb 9210 Instrument for Haemoglobin A1c testing	*2,569*	*1,023*	*4,381*
Destiny Max coagulation instrument*	*956*	*3,234*	*14,686*
Bordetella Pertussis Western Blot test	*337*	*156*	*493*
Tristat point of care instrument	*318*	*1,072*	*4,094*
HIV Ag-Ab rapid test	*247*		*247*
Syphilis Rapid point-of-care test	*185*		*185*
Unigold Recombigen HIV Rapid enhancement	*142*	*456*	*2,157*

* *Note that this and other coagulation projects ceased in May 2010 following the divestiture of the Coagulation Business see Item 18, note 3.*

The costs in the foregoing table mainly comprise the cost of internal resources, such as the payroll costs for the development teams and attributable overheads. The remainder mainly comprises materials, consumables and third party consultants costs.

The following table sets forth the estimated cost to complete each of the main development projects which were underway in 2010. The total estimated completion costs are anticipated to be incurred evenly up to the completion date of the relevant project.

Product Name	*Total costs to complete US$ 000*	*Estimated date for completion US$ 000*
Various point-of-care rapid tests	*1,400*	*2012*
Premier Hb 9210 Instrument for Haemoglobin A1c testing	*1,172*	*2011*
HIV Ag-Ab rapid test	*1,000*	*2013*
Syphilis Rapid point-of-care test	*750*	*2012*
Unigold Recombigen HIV Rapid enhancement	*500*	*2011*
IgM CAPITA	*400*	*2012*
Tristat point of care instrument	*330*	*2011*

There are inherent risks and uncertainties associated with completing development projects on schedule. In our experience the main risks to the achievement of a project s planned completion date occur primarily during the product s verification and validation phase. During this phase the product must attain successful results from in-house product testing and from third party clinical trials. Obtaining regulatory approval on a timely basis is another variable in achieving a project s planned completion date.

We acknowledge that some aspects of a new product development are to an extent outside of the control of the Group. Notwithstanding the uncertainty surrounding these external factors, we believe the planned completion dates of these projects are realistic and achievable. If major development projects were severely delayed, in our opinion it would not impact significantly on Trinity Biotech s financial position or on the capitalization criteria. As the manufacturing lead time for these new products is relatively short, it is anticipated that material cash inflows will commence shortly after each of the project s planned completion date.

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The following is a description of the principal projects which are currently being undertaken by the R&D groups within Trinity Biotech:

Point-of-Care (POC) Development Group

During 2010, the company commissioned and staffed a new POC product development unit at its Carlsbad, CA facility. This facility has been equipped with state of the art POC assay development equipment and the Group has commenced development of a portfolio of Point-of-Care/ lateral flow infectious disease tests. Initial tests include an enteric panel of assays for the detection of Giardia and Cryptosporidium antigens in human stool samples. We have also commenced development of a test for the detection of treponemal and nontreponemal Syphilis antibodies in human whole blood. It is envisaged some tests will reach clinical trial stage and be submitted to the FDA for 510k approval later in 2011.

In response to the increased incidence of the new strain of HIV called HIV-2, we are developing a new assay for the simultaneous detection of p24 HIV Antigen (Ag) and Antibodies (Ab) to HIV-1 and HIV-2 in human serum, plasma or whole blood. The test is intended as an aid to detect p24 HIV antigen and antibodies to HIV-1/HIV-2 from infected individuals.

Western Blot Development Group

A Western Blot kit is a test where antigens (usually proteins) from a specific bacteria or virus are transferred onto a nitrocellulose strip. When a patient s plasma is added to the strip, if antibodies to that bacteria or virus are present in a patient s sample, then they will bind to the specific antigens on the strip. If antibodies to any of the antigens are present in sufficient concentration, coloured bands corresponding to one or more of those antigens will be visible on the reacted nitrocellulose strip.

Pertussis Western Blot

During 2010, a project was undertaken to further develop the Bordetella pertussis Western Blot product by adding an additional stripe for Adenylate Cyclase per assay kit. This work finished in 2010 when the newly developed product was transferred into production and launched onto the European market.

Clinical Chemistry Development Group

Premier Hb 9210 Instrument for Haemoglobin A1c Testing

This project entails the development of a new High Performance Liquid Chromotography (HPLC) instrument for testing haemoglobin A1c. This is a measure of a patient s average blood sugar control over the last two to three months. The new instrument will allow access to markets not previously open to Trinity Biotech due to instrument price and test capability (A1c and variant). Development was initiated in late 2007, continued through 2010 and is expected to launch initially in the non-US market in the first half of 2011.

HbA1c testing is one of the fastest growing markets in the diagnostics industry. Diabetes is the fourth leading cause of death by disease in the world and the number of diabetic patients is expected to reach 370 million in 2030. In the U.S. alone some 20.8 million Americans (7 percent of the population) have the disease with a full 54 million Americans considered to be pre-diabetic. The total laboratory HbA1c market worldwide is expected to reach $272 million by 2012.

The Premier Hb9210 analyser is a best in class instrument with the following key advantages:

- Patented boronate affinity technology, therefore eliminating interference from haemoglobin variants,
- Results available in 1 minute enabling fastest patient result turnaround times,
- State of the art software using touch screen technology to facilitate ease of use with operators,
- Modular instrument which will significantly reduce the cost of on-site maintenance.

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Trend Information

For information on trends in future operating expenses and capital resources, see Results of Operations , Liquidity and Capital Resources and Impact of Inflation under Item 5.

Item 6

Directors and Senior Management

Directors

Name	*Age*	*Title*
Ronan O Caoimh	55	Chairman and Chief Executive Officer
Rory Nealon	43	Director, Chief Operations Officer
Jim Walsh, PhD	52	Director, Chief Scientific Officer
Denis R. Burger, PhD	67	Non Executive Director
Peter Coyne	51	Non Executive Director
Clint Severson	62	Non Executive Director
James D. Merselis	57	Non Executive Director

Executive Officer

Kevin Tansley	40	Chief Financial Officer & Company Secretary

Board of Directors & Executive Officers

Ronan O Caoimh, Chairman and Chief Executive Officer, co-founded Trinity Biotech in June 1992 and acted as Chief Financial Officer until March 1994 when he became Chief Executive Officer. He was also elected Chairman in May 1995. In November 2007, it was decided to separate the role of Chief Executive Officer and Chairman and Mr O Caoimh assumed the role of Executive Chairman. In October 2008, following the resignation of the Chief Executive Officer, Mr. O Caoimh resumed the role of Chief Executive Officer and Chairman. Prior to joining Trinity Biotech, Mr O Caoimh was Managing Director of Noctech Limited, an Irish diagnostics company. Mr O Caoimh was Finance Director of Noctech Limited from 1988 until January 1991 when he became Managing Director. Mr O Caoimh holds a Bachelor of Commerce degree from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland. On March 30, 2011, the service agreement with Ronan O Caoimh as Chief Executive Officer was terminated and replaced by an agreement with Darnick Limited.

Rory Nealon, Chief Operations Officer, joined Trinity Biotech as Chief Financial Officer and Company Secretary in January 2003. He was appointed Chief Operations Officer in November 2007. Prior to joining Trinity Biotech, he was Chief Financial Officer of Conduit plc, an Irish directory services provider with operations in Ireland, the UK, Austria and Switzerland. Prior to joining Conduit he was an Associate Director in AIB Capital Markets, a subsidiary of AIB Group plc, the Irish banking group. Mr Nealon holds a Bachelor of Commerce degree from University College Dublin, is a Fellow of the Institute of Chartered Accountants in Ireland, a member of the Institute of Taxation in Ireland and a member of the Institute of Corporate Treasurers in the UK.

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Jim Walsh, PhD, Executive Director, initially joined Trinity Biotech in October 1995 as Chief Operations Officer. Dr. Walsh resigned from the role of Chief Operations Officer in 2007 to become a Non Executive Director of the Company. In October, 2010 Dr. Walsh rejoined the company as Chief Scientific Officer. Prior to joining Trinity Biotech, Dr Walsh was Managing Director of Cambridge Diagnostics Ireland Limited (CDIL). He was employed with CDIL since 1987. Before joining CDIL he worked with Fleming GmbH as Research & Development Manager. Dr Walsh holds a PhD in Chemistry from University College Galway.

Denis R. Burger, PhD, Non-executive director, co-founded Trinity Biotech in June 1992 and was Chairman from June 1992 to May 1995. He is currently Chairman of BioCurex, Inc, a cancer diagnostics, OTC:BB listed company and is also non-executive Chairman of Lorus Therapeutics, Inc, a cancer therapeutics, TSX listed company. Until March 2007, Dr Burger was the Chairman and Chief Executive Officer of AVI Biopharma Inc, a NASDAQ listed biotechnology company. He was also a co-founder and, from 1981 to 1990, Chairman of Epitope Inc. In addition, Dr Burger has held a professorship in the Department of Microbiology and Immunology and Surgery (Surgical Oncology) at the Oregon Health and Sciences University in Portland. Dr Burger received his degree in Bacteriology and Immunology from the University of California in Berkeley in 1965 and his Master of Science and PhD in 1969 in Microbiology and Immunology from the University of Arizona.

Peter Coyne, Non-executive director, joined the board of Trinity Biotech in November 2001 as a non-executive director. Mr Coyne is a director of AIB Corporate Finance and has extensive experience in advising public and private groups on all aspects of corporate strategy. Mr Coyne trained as a chartered accountant and was a senior manager in Arthur Andersen s Corporate Financial Services practice. Mr Coyne holds a Bachelor of Engineering degree from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland.

Clint Severson, Non-executive director, joined the board of Trinity Biotech in November 2008 as a non-executive director. Mr Severson is currently Chairman, President and CEO of Abaxis Inc., a NASDAQ traded diagnostics company based in Union City, California. Since November 2006, Mr. Severson has also served on the Board of Directors of CytoCore, Inc. From February 1989 to May 1996, Mr. Severson served as President and Chief Executive Officer of MAST Immunosystems, Inc., a privately-held medical diagnostic company and to date he has accumulated over 30 years experience in the medical diagnostics industry.

James D. Merselis, Non-executive director, joined the board of Trinity Biotech in February 2009. Mr. Merselis is currently President and CEO of ITC Nexus Dx Holding Company, Inc, a privately held, New Jersey-based diagnostics company working to improve patient care by providing rapid and reliable point of care (POC) medical test information. Prior to this Mr. Merselis served as President and CEO of Alverix, Inc., a privately held company developing portable medical diagnostic instruments , HemoSense, Inc. (NASDAQ: HEM), a point-of-care diagnostics company and Micronics, Inc., a microfluidics company. Over twenty-two years, Mr. Merselis held a series of increasingly responsible executive positions with Boehringer Mannheim Diagnostics (now Roche Diagnostics).

Kevin Tansley, Chief Financial Officer, joined Trinity Biotech in June 2003 and was appointed Chief Financial Officer and Secretary to the Board of Directors in November 2007. Prior to joining Trinity Biotech in 2003, Mr Tansley held a number of financial positions in the Irish electricity utility ESB. Mr Tansley holds a Bachelor of Commerce degree from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland.

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Compensation of Directors and Officers

The basis for the executive directors remuneration and level of annual bonuses is determined by the Remuneration Committee of the board. In all cases, bonuses and the granting of share options are subject to stringent performance criteria. The Remuneration Committee consists of Dr Denis Burger (committee chairman and senior independent director), Mr Peter Coyne, Mr Clint Severson and Mr James Merselis. Directors remuneration shown below comprises salaries, pension contributions and other benefits and emoluments in respect of executive directors. Non-executive directors are remunerated by fees and the granting of share options. Non-executive directors who perform additional services on the Audit Committee or Remuneration Committee receive additional fees. The fees payable to non-executive directors are determined by the board. Each director is reimbursed for expenses incurred in attending meetings of the board of directors.

Total directors and non-executive directors remuneration, excluding pension, for the year ended December 31, 2010 amounted to US$2,082,000. The pension charge for the year amounted to US$127,000. See Item 18, note 6 to the consolidated financial statements. The split of directors remuneration set out by director is detailed in the table below:

Executive Director	*Salary/ Benefits US$ 000*	*Performance related bonus US$ 000*	*Defined contribution pension US$ 000*	*Total 2010 US$ 000*	*Total 2009 US$ 000*
Ronan O Caoimh	560	450	82	1,092	644
Rory Nealon	377	300	37	714	419
Jim Walsh*	77		8	85	
	1,014	750	127	1,891	1,063

Non-executive director	*Fees US$ 000*	*Other US$ 000*	*Total 2010 US$ 000*	*Total 2009 US$ 000*
Denis R. Burger	73		73	70
Peter Coyne	73		73	70
James Merselis	63		63	53
Clint Severson	63		63	60
Jim Walsh*	46	39	85	60
	318	39	357	313

* Dr. Jim Walsh is included as a non-executive director of the Company up until his appointment as Chief Scientific Officer in October 2010 and accordingly his remuneration after that point has been categorised with the two other executive directors.

Chief Financial Officer & Company Secretary	*Salary/ Benefits US$ 000*	*Performance related bonus US$ 000*	*Defined contribution pension US$ 000*	*Total 2010 US$ 000*	*Total 2009 US$ 000*
Kevin Tansley	285	300	28	613	317

As at December 31, 2010 an amount of $58,000 was accrued by a Company subsidiary to provide pension, retirement or similar benefits for the directors.

The total share-based compensation expense recognised in the consolidated statement of operations in 2010 in respect of options granted to both executive and non executive directors and the Company Secretary amounted to US$814,000. See Item 18, note 6 to the consolidated financial statements.

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The directors and Company Secretary were granted 2,500,000 share options during 2010 and were granted 2,220,000 share options during 2009 the terms of which are as follows:

2010 Share Options Granted:

Director/Executive Officer	Number of Options Granted	Exercise Price of Options Granted	Date of Option Grant*
Ronan O Caoimh	800,000 A shares	US$ 1.52 per A share	21 May 2010
Rory Nealon	500,000 A shares	US$ 1.52 per A share	21 May 2010
Denis Burger	60,000 A shares	US$ 1.52 per A share	21 May 2010
Peter Coyne	60,000 A shares	US$ 1.52 per A share	21 May 2010
Jim Walsh	60,000 A shares	US$ 1.52 per A share	21 May 2010
Clint Severson	60,000 A shares	US$ 1.52 per A share	21 May 2010
James Merselis	60,000 A shares	US$ 1.52 per A share	21 May 2010
Jim Walsh	400,000 A shares	US$ 1.57 per A share	4 October 2010
Kevin Tansley	500,000 A shares	US$ 1.52 per A share	21 May 2010

* All options issued are subject to a 7 year life from date of grant.

2009 Share Options Granted:

Director/Executive Officer	Number of Options Granted	Exercise Price of Options Granted	Date of Option Grant*
Ronan O Caoimh	800,000 A shares	US$ 0.66 per A share	8 May 2009
Rory Nealon	500,000 A shares	US$ 0.66 per A share	8 May 2009
Denis Burger	60,000 A shares	US$ 0.66 per A share	8 May 2009
Peter Coyne	60,000 A shares	US$ 0.66 per A share	8 May 2009
Jim Walsh	60,000 A shares	US$ 0.66 per A share	8 May 2009
Clint Severson	120,000 A shares	US$ 0.66 per A share	8 May 2009
James Merselis	120,000 A shares	US$ 0.66 per A share	8 May 2009
Kevin Tansley	500,000 A shares	US$ 0.66 per A share	8 May 2009

* All options issued are subject to a 7 year life from date of grant.

In addition, see Item 7 Major Shareholders and Related Party Transactions for further information on the compensation of Directors and Officers.

Directors Service Contracts

The Company has entered into service contracts with its Executive Directors and Officers. These contracts contain certain termination provisions which are summarised below.

On March 30, 2011, the service agreement with Ronan O Caoimh as Chief Executive Officer was terminated and replaced by an agreement with Darnick Limited, a company wholly-owned by members of Mr. O Caoimh s immediate family. Pursuant to the agreement, Darnick Limited will provide the Company with the services of Mr. O Caoimh as Chief Executive Officer. The agreement contains certain non-competition and confidentiality provisions. The term of the agreement will continue until such time as it is terminated by either party, subject to the Company providing one year s notice. Where termination occurs within 12 months of a change of control of the Company two year s notice will apply. Darnick Limited may terminate the agreement on six month s notice. Mr. O Caoimh will remain as Chairman of the Board of Directors.

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Under the terms of his service contract Rory Nealon, Chief Operations Officer, is entitled to 12 months salary and benefits in the event of termination by the Company. Where termination arises within 12 months of a change in control of the Company, Mr. Nealon is entitled to 18 months salary and benefits.

Under the terms of his service contract Kevin Tansley, Chief Financial Officer, is entitled to 12 months salary and benefits in the event of termination by the Company. Where termination arises within 12 months of a change in control of the Company, Mr. Tansley is entitled to 18 months salary and benefits.

Under the terms of his service contract, entered into in October 2010, Jim Walsh, Chief Scientific Officer, is entitled to 12 months salary and benefits in the event of termination by the Company. Where termination arises within 12 months of a change in control of the Company, Dr. Walsh is entitled to 18 months salary and benefits.

Board Practices

The Articles of Association of Trinity Biotech provide that one third of the directors in office (other than the Managing Director or a director holding an executive office with Trinity Biotech) or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one third, shall retire from office at every annual general meeting. If at any annual general meeting the number of directors who are subject to retirement by rotation is two, one of such directors shall retire and if the number of such directors is one that director shall retire. Retiring directors may offer themselves for re-election. The directors to retire at each annual general meeting shall be the directors who have been longest in office since their last appointment. As between directors of equal seniority the directors to retire shall, in the absence of agreement, be selected from among them by lot.

The board has established Audit, Remuneration and Compensation Committees. The functions and membership of the Remuneration Committee are described above. The Audit Committee reviews the Group s annual and interim financial statements and reviews reports on the effectiveness of the Group s internal controls. It also appoints the external auditors, reviews the scope and results of the external audit and monitors the relationship with the auditors. The Audit Committee comprises two of the four independent non-executive directors of the Group, Mr Peter Coyne (Committee Chairman) and Mr James Merselis. The Compensation Committee currently comprises Mr Ronan O Caoimh (Committee Chairman) and Mr Rory Nealon. The Compensation Committee administers the Employee Share Option Plan. The Committee determines the exercise price and the term of the options. Options granted to the members of the Committee are approved by the Remuneration Committee and individual option grants in excess of 30,000 shares are approved by the full board of directors. Share options granted to non-executive directors are decided by the other members of the board.

Because Trinity Biotech is a foreign private issuer, it is not required to comply with all of the corporate governance requirements set forth in NASDAQ Rule 5600 as they apply to U.S. domestic companies. The Group s corporate governance measures differ in the following significant way; the Group has not appointed an independent nominations committee or adopted a board resolution addressing the nominations process.

Employees

As of December 31, 2010, Trinity Biotech had 343 employees (2009: 658) consisting of 29 research scientists and technicians, 210 manufacturing and quality assurance employees, and 104 finance, administration, sales and marketing staff (2009: 60 research scientists and technicians, 422 manufacturing and quality assurance employees, and 176 finance, administration, sales and marketing staff). Trinity Biotech s future hiring levels will depend on the growth of revenues.

The geographic spread of the Group s employees was as follows: 121 in Bray, Co. Wicklow, Ireland and 222 in its US operations.

Stock Option Plans

The Board of Directors have adopted the Employee Share Option Plans (the Plans), with the most recently adopted Share Option Plan being the 2006 Plan. The purpose of these Plans is to provide Trinity Biotech s employees, consultants, officers and directors with additional incentives to improve Trinity Biotech s ability to attract, retain and motivate individuals upon whom Trinity Biotech s sustained growth and financial success depends. These Plans are administered by a Compensation Committee designated by the board of directors. Options under the Plans may be awarded only to employees, officers, directors and consultants of Trinity Biotech.

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The exercise price of options is determined by the Compensation Committee. The term of an option will be determined by the Compensation Committee, provided that the term may not exceed seven years from the date of grant. All options will terminate 90 days after termination of the option holder s employment, service or consultancy with Trinity Biotech (or one year after such termination because of death or disability) except where a longer period is approved by the board of directors. Under certain circumstances involving a change in control of Trinity Biotech, the Committee may accelerate the exercisability and termination of options. As of February 28, 2011, 7,352,086 of the options outstanding were held by the directors and Company Secretary of Trinity Biotech as follows:

Director/Company Secretary	Number of Options (A Shares)	Exercise Price (Per A Share)	Expiration Date of Options
Ronan O Caoimh	450,000	US$ 2.56	26 August 2011
	250,000	US$ 1.67	2 November 2012
	350,000	US$ 2.09	13 December 2013
	175,000	US$ 1.07	18 March 2015
	66,666	US$ 0.74	16 September 2015
	533,334	US$ 0.66	8 May 2016
	800,000	US$ 1.52	21 May 2017
Rory Nealon	175,000	US$ 2.56	26 August 2011
	100,000	US$ 1.67	2 November 2012
	150,000	US$ 2.09	13 December 2013
	200,000	US$ 1.07	18 March 2015
	240,000	US$ 0.74	16 September 2015
	500,000	US$ 0.66	8 May 2016
	500,000	US$ 1.52	21 May 2017
Denis Burger	60,000	US$ 2.56	26 August 2011
	25,000	US$ 1.67	2 November 2012
	25,000	US$ 2.09	13 December 2013
	60,000	US$ 0.66	8 May 2016
	60,000	US$ 1.52	21 May 2017
Jim Walsh	168,750	US$ 2.56	26 August 2011
	50,000	US$ 1.67	2 November 2012
	25,000	US$ 2.09	13 December 2013
	60,000	US$ 0.66	8 May 2016
	60,000	US$ 1.52	21 May 2017
	400,000	US$ 1.57	4 October 2017
Peter Coyne	60,000	US$ 2.56	26 August 2011
	25,000	US$ 1.67	2 November 2012
	25,000	US$ 2.09	13 December 2013
	60,000	US$ 0.66	8 May 2016
	60,000	US$ 1.52	21 May 2017
Clint Severson	120,000	US$ 0.66	8 May 2016
	60,000	US$ 1.52	21 May 2017
James Merselis	120,000	US$ 0.66	8 May 2016
	60,000	US$ 1.52	21 May 2017
Kevin Tansley	20,000	US$ 2.79	19 May 2011
	20,000	US$ 1.59	16 August 2012
	30,000	US$ 1.78	26 July 2013

75,000	US$	2.24	07 March 2014
150,000	US$	1.07	18 March 2015
150,000	US$	0.74	16 September 2015
333,336	US$	0.66	8 May 2016
500,000	US$	1.52	21 May 2017

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As of February 28, 2011 the following options were outstanding:

	Number of A Ordinary Shares Subject to Option	Range of Exercise Price per Ordinary Share	Range of Exercise Price per ADS
Total options outstanding	9,266,102	US$ 0.66-US$4.00	US$ 2.63-US$16.00

In April 2010, the Company granted warrants to purchase 40,000 Class A Ordinary Shares (vesting immediately). These warrants were issued at an exercise price of US$1.50 per ordinary share and have a term of seven years. As of February 28, 2011 there were warrants to purchase 1,672,244 A Ordinary Shares in the Company outstanding.

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Item 7

Major Shareholders and Related Party Transactions

As of February 28, 2011 Trinity Biotech has outstanding 84,252,189 A Ordinary shares and 700,000 B Ordinary shares. Such totals exclude 10,938,346 shares issuable upon the exercise of outstanding options and warrants.

The following table sets forth, as of February 28, 2011, the Trinity Biotech A Ordinary Shares and B Ordinary Shares beneficially held by (i) each person believed by Trinity Biotech to beneficially hold 5% or more of such shares, (ii) each director and the Company Secretary of Trinity Biotech, and (iii) all directors and the Company Secretary as a group.

Except as otherwise noted, all of the persons and groups shown below have sole voting and investment power with respect to the shares indicated. The Group is not controlled by another corporation or government.

	Number of A Ordinary Shares Beneficially Owned	Percentage Outstanding A Ordinary Shares	Number of B Ordinary Shares Beneficially Owned	Percentage Outstanding B Ordinary Shares	Percentage Total Voting Power
William Blair & Company Investment Management	11,763,664	14.0%			13.7%
Goldman Capital Management, Inc.	6,714,000	8.0%			7.8%
Heartland Advisors, Inc.	5,888,000	7.0%			6.9%
Ronan O Caoimh	4,974,995(1)	5.8%			5.7%
Rory Nealon	1,051,666(2)	1.2%			1.2%
Jim Walsh	1,657,362(3)	2.0%			1.9%
Denis R. Burger	130,000(4)	0.2%			0.2%
Peter Coyne	130,000(5)	0.2%			0.2%
Clint Severson	88,000(6)	0.1%			0.1%
James Merselis	40,000(7)	0.1%			0.1%
Kevin Tansley	353,252(8)	0.4%			0.4%
Potenza Investments Inc.			500,000(9)	71.4%	1.2%
	8,425,275(1)(2)(3)(4)(5)(6)(7)(8)	9.7%			9.5%

Directors & Co.
Secretary as a group (8
persons)

(1) Includes 1,137,499 shares issuable upon exercise of options.

(2) Includes 851,666 shares issuable upon exercise of options.

(3) Includes 263,750 shares issuable upon exercise of options.

(4) Includes 130,000 shares issuable upon exercise of options.

(5) Includes 130,000 shares issuable upon exercise of options.

(6) Includes 40,000 shares issuable upon exercise of options.

(7) Includes 40,000 shares issuable upon exercise of options.

(8) Includes 301,252 shares issuable upon exercise of options.

(9) These B shares have two votes per share.

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Related Party Transactions

The Group has entered into various arrangements with JRJ Investments (JRJ), a partnership owned by Mr O Caoimh and Dr Walsh, directors of Trinity Biotech, and directly with Mr O Caoimh and Dr Walsh, to provide for current and potential future needs to extend its premises at IDA Business Park, Bray, Co. Wicklow, Ireland.

In July 2000, Trinity Biotech entered into an agreement with JRJ pursuant to which the Group took a lease of a 25,000 square foot premises adjacent to the existing facility for a term of 20 years at a rent of 7.62 per square foot for an annual rent of 190,000 (US$254,000). During 2006, the rent on this property was reviewed and increased to 11.00 per square foot, resulting in an annual rent of 275,000 (US$367,000). The lease on this property was assigned to Diagnostica Stago in May, 2010 following the divestiture of the coagulation business.

In November 2002, the Group entered into an agreement for a 25 year lease with JRJ for offices that have been constructed adjacent to its premises at IDA Business Park, Bray, Co. Wicklow, Ireland. The annual rent of 381,000 (US$509,000) is payable from January 1, 2004. There was a rent review performed on this premises in 2009 and further to this review, there was no change to the annual rental charge.

In December 2007, the Group entered into an agreement with Mr. O Caoimh and Dr Walsh pursuant to which the Group took a lease on an additional 43,860 square foot manufacturing facility in Bray, Ireland at a rate of 17.94 per square foot (including fit out) giving a total annual rent of 787,000 (US$1,051,000).

Independent valuers have advised the Group that the rent in respect of each of the leases represents a fair market rent. Trinity Biotech and its directors (excepting Mr O Caoimh and Dr Walsh who express no opinion on this point) believe that the arrangements entered into represent a fair and reasonable basis on which the Group can meet its ongoing requirements for premises.

Rayville Limited, an Irish registered company, which is wholly owned by the four executive directors and certain other executives of the Group, owns all of the B non-voting Ordinary Shares in Trinity Research Limited, one of the Group s subsidiaries. The B shares do not entitle the holders thereof to receive any assets of the company on a winding up. All of the A voting ordinary shares in Trinity Research Limited are held by the Group. Trinity Research Limited may, from time to time, declare dividends to Rayville Limited and Rayville Limited may declare dividends to its shareholders out of those amounts. Any such dividends paid by Trinity Research Limited are ordinarily treated as a compensation expense by the Group in the consolidated financial statements prepared in accordance with IFRS, notwithstanding their legal form of dividends to minority interests, as this best represents the substance of the transactions.

There were no director loans advanced during 2010 and there were no loan balances payable to or receivable from directors at January 1, 2010 and at December 31, 2010.

In June 2009, the Board approved the payment of a dividend of $2,830,000 by Trinity Research Limited to Rayville Limited on the B shares held by it. This amount was then lent back by Rayville to Trinity Research Limited. As the dividend is matched by a loan from Rayville Limited to Trinity Research Limited which is repayable solely at the discretion of the Remuneration Committee of the Board and is unsecured and interest free, the Group netted the dividend paid to Rayville Limited against the corresponding loan from Rayville Limited in the 2009 & 2010 consolidated financial statements.

The amount of payments to Rayville included in compensation expense was US$1,866,000, US$1,071,000 and US$2,149,000 for 2008, 2009 and 2010 respectively, of which US$1,610,000, US$887,000 and US$1,431,000 respectively related to the key management personnel of the Group. There were no dividends payable to Rayville Limited as of December 31, 2010 or 2009. Dividends payable to Rayville at December 31, 2008 amounted to US$60,000. Of the US$2,149,000 of payments made to Rayville Limited in 2010, US$565,000 represented repayments of the loan to Trinity Research Limited referred to above.

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Item 8

Financial Information

Legal Proceedings

In 2008 Trinity Biotech filed a civil suit with a New York court against the former shareholders of Primus Corporation. Trinity Biotech claimed that the defendants unjustly received an overpayment of US$512,000 based on the fraudulent and wrongful calculation of the earnout payable to the shareholders of Primus Corporation. Trinity Biotech also alleged that one of the former shareholders, Mr Thomas Reidy, failed to return stock certificates and collateral pledged by Trinity Biotech as security for the payment of a US$3 million promissory note given to the defendants by Trinity Biotech as part of compensation under the share purchase agreement for acquiring Primus. During 2009, all of the defendants with the exception of Mr. Reidy settled the legal action. The US District Court, Southern District of New York granted a judgment against Mr. Reidy ordering him to pay Trinity damages of US$200,000 plus interest and to return stock certificates and collateral pledged by Trinity Biotech as security for the payment of the US$3 million promissory note. Mr Reidy has not yet paid any damages or interest due to Trinity Biotech.

In 2010, Laboratoires Nephrotek, formerly a distributor for Trinity Biotech, took a legal action in France against the Group, claiming damages of US$0.8 million. They claim that certain instruments supplied by Trinity Biotech did not operate properly in the field. No court hearings have occurred in relation to this case yet. Trinity Biotech will be defending the claim.

There are also a small number of legal cases being brought against the Group by certain of its former employees in the previously owned French subsidiary, Trinity Biotech France S.à r.l.

The ultimate resolution of the aforementioned proceedings is not expected to have a material adverse effect on our financial position, results of operations or cash flows.

Item 9

The Offer and Listing

Trinity Biotech s American Depository Shares (ADSs) are listed on the NASDAQ National Cap Market under the symbol TRIB . In 2005, the Trinity Biotech adjusted the ratio of American Depository Shares (ADSs) to Ordinary Shares and changed its NASDAQ Listing from the NASDAQ Small Capital listing to a NASDAQ National Market Listing. The ratio of ADSs to underlying Ordinary Shares has changed from 1 ADS : 1 Ordinary Share to 1 ADS : 4 Ordinary Shares and all historical data has been restated as a result.

The Group s A Ordinary Shares were also listed and traded on the Irish Stock Exchange until November 2007, whereby the Company de-listed from the Irish Stock Exchange. The Group s depository bank for ADSs is The Bank of New York Mellon. On February 28, 2011, the reported closing sale price of the ADSs was US$8.89 per ADS. The following tables set forth the range of quoted high and low sale prices of Trinity Biotech s ADSs for (a) the years ended December 31, 2006, 2007, 2008, 2009 and 2010; (b) the quarters ended March 31, June 30, September 30 and December 31, 2009; March 31, June 30, September 30 and December 31, 2010; and (c) the months of March, April, May, June, July, August, September, October, November and December 2010 and January and February 2011 as reported on NASDAQ. These quotes reflect inter-dealer prices without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

ADSs

Year Ended December 31	**High**		**Low**	
2006	US$	9.54	US$	7.09
2007	US$	11.75	US$	5.72
2008	US$	6.95	US$	1.25
2009	US$	5.70	US$	1.05
2010	US$	8.93	US$	3.76

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ADSs

2009	**High**		**Low**	
Quarter ended March 31	US$	2.35	US$	1.05
Quarter ended June 30	US$	4.84	US$	1.50
Quarter ended September 30	US$	5.70	US$	3.06
Quarter ended December 31	US$	4.43	US$	3.33

ADSs

2010	**High**		**Low**	
Quarter ended March 31	US$	6.24	US$	3.76
Quarter ended June 30	US$	6.67	US$	5.26
Quarter ended September 30	US$	6.67	US$	5.71
Quarter ended December 31	US$	8.93	US$	6.15

ADSs

Month Ended	**High**		**Low**	
March 31, 2010	US$	6.24	US$	4.71
April 30, 2010	US$	6.24	US$	5.47
May 31, 2010	US$	6.67	US$	5.26
June 30, 2010	US$	6.60	US$	5.81
July 31, 2010	US$	6.42	US$	5.79
August 31, 2010	US$	6.45	US$	5.71
September 30, 2010	US$	6.67	US$	5.90
October 31, 2010	US$	7.16	US$	6.15
November 30, 2010	US$	8.69	US$	7.04
December 31, 2010	US$	8.93	US$	7.60
January 31, 2011	US$	8.83	US$	8.00
February 28, 2011	US$	9.19	US$	8.03

The number of record holders of Trinity Biotech s ADSs as at February 28, 2011 amounts to 693, inclusive of those brokerage firms and/or clearing houses holding Trinity Biotech s securities for their clients (with each such brokerage house and/or clearing house being considered as one holder).

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Item 10

Memorandum and Articles of Association

Objects

The Company s objects, detailed in Clause 3 of its Memorandum of Association, are varied and wide ranging and include principally researching, manufacturing, buying, selling and distributing all kinds of patents, pharmaceutical, medicinal and diagnostic preparations, equipment, drugs and accessories. They also include the power to acquire shares or other interests or securities in other companies or businesses and to exercise all rights in relation thereto. The Company s registered number in Ireland is 183476.

Powers and Duties of Directors

A director may enter into a contract and be interested in any contract or proposed contract with the Company either as vendor, purchaser or otherwise and shall not be liable to account for any profit made by him resulting therefrom provided that he has first disclosed the nature of his interest in such a contract at a meeting of the board as required by Section 194 of the Irish Companies Act 1963. Generally, a director must not vote in respect of any contract or arrangement or any proposal in which he has a material interest (otherwise than by virtue of his holding of shares or debentures or other securities in or through the Group). In addition, a director shall not be counted in the quorum at a meeting in relation to any resolution from which he is barred from voting.

A director is entitled to vote and be counted in the quorum in respect of certain arrangements in which he is interested (in the absence of some other material interest). These include the giving of a security or indemnity to him in respect of money lent or obligations incurred by him for the Group, the giving of any security or indemnity to a third party in respect of a debt or obligation of the Group for which he has assumed responsibility, any proposal concerning an offer of shares or other securities in which he may be interested as a participant in the underwriting or sub-underwriting and any proposal concerning any other company in which he is interested provided he is not the holder of or beneficially interested in 1% or more of the issued shares of any class of share capital of such company or of voting rights.

The Board may exercise all the powers of the Group to borrow money but it is obliged to restrict these borrowings to ensure that the aggregate amount outstanding of all monies borrowed by the Group does not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to twice the adjusted capital and reserves (both terms as defined in the Articles of Association). However, no lender or other person dealing with the Group shall be obliged to see or to inquire whether the limit imposed is observed and no debt incurred in excess of such limit will be invalid or ineffectual unless the lender has express notice at the time when the debt is incurred that the limit was or was to be exceeded.

Directors are not required to retire upon reaching any specific age and are not required to hold any shares in the capital of the Group. The Articles provide for retirement of the directors by rotation.

All of the above mentioned powers of directors may be varied by way of a special resolution of the shareholders.

Rights, Preferences and Restrictions Attaching to Shares

The A Ordinary Shares and the B Ordinary Shares rank pari passu in all respects save that the B Ordinary Shares have two votes per share and the right to receive dividends and participate in the distribution of the assets of the Company upon liquidation or winding up at a rate of twice that of the A Ordinary Shares.

Where a shareholder or person who appears to be interested in shares fails to comply with a request for information from the Company in relation to the capacity in which such shares or interest are held, who is interested in them or whether there are any voting arrangements, that shareholder or person may be disenfranchised and thereby restricted from transferring the shares and voting rights or receiving any sums in respect thereof (except in the case of a liquidation). In addition, if cheques in respect of the last three dividends paid to a shareholder remain uncashed, the Company is, subject to compliance with the procedure set out in the Articles of Association, entitled to sell the shares of that shareholder.

At a general meeting, on a show of hands, every member who is present in person or by proxy and entitled to vote shall have one vote (so, however, that no individual shall have more than one vote) and upon a poll, every member present in person or by proxy shall have one vote for every share carrying voting rights of which he is the holder. In the case of joint holders, the vote of the senior (being the first person named in the register of members in respect of

the joint holding) who tendered a vote, whether in person or by proxy, shall be accepted to the exclusion of votes of the other joint holders.

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One third of the directors other than an executive director or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one third, shall retire from office at each annual general meeting. If, however, the number of directors subject to retirement by rotation is two, one of such directors shall retire. If the number is one, that director shall retire. The directors to retire at each annual general meeting shall be the ones who have been longest in office since their last appointment. Where directors are of equal seniority, the directors to retire shall, in the absence of agreement, be selected by lot. A retiring director shall be eligible for re-appointment and shall act as director throughout the meeting at which he retires. A separate motion must be put to a meeting in respect of each director to be appointed unless the meeting itself has first agreed that a single resolution is acceptable without any vote being given against it.

The Company may, subject to the provisions of the Companies Acts, 1963 to 2009 of Ireland, issue any share on the terms that it is, or at the option of the Company is to be liable, to be redeemed on such terms and in such manner as the Company may determine by special resolution. Before recommending a dividend, the directors may reserve out of the profits of the Company such sums as they think proper which shall be applicable for any purpose to which the profits of the Company may properly be applied and, pending such application, may be either employed in the business of the Company or be invested in such investments (other than shares of the Company or of its holding company (if any)) as the directors may from time to time think fit.

Subject to any conditions of allotment, the directors may from time to time make calls on members in respect of monies unpaid on their shares. At least 14 days notice must be given of each call. A call shall be deemed to have been made at the time when the directors resolve to authorise such call.

The Articles do not contain any provisions discriminating against any existing or prospective holder of securities as a result of such shareholder owning a substantial number of shares.

Action Necessary to Change the Rights of Shareholders

In order to change the rights attaching to any class of shares, a special resolution passed at a class meeting of the holders of such shares is required. The provisions in relation to general meetings apply to such class meetings except the quorum shall be two persons holding or representing by proxy at least one third in nominal amount of the issued shares of that class. In addition, in order to amend any provisions of the Articles of Association in relation to rights attaching to shares, a special resolution of the shareholders as a whole is required.

Calling of AGM s and EGM s of Shareholders

The Company must hold a general meeting as its annual general meeting each year. Not more than 15 months can elapse between annual general meetings. The annual general meetings are held at such time and place as the directors determine and all other general meetings are called extraordinary general meetings. Every general meeting shall be held in Ireland unless all of the members entitled to attend and vote at it consent in writing to it being held elsewhere or a resolution providing that it be held elsewhere was passed at the preceding annual general meeting. The directors may at any time call an extraordinary general meeting and such meetings may also be convened on such requisition, or in default may be convened by such requisitions, as is provided by the Companies Acts, 1963 to 2009 of Ireland.

In the case of an annual general meeting or a meeting at which a special resolution is proposed, 21 clear days notice of the meeting is required and in any other case it is seven clear days notice. Notice must be given in writing to all members and to the auditors and must state the details specified in the Articles of Association. A general meeting (other than one at which a special resolution is to be proposed) may be called on shorter notice subject to the agreement of the auditors and all members entitled to attend and vote at it. In certain circumstances provided in the Companies Acts, 1963 to 2009 of Ireland, extended notice is required. These include removal of a director. No business may be transacted at a general meeting unless a quorum is present. Five members present in person or by proxy (not being less than five individuals) representing not less than 40% of the ordinary shares shall be a quorum.

The Company is not obliged to serve notices upon members who have addresses outside Ireland and the US but otherwise there are no limitations in the Articles of Association or under Irish law restricting the rights of non-resident or foreign shareholders to hold or exercise voting rights on the shares in the Company.

However, the Financial Transfers Act, 1992 and regulations made thereunder prevent transfers of capital or payments between Ireland and certain countries. These restrictions on financial transfers are more comprehensively described in Exchange Controls below. In addition, Irish competition law may restrict the acquisition by a party of shares in the

Company but this does not apply on the basis of nationality or residence.

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Other Provisions of the Memorandum and Articles of Association

The Memorandum and Articles of Association do not contain any provisions:

- which would have an effect of delaying, deferring or preventing a change in control of the Company and which would operate only with respect to a merger, acquisition or corporate restructuring involving the Company (or any of its subsidiaries); or
- governing the ownership threshold above which a shareholder ownership must be disclosed; or
- imposing conditions governing changes in the capital which are more stringent than is required by Irish law.

The Company incorporates by reference all other information concerning its Memorandum and Articles of Association from the Registration Statement on Form F-1 on June 12, 1992.

Irish Law

Pursuant to Irish law, Trinity Biotech must maintain a register of its shareholders. This register is open to inspection by shareholders free of charge and to any member of the public on payment of a small fee. The books containing the minutes of proceedings of any general meeting of Trinity Biotech are required to be kept at the registered office of the Company and are open to the inspection of any member without charge. Minutes of meetings of the Board of Directors are not open to scrutiny by shareholders. Trinity Biotech is obliged to keep proper books of account. The shareholders have no statutory right to inspect the books of account. The only financial records, which are open to the shareholders, are the financial statements, which are sent to shareholders with the annual report. Irish law also obliges Trinity Biotech to file information relating to certain events within the Company (new share capital issues, changes to share rights, changes to the Board of Directors). This information is filed with the Companies Registration Office (the CRO) in Dublin and is open to public inspection. The Articles of Association of Trinity Biotech permit ordinary shareholders to approve corporate matters in writing provided that it is signed by all the members for the time being entitled to vote and attend at general meeting. Ordinary shareholders are entitled to call a meeting by way of a requisition. The requisition must be signed by ordinary shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company. Trinity Biotech is generally permitted, subject to company law, to issue shares with preferential rights, including preferential rights as to voting, dividends or rights to a return of capital on a winding up of the Company. Any shareholder who complains that the affairs of the Company are being conducted or that the powers of the directors of the Company are being exercised in a manner oppressive to him or any of the shareholders (including himself), or in disregard of his or their interests as shareholders, may apply to the Irish courts for relief. Shareholders have no right to maintain proceedings in respect of wrongs done to the Company.

Ordinarily, our directors owe their duties only to Trinity Biotech and not its shareholders. The duties of directors are twofold, fiduciary duties and duties of care and skill. Fiduciary duties are owed by the directors individually and owed to Trinity Biotech. Those duties include duties to act in good faith towards Trinity Biotech in any transaction, not to make use of any money or other property of Trinity Biotech, not to gain directly or indirectly any improper advantage for himself at the expense of Trinity Biotech, to act bona fide in the interests of Trinity Biotech and exercise powers for the proper purpose. A director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. When directors, as agents in transactions, make contracts on behalf of the Company, they generally incur no personal liability under these contracts.

It is Trinity Biotech, as principal, which will be liable under them, as long as the directors have acted within Trinity Biotech s objects and within their own authority. A director who commits a breach of his fiduciary duties shall be liable to Trinity Biotech for any profit made by him or for any damage suffered by Trinity Biotech as a result of the breach. In addition to the above, a breach by a director of his duties may lead to a sanction from a Court including damages of compensation, summary dismissal of the director, a requirement to account to Trinity Biotech for profit made and restriction of the director from acting as a director in the future.

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Material Contracts

Other than contracts entered into in the ordinary course of business, the following represents the material contracts entered into by the Group:

Divestiture of Coagulation business to Diagnostica Stago SAS

In May 2010, the Group sold its worldwide Coagulation business to Diagnostica Stago for US$89.9 million. The gain on the divestiture was US$46.8m (see Item 18, note 3). Diagnostica Stago purchased the share capital of Trinity Biotech (UK Sales) Limited, Trinity Biotech GmbH and Trinity Biotech S.à r.l., along with Coagulation assets of Biopool US Inc. and Trinity Biotech Manufacturing Limited. As part of the sale, the Group also assigned leasing arrangements on a facility in Bray, Ireland to Diagnostica Stago. Included in the sale are Trinity s lists of coagulation customers and suppliers, all coagulation inventory, intellectual property and developed technology. In total, 321 Trinity employees transferred their employment to Diagnostica Stago as part of the divestiture of the Coagulation business.

The Group received consideration of US$67.4 million and interest on deferred consideration of US$1.0 million in 2010. A further US$11.25 million will be received from Diagnostica Stago in May 2011 and the remaining US$11.25 million will be received in May 2012. No conditions or earnout provisions will apply to this deferred element of the consideration, which is supported by a bank guarantee.

Acquisition of the immuno-technology business of Cortex Biochem Inc

In September 2007, the Group acquired the immuno-technology business of Cortex Biochem Inc (Cortex) for a total consideration of US$2,925,000, consisting of cash consideration of US$2,887,000 and acquisition expenses of US$38,000.

The main terms and conditions in the Cortex purchase agreement were as follows:

1. Trinity Biotech acquired Cortex s lists of customers and suppliers, inventory of immuno reagents, certain accounts receivable and accounts payable balances and the Cortex Biochem website.
2. The vendor undertook not to compete directly with the Cortex business for a period of three years after the sale of the business to Trinity
3. All of the purchase consideration was payable on signing of the contract.

Acquisition of certain components of the distribution business of Sterilab Services UK

In October 2007, the Group acquired certain components of the distribution business of Sterilab Services UK (Sterilab), a distributor of Infectious Diseases products, for a total consideration of US$1,489,000, consisting of cash consideration of US$1,480,000 and acquisition expenses of US$9,000.

The main terms and conditions in the Sterilab purchase agreement were as follows:

1. Trinity Biotech acquired a list of customers, inventory of infectious diseases and autoimmune products and all diagnostic instruments placed with Sterilab s customers.
2. The vendor undertook not to compete directly with Trinity s infectious disease business in the United Kingdom for a period of one year after the sale of the Sterilab business to Trinity.
3. All of the purchase consideration was payable on signing of the contract.

Exchange Controls and Other Limitations Affecting Security Holders

Irish exchange control regulations ceased to apply from and after December 31, 1992. Except as indicated below, there are no restrictions on non-residents of Ireland dealing in domestic securities, which includes shares or depositary receipts of Irish companies such as Trinity Biotech. Except as indicated below, dividends and redemption proceeds also continue to be freely transferable to non-resident holders of such securities. The Financial Transfers Act, 1992 gives power to the Minister for Finance of Ireland to make provision for the restriction of financial transfers between Ireland and other countries and persons. Financial transfers are broadly defined and include all transfers that would be movements of capital or payments within the meaning of the treaties governing the member states of the European Union. The acquisition or disposal of ADSs or ADRs representing shares issued by an Irish incorporated company and associated payments falls within this definition. In addition, dividends or payments on redemption or purchase of shares and payments on a liquidation of an Irish incorporated company would fall within this definition.

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At present the Financial Transfers Act, 1992 prohibits financial transfers involving the late Slobodan Milosevic and associated persons, Burma (Myanmar), Belarus, certain persons indicted by the International Criminal Tribunal for the former Yugoslavia, Usama bin Laden, Al-Qaida, the Taliban of Afghanistan, Democratic Republic of Congo, Democratic People s Republic of Korea (North Korea), Iran, Iraq, Côte d Ivoire, Lebanon, Liberia, Zimbabwe, Uzbekistan, Sudan, Somalia, Republic of Guinea, certain known terrorists and terrorist groups, and countries that harbor certain terrorist groups, without the prior permission of the Central Bank of Ireland.

Any transfer of, or payment in respect of, an ADS involving the government of any country that is currently the subject of United Nations sanctions, any person or body controlled by any of the foregoing, or by any person acting on behalf of the foregoing, may be subject to restrictions pursuant to such sanctions as implemented into Irish law. We do not anticipate that orders under the Financial Transfers Act, 1992 or United Nations sanctions implemented into Irish law will have a material effect on our business.

Taxation

The following discussion is based on US and Republic of Ireland tax law, statutes, treaties, regulations, rulings and decisions all as of the date of this annual report. Taxation laws are subject to change, from time to time, and no representation is or can be made as to whether such laws will change, or what impact, if any, such changes will have on the statements contained in this summary. No assurance can be given that proposed amendments will be enacted as proposed, or that legislative or judicial changes, or changes in administrative practice, will not modify or change the statements expressed herein.

This summary is of a general nature only. It does not constitute legal or tax advice nor does it discuss all aspects of Irish taxation that may be relevant to any particular Irish Holder or US Holder of ordinary shares or ADSs.

This summary does not discuss all aspects of Irish and US federal income taxation that may be relevant to a particular holder of Trinity Biotech ADSs in light of the holder s own circumstances or to certain types of investors subject to special treatment under applicable tax laws (for example, financial institutions, life insurance companies, tax-exempt organisations, and non-US taxpayers) and it does not discuss any tax consequences arising under the laws of taxing jurisdictions other than the Republic of Ireland and the US federal government. The tax treatment of holders of Trinity Biotech ADSs may vary depending upon each holder s own particular situation.

Prospective purchasers of Trinity Biotech ADSs are advised to consult their own tax advisors as to the US, Irish or other tax consequences of the purchase, ownership and disposition of such ADSs.

US Federal Income Tax Consequences to US Holders

The following is a summary of certain material US federal income tax consequences that generally would apply with respect to the ownership and disposition of Trinity Biotech ADSs, in the case of a purchaser of such ADSs who is a US Holder (as defined below) and who holds the ADSs as capital assets. This summary is based on the US Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations promulgated thereunder, and judicial and administrative interpretations thereof, all as in effect on the date hereof and all of which are subject to change either prospectively or retroactively. For the purposes of this summary, a US Holder is: an individual who is a citizen or a resident of the United States; a corporation created or organised in or under the laws of the United States or any political subdivision thereof; an estate whose income is subject to US federal income tax regardless of its source; or a trust that (a) is subject to the primary supervision of a court within the United States and the control of one or more US persons or (b) has a valid election in effect under applicable US Treasury regulations to be treated as a US person.

This summary does not address all tax considerations that may be relevant with respect to an investment in ADSs. This summary does not discuss all the tax consequences that may be relevant to a US holder in light of such holder s particular circumstances or to US holders subject to special rules, including persons that are non-US holders, broker dealers, financial institutions, certain insurance companies, investors liable for alternative minimum tax, tax exempt organisations, regulated investment companies, non-resident aliens of the US or taxpayers whose functional currency is not the dollar, persons who hold ADSs through partnerships or other pass-through entities, persons who acquired their ADSs through the exercise or cancellation of employee stock options or otherwise as compensation for services, investors that actually or constructively own 10% or more of Trinity Biotech s voting shares, and investors holding ADSs as part of a straddle or appreciated financial position or as part of a hedging or conversion transaction.

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If a partnership or an entity treated as a partnership for US federal income tax purposes owns ADSs, the US federal income tax treatment of a partner in such a partnership will generally depend upon the status of the partner and the activities of the partnership. The partners in a partnership which owns ADSs should consult their tax advisors about the US federal income tax consequences of holding and disposing of ADSs.

This summary does not address the effect of any US federal taxation other than US federal income taxation. In addition, this summary does not include any discussion of state, local or foreign taxation. You are urged to consult your tax advisors regarding the foreign and US federal, state and local tax considerations of an investment in ADSs.

For US federal income tax purposes, US Holders of Trinity Biotech ADSs will be treated as owning the underlying Class A Ordinary Shares represented by the ADSs held by them. The gross amount of any distribution made by Trinity Biotech to US Holders with respect to the underlying shares represented by the ADSs held by them, including the amount of any Irish taxes withheld from such distribution, will be treated for US federal income tax purposes as a dividend to the extent of Trinity Biotech s current and accumulated earnings and profits, as determined for US federal income tax purposes. The amount of any such distribution that exceeds Trinity Biotech s current and accumulated earnings and profits will be applied against and reduce a US Holder s tax basis in the holder s ADSs, and any amount of the distribution remaining after the holder s tax basis has been reduced to zero will constitute capital gain. The capital gain will be treated as a long-term or short-term capital gain depending on whether or not the holder s ADSs have been held for more than one year as of the date of the distribution.

Dividends paid by Trinity Biotech generally will not qualify for the dividends received deduction otherwise available to US corporate shareholders.

Subject to complex limitations, any Irish withholding tax imposed on such dividends will be a foreign income tax eligible for credit against a US Holder s US federal income tax liability (or, alternatively, for deduction against income in determining such tax liability). The limitations set out in the Code include computational rules under which foreign tax credits allowable with respect to specific classes of income cannot exceed the US federal income taxes otherwise payable with respect to each such class of income. Dividends generally will be treated as foreign-source passive category income or, in the case of certain US Holders, general category income for US foreign tax credit purposes. Further, there are special rules for computing the foreign tax credit limitation of a taxpayer who receives dividends subject to a reduced tax, see discussion below.

A US Holder will be denied a foreign tax credit with respect to Irish income tax withheld from dividends received on the ordinary shares to the extent such US Holder has not held the ordinary shares for at least 16 days of the 31-day period beginning on the date which is 15 days before the ex-dividend date or to the extent such US Holder is under an obligation to make related payments with respect to substantially similar or related property. Any days during which a US Holder has substantially diminished its risk of loss on the ordinary shares are not counted toward meeting the 16-day holding period required by the statute. The rules relating to the determination of the foreign tax credit are complex, and you should consult with your personal tax advisors to determine whether and to what extent you would be entitled to this credit.

Subject to certain limitations, qualified dividend income received by a noncorporate US Holder in tax years beginning on or before December 31, 2012 will be subject to tax at a reduced maximum tax rate of 15%. Distributions taxable as dividends paid on the ordinary shares should qualify for the 15% rate provided that either: (i) we are entitled to benefits under the income tax treaty between the United States and Ireland (the Treaty) or (ii) the ADSs are readily tradable on an established securities market in the US and certain other requirements are met. We believe that we are entitled to benefits under the Treaty and that the ADSs currently are readily tradable on an established securities market in the US. However, no assurance can be given that the ordinary shares will remain readily tradable. The rate reduction does not apply unless certain holding period requirements are satisfied. With respect to the ADSs, the US Holder must have held such ADSs for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date. The rate reduction also does not apply to dividends received from passive foreign investment companies, see discussion below, or in respect of certain hedged positions or in certain other situations. The legislation enacting the reduced tax rate contains special rules for computing the foreign tax credit limitation of a taxpayer who receives dividends subject to the reduced tax rate. US Holders of Trinity Biotech ADSs should consult their own tax advisors regarding the effect of these rules in their particular circumstances.

Upon a sale or exchange of ADSs, a US Holder will recognise a gain or loss for US federal income tax purposes in an amount equal to the difference between the amount realised on the sale or exchange and the holder s adjusted tax basis in the ADSs sold or exchanged. Such gain or loss generally will be capital gain or loss and will be long-term or short-term capital gain or loss depending on whether the US Holder has held the ADSs sold or exchanged for more than one year at the time of the sale or exchange.

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For US federal income tax purposes, a foreign corporation is treated as a passive foreign investment company (or PFIC) in any taxable year in which, after taking into account the income and assets of the corporation and certain of its subsidiaries pursuant to the applicable look through rules, either (1) at least 75% of the corporation s gross income is passive income or (2) at least 50% of the average value of the corporation s assets is attributable to assets that produce passive income or are held for the production of passive income. Based on the nature of its present business operations, assets and income, Trinity Biotech believes that it is not currently subject to treatment as a PFIC. However, no assurance can be given that changes will not occur in Trinity Biotech s business operations, assets and income that might cause it to be treated as a PFIC at some future time.

If Trinity Biotech were to become a PFIC, a US Holder of Trinity Biotech ADSs would be required to allocate to each day in the holding period for such holder s ADSs a pro rata portion of any distribution received (or deemed to be received) by the holder from Trinity Biotech, to the extent the distribution so received constitutes an excess distribution, as defined under US federal income tax law. Generally, a distribution received during a taxable year by a US Holder with respect to the underlying shares represented by any of the holder s ADSs would be treated as an excess distribution to the extent that the distribution so received, plus all other distributions received (or deemed to be received) by the holder during the taxable year with respect to such underlying shares, is greater than 125% of the average annual distributions received by the holder with respect to such underlying shares during the three preceding years (or during such shorter period as the US Holder may have held the ADSs). Any portion of an excess distribution that is treated as allocable to one or more taxable years prior to the year of distribution during which Trinity Biotech was classified as a PFIC would be subject to US federal income tax in the year in which the excess distribution is made, but it would be subject to tax at the highest tax rate applicable to the holder in the prior tax year or years. The holder also would be subject to an interest charge, in the year in which the excess distribution is made, on the amount of taxes deemed to have been deferred with respect to the excess distribution. In addition, any gain recognised on a sale or other disposition of a US Holder s ADSs, including any gain recognised on a liquidation of Trinity Biotech, would be treated in the same manner as an excess distribution. Any such gain would be treated as ordinary income rather than as capital gain. Finally, the 15% reduced US federal income tax rate otherwise applicable to dividend income as discussed above, will not apply to any distribution made by Trinity Biotech in any taxable year in which it is a PFIC (or made in the taxable year following any such year), whether or not the distribution is an excess distribution .

If Trinity Biotech became a PFIC, a US Holder may make a qualifying electing fund election in the year Trinity Biotech first becomes a PFIC or in the year the holder acquires the shares, whichever is later. This election provides for a current inclusion of Trinity Biotech s ordinary income and capital gain income in the US Holder s US taxable income. In return, any gain on sale or other disposition of a US Holder s ADSs in Trinity Biotech, if it were classified as a PFIC, will be treated as capital, and the interest penalty will not be imposed. This election is not made by Trinity Biotech, but by each US Holder. The PFIC must provide certain information to the IRS in order to qualify as a Qualified Electing Fund. US Holders should contact their tax advisor for further information on this area.

Alternatively, if the ADSs are considered marketable stock a US Holder may elect to mark-to-market its ADSs, and such US Holder would not be subject to the rules described above. Instead, such US Holder would generally include in income any excess of the fair market value of the ADSs at the close of each tax year over its adjusted basis in the ADSs. If the fair market value of the ADSs had depreciated below the US Holders adjusted basis at the close of the tax year, the US Holder may generally deduct the excess of the adjusted basis of the ADSs over its fair market value at that time. However, such deductions generally would be limited to the net mark-to-market gains, if any, that the US Holder included in income with respect to such ADSs in prior years. Income recognized and deductions allowed under the mark-to-market provisions, as well as any gain or loss on the disposition of ADSs with respect to which the mark-to-market election is made, is treated as ordinary income or loss (except that loss is treated as capital loss to the extent the loss exceeds the net mark-to-market gains, if any, that a US Holder included in income with respect to such ordinary shares in prior years). However, gain or loss from the disposition of ordinary shares (as to which a mark-to-market election was made) in a year in which Trinity Biotech is no longer a PFIC, will be capital gain or loss. The ADSs should be considered marketable stock if they traded at least 15 days during each calendar quarter of the relevant calendar year in more than de minimis quantities.

If Trinity Biotech were to become a CFC, each US Holder treated as a US Ten-percent Shareholder would be required to include in income each year such US Ten-percent Shareholder s pro rata share of Trinity Biotech s undistributed Subpart F income. For this purpose, Subpart F income generally would include interest, original issue discount, dividends, net gains from the disposition of stocks or securities, net gains on forward and option contracts, receipts with respect to securities loans and net payments received with respect to equity swaps and similar derivatives.

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Any undistributed Subpart F income included in a US Holder s income for any year would be added to the tax basis of the US Holder s ADSs. Amounts distributed by Trinity Biotech to the US Holder in any subsequent year would not be subject to further US federal income tax in the year of distribution, to the extent attributable to amounts so included in the US Holder s income in prior years under the CFC rules but would be treated, instead, as a reduction in the tax basis of the US Holder s ADSs, the PFIC rules discussed above would not apply to any undistributed Subpart F income required to be included in a US Holder s income under the CFC rules, or to the amount of any distributions received from Trinity Biotech that were attributable to amounts so included.

Distributions made with respect to underlying shares represented by ADSs may be subject to information reporting to the US Internal Revenue Service and to US backup withholding tax at a rate equal to the fourth lowest income tax rate applicable to individuals (which, under current law, is 28%). Backup withholding will not apply, however, if the holder (i) is a corporation or comes within certain exempt categories, and demonstrates its eligibility for exemption when so required, or (ii) furnishes a correct taxpayer identification number and makes any other required certification. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a US Holder s US tax liability, and a US Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service.

Any US Holder who holds 10% or more in vote or value of Trinity Biotech will be subject to certain additional United States information reporting requirements.

US Holders may be subject to state or local income and other taxes with respect to their ownership and disposition of ADSs. US Holders of ADSs should consult their own tax advisers as to the applicability and effect of any such taxes.

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Republic of Ireland Taxation

For the purposes of this summary, an Irish Holder means a holder of ordinary shares or ADSs evidenced by ADSs that (i) beneficially owns the ordinary shares or ADSs registered in their name; (ii) in the case of individual holders, are resident, ordinarily resident and domiciled in Ireland under Irish taxation laws; (iii) in the case of holders that are companies, are resident in Ireland under Irish taxation laws; and (iv) are not also resident in any other country under any double taxation agreement entered into by Ireland.

For Irish taxation purposes, Irish Holders of ADSs will be treated as the owners of the underlying ordinary shares represented by such ADSs.

Solely for the purposes of this summary of Irish Tax Considerations, a US Holder means a holder of ordinary shares or ADSs evidenced by ADSs that (i) beneficially owns the ordinary shares or ADSs registered in their name; (ii) is resident in the United States for the purposes of the Republic of Ireland/United States Double Taxation Convention (the Treaty); (iii) in the case of an individual holder, is not also resident or ordinarily resident in Ireland for Irish tax purposes; (iv) in the case of a corporate holder, is not a resident in Ireland for Irish tax purposes and is not ultimately controlled by persons resident in Ireland; and (v) is not engaged in any trade or business in Ireland and does not perform independent personal services through a permanent establishment or fixed base in Ireland.

Since its incorporation the Group has not declared or paid dividends on its A Ordinary Shares or B Ordinary Shares. The Board has, however, decided that it is now an appropriate time to commence a dividend policy, to be paid once a year. In this regard, the Board have proposed a final dividend of 10 cent per ADR in respect of 2010 and this proposal will be submitted to shareholders for their approval at the next Annual General Meeting of the Company. The payment of a dividend will generally be subject to dividend withholding tax (DWT) at the standard rate of income tax in force at the time the dividend is paid, currently 20%. Under current legislation, where DWT applies, Trinity Biotech will be responsible for withholding it at source.

DWT will not be withheld where an exemption applies and where Trinity Biotech has received all necessary documentation from the recipient prior to payment of the dividend.

Corporate Irish Holders will generally be entitled to claim an exemption from DWT by delivering a declaration which confirms that the company is resident in Ireland for tax purposes, to Trinity Biotech in the form prescribed by the Irish Revenue Commissioners. Such corporate Irish Holders will generally not otherwise be subject to Irish tax in respect of dividends received.

Individual Irish Holders will be subject to income tax on the gross amount of any dividend (that is the amount of the dividend received plus any DWT withheld), at their marginal rate of income tax (currently either 20% or 41% depending on the individual s circumstances excluding PRSI and other levies). Individual Irish Holders will be able to claim a credit against their resulting income tax liability in respect of DWT withheld. Individual Irish Holders may, depending on their circumstances, also be subject to the Irish Universal Social Charge of up to 10% and Pay Related Social Insurance contribution of up to 4% in respect of their dividend income.

Under the Irish Taxes Consolidation Act 1997, dividends paid by Trinity Biotech to non-Irish shareholders will, unless exempted, be subject to DWT. Such a shareholder will not suffer DWT on dividends if the shareholder is:

- an individual resident in the US (or certain other countries with which Ireland has a double taxation treaty) and who is neither resident nor ordinarily resident in Ireland; or
- a corporation that is not resident in Ireland and which is ultimately controlled by persons resident in the US (or certain other countries with which Ireland has a double taxation treaty); or
- a corporation that is not resident in Ireland and the principal class of whose shares (or its 75% parent s principal class of shares) are substantially or regularly traded on a recognised stock exchange; or
- is otherwise entitled to an exemption from DWT.

In order to avail of the above exemption, certain declarations must be made in advance to the paying company.

A self-assessment system applies to a company resident in a treaty jurisdiction receiving dividends under which a non-resident company will provide a declaration and certain information to the dividend paying company or intermediary to claim the exemption.

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Special DWT arrangements are available in the case of shares held by US resident holders in Irish companies through American depository banks using ADSs where such banks enter into intermediary agreements with the Irish Revenue Commissioners and are viewed as qualifying intermediaries under Irish Tax legislation. Under such agreements, American depository banks who receive dividends from Irish companies and pay the dividends on to the US resident ADS holders are allowed to receive and pass on a dividend from the Irish company on a gross basis (without any withholding) if:

- the depository bank s ADS register shows that the direct beneficial owner of the dividends has a US address on the register, or
- there is an intermediary between the depository bank and the beneficial shareholder and the depository bank receives confirmation from the intermediary that the beneficial shareholder s address in the intermediary s records is in the US.

Where the above procedures have not been complied with and DWT is withheld from dividend payments to US Holders of ordinary shares or ADSs evidenced by ADSs, such US Holders can apply to the Irish Revenue Commissioners claiming a full refund of DWT paid by filing a declaration, a certificate of residency and, in the case of US Holders that are corporations, an auditor s certificate, each in the form prescribed by the Irish Revenue Commissioners.

The DWT rate applicable to US Holders is reduced to 5% under the terms of the Treaty for corporate US Holders holding 10% or more of our voting shares, and to 15% for other US Holders. While this will, subject to the application of Article 23 of the Treaty, generally entitle US Holders to claim a partial refund of DWT from the Irish Revenue Commissioners, US Holders will, in most circumstances, likely prefer to seek a full refund of DWT under Irish domestic legislation (see above).

Disposals of Ordinary Shares or ADSs

Irish Holders that acquire ordinary shares or ADSs will generally be considered, for Irish tax purposes, to have acquired their ordinary shares or ADSs at a base cost equal to the amount paid for the ordinary shares or ADSs. On subsequent dispositions, ordinary shares or ADSs acquired at an earlier time will generally be deemed, for Irish tax purposes, to be disposed of on a first in first out basis before ordinary shares or ADSs acquired at a later time. Irish Holders that dispose of their ordinary shares or ADSs will be subject to Irish capital gains tax (CGT) to the extent that the proceeds realised from such disposition exceed the indexed base cost of the ordinary shares or ADSs disposed of and any incidental expenses. The current rate of CGT is 25% and this applies to disposals made on or after 8 April 2009. Indexation of the base cost of the ordinary shares or ADSs will only be available up to 31 December 2002, and only in respect of ordinary shares or ADSs held for more than 12 months prior to their disposal.

Irish Holders that have unutilised capital losses from other sources in the current, or any previous tax year, can generally apply such losses to reduce gains realised on the disposal of the ordinary shares or ADSs.

An annual exemption allows individuals to realise chargeable gains of up to 1,270 in each tax year without giving rise to CGT. This exemption is specific to the individual and cannot be transferred between spouses. Irish Holders are required, under Ireland s self-assessment system, to file a tax return reporting any chargeable gains arising to them in a particular tax year.

Where disposal proceeds are received in a currency other than Euro they must be translated into amounts to calculate the amount of any chargeable gain or loss. Similarly, acquisition costs denominated in a currency other than Euro must be translated at the date of acquisition in Euro amounts.

Irish Holders that realise a loss on the disposal of ordinary shares or ADSs will generally be entitled to offset such allowable losses against capital gains realised from other sources in determining their CGT liability in a year. Allowable losses which remain unrelieved in a year may generally be carried forward indefinitely for CGT purposes and applied against capital gains in future years.

Transfers between spouses who live together will not give rise to any chargeable gain or loss for CGT purposes with the acquiring spouse acquiring the same pro rata base cost and acquisition date as that of the transferring spouse.

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US Holders will not be subject to Irish capital gains tax (CGT) on the disposal of ordinary shares or ADSs provided that such ordinary shares or ADSs are quoted on a stock exchange at the time of disposition. The stock exchange for this purpose is the Nasdaq National Market (NASDAQ). While it is our intention to continue the quotation of ADSs on NASDAQ, no assurances can be given in this regard.

If, for any reason, our ADSs cease to be quoted on NASDAQ, US Holders will not be subject to CGT on the disposal of their ordinary shares or ADSs provided that the ordinary shares or ADSs do not, at the time of the disposal, derive the greater part of their value from land, buildings, minerals, or mineral rights or exploration rights in Ireland.

A gift or inheritance of ordinary shares will be, or in the case of ADSs may be, within the charge to capital acquisitions tax, regardless of where the disponer or the donee/successor in relation to the gift/inheritance is domiciled, resident or ordinarily resident. Capital acquisitions tax is levied at a rate of 25% on the taxable value of the gift or inheritance above certain tax-free thresholds. This tax-free threshold is determined by the amount of the current benefit and of previous benefits, received within the group threshold since December 5, 1991, which are within the charge to the capital acquisitions tax and the relationship between the former holder and the successor. Gifts and inheritances between spouses are not subject to the capital acquisitions tax. Gifts of up to 3,000 can be received each year from any given individual without triggering a charge to capital acquisitions tax. Where a charge to Irish CGT and capital acquisitions tax arises on the same event, capital acquisitions tax payable on the event can be reduced by the amount of the CGT payable. There should be no clawback of the same event credit of CGT offset against capital acquisitions tax provided the donee/successor does not dispose of the ordinary shares or ADSs within two years from the date of gift/inheritance.

The Estate Tax Convention between Ireland and the United States generally provides for Irish capital acquisitions tax paid on inheritances in Ireland to be credited, in whole or in part, against tax payable in the United States, in the case where an inheritance of ordinary shares or ADSs is subject to both Irish capital acquisitions tax and US federal estate tax. The Estate Tax Convention does not apply to Irish capital acquisitions tax paid on gifts.

Irish stamp duty, which is a tax imposed on certain documents, is payable on all transfers of ordinary shares of an Irish registered company (other than transfers made between spouses, transfers made between 90% associated companies, or certain other exempt transfers) regardless of where the document of transfer is executed. Irish stamp duty is also payable on electronic transfers of ordinary shares. A transfer of ordinary shares made as part of a sale or gift will generally be stampable at the ad valorem rate of 1% of the value of the consideration received for the transfer, or, if higher, the market value of the shares transferred. Any instrument executed on or after 24 December 2008 which transfers stock or marketable securities on sale where the amount or value of the consideration is 1,000 or less may be exempt from stamp duty. To avail of the exemption the instrument must be certified in accordance with Revenue guidelines. Where the consideration for a sale is expressed in a currency other than Euro, the duty will be charged on the Euro equivalent calculated at the rate of exchange prevailing at the date of the transfer.

Transfers of ordinary shares where no beneficial interest passes (e.g. a transfer of shares from a beneficial owner to a nominee), will generally be exempt from stamp duty if the transfer form contains an appropriate certification.

Transfers of ADSs are exempt from Irish stamp duty as long as the ADSs are quoted on any recognised stock exchange in the US or Canada.

Transfers of ordinary shares from the Depositary or the Depositary s custodian upon surrender of ADSs for the purposes of withdrawing the underlying ordinary shares from the ADS system, and transfers of ordinary shares to the Depositary or the Depositary s custodian for the purposes of transferring ordinary shares onto the ADS system, will be stampable at the ad valorem rate of 1% of the value of the shares transferred if the transfer relates to a sale or contemplated sale or any other change in the beneficial ownership of ordinary shares. Such transfers will be exempt from Irish stamp duty if the transfer does not relate to or involve any change in the beneficial ownership in the underlying ordinary shares and the transfer form contains the appropriate certification.

The person accountable for the payment of stamp duty is the transferee or, in the case of a transfer by way of gift or for consideration less than the market value, both parties to the transfer. Stamp duty is normally payable within 30 days after the date of execution of the transfer. Late or inadequate payment of stamp duty will result in liability for interest, penalties and fines.

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Dividend Policy

Since its incorporation the Group has not declared or paid dividends on its A Ordinary Shares or B Ordinary Shares. In 2011 the Company announced that it intended to commence a dividend policy, to be paid once a year. In this regard, the Board of Directors has proposed a final dividend of 10 cent per ADR in respect of 2010 and this proposal will be submitted to shareholders for their approval at the next Annual General Meeting of the Company.

As provided in the Articles of Association of the Company, dividends or other distributions are declared and paid in US Dollars.

Documents on Display

This annual report and the exhibits thereto and any other document that we have to file pursuant to the Exchange Act may be inspected without charge and copied at prescribed rates at the Securities and Exchange Commission public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549; and on the Securities and Exchange Commission Internet site (http://www.sec.gov). You may obtain information on the operation of the Securities and Exchange Commission s public reference room in Washington, D.C. by calling the Securities and Exchange Commission at 1-800-SEC-0330 or by visiting the Securities and Exchange Commission s website at http://www.sec.gov, and may obtain copies of our filings from the public reference room by calling (202) 551-8090. The Exchange Act file number for our Securities and Exchange Commission filings is 000-22320.

Item 11

Qualitative and Quantitative Disclosures about Market Risk

Qualitative information about Market Risk

Trinity Biotech s treasury policy is to manage financial risks arising in relation to or as a result of underlying business needs. The activities of the treasury function, which does not operate as a profit centre, are carried out in accordance with board approved policies and are subject to regular internal review. These activities include the Group making use of spot and forward foreign exchange markets.

Trinity Biotech uses a range of financial instruments (including cash, bank borrowings, convertible notes, forward contracts, promissory notes and finance leases) to fund its operations. These instruments are used to manage the liquidity of the Group in a cost effective, low-risk manner. Working capital management is a key additional element in the effective management of overall liquidity. Trinity Biotech does not trade in financial instruments or derivatives.

The main risks arising from the utilisation of these financial instruments are interest rate risk, liquidity risk and foreign exchange risk.

Trinity Biotech s reported net income, net assets and gearing (net debt expressed as a percentage of shareholders equity) are all affected by movements in foreign exchange rates.

The Group borrows in US dollars. At December 31, 2010 Group borrowings were at fixed rates of interest. At December 31, 2009 Group borrowings were at both fixed and floating rates of interest. Year-end borrowings totalled US$273,000 (2009: US$31,856,000), (net of cash: surplus of US$57,729,000), (2009: deficit of US$25,778,000), at interest rates ranging from 5.02% to 5.29% (2009: 2.53% to 6.61%) see Item 18, note 27.

Year-end borrowings consist entirely of fixed rate debt of US$273,000 (2009: US$2,529,000) at interest rates ranging from 5.02% to 5.29% (2009: 6% to 6.61%). There was no floating rate debt at December 31, 2010 (2009: US$29,327,000 at an interest rate of 2.53%). In broad terms, a one-percentage point increase in interest rates would increase interest income by US$580,000 (2009: US$61,000) and would not affect the interest expense in 2010 (2009: US$295,000) resulting in an increase in interest income of US$580,000 (2009: increase in the charge of US$234,000).

Long-term borrowing requirements are met by funding in the US and Ireland. Short-term borrowing requirements are primarily drawn under committed bank facilities.

The majority of the Group s activities are conducted in US Dollars. The primary foreign exchange risk arises from the fluctuating value of the Group s Euro denominated expenses as a result of the movement in the exchange rate between the US Dollar and the Euro. Arising from this, where considered necessary, the Group pursues a treasury policy which aims to sell US Dollars forward to match a portion of its uncovered Euro expenses at exchange rates lower than budgeted exchange rates. These forward contracts are primarily cashflow hedging instruments whose objective is to cover a portion of these Euro forecasted transactions. These forward contracts normally have maturities of less than one year after the balance sheet date. There were no forward contracts in place at December 31,2010.

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The Group had foreign currency denominated cash balances equivalent to US$215,000 at December 31, 2010 (2009: US$518,000).

Quantitative information about Market Risk

Interest rate sensitivity

Trinity Biotech monitors its exposure to changes in interest and exchange rates by estimating the impact of possible changes on reported profit before tax and net worth. The Group accepts interest rate and currency risk as part of the overall risks of operating in different economies and seeks to manage these risks by following the policies set above.

Trinity Biotech estimates that the maximum effect of a rise of one percentage point in one of the principal interest rates to which the Group is exposed, without making any allowance for the potential impact of such a rise on exchange rates, would be an increase in the profit before tax for 2010 by approximately 0.9%.

The table below provides information about the Group s long term debt obligations. The table presents principal cash flows and related weighted average interest rates by expected maturity dates. Weighted average variable rates are based on rates set at the balance sheet date. The information is presented in US Dollars, which is Trinity Biotech s reporting currency.

Group									
Maturity							***After***		***Fair***
Before December 31		***2011***	***2012***	***2013***	***2014***	***2015***	***2015***	***Total***	***value***
Long-term debt									
Variable rate	US$000								
Average interest rate									
Fixed rate	US$000	162	111					273	273
Average interest rate		5.09%	5.06%					5.08%	5.08%

Exchange rate sensitivity

At year-end 2010, approximately 0.5% of the Group s US$141,287,000 net worth (shareholders equity) was denominated in currencies other than the US Dollar, principally the Euro.

A strengthening or weakening of the US Dollar by 10% against all the other currencies in which the Group operates, would have the approximate effect of reducing or increasing the Group s 2010 year-end net worth by US$71,000.

Item 12

Description of Securities Other than Equity Securities

Not applicable.

Part II

Item 13

Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14

Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

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Item 15

Control and Procedures

Evaluation of Disclosure Controls and Procedures

The Group s disclosure and control procedures are designed so that information required to be disclosed in reports filed or submitted under the Securities Exchange Act 1934 is prepared and reported on a timely basis and communicated to management, to allow timely decisions regarding required disclosure**.** Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(d) of the Securities Exchange Act of 1934 as of the end of the period covered by this Form 20-F. The Chief Executive Officer and Chief Financial Officer have concluded that disclosure controls and procedures were effective as of December 31, 2010.

In designing and evaluating our disclosure controls and procedures, our management, with the participation of the Chief Executive Officer and Chief Financial Officer, recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Group have been detected.

Management s Annual Report on Internal Control over Financial Reporting

The management of Trinity Biotech are responsible for establishing and maintaining adequate internal control over financial reporting. Trinity Biotech s internal control over financial reporting is a process designed under the supervision and with the participation of the principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and preparation of Trinity Biotech s financial statements for external reporting purposes in accordance with IFRS both as issued by the IASB and as subsequently adopted by the EU.

Trinity Biotech s internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with the authorization of management and the directors of Trinity Biotech; and provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of Trinity Biotech s assets that could have a material effect on our financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of the effectiveness of internal control to future periods are subject to the risk that controls may become inadequate because of changes in conditions, and that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of internal control over financial reporting based on criteria established in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that the Group s internal control over financial reporting was effective as of December 31, 2010.

Our independent auditor, Grant Thornton, a registered public accounting firm, has issued an attestation report on the Group s internal control over financial reporting as of December 31, 2010 (see Item 18).

Changes in Internal Controls over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during the period covered by this Form 20-F that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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Item 16

16A Audit Committee Financial Expert

Mr Peter Coyne is an independent director and a member of the Audit Committee.

Our board of directors has determined that Mr Peter Coyne meets the definition of an audit committee financial expert, as defined in Item 401 of Regulation S-K.

This determination is made on the basis that Mr Coyne is a Fellow of the Institute of Chartered Accountants in Ireland and was formerly a senior manager in Arthur Andersen s Corporate Financial Services practice. Mr Coyne is currently a director of AIB Corporate Finance, a subsidiary of AIB Group plc, the Irish banking group and has extensive experience in advising public and private groups on all aspects of corporate strategy.

16B Code of Ethics

Trinity Biotech has adopted a code of ethics that applies to the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and all organisation employees. Written copies of the code of ethics are available free of charge upon request. If we make any substantive amendments to the code of ethics or grant any waivers, including any implicit waiver, from a provision of these codes to our Chief Executive Officer, Chief Financial Officer or Chief Accounting Officer, we will disclose the nature of such amendment or waiver on our website.

16C Principal Accounting fees and services

Fees Billed by Independent Public Accountants

The following table sets forth, for each of the years indicated, the fees billed by our independent public accountants and the percentage of each of the fees out of the total amount billed by the accountants.

	Year ended December 31, 2010		*Year ended December 31, 2009*	
	US$ 000	*%*	*US$ 000*	*%*
Audit	694	95%	625	89%
Audit-related	8	1%	6	1%
Tax	32	4%	70	10%
Total	734		701	

Audit services include audit of our consolidated financial statements, as well as work only the independent auditors can reasonably be expected to provide, including statutory audits. Audit related services are for assurance and related services performed by the independent auditor, including due diligence related to acquisitions and any special procedures required to meet certain regulatory requirements. Tax fees consist of fees for professional services for tax compliance and tax advice.

Pre-Approval Policies and Procedures

Our Audit Committee has adopted policies and procedures for the pre-approval of audit and non-audit services rendered by our independent public accountants, Grant Thornton. The policy generally pre-approves certain specific services in the categories of audit services, audit-related services, and tax services up to specified amounts, and sets requirements for specific case-by-case pre-approval of discrete projects, those which may have a material effect on our operations or services over certain amounts.

Pre-approval may be given as part of the Audit Committee s approval of the scope of the engagement of our independent auditor or on an individual basis. The pre-approval of services may be delegated to one or more of the Audit Committee s members, but the decision must be presented to the full Audit Committee at its next scheduled meeting. The policy prohibits retention of the independent public accountants to perform the prohibited non-audit functions defined in Section 201 of the Sarbanes-Oxley Act or the rules of the SEC, and also considers whether proposed services are compatible with the independence of the public accountants.

16D Exemptions from the Listing Requirements and Standards for Audit Committee

Not applicable.

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16 E Purchase of Equity Securities by the Issuer and Affiliated Purchasers

The maximum number of shares that may yet be purchased under the Group share option plan by Trinity Biotech or on the Group s behalf at December 31, 2010 was 8,301,453 (2009: 8,201,758). No shares were purchased by Trinity Biotech or on our behalf or by any affiliated purchaser in 2010 or 2009. No shares were purchased as part of a publicly announced repurchase plan or program in 2010 or 2009.

Part III

Item 17

Financial Statements

The registrant has responded to Item 18 in lieu of responding to this item.

Item 18

Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Trinity Biotech plc

We have audited Trinity Biotech plc s internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Trinity Biotech s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Annual Report on Internal Control Over Financial Reporting, appearing under Item 15 in this Annual Report on Form 20-F. Our responsibility is to express an opinion on Trinity Biotech plc s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Trinity Biotech maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Trinity Biotech plc and subsidiaries, as of December 31, 2010 and 2009, and the related consolidated statements of operations and cash flows for each of the years in the three year period ended December 31, 2010 and our report dated April 14, 2011 expressed an unqualified opinion on those consolidated financial statements.

Grant Thornton
Dublin, Ireland
April 14, 2011

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Trinity Biotech plc

We have audited the accompanying consolidated balance sheets of Trinity Biotech plc and subsidiaries (the Company) as of December 31, 2010 and 2009 and the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for each of the years in the three year period ended December 31, 2010. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Trinity Biotech plc and subsidiaries as of December 31, 2010 and 2009 and the results of their operations and cash flows for each of the years in the three year period ended December 31, 2010, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Trinity Biotech plc s internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated April 14, 2011 expressed an unqualified opinion on the effective operation of internal control over financial reporting.

Grant Thornton

Dublin, Ireland

April 14, 2011

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CONSOLIDATED STATEMENTS OF OPERATIONS

		Year ended December, 31		
		2010	*2009*	*2008*
		Total	*Total*	*Total*
	Notes	*US$ 000*	*US$ 000*	*US$ 000*
Revenues	2	**89,635**	**125,907**	**140,139**
Cost of sales		**(45,690)**	**(68,891)**	**(77,645)**
Gross profit		**43,945**	**57,016**	**62,494**
Other operating income	5	1,616	437	1,173
Research and development expenses		**(4,603)**	**(7,341)**	**(7,544)**
Selling, general and administrative expenses		(26,929)	(36,013)	(47,816)
Selling, general and administrative impairment charges and restructuring expenses	28			(87,882)
Total selling, general and administrative expenses		**(26,929)**	**(36,013)**	**(135,698)**
Net gain on divestment of business and restructuring expenses	3	46,474		
Operating profit/(loss)		**60,503**	**14,099**	**(79,575)**
Financial income	2, 4	1,352	8	65
Financial expenses	2, 4	(495)	(1,192)	(2,160)
Net financing income/(costs)		**857**	**(1,184)**	**(2,095)**
Profit/(loss) before tax	6	**61,360**	**12,915**	**(81,670)**
Total income tax (expense)/credit	2, 9	(942)	(1,091)	3,892
Profit/(loss) for the year (all attributable to owners of the parent)	2	**60,418**	**11,824**	**(77,778)**
Basic earnings/(loss) per ordinary share (US Dollars)	10	0.71	0.14	(0.96)

Basic earnings/(loss) per B ordinary share (US Dollars)	10	1.43	0.28	(1.91)
Diluted earnings/(loss) per ordinary share (US Dollars)	10	0.70	0.14	(0.96)
Diluted earnings/(loss) per B ordinary share (US Dollars)	10	1.39	0.28	(1.91)
Basic earnings/(loss) per ADS (US Dollars)	10	2.85	0.57	(3.82)
Diluted earnings/(loss) per ADS (US Dollars)	10	2.79	0.57	(3.82)

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended December 31,		
	Notes	*2010* *US$ 000*	*2009* *US$ 000*	*2008* *US$ 000*
Profit/(loss) for the year	2	60,418	11,824	(77,778)
Other comprehensive income:				
Foreign exchange translation differences		(750)	215	(806)
Cash flow hedges:				
Effective portion of changes in fair value		70	(31)	(252)
Deferred tax on income and expenses recognised directly in equity		6	3	26
Other comprehensive income		(674)	187	(1,032)
Total Comprehensive Income (all attributable to owners of the parent)		59,744	12,011	(78,810)

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CONSOLIDATED BALANCE SHEETS

	Notes	*December 31, 2010* *US$ 000*	*December 31, 2009* *US$ 000*
ASSETS			
Non-current assets			
Property, plant and equipment	11	5,999	12,174
Goodwill and intangible assets	12	37,248	44,822
Deferred tax assets	13	4,680	5,801
Other assets	14	11,623	1,212
Total non-current assets		59,550	64,009
Current assets			
Inventories	15	17,576	39,198
Trade and other receivables	16	25,529	22,931
Income tax receivable		217	229
Cash and cash equivalents	17	58,002	6,078
Total current assets		101,324	68,436
TOTAL ASSETS	2	160,874	132,445
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent			
Share capital		1,092	1,080
Share premium		161,599	160,683
Accumulated deficit		(25,412)	(87,070)
Translation reserve		(544)	206
Other reserves		4,552	4,445
Total equity		141,287	79,344
Current liabilities			
Interest-bearing loans and borrowings	20	162	12,625
Derivative financial instruments	27		58
Income tax payable		597	24
Trade and other payables	21	11,447	12,844
Provisions	22	50	50
Total current liabilities		12,256	25,601
Non-current liabilities			

Interest-bearing loans and borrowings	20	111	19,231
Other payables	23	30	59
Deferred tax liabilities	13	7,190	8,210
Total non-current liabilities		7,331	27,500
TOTAL LIABILITIES	2	19,587	53,101
TOTAL EQUITY AND LIABILITIES		160,874	132,445

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STATEMENT OF CHANGES IN EQUITY

	Share capital A ordinary shares US$ 000	*Share capital B ordinary shares US$ 000*	*Share premium US$ 000*	*Translation reserve US$ 000*	*Warrant reserve US$ 000*	*Hedging reserves US$ 000*	*(Accumulated deficit)/ retained earnings US$ 000*	*Total US$ 000*
Balance at January 1, 2008	979	12	153,961	797	3,803	201	(22,908)	136,845
Total comprehensive income				(806)		(226)	(77,778)	(78,810)
Share-based payments							1,193	1,193
Options exercised								
Class A shares issued in private placement	79		7,037					7,116
Share issue expenses			(439)					(439)
Fair Value of Warrants issued during the year			(695)		695			
Balance at December 31, 2008	1,058	12	159,864	(9)	4,498	(25)	(99,493)	65,905
Balance at January 1, 2009	1,058	12	159,864	(9)	4,498	(25)	(99,493)	65,905
Total comprehensive income				215		(28)	11,824	12,011
Share-based payments							599	599
Options exercised	10		887					897
Share issue expenses			(68)					(68)
Balance at December 31, 2009	1,068	12	160,683	206	4,498	(53)	(87,070)	79,344
Balance at January 1, 2010	1,068	12	160,683	206	4,498	(53)	(87,070)	79,344
Total comprehensive				(750)		76	60,418	59,744

income								
Share-based payments							1,240	1,240
Options exercised	12		1,011					1,023
Share issue expenses			(64)					(64)
Fair Value of Warrants issued during the year			(31)		31			
Balance at December 31, 2010	1,080	12	161,599	(544)	4,529	23	(25,412)	141,287

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CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended December 31,		
		2010	*2009*	*2008*
	Notes	*US$ 000*	*US$ 000*	*US$ 000*
Cash flows from operating activities				
Profit/(loss) for the year		60,418	11,824	(77,778)
Adjustments to reconcile net profit to cash provided by operating activities:				
Depreciation		1,230	1,786	4,425
Amortisation		1,589	1,959	3,616
Income tax expense/(credit)		942	1,091	(3,892)
Financial income		(1,352)	(8)	(65)
Financial expense		495	1,192	2,160
Share-based payments		1,109	521	1,166
Foreign exchange losses on operating cash flows		351	109	77
Loss/(profit) on disposal / retirement of property, plant and equipment		12	66	(682)
Impairment of assets	28			85,793
Gain on divestment of business	3	(46,775)		
Other non-cash items		3,112	1,158	871
Operating cash flows before changes in working capital		**21,131**	**19,698**	**15,691**
Decrease/(increase) in trade and other receivables		3,094	3,872	(4,131)
(Increase)/decrease in inventories		(2,826)	2,372	2,062
Increase/(decrease) in trade and other payables		1,574	(10,409)	(676)
Cash generated from operations		**22,973**	**15,533**	**12,946**
Interest paid		(503)	(883)	(2,639)
Interest received		842	12	63
Income taxes (paid)/received		(239)	70	359
Net cash generated by operating activities		**23,073**	**14,732**	**10,729**
Cash flows from investing activities				
Proceeds from divestiture of coagulation business (net)		65,886		
Deferred consideration to acquire subsidiaries and businesses				(2,802)
Payments to acquire intangible assets		(6,233)	(8,103)	(8,981)
Proceeds from disposal of property, plant and equipment		16	249	808
Acquisition of property, plant and equipment		(2,784)	(2,481)	(3,713)
Net cash generated by/(used in) investing activities		**56,885**	**(10,335)**	**(14,688)**
Cash flows from financing activities				
Proceeds from issue of ordinary share capital		1,023	897	7,116
Proceeds from borrowings, long-term debt			307	
Expenses paid in connection with share issue and debt financing		(74)	(68)	(624)

Repayment of long-term debt		(29,775)	(5,400)	(5,224)
Proceeds from new finance leases		1,480	1,298	
Payment of finance lease liabilities		(638)	(546)	(787)
Net cash (used in)/generated by financing activities		**(27,984)**	**(3,512)**	**481**
Increase/(decrease) in cash and cash equivalents		51,974	885	(3,478)
Effects of exchange rate movements on cash held		(50)	9	(38)
Cash and cash equivalents at beginning of year		6,078	5,184	8,700
Cash and cash equivalents at end of year	17	**58,002**	**6,078**	**5,184**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by Trinity Biotech plc and its subsidiaries (the Group) are as follows:

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) both as issued by the International Accounting Standards Board (IASB) and as subsequently adopted by the European Union (EU) (together IFRS). The IFRS applied are those effective for accounting periods beginning on or after 1 January 2010. Consolidated financial statements are required by Irish law to comply with IFRS as adopted by the EU which differ in certain respects from IFRS as issued by the IASB. These differences predominantly relate to the timing of adoption of new standards by the EU. However, as none of the differences are relevant in the context of Trinity Biotech, the consolidated financial statements for the periods presented comply with IFRS both as issued by the IASB and as adopted by the EU.

b) Basis of preparation

The consolidated financial statements have been prepared in United States Dollars (US$), rounded to the nearest thousand, under the historical cost basis of accounting, except for derivative financial instruments and share-based payments which are initially recorded at fair value. Derivatives are also subsequently carried at fair value.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and amounts reported in the financial statements and accompanying notes. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 30.

Having considered the Group s current financial position, its cashflow projections, its existing bank debt facility and other potential sources of funding available to the Group, the directors believe that the Group will be able to continue in operational existence for at least the next 12 months from the date of approval of these consolidated financial statements and that it is appropriate to continue to prepare the consolidated financial statements on a going concern basis.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The accounting policies have been applied consistently by all Group entities.

c) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and reporting policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and any unrealised gains or losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any impairment losses (see note 1(h)). The cost of self-constructed assets includes the cost of materials, direct labour and attributable overheads. It is not Group policy to revalue any items of property, plant and equipment.

Depreciation is charged to the statement of operations on a straight-line basis to write-off the cost of the assets over their expected useful lives as follows:

Leasehold improvements	5-15 years
Office equipment and fittings	10 years
Buildings	50 years
Computer equipment	3-5 years
Plant and equipment	5-15 years

Land is not depreciated. The residual values, if not insignificant, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted if appropriate, at each balance sheet date.

Leased assets as lessee

Leases under terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and present value of the minimum lease payments at inception of the lease, less accumulated depreciation and any impairment losses.

Depreciation is calculated in order to write-off the amounts capitalised over the estimated useful lives of the assets, or the lease term if shorter, by equal annual instalments. The excess of the total rentals under a lease over the amount capitalised is treated as interest, which is charged to the statement of operations in proportion to the amount outstanding under the lease. Leased assets are reviewed for impairment (see note 1(h)).
Leases other than finance leases are classified as operating leases , and the rentals thereunder are charged to the statement of operations on a straight-line basis over the period of the leases. Lease incentives are recognised in the statement of operations on a straight-line basis over the lease term.

Leased assets as lessor

Leases where the Group substantially transfers the risks and benefits of ownership of the asset to the customer are classified as finance leases within finance lease receivables. The Group recognises the amount receivable from assets leased under finance leases at an amount equal to the net investment in the lease. Finance lease income is recognised as revenue in the statement of operations reflecting a constant periodic rate of return on the Group s net investment in the lease.

Assets provided to customers under leases other than finance leases are classified as operating leases and carried in property, plant and equipment at cost and are depreciated on a straight-line basis over the useful life of the asset or the lease term, if shorter.

Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the replaced item can be measured reliably. All other costs are recognised in the statement of operations as an expense as incurred.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Business combinations

All business combinations are accounted for by applying the acquisition method.

The revised standard on business combinations (IFRS 3R) introduced major changes to the accounting requirements for business combinations. It retains the major features of the purchase method of accounting, now referred to as the acquisition method. The most significant changes in IFRS 3R that impact the Group are as follows:

- acquisition-related costs of the combination are recorded as an expense in the income statement. Previously, these costs would have been accounted for as part of the cost of the acquisition
- any contingent consideration is measured at fair value at the acquisition date. If the contingent consideration arrangement gives rise to a financial liability, any subsequent changes are generally recognised in profit or loss. Previously, contingent consideration was recognised only once its payment was probable and changes were recognised as an adjustment to goodwill
- the measurement of assets acquired and liabilities assumed at their acquisition-date fair values is retained. However, IFRS 3R includes certain exceptions and provides specific measurement rules.

IFRS 3R has been applied prospectively to business combinations for which the acquisition date is on or after 1 January 2010. Business combinations for which the acquisition date is before 1 January 2010 have not been restated and were accounted for by applying the purchase method.

f) Goodwill

In respect of business combinations that have occurred since January 1, 2004 (being the transition date to IFRS), goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under the old basis of accounting, Irish GAAP, (Previous GAAP). Save for retrospective restatement of deferred tax as an adjustment to retained earnings in accordance with IAS 12, *Income Taxes,* the classification and accounting treatment of business combinations undertaken prior to the transition date were not reconsidered in preparing the Group s opening IFRS balance sheet as at January 1, 2004.

To the extent that the Group s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of a business combination, the identification and measurement of the related assets, liabilities and contingent liabilities are revisited accompanied by a reassessment of the cost of the transaction, and any remaining balance is immediately recognised in the statement of operations.

At the acquisition date, any goodwill is allocated to each of the cash generating units expected to benefit from the combination s synergies. Following initial recognition, goodwill is stated at cost less any accumulated impairment losses (see note 1(h)).

g) Intangibles, including research and development (other than goodwill)

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable (that is, capable of being divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability) or when it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

The technical feasibility of a new product is determined by a specific feasibility study undertaken at the first stage of any development project. The majority of our new product developments involve the transfer of existing product know-how to a new application. Since the technology is already proven in an existing product which is being used by customers, this facilitates the proving of the technical feasibility of that same technology in a new product. The results of the feasibility study are reviewed by a design review committee comprising senior

managers. The feasibility study occurs in the initial research phase of a project and costs in this phase are not capitalized.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The commercial feasibility of a new product is determined by preparing a discounted cash flow projection. This projection compares the discounted sales revenues for future periods with the relevant costs. As part of preparing the cash flow projection, the size of the relevant market is determined, feedback is sought from customers and the strength of the proposed new product is assessed against competitors offerings. Once the technical and commercial feasibility has been established and the project has been approved for commencement, the project moves into the development phase.

Intangible assets acquired as part of a business combination are capitalised separately from goodwill if the intangible asset meets the definition of an asset and the fair value can be reliably measured on initial recognition. Subsequent to initial recognition, these intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (note 1(h)). Definite lived intangible assets are reviewed for indicators of impairment annually while indefinite lived assets and those not yet brought into use are tested for impairment annually, either individually or at the cash generating unit level.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of operations as an expense as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development. The expenditure capitalised includes the cost of materials, direct labour and attributable overheads and third party costs. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other development expenditure is expensed as incurred. Subsequent to initial recognition, the capitalised development expenditure is carried at cost less any accumulated amortisation and any accumulated impairment losses (note 1(h)).

Expenditure on internally generated goodwill and brands is recognised in the statement of operations as an expense as incurred.

Amortisation

Amortisation is charged to the statement of operations on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Patents and licences	6-15 years
Capitalised development costs	15 years
Other (including acquired customer and supplier lists)	6-15 years

The Group uses a useful economic life of 15 years for capitalized development costs. This is a conservative estimate of the likely life of the products. The Group is confident that products have a minimum of 15 years life given the inertia that characterizes the medical diagnostics industry and the barriers to entry into the industry. The following factors have been considered in estimating the useful life of developed products:

(a) once a diagnostic test becomes established, customers are reluctant to change to new technology until it is fully proven, thus resulting in relatively long product life cycles. There is also reluctance in customers to change to a new product as it can be costly both in terms of the initial changeover cost and as new technology is typically more expensive.

(b) demand for the diagnostic tests is enduring and robust within a wide geographic base. The diseases that the products diagnose are widely prevalent (HIV, diabetes and Chlamydia being

just three examples) in many countries. There is a general consensus that these diseases will continue to be widely prevalent in the future.

(c) there are significant barriers to new entrants in this industry. Patents and/or licenses are in place for many of our products, though this is not the only barrier to entry. There is a significant cost and time to develop new products, it is necessary to obtain regulatory approval and tests are protected by proprietary know-how, manufacturing techniques and trade secrets.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certain trade names acquired are deemed to have an indefinite useful life.

Where amortisation is charged on assets with finite lives, this expense is taken to the statement of operations through the selling, general and administrative expenses line.

Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

h) Impairment

The carrying amount of the Group s assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset s recoverable amount (being the greater of fair value less costs to sell and value in use) is assessed at each balance sheet date.

Fair value less costs to sell is defined as the amount obtainable from the sale of an asset or cash-generating unit in an arm s length transaction between knowledgeable and willing parties, less the costs that would be incurred in disposal. Value in use is defined as the present value of the future cash flows expected to be derived through the continued use of an asset or cash-generating unit. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not yet been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. For an asset that does not generate largely independent cash flows, the recoverable amount is determined by reference to the cash generating unit to which the asset belongs.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date at the cash generating unit level. The goodwill and indefinite-lived assets were reviewed for impairment at December 31, 2008, December 31, 2009 and December 2010. See note 12.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of operations.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of other assets in the cash-generating units on a pro-rata basis.

An impairment loss is reversed only to the extent that the asset s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of goodwill is not reversed.

Following recognition of any impairment loss (and on recognition of an impairment loss reversal), the depreciation or amortisation charge applicable to the asset or cash generating unit is adjusted prospectively with the objective of systematically allocating the revised carrying amount, net of any residual value, over the remaining useful life.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle and includes all expenditure which has been incurred in bringing the products to their present location and condition, and includes an appropriate allocation of manufacturing overhead based on the normal level of operating capacity. Net realisable value is the estimated selling price of inventory on hand in the ordinary course of business less all further costs to completion and costs expected to be incurred in selling these products.

The Group provides for inventory, based on estimates of the expected realisability of the Group s inventory. The estimated realisability is evaluated on a case-by-case basis and any inventory that is approaching its use-by date and for which no further re-processing can be performed is written off. Any reversal of an inventory provision is recognised in the statement of operations in the year in which the reversal occurs.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses incurred. Cost approximates fair value given the short dated nature of these assets.

k) Trade and other payables

Trade and other payables are stated at cost. Cost approximates fair value given the short dated nature of these liabilities.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with a maturity of six months or less. The Group has no short-term bank overdraft facilities. Where restrictions are imposed by third parties, such as lending institutions, on cash balances held by the Group these are treated as financial assets in the financial statements.

m) Interest-bearing loans and borrowings

Loans and borrowings, including promissory notes

Under IFRS interest-bearing loans, borrowings and promissory notes are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the statement of operations over the period of the borrowings on an effective interest basis.

n) Share-based payments

For equity-settled share-based payments (share options), the Group measures the services received and the corresponding increase in equity at fair value at the measurement date (which is the grant date) using a trinomial model. Given that the share options granted do not vest until the completion of a specified period of service, the fair value, which is assessed at the grant date, is recognised on the basis that the services to be rendered by employees as consideration for the granting of share options will be received over the vesting period.

The share options issued by the Group are not subject to market-based vesting conditions as defined in IFRS 2, *Share-based Payment*. Non-market vesting conditions are not taken into account when estimating the fair value of share options as at the grant date; such conditions are taken into account through adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised equates to the number of equity instruments that actually vest. The expense in the statement of operations in relation to share options represents the product of the total number of options anticipated to vest and the fair value of those options; this amount is allocated to accounting periods on a straight-line basis over the vesting period. Given that the performance conditions underlying the Group s share options are non-market in nature, the cumulative charge to the statement of operations is only reversed where the performance condition is not met or where an employee in receipt of share options relinquishes service prior to completion of the expected vesting period. Share based payments, to the extent they relate to direct labour involved in development activities, are capitalised, see 1(g).

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The Group does not operate any cash-settled share-based payment schemes or share-based payment transactions with cash alternatives as defined in IFRS 2.

o) Government grants

Grants that compensate the Group for expenses incurred such as research and development, employment and training are recognised as revenue or income in the statement of operations on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the statement of operations as other operating income on a systematic basis over the useful life of the asset.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Revenue recognition

Goods sold and services rendered

Revenue from the sale of goods is recognised in the statement of operations when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from products is generally recorded as of the date of shipment, consistent with our typical ex-works shipment terms. Where the shipment terms do not permit revenue to be recognised as of the date of shipment, revenue is recognised when the Group has satisfied all of its obligations to the customer in accordance with the shipping terms. Revenue, including any amounts invoiced for shipping and handling costs, represents the value of goods supplied to external customers, net of discounts and excluding sales taxes.

Revenue from services rendered is recognised in the statement of operations in proportion to the stage of completion of the transaction at the balance sheet date.

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Group, that the risks and rewards of ownership have passed to the buyer and the revenue can be measured. No revenue is recognised if there is uncertainty regarding recovery of the consideration due at the outset of the transaction or the possible return of goods.

The Group leases instruments under operating and finance leases as part of its business. In cases where the risks and rewards of ownership of the instrument pass to the customer, the fair value of the instrument is recognised as revenue at the commencement of the lease and is matched by the related cost of sale. In the case of operating leases of instruments which typically involve commitments by the customer to pay a fee per test run on the instruments, revenue is recognised on the basis of customer usage of the instruments. See also note 1(d).

Other operating income

Rental income from sub-leasing premises under operating leases, where the risks and rewards of the premises remain with the lessor, is recognised in the statement of operations as other operating income on a straight-line basis over the term of the lease.

Other operating income also comprises income derived from the Transitional Services Agreement (TSA) which the Group entered into with Diagnostica Stago in 2010. The services provided by the Group under the TSA mainly include: accounting, information technology and logistics support and warehousing services. This income is not treated as revenue since the TSA activities are incidental to the main revenue-generating activities of the Group.

q) Employee benefits

Defined contribution plans

The Group operates defined contribution schemes in various locations where its subsidiaries are based. Contributions to the defined contribution schemes are recognised in the statement of operations in the period in which the related service is received from the employee.

Other long-term benefits

Where employees participate in the Group s other long-term benefit schemes (such as permanent health insurance schemes under which the scheme insures the employees), or where the Group contributes to insurance schemes for employees, the Group pays an annual fee to a service provider, and accordingly the Group expenses such payments as incurred.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Foreign currency

A majority of the revenue of the Group is generated in US dollars. The Group s management has determined that the US dollar is the primary currency of the economic environment in which the Company and its subsidiaries (with the exception of the Group s subsidiaries in Germany and Sweden) principally operate. Thus the functional currency of the Company and its subsidiaries (other than those subsidiaries in Germany and Sweden) is the US Dollar. The functional currency of the German and Swedish subsidiaries is the Euro and the Swedish Kroner, respectively. The presentation currency of the Company and Group is the US Dollar. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. The resulting gains and losses are included in the statement of operations. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Results and cash flows of subsidiary undertakings, which have a functional currency other than the US Dollar, are translated into US Dollars at average exchange rates for the year, and the related balance sheets have been translated at the rates of exchange ruling on the balance sheet date. Any exchange differences arising from the translations are recognised in the currency translation reserve via the statement of changes in equity.

Where Euro or Sterling amounts have been referenced in this document, their corresponding US Dollar equivalent has also been included and these equivalents have been calculated with reference to the foreign exchange rates prevailing at December 31, 2010.

s) Derivative financial instruments

The activities of the Group expose it primarily to changes in foreign exchange rates and interest rates. The Group uses derivative financial instruments, when necessary, such as forward foreign exchange contracts to hedge these exposures.

The Group enters into forward contracts to sell US Dollars forward for Euro. The principal exchange risk identified by the Group is with respect to fluctuations in the Euro as a substantial portion of its expenses are denominated in Euro but its revenues are primarily denominated in US Dollars. Trinity Biotech monitors its exposure to foreign currency movements and may use these forward contracts as cash flow hedging instruments whose objective is to cover a portion of this Euro expense.

At the inception of a hedging transaction entailing the use of derivatives, the Group documents the relationship between the hedged item and the hedging instrument together with its risk management objective and the strategy underlying the proposed transaction. The Group also documents its quarterly assessment of the effectiveness of the hedge in offsetting movements in the cash flows of the hedged items.

Derivative financial instruments are recognised at fair value. Where derivatives do not fulfil the criteria for hedge accounting, they are classified as held-for-trading and changes in fair values are reported in the statement of operations. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles and equates to the current market price at the balance sheet date. The portion of the gain or loss on a hedging instrument that is deemed to be an effective cash flow hedge is recognised directly in the hedging reserve in equity and the ineffective portion is recognised in the statement of operations. As the forward contracts are exercised the net cumulative gain or loss recognised in the hedging reserve is transferred to the statement of operations and reflected in the same line as the hedged item.

t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

u) Tax (current and deferred)

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of operations except to the extent that it relates to items recognised directly in equity, in which case it is

recognised in equity.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current tax represents the expected tax payable (or recoverable) on the taxable profit for the year using tax rates enacted or substantively enacted at the balance sheet date and taking into account any adjustments stemming from prior years.

Deferred tax is provided on the basis of the balance sheet liability method on all temporary differences at the balance sheet date which is defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are anticipated to apply in the period in which the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised when it is probable that future taxable profits will be available to utilize the associated losses or temporary differences. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

Deferred tax assets and liabilities are recognised for all temporary differences (that is, differences between the carrying amount of the asset or liability and its tax base) with the exception of the following:

i. Where the deferred tax liability arises from goodwill not deductible for tax purposes or the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit or loss at the time of the transaction; and
ii. Where, in respect of temporary differences associated with investments in subsidiary undertakings, the timing of the reversal of the temporary difference is subject to control and it is probable that the temporary difference will not reverse in the foreseeable future.

Where goodwill is tax deductible, a deferred tax liability is not recognised on initial recognition of goodwill. It is recognised subsequently for the taxable temporary difference which arises when the goodwill is amortised for tax with no corresponding adjustment to the carrying value of the goodwill.

The carrying amounts of deferred tax assets are subject to review at each balance sheet date and are derecognised to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilised.

v) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

w) Cost of sales

Cost of sales comprises product cost including manufacturing and payroll costs, quality control, shipping, handling, and packaging costs and the cost of services provided.

x) Finance income and costs

Financing expenses comprise costs payable on leases, loans and borrowings including promissory notes. Interest payable on loans and borrowings, promissory notes and convertible notes is calculated using the effective interest rate method. Interest payable on finance leases is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Financing expenses also includes the financing element of long term liabilities which have been discounted.

Finance income includes interest income on deposits and is recognised in the statement of operations as it accrues, using the effective interest method. Finance income also includes interest on the deferred consideration due to the Group as part of the divestiture of the Coagulation business in 2010.

y) Warrant reserve

The Group calculates the fair value of warrants at the date of issue taking the amount directly to equity. The fair value is calculated using a recognised valuation methodology for the valuation of financial instruments (that is, the trinomial model). The fair value which is assessed at the grant date is calculated on the basis of the contractual term of the warrants.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

z) New IFRS Standards and Interpretations not applied

The IASB and IFRIC have issued additional standards and interpretations which are effective for periods starting on or after January 1, 2010, some of which have not yet been adopted by the EU. The following standards and interpretations have yet to be adopted by the Group:

International Financial Reporting Standards (IFRS/IAS)		***Effective date***
IFRS 1	First-time Adoption of International Financial Reporting Standards Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	July 1, 2010 (not yet adopted by the EU)
IAS 24	Related Party Disclosures (Revised)	January 1, 2011 (not yet adopted by the EU)
IAS 32	Financial Instruments: Presentation Classification of Rights Issues (Amendment)	February 1, 2010 (not yet adopted by the EU)

International Financial Reporting Interpretations Committee (IFRIC)		
IFRIC 14	Prepayments of a Minimum Funding Requirement (Amendment)	January 1, 2011 (not yet adopted by the EU)
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010 (not yet adopted by the EU)

The Group does not anticipate that the adoption of these standards and interpretations will have a material effect on its financial statements on initial adoption.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

Annual Improvements 2010 (effective from 1 July 2010 and later)

The IASB has issued Improvements to IFRS 2010 (2010 Improvements). Most of these amendments become effective in annual periods beginning on or after 1 July 2010 or 1 January 2011. The 2010 Improvements amend certain provisions of IFRS 3R, clarify presentation of the reconciliation of each of the components of other comprehensive income and clarify certain disclosure requirements for financial instruments. The Group's preliminary assessments indicate that the 2010 Improvements will not have a material impact on the Group's financial statements.

IFRS 9 Financial Instruments (effective from 1 January 2013)

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety. The replacement standard (IFRS 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed.

Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Group. However, they do not expect to implement the amendments until all chapters of IFRS 9 have been

published and they can comprehensively assess the impact of all changes

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2. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Board of Directors. Management has determined the operating segments based on the reports reviewed by the Board of Directors, which are used to make strategic decisions. The Board considers the business from a geographic perspective based on the Group s management and internal reporting structure. Sales of product between companies in the Group are made on commercial terms which reflect the nature of the relationship between the relevant companies. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise interest-bearing loans, borrowings and expenses and corporate expenses. Segment capital expenditure is the total cost during the year to acquire segment plant, property and equipment and intangible assets that are expected to be used for more than one period, whether acquired on acquisition of a business combination or through acquisitions as part of the current operations.

The Group comprises two main geographical segments (i) the Americas and (ii) Rest of World. The Group s geographical segments are determined by the location of the Group s assets and operations. The Group has also presented a geographical analysis of the segmental data for Ireland as is consistent with the information used by the Board of Directors. The reportable operating segments derive their revenue primarily from one source (i.e. the market for diagnostic tests for a range of diseases and other medical conditions). In determining the nature of its segmentation, the Group has considered the nature of the products, their risks and rewards, the nature of the production base, the customer base and the nature of the regulatory environment. The Group acquires, manufactures and markets a range of diagnostic products. The Group s products are sold to a similar customer base and the main body whose regulation the Group s products must comply with is the Food and Drug Administration (FDA) in the US.

The following presents revenue and profit information and certain asset and liability information regarding the Group s geographical segments.

a) The distribution of revenue by geographical area based on location of assets was as follows:

Revenue

		Rest of World			
	Americas	*Ireland*	*Other*	*Eliminations*	*Total*
Year ended December 31, 2010	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*
Revenue from external customers	37,643	45,642	6,350		89,635
Inter-segment revenue	21,786	12,154	7,101	(41,041)	
Total revenue	59,429	57,796	13,451	(41,041)	89,635

		Rest of World			
	Americas	*Ireland*	*Other*	*Eliminations*	*Total*
Year ended December 31, 2009	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*
Revenue from external customers	46,286	65,529	14,092		125,907
Inter-segment revenue	25,527	20,843	9,588	(55,958)	

Total revenue	71,813	86,372	23,680	(55,958)	125,907

		Rest of World			
	Americas	*Ireland*	*Other*	*Eliminations*	*Total*
Year ended December 31, 2008	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*
Revenue from external customers	48,615	72,676	18,848		140,139
Inter-segment revenue	28,345	22,248	12,435	(63,028)	
Total revenue	76,960	94,924	31,283	(63,028)	140,139

b) The distribution of revenue by customers geographical area was as follows:

	December 31, 2010	*December 31, 2009*	*December 31, 2008*
Revenue	*US$ 000*	*US$ 000*	*US$ 000*
Americas	53,993	68,130	69,915
Europe (including Ireland) *	15,890	32,389	43,481
Asia / Africa	19,752	25,388	26,743
	89,635	125,907	140,139

* Revenue for customers in Ireland is not disclosed separately due to the immateriality of these revenues.

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2. SEGMENT INFORMATION (CONTINUED)

c) The distribution of revenue by major product group was as follows:

Revenue	*December 31, 2010* *US$ 000*	*December 31, 2009* *US$ 000*	*December 31, 2008* *US$ 000*
Clinical laboratory	73,553	107,778	121,143
Point of care	16,082	18,129	18,996
	89,635	125,907	140,139

d) The distribution of segment results by geographical area was as follows:

Year ended December 31, 2010

		Rest of World		
	Americas *US$ 000*	*Ireland* *US$ 000*	*Other* *US$ 000*	*Total* *US$ 000*
Result before Gain on Sale and Restructuring	7,103	4,912	2,600	14,615
Net gain on divestment of business and restructuring expenses (note 3)	5,745	32,918	7,811	46,474
Result after Gain on Sale and Restructuring	12,848	37,830	10,411	61,089
Unallocated expenses *				(586)
Operating profit				60,503
Net financing income (note 4)				857
Profit before tax				61,360
Income tax expense (note 9)				(942)
Profit for the year				60,418

Year ended December 31, 2009

		Rest of World		
	Americas *US$ 000*	*Ireland* *US$ 000*	*Other* *US$ 000*	*Total* *US$ 000*
Result	9,073	7,004	(1,211)	14,866
Unallocated expenses *				(767)
Operating profit				14,099
Net financing costs (note 4)				(1,184)
Profit before tax				12,915
Income tax expense (note 9)				(1,091)

Profit for the year	11,824

Year ended December 31, 2008

		Rest of World		
	Americas	*Ireland*	*Other*	*Total*
	US$ 000	*US$ 000*	*US$ 000*	*US$ 000*
Result before exceptional expenses	807	10,848	(2,391)	9,264
Impairment expense (note 28)	(17,645)	(66,152)	(1,996)	(85,793)
Restructuring expenses (note 28)	(185)	(1,904)		(2,089)
Result after exceptional expenses	(17,023)	(57,208)	(4,387)	(78,618)
Unallocated expenses *				(957)
Operating loss				(79,575)
Net financing costs (note 4)				(2,095)
Loss before tax				(81,670)
Income tax credit (note 9)				3,892
Loss for the year				(77,778)

* Unallocated expenses represent head office general and administration costs of the Group which cannot be allocated to the results of any specific geographical area.

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2. SEGMENT INFORMATION (CONTINUED)

e) The distribution of segment assets and segment liabilities by geographical area was as follows:

As at December 31, 2010

		Rest of World		
	Americas	*Ireland*	*Other*	*Total*
	US$ 000	*US$ 000*	*US$ 000*	*US$ 000*
Assets and liabilities				
Segment assets	36,726	61,249		97,975
Unallocated assets:				
Income tax assets (current and deferred)				4,897
Cash and cash equivalents				58,002
Total assets as reported in the Group balance sheet				160,874
Segment liabilities	2,315	9,212		11,527
Unallocated liabilities:				
Income tax liabilities (current and deferred)				7,787
Interest-bearing loans and borrowings (current and non-current)				273
Total liabilities as reported in the Group balance sheet				19,587

As at December 31, 2009

		Rest of World		
	Americas	*Ireland*	*Other*	*Total*
	US$ 000	*US$ 000*	*US$ 000*	*US$ 000*
Assets and liabilities				
Segment assets	37,355	65,693	17,289	120,337
Unallocated assets:				
Income tax assets (current and deferred)				6,030
Cash and cash equivalents				6,078
Total assets as reported in the Group balance sheet				132,445
Segment liabilities	2,695	7,749	2,567	13,011
Unallocated liabilities:				
Income tax liabilities (current and deferred)				8,234
Interest-bearing loans and borrowings (current and non-current)				31,856
Total liabilities as reported in the Group balance sheet				53,101

f) The distribution of long-lived assets, which are property, plant and equipment, goodwill and intangible assets and other non-current assets (excluding deferred tax assets and deferred consideration), by geographical area was as follows:

		December 31, 2010 *US$ 000*	*December 31, 2009* *US$ 000*
Rest of World	Ireland	27,433	38,756
Rest of World	Other		6,815
Americas		16,299	12,637
		43,732	58,208

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. SEGMENT INFORMATION (CONTINUED)

g) The distribution of depreciation and amortisation by geographical area was as follows:

		December 31, 2010 US$ 000	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
Depreciation:				
Rest of World	Ireland	276	325	1,799
Rest of World	Other	296	900	1,149
Americas		658	561	1,477
		1,230	1,786	4,425
Amortisation:				
Rest of World	Ireland	1,475	1,712	3,113
Rest of World	Other	55	169	206
Americas		59	78	297
		1,589	1,959	3,616

h) The distribution of share-based payment expense by geographical area was as follows:

		December 31, 2010 US$ 000	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
Rest of World	Ireland	1,032	470	996
Rest of World	Other	1	17	38
Americas		76	34	132
		1,109	521	1,166

See note 19 for further information on share-based payments.

i) The distribution of impairment & restructuring expenses by geographical area was as follows:

		December 31, 2010 US$ 000	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
Impairment:				
Rest of World	Ireland			66,152
Rest of World	Other			1,996
Americas				17,645
				85,793
Restructuring expenses:				

Rest of World	Ireland	301	1,904
Rest of World	Other Americas		185
		301	2,089

The 2010 restructuring expenses were incurred in connection with a programme involving a re-organisation of the Group s HIV manufacturing activities and comprised termination payments for employees located in Ireland. This restructuring cost is included within Net gain on divestment of business and restructuring expenses, on the face of the income statement.

Asset impairments arose as a result of the annual impairment review which was performed on 31 December 2008 (see note 28).

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DECEMBER 31, 2010

2. SEGMENT INFORMATION (CONTINUED)

The Board of Directors announced a restructuring of the business in December 2008, which resulted in certain one-off expenditure being incurred. These termination payments and other restructuring costs resulted in an after tax charge of US$1.9 million (see note 28).

j) The distribution of interest income and interest expense by geographical area was as follows:

		Rest of World			
Interest Income	*Americas*	*Ireland*	*Other*	*Eliminations*	*Total*
Year ended December 31, 2010	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*
Interest Income Earned		910			910
Interest on Deferred Consideration	98	344			442
Inter-segment Interest Income		428		(428)	
Total revenue	98	1,682		(428)	1,352

		Rest of World			
Interest Expense	*Americas*	*Ireland*	*Other*	*Eliminations*	*Total*
Year ended December 31, 2010	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*
Interest Expense	85	410			495
Inter-segment Interest Expense	73	355		(428)	
Total revenue	158	765		(428)	495

		Rest of World			
Interest Income	*Americas*	*Ireland*	*Other*	*Eliminations*	*Total*
Year ended December 31, 2009	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*
Interest Income Earned		6	2		8
Inter-segment Interest Income		1,157		(1,157)	
Total revenue		1,163	2	(1,157)	8

		Rest of World			
Interest Expense	*Americas*	*Ireland*	*Other*	*Eliminations*	*Total*
Year ended December 31, 2009	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*
Interest Expense	11	1,178	3		1,192
Inter-segment Interest Expense	184	973		(1,157)	
Total revenue	195	2,151	3	(1,157)	1,192

		Rest of World			
Interest Income	*Americas*	*Ireland*	*Other*	*Eliminations*	*Total*
Year ended December 31, 2008	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*
Interest Income Earned	1	62	2		65
Inter-segment Interest Income		2,038		(2,038)	
Total revenue	1	2,100	2	(2,038)	65

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DECEMBER 31, 2010

2. SEGMENT INFORMATION (CONTINUED)

		Rest of World			
Interest Expense	*Americas*	*Ireland*	*Other*	*Eliminations*	*Total*
Year ended December 31, 2008	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*
Interest Expense	5	2,147	8		2,160
Inter-segment Interest Expense	330	1,708		(2,038)	
Total revenue	335	3,855	8	(2,038)	2,160

k) The distribution of taxation (expense)/credit by geographical area was as follows:

		December 31, 2010	*December 31, 2009*	*December 31, 2008*
		US$ 000	*US$ 000*	*US$ 000*
Rest of World	Ireland	591	(1,023)	3,716
Rest of World	Other	(815)	200	9
Americas		(718)	(268)	167
		(942)	(1,091)	3,892

l) During 2010, 2009 and 2008 there were no customers generating 10% or more of total revenues.

m) The distribution of capital expenditure by geographical area was as follows:

		December 31, 2010	*December 31, 2009*
		US$ 000	*US$ 000*
Rest of World	Ireland	4,077	6,816
Rest of World	Other	598	670
Americas		3,923	3,071
		8,598	10,557

3. NET GAIN ON DIVESTMENT OF BUSINESS AND RESTRUCTURING EXPENSES

In May 2010, the Group sold its worldwide Coagulation business to Diagnostica Stago for US$89.9 million. Diagnostica Stago purchased the share capital of Trinity Biotech (UK Sales) Limited, Trinity Biotech GmbH and Trinity Biotech S.à.r.l, along with Coagulation assets of Biopool US Inc. and Trinity Biotech Manufacturing Limited. As part of the sale, the Group also transferred the leasing arrangements of one of its facilities in Bray, Ireland to Diagnostica Stago. Included in the sale are Trinity s lists of coagulation customers and suppliers, all coagulation inventory, intellectual property and developed technology.

The Group received consideration of US$67.4 million and interest on deferred consideration of US$1.0 million in 2010. These proceeds were used in part to repay the Group's bank loans in 2010 and accordingly there were no bank loans outstanding at December 31, 2010. A further US$11.25 million will be received from Diagnostica Stago in May 2011 (see note 16) and the remaining US$11.25 million will be received in May 2012 (see note 14). These amounts are recognised net of deferred interest. No conditions or earnout provisions will apply to this deferred element of the consideration, which is supported by a bank guarantee.

IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) outlines the disclosures required for a discontinued operation. However, the coagulation business falls outside of these criteria, principally owing to the fact that it is not defined as a component of the Group. A component is defined by IFRS 5 as operations and cashflows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. The Group has determined that neither the operations nor the cashflows of the coagulation business could be clearly distinguished, operationally or from a financial reporting viewpoint and therefore, on that basis, the coagulation business does not meet the definition of a discontinued operation.

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3. NET GAIN ON DIVESTMENT OF BUSINESS AND RESTRUCTURING EXPENSES (CONTINUED)

Accordingly, the Group has disclosed the Gain on Sale under the heading Net gain on divestment of business and restructuring expenses in the income statement, where it is shown net of termination expenses of US$301,000 (see note 7). The Gain on divestment is also shown separately within the Segment Information note as required by IFRS 8 (Operating Segments) where appropriate (see note 2).

The gain on the divestment is summarised below according to the assets and liabilities which were divested in May 2010 as part of the sale. The assets and liabilities divested have been cross-referenced throughout this document in order to provide a clearer understanding of the movements which have occurred in the current financial year. The effect of the divestment is summarised as follows:

	2010 US$ 000	**2010 US$ 000**
Total Consideration		**89,923**
Property, plant and equipment (net book value)	**6,775**	
Goodwill and intangible assets	**12,270**	
Deferred tax assets	**123**	
Inventories (net)	**21,528**	
Trade and other receivables	**6,211**	
Cash and cash equivalents	**427**	
Interest bearing loans and borrowings	**(2,825)**	
Income tax payable	**(70)**	
Trade and other payables	**(3,463)**	
Deferred Tax Liabilities	**(183)**	
Net identifiable assets disposed	**40,793**	**(40,793)**
Other Costs associated with the Divestiture of Coagulation		**(2,355)**
Net gain on divestment of business		**46,775**
Restructuring Expenses*		**(301)**
Net gain on divestment of business and restructuring expenses		**46,474**

* The Restructuring Expenses relate to termination payments resulting from a restructuring programme announced in 2010 (see note 7).

4. FINANCIAL INCOME AND EXPENSES

	Note	*December 31, 2010 US$ 000*	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
Financial income:				
Interest income		910	8	65
Other interest income		442		
		1,352	8	65
Financial expense:				
Finance lease interest		(67)	(135)	(123)

Interest payable on interest bearing loans and borrowings	*20*	(425)	(1,053)	(1,912)
Other interest expense		(3)	(4)	(125)
		(495)	(1,192)	(2,160)
Net Financing Income/(expense)		857	(1,184)	(2,095)

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4. FINANCIAL INCOME AND EXPENSES (CONTINUED)

Other interest income recognised in 2010 is entirely comprised of interest income relating to the deferred consideration of US$22,500,000 due to the Company as a result of the sale of the Coagulation product line in 2010. For further information, see Note 3.

Other interest expense recognised in 2008 mainly comprises an interest expense arising from the discounting of the deferred consideration payable to bioMerieux, resulting from the acquisition of the Coagulation business during 2006, to reflect the present value of this additional consideration.

5. OTHER OPERATING INCOME

	December 31, 2010 US$ 000	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
Rental income from premises	213	222	237
Employment / training grants	(50)	215	936
Other income	1,453		
	1,616	437	1,173

As part of the divestiture of the Coagulation business in May 2010, the Group entered into a Transitional Services Agreement (TSA) with Diagnostica Stago. The services provided by the Group to Stago under the TSA comprise mainly: accounting; information technology and logistics support and warehousing services.

Other income therefore, mainly comprises income recognised under the TSA. This income has not been treated as revenue since the TSA activities are incidental to the main revenue-generating activities of the Group.

6. PROFIT/(LOSS) BEFORE TAX

The following amounts were charged / (credited) to the statement of operations:

	December 31, 2010 US$ 000	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
Directors emoluments (including non-executive directors):			
Remuneration	2,082	1,271	1,617
Pension	127	105	241
Share based payments	592	422	776
Compensation for loss of office			1,283
Other	39		44
Auditors remuneration			
Audit fees	628	764	809
Non audit fees	31	21	31
Depreciation leased assets	84	87	372
Depreciation owned assets	1,146	1,699	4,053
Amortisation	1,589	1,959	3,616
Gain on divestiture of Coagulation business	46,775		
Loss/(profit) on the disposal of property, plant and equipment	12	66	(682)
Net foreign exchange differences	1,119	32	(224)

Operating lease rentals:			
Plant and machinery	5	15	31
Land and buildings	3,211	3,727	4,421
Other equipment	130	339	437

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7. PERSONNEL EXPENSES

	December 31, 2010 US$ 000	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
Wages and salaries	25,491	39,967	48,755
Social welfare costs	2,279	4,237	5,338
Pension costs	897	1,350	1,442
Share-based payments	1,109	521	1,166
	29,776	46,075	56,701

Personnel expenses are shown net of capitalisations. Total personnel expenses (wages and salaries, social welfare costs and pension costs), inclusive of amounts capitalised, for the year ended December 31, 2010 amounted to US$32,506,000 (2009: US$50,459,000) (2008: US$61,644,000). Total share based payments, inclusive of amounts capitalised in the balance sheet, amounted to US$1,240,000 for the year ended December 31, 2010 (2009: US$599,000) (2008: US$1,193,000). See note 19.

Included in personnel expenses for the year ended December 31, 2010 is US$301,000 which relates to termination payments resulting from a restructuring programme announced in 2010. This programme involved a re-organisation of the Group s HIV manufacturing activities and comprised termination payments for employees located in Ireland. This restructuring cost is included within Net gain on divestment of business and restructuring expenses, on the face of the income statement.

Included in personnel expenses for the year ended December 31, 2008 is US$589,000 which relates to termination payments resulting from the restructuring announced in December 2008 (see note 28).

The average number of persons employed by the Group in the financial year was 452 (2009: 676) (2008: 757) and is analysed into the following categories:

	December 31, 2010	*December 31, 2009*	*December 31, 2008*
Research and development	37	61	57
Administration and sales	130	189	261
Manufacturing and quality	285	426	439
	452	676	757

The reduction in average headcount is mainly due to the fact that 321 employees transferred to the acquirer of the Coagulation business (Diagnostica Stago) in May 2010. These employees have been included in the average headcount numbers on a pro-rata basis up to their date of departure.

8. PENSION SCHEMES

The Group operates defined contribution pension schemes for certain of its full time employees. The benefits under these schemes are financed by both Group and employee contributions. Total contributions made by the Group in the financial year and charged against income amounted to US$897,000 (2009: US$1,350,000) (2008: US$1,442,000) (note 7). The pension accrual for the Group at December 31, 2010 was US$228,000 (2009: US$309,000), (2008: US$332,000).

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9. INCOME TAX EXPENSE / (CREDIT)

(a) The charge for tax based on the profit / (loss) comprises:

	December 31, 2010 US$ 000	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
Current tax expense			
Corporation tax at 12.5%	629	75	58
Overseas tax (a)	356	46	35
Adjustment in respect of prior years (b)	(138)	(120)	(33)
Total current tax expense	847	1	60
Deferred tax expense / (credit) (c)			
Origination and reversal of temporary differences (see note 13)	380	1,354	(3,858)
Origination and reversal of net operating losses (see note 13)	(285)	(264)	(94)
Total deferred tax expense / (credit)	95	1,090	(3,952)
Total income tax charge / (credit) in income statement (d)	942	1,091	(3,892)

(a) The overseas tax charge in 2010, 2009 and 2008 relates primarily to US State Taxes.

(b) The credit in 2010 relates to the claim for Irish Research and Development Tax Credits (R&D tax credits) in respect of the year ended December 31, 2009. The credit in 2009 arises in respect of the finalisation of a claim for Irish Research and Development Tax Credits in respect of the year ended December 31, 2008 and the refund of US state taxes. The credit in 2008 relates primarily to the release of a provision for US State taxes at December 31, 2007 which was not considered to be required.

(c) In 2010 there was a deferred tax credit of US$1,093,000 (2009: US$1,015,000 charge; 2008: US$3,744,000 credit) recognised in respect of Ireland and a deferred tax charge of US$1,188,000 (2009: US$75,000 charge; 2008: US$208,000 credit) recognised in respect of overseas tax jurisdictions.

(d) In 2008 the impairment charge and restructuring charges had a significant impact on the income tax (credit)/charge in those financial years. The tax credit in 2008 includes a deferred tax credit of US$4,536,000 relating to the impairment and a deferred tax credit of US$215,000 relating to the restructuring (see note 28).

Effective tax rate	*December 31, 2010 US$ 000*	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
Profit/(loss) before taxation	61,360	12,915	(81,670)

As a percentage of profit/(loss) before tax:			
Current tax	1.38%	0.00%	0.07%
Total (current and deferred)	1.53%	8.45%	4.76%

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9. INCOME TAX EXPENSE / (CREDIT) (CONTINUED)

The following table reconciles the applicable Republic of Ireland statutory tax rate to the effective total tax rate for the Group:

	December 31, 2010	*December 31, 2009*	*December 31, 2008*
Irish corporation tax	12.50%	12.50%	12.50%
Adjustments in respect of prior years	(0.22%)	(0.93%)	0.04%
Effect of tax rates on overseas earnings	3.89%	25.30%	1.67%
Effect of non deductible expenses	0.32%	1.09%	(6.48%)
Effect of current year net operating losses and temporary differences for which no deferred tax asset was recognised	(5.55%)	(30.66%)	(3.21%)
R&D tax credit	(0.06%)		0.29%
Effect of Irish income taxable at higher tax rate (a)	(9.35%)	1.15%	(0.05%)
Effective tax rate	1.53%	8.45%	4.76%

(a) In 2010 the Irish income taxable at a higher tax rate has a negative effect on the overall corporation tax rate. This is because the gain arising on sale of the assets and liabilities of the coagulation business in Ireland, which is taxable at the higher tax rate of 25%, resulted in a capital loss and consequently no capital gains tax is payable. For further information see Note 3.

The effect of current year net operating losses and temporary differences for which no deferred tax asset was recognized is analyzed further in the table below (see also note 13). No deferred tax asset was recognized because there was no reversing deferred tax liability in the same jurisdiction reversing in the same period and no future taxable income in the same jurisdiction.

Unrecognised deferred tax assets	**Effect in 2010 US$ 000**	**Percentage effect in 2010**	**Effect in 2009 US$ 000**	**Percentage effect in 2009**
Temporary differences arising in USA	(387)	(0.63%)	(3,076)	(23.83%)
Net operating losses arising in USA	(3,059)	(4.99%)	(1,055)	(8.16%)
Net operating losses arising in Ireland	104	0.17%		
Net operating losses arising in France	(89)	(0.14%)	263	2.03%
Net operating losses arising in Germany	26	0.04%	(588)	(4.55%)
	(3,405)	**(5.55%)**	**(4,456)**	**(34.52%)**
Group Unrecognised deferred tax assets	0	0.0%	348	2.69%
Change in tax rates	0	0.0%	149	1.15%
Total	**(3,405)**	**(5.55%)**	**(3,959)**	**(30.66%)**

Deferred tax recognised directly in equity

	December 31, 2010 US$ 000	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
Relating to forward contracts as hedged instruments	6	3	26
	6	3	26

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9. INCOME TAX EXPENSE / (CREDIT) (CONTINUED)

a. The distribution of profit/(loss) before taxes by geographical area was as follows:

		December 31, 2010 US$ 000	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
Rest of World	Ireland	38,161	5,240	(59,917)
Rest of World	Other	10,411	(1,206)	(4,395)
Americas		12,788	8,881	(17,358)
		61,360	12,915	(81,670)

b. At December 31, 2010, the Group had unutilised net operating losses as follows:

	December 31, 2010 US$ 000	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
USA	1,841	7,569	10,167
Ireland	999	1,918	290
France		2,368	1,812
Germany		1,152	3,245
UK		101	197
	2,840	13,108	15,711

The utilisation of these net operating loss carryforwards is limited to future profits in the USA and Ireland. The US net operating loss has a maximum carryforward of 20 years. US$847,000 will expire by December 31, 2026 and US$994,000 will expire by December 31, 2027. The Irish net operating losses can be carried forward indefinitely.

The unutilised net operating losses in France, Germany and UK were transferred to Diagnostica Stago on April 30, 2010 following their purchase of Trinity Biotech S.à.r.l., Trinity Biotech GmbH and Trinity Biotech (UK Sales) Limited respectively. At December 31, 2009, the Group recognised a deferred tax asset of US$96,000 (2008: US$133,000) in respect of net operating loss carryforwards in Germany and the UK, as there were sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which would result in taxable amounts against which the unused tax losses could be utilised before they expire.

At December 31, 2010, the Group had unrecognised deferred tax assets in respect of unused tax losses, unused tax credits and deductible temporary differences as follows:

	December 31, 2010 US$ 000	*December 31, 2009 US$ 000*	*December 31, 2008 US$ 000*
USA unused tax losses		3,071	4,126
Germany unused tax losses		427	866
France unused tax losses		861	598
Ireland unused tax losses	177	73	73
USA unused tax credits	358	346	346
USA deductible temporary differences		387	3,464

Unrecognised Deferred Tax Asset	535	5,165	9,473

The accounting policy for deferred tax is to calculate the deferred tax asset that is deemed recoverable, considering all sources for future taxable profits. The deferred tax assets in the above table have not been recognized due to uncertainty regarding the full utilization of these losses in the related tax jurisdiction in future periods. Only when it is probable that future profits will be available to utilize the forward losses or temporary differences is a deferred tax asset recognized. When there is a reversing deferred tax liability in that jurisdiction that reverses in the same period, the deferred tax asset is restricted so that it equals the reversing deferred tax liability.

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9. INCOME TAX EXPENSE / (CREDIT) (CONTINUED)

At December 31, 2009 a deferred tax asset of US $3,071,000 (2008 : US$4,126,000) in respect of net operating losses in the US and US$387,000 (2008: US$3,464,000) in respect of temporary differences in the US were not recognised because the deferred tax asset was restricted in order that it equalled the reversing deferred tax liability in the US. The net operating losses in the USA have reduced significantly in 2010, mainly due to the profit earned on the sale of the coagulation business. The reduction in net operating losses has resulted in the deferred tax asset being less than the reversing deferred tax liability. As a result, the unrecognised deferred tax assets in respect of unused tax losses and temporary differences have reduced to nil at December 31, 2010.

The Group has US state credit carryforwards of US$358,000 at December 31, 2010 (2009: US$346,000). A deferred tax asset of US$358,000 (2009: US$346,000) in respect of US state credit carryforwards was not recognised in 2010 due to uncertainties regarding future full utilisation of these state credit carryforwards in the related tax jurisdiction in future periods. Unused tax losses in respect of Germany and France have been transferred to Diagnostica Stago following their purchase of the Group s German and French subsidiaries in 2010.

10. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per ordinary share

Basic earnings/(loss) per ordinary share for the Group is computed by dividing the profit after taxation of US$60,418,000 (2009: profit after tax of US$11,824,000) (2008: loss after tax of US$77,778,000) for the financial year by the weighted average number of A ordinary and B ordinary shares in issue of 84,734,378 (2009: 83,737,884) (2008: 81,394,075). 1,400,000 of the total weighted average shares used as the EPS denominator relate to the 700,000 B ordinary shares in issue. In all respects these shares are treated the same as A ordinary shares except for the fact that they have two voting rights per share, rights to participate in any liquidation or sale of the Group and to receive dividends as if each Class B ordinary share were two Class A ordinary shares. Hence the earnings/(loss) per share for a B ordinary share is exactly twice the earnings/ (loss) per share of an A ordinary share.

	December 31, 2010	*December 31, 2009*	*December 31, 2008*
A ordinary shares	83,334,378	82,337,884	79,994,075
B ordinary shares (multiplied by 2)	1,400,000	1,400,000	1,400,000
Basic earnings/ (loss) per share denominator	84,734,378	83,737,884	81,394,075
Reconciliation to weighted average earnings per share denominator:			
Number of A ordinary shares at January 1 (note 18)	82,952,037	82,017,581	74,756,765
Number of B ordinary shares at January 1 (multiplied by 2)	1,400,000	1,400,000	1,400,000
Weighted average number of shares issued during the year	382,341	320,303	5,237,310
Basic earnings/ (loss) per share denominator	84,734,378	83,737,884	81,394,075

The weighted average number of shares issued during the year is calculated by taking the number of shares issued multiplied by the number of days in the year each share is in issue divided by 365 days.

Diluted earnings/ (loss) per ordinary share

Diluted earnings/ (loss) per ordinary share is computed by dividing the profit after tax of US$60,418,000 (2009: profit after tax of US$11,824,000) (2008: loss after tax of US$77,778,000) for the financial year by the diluted weighted average number of ordinary shares in issue of 86,661,535 (2009: 83,772,094) (2008: 81,394,075).

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10. EARNINGS/(LOSS) PER SHARE (CONTINUED)

The basic weighted average number of shares for the Group may be reconciled to the number used in the diluted earnings/ (loss) per ordinary share calculation as follows:

	December 31, 2010	*December 31, 2009*	*December 31, 2008*
Basic earnings/ (loss) per share denominator (see above)	84,734,378	83,737,884	81,394,075
Issuable on exercise of options and warrants	1,927,157	34,210	
Diluted earnings/ (loss) per share denominator *	86,661,535	83,772,094	81,394,075

* At December 31, 2010 and December 31, 2009 the number of shares issuable on the exercise of options and warrants was dilutive. At December 31, 2008, the number of shares issuable on the exercise of options and warrants was not dilutive.

Earnings per ADS

In June 2005, Trinity Biotech adjusted its ADS ratio from 1 ADS: 1 Ordinary Share to 1 ADS: 4 Ordinary Shares. Earnings per ADS for all periods presented have been restated to reflect this exchange ratio.

Basic earnings/ (loss) per ADS for the Group is computed by dividing the profit after taxation of US$60,418,000 (2009: profit after tax of US$11,824,000) (2008: loss after tax of US$77,778,000) for the financial year by the weighted average number of ADS in issue of 21,183,594 (2009: 20,934,471); (2008: 20,348,519).

		December 31, 2010	*December 31, 2009*	*December 31, 2008*
A ordinary shares	ADS	20,833,594	20,584,471	19,998,519
B ordinary shares	ADS	350,000	350,000	350,000
Basic earnings/ (loss) per share denominator		21,183,594	20,934,471	20,348,519

Diluted earnings/ (loss) per ADS for the Group is computed by dividing the profit after taxation of US$60,418,000 (2009: profit after taxation of US$11,824,000) (2008: loss after tax of US$77,778,000) for the financial year, by the diluted weighted average number of ADS in issue of 21,665,383 (2009: 20,943,024) (2008: 20,348,519).

The basic weighted average number of ADS shares for the Group may be reconciled to the number used in the diluted earnings per ADS share calculation as follows:

	December 31, 2010	*December 31, 2009*	*December 31, 2008*
Basic earnings/ (loss) per share denominator (see above)	21,183,594	20,934,471	20,348,519
Issuable on exercise of options and warrants	481,789	8,553	
Diluted (loss)/ earnings per share denominator *	21,665,383	20,943,024	20,348,519

*

At December 31, 2010 and December 31, 2009, the number of shares issuable on the exercise of options and warrants was dilutive. At December 31, 2008, the number of ADSs issuable on the exercise of options and warrants was not dilutive.

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11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings US$ 000	*Leasehold improvements US$ 000*	*Computers, fixtures and fittings US$ 000*	*Plant and equipment US$ 000*	*Total US$ 000*
Cost					
At January 1, 2009	5,716	3,682	5,706	31,390	46,494
Additions	29	8	157	2,111	2,305
Disposals / retirements			(322)	(933)	(1,255)
Exchange adjustments	81		5	117	203
At December 31, 2009	5,826	3,690	5,546	32,685	47,747
At January 1, 2010	5,826	3,690	5,546	32,685	47,747
Additions	11	188	453	1,644	2,296
Disposals / retirements	(3,498)	(1,625)	(1,695)	(20,233)	(27,051)
Exchange adjustments	(259)		(14)	(156)	(429)
At December 31, 2010	2,080	2,253	4,290	13,940	22,563
Accumulated depreciation and impairment losses					
At January 1, 2009	(1,077)	(3,161)	(5,081)	(25,320)	(34,639)
Charge for the year	(124)	(92)	(159)	(1,411)	(1,786)
Disposals / retirements			322	618	940
Exchange adjustments	(10)		(5)	(73)	(88)
At December 31, 2009	(1,211)	(3,253)	(4,923)	(26,186)	(35,573)
At January 1, 2010	(1,211)	(3,253)	(4,923)	(26,186)	(35,573)
Charge for the year	(146)	(79)	(144)	(861)	(1,230)
Disposals / retirements	571	1,396	1,331	16,929	20,227
Exchange adjustments	5		1	6	12
At December 31, 2010	(781)	(1,936)	(3,735)	(10,112)	(16,564)
Carrying amounts					
At December 31, 2010	1,299	317	555	3,828	5,999

At December 31, 2009	4,615	437	623	6,499	12,174

Included within disposals/retirements in 2010 is Property, Plant and Equipment with a net book value of US$6,775,000, which was disposed of as part of the divestiture of the Coagulation business in May 2010 (see note 3).

The annual impairment review performed at December 31, 2010 and December 31, 2009, showed that the carrying value of the Group s assets did not exceed the amount that could be recovered through their use or sale and, on that basis, there was no impairment in 2010 or 2009.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Assets held under operating leases (where the Company is the lessor)

Included in the carrying amount of property, plant and equipment are a number of assets included in plant and equipment which generate operating lease revenue for the Group. The net book value of these assets as at December 31, 2010 is US$557,000 (2009: US$1,409,000). Depreciation charged on these assets in 2010 amounted to US$126,000 (2009: US$427,000).

Included in disposals/retirements in 2010 is US$15,000 (2009: US$321,000) relating to the net book value of leased instruments reclassified as inventory on return from customers.

Assets held under finance leases

Included in the carrying amount of property, plant and equipment is an amount for capitalised leased assets of US$499,000 (2009: US$704,000). The leased equipment secures the lease obligations (note 20). The depreciation charge in respect of capitalised leased assets for the year ended December 31, 2010 was US$85,000 (2009: US$ US$87,000). This is split as follows:

At December 31, 2010	*Leasehold improvements US$ 000*	*Computers, fixtures and fittings US$ 000*	*Plant and equipment US$ 000*	*Total US$ 000*
Depreciation charge			85	85
Carrying value				
At December 31, 2010			499	499

At December 31, 2009	*Leasehold improvements US$ 000*	*Computers, fixtures and fittings US$ 000*	*Plant and equipment US$ 000*	*Total US$ 000*
Depreciation charge	7	7	73	87
Carrying value				
At December 31, 2009	26	48	630	704

Property, plant and equipment under construction

There were no assets in the course of construction included in plant and equipment at December 31, 2010 (2009: US$9,000). The assets in the course of construction at December 31, 2009 were transferred to additions during the course of the year.

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12. GOODWILL AND INTANGIBLE ASSETS

	Goodwill *US$ 000*	*Development costs* *US$ 000*	*Patents and licences* *US$ 000*	*Other* *US$ 000*	*Total* *US$ 000*
Cost					
At January 1, 2009	79,599	34,212	10,093	26,078	149,982
Additions		7,845		407	8,252
Disposals / retirements				(25)	(25)
Exchange adjustments		13		4	17
At December 31, 2009	79,599	42,070	10,093	26,464	158,226
At January 1, 2010	79,599	42,070	10,093	26,464	158,226
Additions		5,887	8	407	6,302
Disposals / retirements	(32,345)	(20,113)	(3,675)	(7,169)	(63,302)
Exchange adjustments		(13)		(4)	(17)
At December 31, 2010	47,254	27,831	6,426	19,698	101,209
Accumulated amortisation and Impairment losses					
At January 1, 2009	(59,546)	(28,874)	(8,808)	(14,229)	(111,457)
Charge for the year		(401)	(149)	(1,409)	(1,959)
Disposals / retirements				25	25
Exchange adjustments		(10)		(3)	(13)
At December 31, 2009	(59,546)	(29,285)	(8,957)	(15,616)	(113,404)
At January 1, 2010	(59,546)	(29,285)	(8,957)	(15,616)	(113,404)
Charge for the year		(297)	(86)	(1,206)	(1,589)
Disposals / retirements	30,120	11,824	3,184	5,904	51,032
Exchange adjustments					
At December 31, 2010	(29,426)	(17,758)	(5,859)	(10,918)	(63,961)
Carrying amounts					
At December 31, 2010	17,828	10,073	567	8,780	37,248
At December 31, 2009	20,053	12,785	1,136	10,848	44,822

Included within disposals/retirements in 2010 are intangible assets with a net book value of US$12,270,000, which were disposed of as part of the divestiture of the Coagulation business in May 2010 (see Note 3). Included within development costs are costs of US$8,682,000 which were not amortised in 2010 (2009: US$4,564,000). These development costs are not being amortised as the projects to which the costs relate were not fully complete at December 31, 2010 or at December 31, 2009. As at December 31, 2010 these projects are expected to be completed during the period from January 1, 2011 to December 31, 2013 at an expected further cost of approximately US$6.5 million.

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12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

The following represents the costs incurred during each period presented for each of the principal development projects:

	2010	2009
Product Name	**US$ 000**	**US$ 000**
Premier Hb 9210 Instrument for Haemoglobin A1c testing	2,569	1,023
Destiny Max coagulation instrument*	956	3,234
Bordetella Pertussis Western Blot test	337	156
Tristat point of care instrument	318	1,072
Coagulation assays and intermediates*	312	1,010
HIV Ag-Ab rapid test	247	
Legionella Urinary Antigen	198	
Syphilis Rapid point-of-care test	185	
Unigold Recombigen HIV Rapid enhancement	142	456
Lyme assays		629
Trinblot Scanner		72
Other projects with spend less than $150,000	623	193
Total capitalized development costs	**5,887**	**7,845**

* *Note that these projects ceased in May 2010 following the divestiture of the Coagulation Business.*

All of the development projects for which costs have been capitalized are judged to be technically feasible, commercially viable and likely to produce future economic benefits. In reaching this conclusion, many factors have been considered including the following:

(a) The Group only develops products within its field of expertise. The R&D team is experienced in developing new products in this field and this experience means that only products which have a high probability of technical success are put forward for consideration as potential new products.

(b) A technical feasibility study is undertaken in advance of every project. The feasibility study for each project is reviewed by the R&D team leader, and by other senior management depending on the size of the project. The feasibility study occurs in the initial research phase of the project and costs in this phase are not capitalized.

(c) Nearly all of our new product developments involve the transfer of our existing product know-how to a new application. The Group does not engage in pure research. Every development project is undertaken with the intention of bringing a particular new product to market for which there is a known demand.

(d) The commercial feasibility of each new product is established prior to commencement of a project by ensuring it is projected to achieve an acceptable income after applying appropriate discount rates.

Other intangible assets consist primarily of acquired customer and supplier lists, trade names, website and software costs.

Amortisation is charged to the statement of operations through the selling, general and administrative expenses line.

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12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Included in other intangibles are the following indefinite lived assets:

	December 31, 2010 US$ 000	*December 31, 2009 US$ 000*
Fitzgerald trade name	970	970
RDI trade name	560	560
Primus trade name	670	670
	2,200	2,200

The trade name assets purchased as part of the acquisition of Primus and RDI in 2005 and Fitzgerald in 2004 were valued by an external valuer using the relief from royalty method and based on factors such as (1) the market and competitive trends and (2) the expected usage of the name. It was considered that these trade names will generate net cash inflows for the Group for an indefinite period.

Impairment testing for intangibles including goodwill and indefinite lived assets

Goodwill and other intangibles with indefinite lives are tested annually for impairment at each balance sheet date at a cash-generating unit (CGU) level, i.e. the individual legal entities. For the purpose of these annual impairment reviews goodwill is allocated to the relevant CGU.

The recoverable amount of goodwill and intangible assets contained in each of the Group s CGU s is determined based on the greater of the fair value less cost to sell and value in use calculations. The Group operates in one market sector (namely diagnostics) and accordingly the key assumptions are similar for all CGU s. The value in use calculations use cash flow projections based on the 2011 budget and projections for a further four years using projected revenue and cost growth rates of between 3% and 5%. At the end of the five year forecast period, terminal values for each CGU, based on a long term growth rate are used in the value in use calculations. The cashflows and terminal values for the CGU s are discounted using pre-tax discount rates which range from 18% to 32%.

The value in use calculation is subject to significant estimation, uncertainty and accounting judgements and are particularly sensitive in the following areas. In the event that there was a variation of 10% in the assumed level of future growth in revenues, which would represent a reasonably likely range of outcomes, the following impairment loss/write back would be recorded at December 31, 2010:

No impairment loss or reversal of impairment in the event of a 10% increase in the growth in revenues.

No impairment loss or reversal of impairment in the event of a 10% decrease in the growth in revenues.

Similarly if there was a 10% variation in the discount rate used to calculate the potential impairment of the carrying values, which would represent a reasonably likely range of outcomes, there would be the following impairment loss/write back would be recorded at December 31, 2010:

No impairment loss or reversal of impairment in the event of a 10% decrease in the discount rate

No impairment loss or reversal of impairment in the event of a 10% increase in the discount rate

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13. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities of the Group are attributable to the following:

	Assets		*Liabilities*		*Net*	
	2010	*2009*	*2010*	*2009*	*2010*	*2009*
	US$ 000	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*	*US$ 000*
Property, plant and equipment	2,369	3,869	(581)	(1,187)	1,788	2,682
Intangible assets			(6,031)	(6,343)	(6,031)	(6,343)
Inventories	955	1,253			955	1,253
Provisions	294	118			294	118
Other items	216		(578)	(680)	(362)	(680)
Tax value of loss carryforwards recognised	846	561			846	561
Deferred tax assets/(liabilities)	4,680	5,801	(7,190)	(8,210)	(2,510)	(2,409)

The deferred tax asset in 2010 is due mainly to deductible temporary differences relating to property, plant and equipment, inventory and the elimination of unrealised intercompany inventory profit. The deferred tax asset decreased US$1,121,000 in 2010 principally due to a decrease in unrecognised deferred tax assets. The accounting policy for deferred tax is to calculate the deferred tax asset that is deemed recoverable, considering all sources for future taxable profits. However when there is a reversing deferred tax liability in that jurisdiction that reverses in the same period, the deferred tax asset is restricted so that it equals the reversing deferred tax liability.

The deferred tax assets in Germany and UK were derecognised in 2010 following the divestiture of the German and UK subsidiaries to Diagnostica Stago (see Note 3 for further information on the divestiture of these subsidiaries). At December 31, 2009, the Group recognised a deferred tax asset of US$96,000 (2008: US$133,000) in respect of net operating loss carryforwards in Germany and the UK, as there were sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which would result in taxable amounts against which the unused tax losses could be utilised before they expire.

The deferred tax liability is caused by the net book value of non-current assets being greater than the tax written down value of non-current assets, temporary differences due to the acceleration of the recognition of certain charges in calculating taxable income permitted in Ireland and the USA and deferred tax recognised on fair value asset uplifts in connection with business combinations. The deferred tax liability decreased US$1,020,000 in 2010, principally due to sale of property, plant and equipment and intangible assets to Diagnostica Stago and the resulting elimination of the temporary differences in respect of these assets.

Deferred tax assets and liabilities are only offset when the entity has a legally enforceable right to set off current tax assets against current tax liabilities and where the intention is to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously. At December 31, 2010 and at December 31, 2009 no deferred tax assets and liabilities are offset as it is not certain as to whether there is a legally enforceable right to set off current tax assets against current tax liabilities and it is also uncertain as to what current tax assets may be set off against current tax liabilities and in what periods.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised by the Group in respect of the following items:

	December 31, 2010 US$ 000	*December 31, 2009 US$ 000*
Capital losses	8,513	6,138
Net operating losses	704	11,720
US state credit carryforwards	358	346
Deductible temporary differences		954
	9,575	19,158

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13. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

There was a decrease of US$9,583,000 in the unrecognised deferred tax assets during the year ended December 31, 2010. For comments on the uncertainty prompting less than full recognition refer to note 9. The movement in the unrecognised deferred tax assets during the year ended December 31, 2010 is analysed as follows:

Movement in Unrecognised deferred tax assets	**Increase/ (decrease) US$ 000**	**Applicable tax rate %**	**Tax effect US$ 000**
Deductible temporary differences	(954)	40.6%	(387)
Net operating losses Ireland	414	25.0%	104
Net operating losses USA	(7,569)	40.6%	(3,071)
Net operating losses France to date of divestiture	(267)	33.0%	(89)
Net operating losses Germany to date of divestiture	79	34.0%	26
US state credit carryforwards	12	n/a	12
	(8,285)		**(3,405)**
Capital losses in Ireland	2,375	25.0%	594
Net operating losses France eliminated on divestiture	(2,341)	33.0%	(773)
Net operating losses Germany eliminated on divestiture	(1,332)	34.0%	(453)
	(9,583)		**(4,037)**

At December 31, 2009 net operating losses in the US of US$3,071,000 and temporary differences of $954,000 also in the US were not recognised because recognition would have resulted in the deferred tax asset exceeding the reversing deferred tax liability in the US. At December 31, 2010 the deferred tax asset in the US is less than the reversing deferred tax liability and therefore no restriction is required on the amount of net operating losses and temporary differences recognised as deferred tax assets.

A deferred tax asset of US$358,000 (2009: US$346,000) in respect of US state credit carryforwards was not recognised due to uncertainties regarding the timing of the utilisation of these state credit carryforwards in the related tax jurisdiction in future periods.

A deferred tax asset of US$177,000 (2009: US$73,000) in respect of net operating losses of US$704,000 (2009: US$290,000) in Ireland was not recognised due to uncertainties regarding the timing of the utilisation of these losses in the relevant entity in future periods.

A deferred tax asset of US$772,000 (2009: US$861,000) in respect of net operating losses of US$2,341,000 (2009: US$2,608,000) in France was not recognised up to the date of divestiture of the Group s French subsidiary due to uncertainties regarding the timing of the utilisation of these losses in the related tax jurisdiction in future periods.

A deferred tax asset of US$453,000 (2009: US$427,000) in respect of net operating losses of US$1,332,000 (2009: US$1,253,000) in Germany and UK was not recognised up to the date of divestiture of the Group s German and UK subsidiaries due to uncertainties regarding the timing of the utilisation of these losses in the related tax jurisdictions in future periods.

No deferred tax asset is recognised in respect of a capital loss forward of US$8,513,000 (2009: US$6,138,000) in Ireland as it is not probable that there will be future capital gains against which to offset these capital losses. The increase in the capital loss in 2010 is due to the divestiture of the assets and liabilities of the coagulation business in Ireland (see Note 3 for further information).

Unrecognised deferred tax liabilities

At December 31, 2010 and 2009, there was no recognised or unrecognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group s subsidiaries. The Company is able to control the timing of the reversal of the temporary differences of its subsidiaries and it is probable that these temporary differences will not reverse in the foreseeable future.

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DECEMBER 31, 2010

13. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Movement in temporary differences during the year

	Balance January, 1 2010 US$ 000	*Recognised in income US$ 000*	*Recognised in equity US$ 000*	*Balance December 31, 2010 US$ 000*
Property, plant and equipment	2,682	(894)		1,788
Intangible assets	(6,343)			