ANNUAL REPORT | 2001

Trinity biotech

Annual Report 2001

The Trinity Biotech facility at Bray, County Wicklow, Ireland

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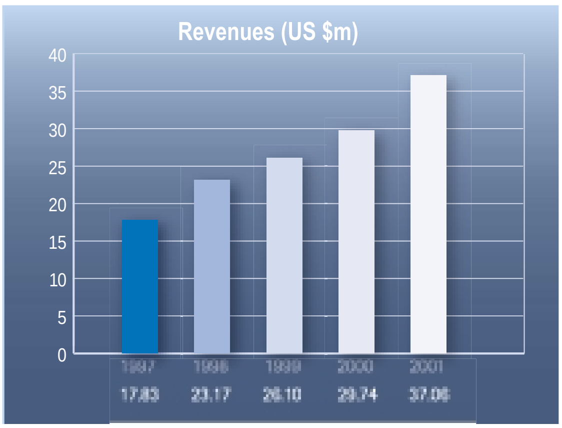
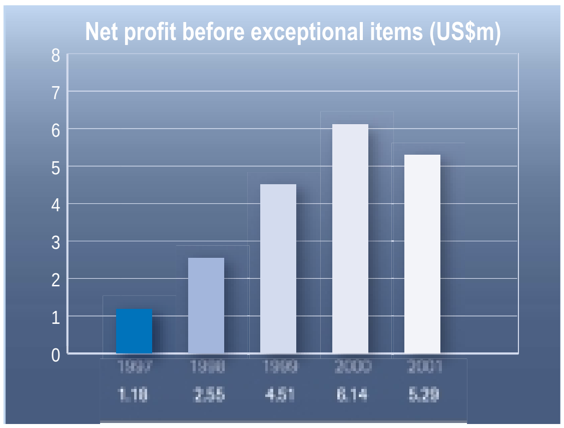
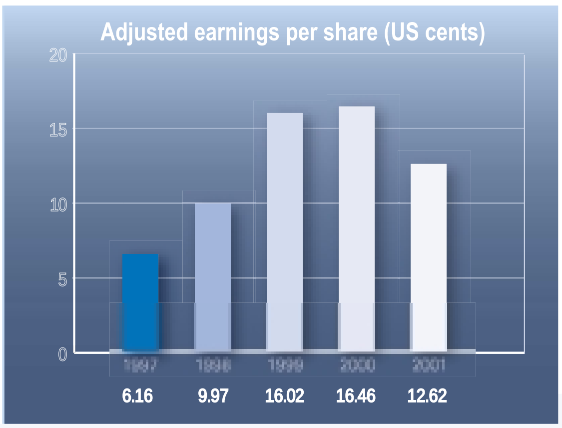
Financial Highlights

- Revenues up 25% to US$37.1m.
- Profit after tax before exceptionals and associate loss of US$5.3m.
- Earnings per share before exceptionals of 12.62 US cents.
- Gross margins up to 51% compared to 48% in 2000.
- Net bank debt of US$3.2m on shareholders' funds of US$56.5m.







Chairman's Statement

Ronan O' Caoimh
Chairman

The 2001 financial year has been another successful year for Trinity Biotech plc and its subsidiaries ("Trinity Biotech" and/or "the Group") with a number of significant achievements, as follows:

- Profit after tax before exceptional charges and associate loss of US$5.3m on revenues of US$37.1m.
- Successful transfer and integration of the business of Bartels Inc.
- Establishment of a direct sales operation in Germany.
- Acquisition of the Biopool hemostasis business.
- Follow-on investment in HiberGen, our genomics investment.
- Launch of two rapid products testing for malaria and strep A.

During 2001 the integration of the business of Bartels Inc was successfully completed. The facility in Seattle was closed on June 8, 2001 and the Bartels products were transferred to our three facilities in the USA and Ireland. A direct salesforce has been established to sell the Bartels, MarDx and Biopool product ranges in the USA and to identify product development opportunities within these ranges. We are pleased with the Bartels acquisition following its first full year of operation within the Group.

We established a direct sales operation in Germany which commenced trading in October. The new business is being led by a diagnostic industry executive with 20 years' experience. It employs 12 people in sales and marketing and is located just outside Frankfurt. In the past, we serviced the German marketplace through independent distributors who handled a small proportion of our total product portfolio, whereas the new German direct salesforce will market all of Trinity Biotech's current products. This investment demonstrates our commitment to building a significant presence in this key European market.

On December 21, 2001, Trinity Biotech completed the acquisition of the assets and goodwill of the Biopool hemostasis division of Xtrana Inc. Biopool is a well known leader and innovator in the worldwide market for hemostasis and fibrinolysis reagents. The purchase consideration was US$6.3m before costs, comprising an up-front cash payment of US$3.7m and the balance payable in deferred payments over a 36 month period from December 21, 2001. Founded in 1982, Biopool has developed, manufactured and marketed a full range of test kits to assess and diagnose disorders of blood coagulation, thrombotic risk factors, fibrinolysis, platelet function and the vascular system. Biopool's extensive product line is sold to hospitals, clinical laboratories, commercial reference laboratories and research institutions on a worldwide basis. Sales in the USA are through a direct salesforce and OEM partners and international sales are handled by a network of national distributors.

The acquisition of Biopool further strengthens Trinity Biotech's position in the clinical laboratory diagnostic market. The Biopool hemostasis line of over 50 products strengthens Trinity Biotech's product portfolio and, most importantly, brings us into a segment of the clinical laboratory market where we have not previously competed. Furthermore, the Biopool salesforce will enable the Group to increase its penetration and distribution strengths in the US marketplace.

As part of the post-acquisition integration programme, we have commenced the process of transferring the manufacturing operations of the two Biopool facilities, located at Ventura, California and Umea, Sweden, to existing Group facilities in the USA and Ireland. Arising from this, Trinity Biotech incurred a once-off exceptional charge of US$2.9m in the year ended December 31, 2001. The initial stages of our restructuring programme have already been implemented at the two locations and we are confident of successfully completing the transfer of manufacturing by December 31, 2002. This should result in significantly improved manufacturing efficiencies at our remaining plants.

On February 13, 2002 Trinity Biotech announced that it had exercised an option granted to it under the terms of the original share subscription agreement with HiberGen, dated October 2, 2000, to increase its shareholding in HiberGen from 40% to 66%. Under the terms of the agreement, Trinity Biotech will invest approximately US$3.1m as a follow-on investment. The exact sum to be invested is dependent on the achievement of agreed milestones, prior to the investment being made. Trinity Biotech and HiberGen have agreed that the monies will be invested in monthly instalments over a 30 month period, commencing April 2002. We are pleased and excited with the progress that has been made by HiberGen since our original investment in October 2000. The SNaPIT™ proprietary platform technology has become well accepted as a low cost, accurate, robust technique for the identification of genetic mutations and has been the subject of a licence agreement with Sequenom™ Inc. Furthermore, HiberGen's other platform technology, GMA, which is of particular interest to the Group because of its application to molecular diagnostics, continues to progress well at research and development stage. The additional funds being invested by the Group will enable HiberGen to accelerate its current projects, particularly its disease gene programmes.

Our UniGold™ HIV product continues to be the subject of a significant commitment of time and resource. The achievement of a PMA approval is an arduous process and requires extensive communication with the regulatory authorities and industry experts. During the year we were informed by the FDA that we would be required to perform additional trials. These trials are now being conducted at sites in Houston, Texas, and Baltimore, Maryland. We are testing approximately 9,000 samples and our objective is that all of these samples will be collected and tested by July of this year. At that stage, we will enter the next phase of assessment and communication with the FDA in relation to the achievement of PMA approval for our UniGold™ HIV product.

In financial terms, Trinity Biotech produced a solid trading performance with profit after tax before exceptional charges and the associate loss, of US$5.3m on revenues of US$37.1m. In cashflow terms, EBITDA, before exceptionals and losses associated with HiberGen, amounted to US$8.5m. The Group is in a strong financial position with bank debt of US$8.4m and cash balances of US$5.3m. The Group's balance sheet provides us with the platform for further organic and acquisition-led growth.

Following his move back to his native Australia, Mr. Gregory Brown announced his retirement from the board in October 2001. On November 7, 2001, Mr. Peter Coyne was appointed as a non-executive director of Trinity Biotech. Mr. Coyne is a director of AIB Corporate Finance and brings to the board of Trinity Biotech his extensive experience in advising public and private companies on all aspects of corporate strategy.

On behalf of the board, I would like to express our appreciation to our shareholders, customers, and employees for their continuing loyalty, support and commitment to Trinity Biotech.

Ronan O' Caoimh
Chairman

Business Overview

Introduction

With annual revenues of US$37.1m, profit after tax before exceptionals and associate loss, of US$5.3m, 332 employees worldwide, three manufacturing sites and a portfolio of more than 200 products, Trinity Biotech has demonstrated impressive growth since its inception in 1992.

Through a combination of in-house research and development and acquisition, Trinity Biotech has developed a broad product portfolio of respected brand names, which are sold in more than 80 countries across the globe. The key to our success has been our people. Through their professionalism and commitment they have contributed to the rapid growth and development of the Group.

Trinity Biotech's core competency is the science of immunoassay. The Group develops, acquires, manufactures and markets a wide range of diagnostic products based on this technology. Immunoassays harness the body's own natural defence mechanisms. Faced with invasion by a foreign agent, known as an antigen, the body defends itself by producing antibodies. Each type of antibody produced is a highly specific response to the invading antigen.

The antibodies bind and neutralise the antigen. It is this highly specific binding of antigen to antibody which forms the basis for all immunoassay tests. Trinity Biotech's products can test for foreign agents such as viruses, bacteria and parasites, and for naturally occurring conditions such as cancer cells and hormones. The Group's manufacturing processes utilise biotechnology techniques involving the in-house production of recombinant proteins, synthetic peptides and monoclonal antibodies.

While Trinity Biotech's product portfolio utilises immunoassay techniques, four different technologies are used for diagnosis. These four technologies use differing methods to produce a highly sensitive and specific analysis of the patient's blood. Following the acquisition of the Biopool hemostasis business, Trinity Biotech has broadened the range of assay technologies that it utilises in its product range.

Product Areas

Trinity Biotech's product areas can now be broken down under the headings of the five key technologies which are:

Enzyme Immunoassays
Fluorescence Assays
Rapid Assays
Western Blot
Hemostasis

Enzyme Immunoassays

Our exceptionally wide range of Enzyme Immunoassay (EIA) products includes over 100 assays utilising different formats to meet the needs of all types of laboratories. This type of test is the mainstay of standard clinical laboratories around the world and forms the backbone of the Trinity Biotech product list of over 200 products. Trinity Biotech currently sells 101 EIA tests of various configurations in many countries around the world. Of these, 72 are cleared by the FDA for distribution within the USA.

These tests are performed on microtitre plates that allow up to 96 tests to be conducted simultaneously and can be performed manually or more typically on automated equipment. Trinity Biotech also offers a range of equipment to process these types of assays as well as validating the Trinity Biotech range for use on the most popular types of analysers, used by most medical laboratories.

In essence, each “well” of the microtitre plate is coated with antigen or antibody depending upon the analyte for which the test is being performed. When the test is run, the first step is to add the sample and a chemical reaction will bind any antibodies or antigens (if present) to the “well” wall. After removal of interfering substances through washing steps, a colour-forming reagent is added and the intensity of colour is read on an instrument indicating the result. EIAs can aid in providing the clinician with accurate information to assist in the diagnosis of a variety of disorders such as autoimmune diseases, hormonal imbalances, sexually transmitted diseases, enteric infections, respiratory infections, cardiovascular diseases, and a wide range of other diseases.

Fluorescence Assays

The second largest range of diagnostic assays in Trinity Biotech’s portfolio are the fluorescence assays that are also typically performed in medium to large sized hospital laboratories around the world. Trinity Biotech offers 40 fluorescence assays, of which 28 are cleared by the FDA for distribution within the USA, with many variations in kit presentation to suit the customer’s needs.

There are two distinct technologies employed, namely Immunofluorescence Assays (IFA) and Direct Fluorescence Assays (DFA). Trinity Biotech offers 32 IFAs with the vast majority forming the comprehensive range of tests to diagnose autoimmune disorders. The remainder of the assays are used to assist in the diagnosis of infectious diseases such as Legionnaires disease, Lyme disease and many others. Of the 8 DFAs Trinity Biotech offers, the largest range is FDA cleared for detecting causative agents of sexually transmitted diseases, principally Chlamydia and Herpes, and forms one of Trinity Biotech’s most popular selling product groups.

The principle of the IFA test can be summarised as the introduction of the patient’s serum to a specially prepared microscope well containing the specific antigen to which the antibody is directed. Antibody, if present, binds to the antigen and after a series of washing steps and the addition of a conjugate, will emit fluorescence when viewed through a microscope equipped with an ultra-violet light source.

The principle of DFA, however, can best be described as the fixation of a patient sample to a microscope slide which is then introduced to an antibody conjugated to a fluorescent dye to stain and, thereby, identify the antigen to which the antibody is directed.

Rapid Assays

Trinity Biotech has developed a range of membrane and latex based rapid assays to cater for point of care (POC) and over-the-counter (OTC) markets. This range of 14 tests facilitates fast and often very important treatment for the patient and can avoid further costly testing. The UniGold™ range of tests do not require refrigeration, which is very important for the OTC and POC markets, especially in developing countries.

Tests for HIV are available in the UniGold™, SeroCard™ and Capillus™ formats. SeroCard™ is a self-encased, flow-through, rapid EIA device where results are obtained by visual interpretation of a colour change, whereas Capillus™ utilises latex agglutination enhanced by capillary slide technology.

These types of rapid tests give a definitive, qualitative, answer indicating the presence or absence of antigens or antibodies (test dependent) as an aid in the diagnosis of infection or other clinical conditions. Rapid diagnostic tests provide information that is essential in allowing key decisions to be made regarding cost effective treatment options.

Western Blot Assays

Trinity Biotech's extensive range of 19 Western Blot test systems includes the first Lyme Western Blot assay to receive FDA clearance for marketing within the USA. Other Western Blot kits in the range include assays to aid in the diagnosis of autoimmune disorders and, more typically, infectious diseases such as Syphilis, Epstein Barr Virus (EBV), H. pylori and many others.

Western Blot assays are typically used in reference or speciality laboratories for confirming the presence, or absence, of antibodies. This can be an essential part of routine practice for laboratory investigations for conditions such as Lyme disease, whereby the confirmation of antibody status is the only means of obtaining an accurate diagnosis.

The principle of these types of tests is that a membrane containing electrophoretically separated proteins of a particular organism are incubated with a patient's serum sample. If specific antibodies to individual proteins are present, they will bind to the corresponding antigen bands. After various washing steps and conjugation, the strip is finally reacted with a precipitating colour developing solution which deposits a visible precipitate on antibody reacted antigen bands. Bands can then be visualised, scored for intensity, relative to a band of a weakly reactive control, and recorded.

Hemostasis

Arising from the acquisition of the Biopool hemostasis business, Trinity Biotech now has an extensive range of 50 hemostasis test kits. Biopool is a well known leader and innovator in the worldwide market for hemostasis and fibrinolysis reagents. The full range of test kits assess and diagnose disorders of blood coagulation, thrombotic risk factors, fibrinolysis, platelet function and the vascular system.

Biopool's extensive product line is sold to hospitals, clinical laboratories, commercial reference laboratories and research institutions on a worldwide basis.

Branding

Through acquisition and in-house development, Trinity Biotech now offers an impressive collection of well-respected brands typically recognised in most laboratories around the world. These brands can best be illustrated by placing them under their respective technology headings, as follows:

Enzyme Immunoassays (EIA)	Fluorescence Assays (IFA/DFA)	Rapid Assays	Western Blot	Hemostasis
Bartels	Bartels	Capillus™	MarDx®	Biopool
CAPTIA™	MarDx®	SeroCard™		
MarDx®	MicroTrak™	UniGold™		
MicroTrak™				
Recombigen®				

Sales & Marketing

Trinity Biotech sells worldwide in over 80 countries through its own salesforces and a network of international distributors and strategic partners.

During 2001 Trinity Biotech implemented its strategy to have direct salesforces in key markets. In the USA a salesforce of 12 people handling the MarDx®, Bartels and Biopool product ranges has been built. In mid 2001 a direct sales and marketing operation was established in Germany and by the end of the year 12 people were employed handling the full range of Trinity Biotech products.

Geographically, US$25m or 68% of Trinity Biotech's sales during 2001 were generated in North America. Of this US$25m, US$13m was generated by its own salesforce and US$10m was sold through MedPointe Inc. (formerly the Wampole division of Carter Wallace). Sales in Europe in 2001 were US$7m representing 19% of total sales and the European market will remain a focus for further investment with particular emphasis on the direct salesforce in the key German market.

Trinity Biotech's infectious disease and sexually transmitted disease product portfolios enjoy strong brand recognition amongst laboratory professionals worldwide. Particularly strong growth was seen in the Lyme disease diagnostic test and the tests for Epstein Barr Virus, Helicobacter Pylori and Chlamydia. The breadth of Trinity Biotech's product offering continues to provide a strong competitive advantage in the marketplace which should provide leverage to achieve sales targets in 2002 and beyond.

Research and Development

During 2001, Trinity Biotech invested 8% of total revenues into research and development. Among the new products released from research and development laboratories during 2001 were the UniGold™ Malaria One-Step Test which is a simple, rapid, qualitative and cost effective method for the detection of *Plasmodium Falsiparum*, one of the parasites that causes malaria. Other products released from research and development during the year include a revamped test for Syphilis G, UniGold™ Strep A and the following cancer markers: CA15-3, Total PSA, CA125 II, CA72-4, CA19-9 and Free PSA.

Financial Review

Introduction
Trinity Biotech completed another successful year in 2001 in financial terms. Strong revenue growth was offset by increased investment in sales and marketing which, although restraining profit growth in 2001, will provide a platform for future organic growth.

Profit and Loss Account
Revenues for the year ended December 31, 2001 rose 25% to US$37.1m compared to US$29.7m in 2000. This growth reflects both the acquisition of Bartels and organic growth. The gross margin earned on these sales amounted to 51% compared to 48% in 2000. Selling, general and administrative expenses, excluding amortisation of goodwill, increased significantly to US$8.5m compared to US$3.9m in 2000. This increase reflects both the costs associated with the direct sales operations in Germany and the USA combined with the costs arising from the acquisitions of the MarDx and Bartels businesses. Research and development expenditure was slightly ahead of last year at US$2.8m whereas amortisation of goodwill increased to US$1.8m compared to US$1.3m in 2000. This increased level of amortisation primarily reflects amortisation associated with the Bartels transaction. The share of operating loss in associate increased to US$195k compared to US$30k last year. HiberGen only became an associate company of Trinity Biotech in October 2000. Net interest amounted to US$330k in 2001 compared to US$239k in 2000.

The net effect of the above factors was that Trinity Biotech generated profit after tax before exceptional charges and losses associated with HiberGen for the year ended December 31, 2001, of US$5.3m compared to US$6.1m in 2000. Adjusted basic earnings per share, reflecting the adding back of the exceptional charge, amounted to 12.62 US cents compared to 16.46 US cents in the same period last year.

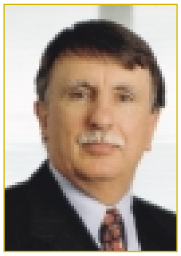
Balance Sheet
In balance sheet terms, Trinity Biotech continued to maintain a strong financial position with cash balances of US$5.3m and bank debt of US$8.4m. In working capital terms, accounts receivable were slightly higher than in 2000 given the increase in revenues. Inventories increased to US$16.3m primarily as a result of the Bartels business. Intangible assets increased to US$40.4m from US$33.8m at the end of 2000. This increase primarily related to the acquisitions completed during the year. The large increase in creditors was the result of three factors – the deferred consideration of US$2.6m relating to the Biopool acquisition, the exceptional charge of US$2.85m relating to the restructuring programme in Biopool and the drawdown of the Investec term loan of US$6.6m. There was very little movement in share capital during the year.

Corporate Activity
On October 19, 2001 Trinity Biotech acquired the assets and goodwill of the Amerlex hormone business of Ortho Clinical Diagnostics for a cash consideration of US$0.9m. On December 21, 2001 Trinity Biotech acquired the assets and goodwill of the Biopool hemostasis business for a consideration of US$6.3m before costs. This consideration was satisfied with cash of US$3.7m and deferred consideration of US$2.6m payable in three instalments of US$0.9m, US$1.1m and US$0.6m on December 21 of 2002, 2003 and 2004 respectively. On February 13, 2002, Trinity Biotech announced that it would invest a further US$3.1m into HiberGen, subject to the achievement of agreed milestones. This investment will be made in 30 monthly instalments of US$0.1m commencing in April 2002.

Conclusion
In summary, Trinity Biotech has continued to trade strongly quarter on quarter both in terms of revenues and gross margin. A significant commitment has been made to direct sales operations in Germany and the USA and this has resulted in a large increase in operating costs. The further successful integration of both these sales operations and the Biopool acquisition should provide a solid platform for organic growth in the latter part of 2002 and into 2003.

Directors' Profiles

Ronan O'Caoimh, Chairman and Chief Executive Officer, co-founded Trinity Biotech in 1992 and has been Chief Executive Officer since March 1994 and Chairman since May 1995. Prior to joining Trinity Biotech, Mr O'Caoimh was Finance Director and subsequently Managing Director of Noctech Limited, an Irish diagnostics company. Previously, Mr O'Caoimh practised as a Chartered Accountant with Arthur Andersen, Dublin. 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.



Brendan Farrell, President, joined Trinity Biotech in July 1994. He was previously Marketing Director of B.M. Browne Limited, a company involved in the marketing and distribution of medical and diagnostic products. Prior to that he was Chief Executive of Noctech Limited, an Irish diagnostics company, following six years with Baxter Healthcare where he was Director of European Business Development. Mr Farrell has a Masters degree in Biochemistry from University College, Cork.

Maurice Hickey, Chief Financial Officer, joined Trinity Biotech as Chief Financial Officer and Company Secretary in July 2000. Prior to joining Trinity Biotech, he was Finance Director of the Imari Group, an Irish based logistics group with operations in Ireland, the UK, Continental Europe and the USA. Prior to that he was a director of Cambridge Investments Limited, a venture capital fund, a senior consultant in Price Waterhouse (London) and a corporate finance executive in Ulster Investment Bank. Mr Hickey has a Bachelor of Business Studies degree from Trinity College, Dublin and an MBA from IMD, Lausanne, Switzerland.

Directors' Profiles

Jim Walsh, Ph.D, Chief Operating Officer, joined Trinity Biotech in October 1995. Prior to that Dr Walsh was Managing Director of Cambridge Diagnostics Ireland Limited. Before joining Cambridge he worked with Fleming GmbH. Dr Walsh received his Ph.D. in Microbiology and his degree in Biochemistry from University College, Galway.

Denis Burger, Ph.D, non-executive director, was chairman of Trinity Biotech from June 1992 to May 1995 and is currently a non-executive director. Dr Burger is Chief Executive Officer and Chairman of AVI Biopharma Inc., an Oregon based biotechnology company specialising in anti-sense technology. He was co-founder and, from 1981 to 1990, Chairman of Epitope Inc. Dr Burger received his degree in Bacteriology and Immunology from the University of California in Berkeley and his M.S. and Ph.D degrees 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, a subsidiary of AIB Group plc, the Irish banking group. He has extensive experience in advising public and private groups on all aspects of corporate strategy. Prior to joining AIB, 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.

Directors' Report for the Year Ended December 31, 2001

INTRODUCTION

The directors of Trinity Biotech plc ("the Company") have pleasure in submitting their annual report together with the audited financial statements of the Company and its subsidiaries ("Trinity Biotech" and/or "the Group") for the year ended December 31, 2001.

REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The principal activities of Trinity Biotech are the development, manufacture and marketing of diagnostic tests for the diagnosis of human infectious diseases and medical conditions. During the year Trinity Biotech continued to expand and develop its principal activities.

On July 10, 2001 Trinity Biotech established a direct sales operation in Germany which commenced trading in October 2001.

On October 19, 2001 Trinity Biotech acquired the assets and goodwill of the Amerlex hormone business of Ortho Clinical Diagnostics for a consideration of US$877,797. For further information see note 24 to the consolidated financial statements.

On December 21, 2001 Trinity Biotech acquired the assets and goodwill of the Biopool hemostasis business for a consideration of US$6,409,329. For further information see note 24 to the consolidated financial statements.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AS AT DECEMBER 31, 2001

The consolidated profit and loss account for the year ended December 31, 2001 together with the consolidated balance sheet at that date are set out on pages 18 and 19 respectively. The consolidated profit after tax of Trinity Biotech for the financial year was US$1,449,348 (2000: US$4,823,465) with shareholders' funds standing at US$56,531,571 (2000: US$55,042,649).

DIVIDENDS AND RETENTION

No dividends or transfers to reserves are recommended by the directors.

FUTURE DEVELOPMENT

Trinity Biotech will continue to pursue product and technological developments through its research and development programmes and the expansion of existing activities through its sales and marketing programmes.

RESEARCH AND DEVELOPMENT

During the year ended December 31, 2001, Trinity Biotech's expenditure on research and development amounted to US$2,779,729 (2000: US$2,681,220) reflecting the continuing commitment of the Group to the further development of tests for infectious diseases and other medical conditions.

HEALTH AND SAFETY

Trinity Biotech ensures the safety of its employees through the operation of a safety policy set out in its Corporate Safety Statement. The statement is based on the requirements of employment legislation including The Safety, Health and Welfare at Work Act, 1989.

SUBSIDIARY UNDERTAKINGS

The information required by the Companies (Amendment) Act, 1986, in relation to subsidiary and associated undertakings of the Company is given in note 31 to the financial statements.

DIRECTORS

Mr. Gregory Brown retired from the board of directors of the Company on October 1, 2001.

Mr Peter Coyne was appointed to the board on November 7, 2001.

In accordance with the Articles of Association of the Company, Dr Denis Burger retires by rotation and, being eligible, offers himself for re-election.

Directors' Report for the Year Ended December 31, 2001 (Continued)

AUTHORITY TO PURCHASE OWN SHARES

At the last Annual General Meeting held on May 28, 2001, shareholders authorised the Company to make market purchases of shares of the Company up to 10% of the then issued share capital. During the year ended December 31, 2001 no shares of the Company were purchased by Trinity Biotech. The current authority to purchase shares expires on November 28, 2002 unless it is previously revoked, varied or renewed. It is proposed to renew this authority at the Annual General Meeting.

RESOLUTIONS

The directors are proposing five special resolutions at the forthcoming Annual General Meeting (see Notice of Annual General Meeting on page 44), as follows:

Resolutions 5 and 6 seek the approval of the shareholders to allow the directors to buy back the Company's shares and re-issue them subject to the conditions stated.

Resolutions 7 and 8 seek the approval of the shareholders to issue relevant securities and in doing so to disapply pre-emption rights.

Resolution 9 seeks the approval of the shareholders to increase the authorised share capital of the Company from 50,000,000 Class 'A' Ordinary Shares of US$0.0109 each to 75,000,000 Class 'A' Ordinary Shares of US$0.0109 each.

DIRECTORS' AND SECRETARY'S INTERESTS

The directors and the secretary held the following interests in the Company as at December 31, 2001 and December 31, 2000 or subsequent date of appointment:

	Number of 'A' shares		Number of Options	
	December 31 2001	December 31 2000	December 31 2001	December 31 2000
Ronan O'Caoimh	1,370,655	1,370,655	1,186,000	778,000
Brendan Farrell	506,835	506,835	1,211,875	911,875
Maurice Hickey *	-	-	375,000	250,000
Jim Walsh	719,615	719,615	880,000	580,000
Denis Burger+	391,000	391,000	324,000	294,000
Peter Coyne (appointed November 7, 2001)	-	-	40,000	-

* Secretary
+ 50,000 of these shares are held by Sovereign Ventures, a general partnership in the United States of America which is 50% owned by Dr. Denis Burger.

SUBSEQUENT CHANGES

In the period January 1, 2002 to April 30, 2002 there were no changes in the shareholdings or number of share options of the directors and secretary . The 'B' ordinary shares of Trinity Research Limited are beneficially owned by, among others, Mr. Ronan O' Caoimh (55%), Mr. Brendan Farrell (6%), Mr Maurice Hickey (11%) and Dr. Jim Walsh (6%).

TRANSACTIONS WITH DIRECTORS

There are no transactions with directors other than those outlined in note 28.

IMPORTANT EVENTS SINCE YEAR END

On February 13, 2002 Trinity Biotech exercised an option granted under the terms of the share subscription agreement with HiberGen to increase its shareholding in HiberGen Limited from 40% to 66% at an estimated cost of US$3.1m but subject to the achievement of certain commercial milestones.

Directors' Report for the Year Ended December 31, 2001 (Continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Irish company law and the listing rules of the Irish Stock Exchange require the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business;
- comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the provisions of the Companies Acts, 1963 to 2001 and the European Communities (Companies: Group Accounts) Regulations, 1992. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CORPORATE GOVERNANCE

Introduction

Trinity Biotech is committed to high standards of corporate governance. The board is accountable to the Company's shareholders for good corporate governance. Trinity Biotech complies with all Nasdaq rules with respect to corporate governance. These rules differ in certain respects from the corporate governance rules required by the Irish Stock Exchange which are governed by the Principles of the Combined Code ("the Code"). The following text sets out the disclosures and the information required under the Code and notes exceptions to the adoption of full compliance with the Code:

The Board

Trinity Biotech has a total of six directors including two non-executive directors. As in the case of many Nasdaq companies the roles of chairman and chief executive are not separated. The board regularly reviews its responsibilities and those of its committees which comprise a majority of non-executive directors. The board is the ultimate arbiter for decisions on a variety of issues. These include acquisitions not requiring shareholder approval, capital expenditure in excess of preset amounts, recruitment of senior executives, overall personnel policy, decisions on strategic investments and direction and treasury and risk management policy.

The board is considering formal procedures for directors to seek independent professional advice at the expense of the Company in the furtherance of their duties.

Trinity Biotech is managed by an experienced and balanced board. Although non-executive directors have formal letters of appointment, they are not appointed for specific terms and are required to stand for re-election by shareholders in accordance with a rotation system. Executive directors are not required to stand for re-election. Due to the size of the Group, the board does not believe that a nomination committee, which would ratify appointments to the board, is warranted at present but continues to review this situation.

The board meets bi-monthly and agendas and supporting papers are circulated in advance of each meeting. Corporate strategy is reviewed and discussed and the performance of the Group's operations is monitored. In addition to written reports, the board regularly receives presentations on performance from senior management within the Group.

COMMITTEES OF THE BOARD

The board has established audit and remuneration committees whose functions and memberships are as follows:

Audit Committee

The audit committee is responsible to the board for the review of internal controls. It also reviews the scope and results of the external audit and monitors the relationship with the external auditors.

Directors' Report for the Year Ended December 31, 2001 (Continued)

The audit committee comprises the two independent, non-executive directors of the Company, Dr. Denis Burger (committee chairman) and Mr. Peter Coyne, and Mr. Maurice Hickey, Chief Financial Officer. Given that the Company has just two non-executive directors, it is not in a position to comply with the requirement of the Code for a minimum of three non–executive members of the audit committee.

Remuneration Committee

The remuneration committee reviews the performance of senior management and ensures that there are adequate management succession plans in place. The committee determines the Company's policy on executive directors' remuneration and the specific remuneration package for each of the executive directors. The committee comprises the two independent, non-executive members of the board, Dr. Denis Burger, senior non-executive director, and Mr. Peter Coyne, and Mr. Ronan O' Caoimh, Chairman and Chief Executive Officer.

It is a policy of the remuneration committee to provide competitive packages for the executive directors and senior management of Trinity Biotech which reflect the Group's performance, reward above average performance and attract, retain and motivate high calibre executives. In all cases, bonuses and the granting of share options are based on reviews of performance against financial targets, project specific objectives and general performance criteria.

The remuneration packages of executive directors and senior management comprise a base salary, benefits, a performance related bonus and a long term incentive in the form of share options. Base salary reflects the responsibilities of the position and is set by reference to individual performance and comparable market rates. No director has a service contract.

Trinity Biotech operates a share option scheme for all employees. Option grants are based on a grading structure and performance reviews and may be exercised between one and seven years after the date of grant.

Directors' Remuneration

Directors' remuneration shown below comprises salaries, pension contributions and other benefits and emoluments in respect of executive directors. The basis for the executive directors' remuneration and level of annual bonuses is determined by the remuneration committee of the board.

Non-executive directors are remunerated by fees and the granting of share options. Non-executive directors who perform additional services outside the normal duties of a director receive additional fees.

Director US$	Salary/ Fees	Performance related bonus	Benefits	Defined Contribution Pension	Total 2001
Ronan O'Caoimh	275,031	50,696	2,014	28,814	356,555
Brendan Farrell	211,267	30,418	1,130	8,979	251,794
Maurice Hickey	114,760	12,167	1,802	11,359	140,088
Jim Walsh	210,683	30,418	1,578	10,005	252,684
	811,741	123,699	6,524	59,157	1,001,121
Non-executive director					
Denis Burger	10,000	-	-	-	10,000
Peter Coyne	1,877	-	-	-	1,877
(appointed November 7, 2001)	11,877				11,877

Relations with Shareholders

The Chief Executive Officer, President and Chief Financial Officer communicate with shareholders and the investment community regularly after the announcement of the Group's quarterly and year-end results. The board regards the annual report as a key document for communication with investors and their advisers and carefully considers its form and content in conjunction with its professional advisers. All shareholders are encouraged to participate in the Company's Annual General Meeting.

Directors' Report for the Year Ended December 31, 2001 (Continued)

Internal Control

The board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. This involves an ongoing process of identifying, evaluating and managing the significant risks faced by the Group and reviewing the effectiveness of the resultant system of internal control throughout the period and up to the date of approval of the annual report and accounts. Such a system is designed to manage rather than eliminate risks of failure to achieve business objectives and can therefore only provide reasonable and not absolute assurance that the Group will achieve those objectives. The board has always used a risk management approach to internal control but this system, although not compliant at present, is being modified with the objective of complying in full, from the date of completion of system modification to the end of the accounting period ending on December 31, 2002, with the guidance provided by Internal Control: Guidance for Directors on the Combined Code ("Turnbull").

The directors confirm that they have reviewed the effectiveness of the system of internal control. There are limitations within any system of internal control and by their nature they can only provide reasonable but not absolute assurance against material misstatement or loss.

The key procedures which the directors have established with a view to providing effective internal control are as follows:

- There is a formal schedule of matters specifically reserved for decision by the board.
- The organisational structure has clearly defined lines of authority.
- The integrity and confidence of the employees is ensured through high recruitment standards and subsequent training. Appropriately qualified and trained personnel are seen as a central part of the control environment.
- Budgets are approved on an annual basis and performance against budget is reviewed on a monthly basis by management.
- All capital expenditure and investments are subject to formal levels of authorisation and approval; and
- The audit committee considers all significant control matters. Due to the size of the Group, the audit committee does not believe an internal audit function is warranted at present but continues to review this situation.

Going-Concern

The board has a reasonable expectation, at the time of approving the financial statements, that the Company has adequate resources to continue its operations for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Books and Accounting Records

The directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act 1990, are kept by the Company. To achieve this, the directors have appointed suitably qualified accounting personnel in order to ensure that these requirements are complied with. The books and accounting records of the Company are maintained at the Company's registered office at IDA Business Park, Southern Cross Road, Bray, Co. Wicklow.

Auditors

Ernst and Young, Chartered Accountants, have expressed their willingness to continue in office in accordance with Section 160 (2) of the Companies Act, 1963.

On behalf of the board.

Ronan O' Caoimh
Maurice Hickey

Directors

April 30, 2002

Report of Independent Auditors

Ernst & Young's unqualified audit report on the financial statements is set out below. In response to Trinity Biotech's decision to comply with both Irish and US disclosure requirements in one document, the Ernst & Young audit report encompasses the differing requirements of Irish and US regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINITY BIOTECH PLC

We have audited the financial statements which comprise the consolidated profit and loss account, consolidated balance sheet, consolidated statement of total recognised gains and losses, consolidated statement of movement in shareholders' funds, consolidated statement of cash flows and company balance sheet and the summary of differences between Irish and US generally accepted accounting principles and the related notes 1 to 38. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the annual report and financial statements in accordance with applicable Irish law and accounting standards are set out in the statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, Auditing Standards issued by the Auditing Practices Board for use in Ireland and the United Kingdom and the Listing Rules of the Irish Stock Exchange.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts. We also report to you our opinion as to: whether proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation which may require the convening of an extraordinary general meeting of the company; and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the company balance sheet is in agreement with the books of account.

We report to you if, in our opinion, any information specified by law or by the Listing Rules of the Irish Stock Exchange regarding directors' remuneration and transactions with the group is not given and, where practicable, include such information in our report.

We review whether the corporate governance statement reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the company's and the group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' report and the Chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board and United States generally accepted auditing standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Republic of Ireland opinion
In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at December 31, 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the provisions of the Companies Acts, 1963 to 2001 and the European Communities (Companies: Group Accounts) Regulations, 1992.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The company balance sheet is in agreement with the books of account.

In our opinion the information given in the directors' report is consistent with the financial statements.

In our opinion the company balance sheet does not disclose a financial situation which, under the provisions of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

United States opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial statements of Trinity Biotech plc and its subsidiaries at December 31, 2000 and December 31, 2001 and the consolidated results of their operations and their cash flows for the years then ended, in conformity with generally accepted accounting principles in the Republic of Ireland, which differ in certain respects from those followed in the United States (see note 30 of notes to the consolidated financial statements).

Ernst & Young,
Registered Auditors
Dublin
Date: April 30, 2002

Consolidated Profit and Loss Account for the Year Ended December 31, 2001

	Notes	December 31 2001 US$	December 31 2000 US$
Sales	2		
- Continuing operations		36,662,278	25,017,178
- Acquisitions	3	402,295	4,725,764
		37,064,573	29,742,942
Cost of sales		(18,146,765)	(15,401,257)
Gross profit		18,917,808	14,341,685
Research & development expenses		(2,779,729)	(2,681,220)
Administrative expenses			
- Normal		(10,307,812)	(5,157,504)
- Exceptional	4	(3,650,000)	(1,287,000)
Operating profit/(loss)			
- Continuing operations		4,989,119	3,969,890
- Acquisitions		(2,808,852)	1,246,071
		2,180,267	5,215,961
Share of operating loss in associate		(195,000)	(30,000)
Interest receivable and similar income		142,364	466,151
Interest payable and similar charges	6	(472,283)	(704,847)
Profit on ordinary activities before taxation	5	1,655,348	4,947,265
Tax on profit on ordinary activities	8	(206,000)	(123,800)
Retained profit on ordinary activities after taxation for group and its share of associate's loss		1,449,348	4,823,465
Basic earnings per ordinary share (US cents)	10	3.59	12.99
Diluted earnings per ordinary share (US cents)	10	3.73	12.20
Weighted average number of ordinary shares used in computing basic earnings per ordinary share		40,408,978	37,131,692

Approved by the board on April 30, 2002
Ronan O'Caoimh
Maurice Hickey
Directors

Consolidated Balance Sheet at December 31, 2001

	Notes	December 31 2001 US$	December 31 2000 US$
FIXED ASSETS			
Intangible assets	11	40,402,394	33,761,704
Tangible assets	12	5,967,443	5,469,259
Financial assets	13	1,350,517	1,341,642
		47,720,354	40,572,605
CURRENT ASSETS			
Inventories	14	16,342,308	14,411,985
Debtors and prepayments	15	7,684,575	7,970,487
Cash at bank		5,281,976	4,275,595
		29,308,859	26,658,067
CREDITORS (Amounts falling due within one year)	16	(12,692,405)	(9,921,598)
NET CURRENT ASSETS		16,616,454	16,736,469
TOTAL ASSETS LESS CURRENT LIABILITIES		64,336,808	57,309,074
CREDITORS (Amounts falling due after more than one year)	17	(7,805,237)	(2,266,425)
		56,531,571	55,042,649
CAPITAL AND RESERVES			
Called up share capital			
Class 'A' Ordinary shares	19	591,165	590,552
Class 'B' Ordinary shares	19	12,255	12,255
Share premium account		75,132,118	75,242,108
Currency adjustment		(5,054,186)	(5,203,137)
Profit and loss reserve	21	(14,459,727)	(15,909,075)
Minority interest - (all equity interests)	21	309,946	309,946
Shareholders' funds - (all equity interests)		56,531,571	55,042,649

Movements on reserves are shown in the "Consolidated Statement of Movement in Shareholders' Funds" on page 20.

Approved by the board on April 30, 2002
Ronan O'Caoimh
Maurice Hickey
Directors

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

	31 December 2001 US$	31 December 2000 US$
Profit for the financial period attributable to group shareholders excluding share of loss in associate	1,644,348	4,853,465
Share of operating loss in associate	(195,000)	(30,000)
Currency adjustment	148,951	(565,653)
Total recognised gains and losses for the period	1,598,299	4,257,812

Consolidated Statement of Movement in Shareholders' Funds for the Year Ended December 31, 2001

	Class 'A' Ordinary Shares Number of shares	Class 'A' Ordinary Shares Share Capital US$0.0109 each US$	Class 'B' Ordinary Shares Number of shares	Class 'B' Ordinary Shares Share Capital US$0.0109 each US$	Premium in excess of par US$	Retained surplus US$	Currency adjustment US$	Goodwill reserve US$	Minority interest US$	Total US$
Authorised	50,000,000	712,250	700,000	12,255						
Issued:										
Balance as at December 31,1999	28,905,832	447,974	700,000	12,255	47,863,861	1,044,143	(4,637,484)	(21,776,683)	232,249	23,186,315
Shares issued for cash	4,239,198	59,755	-	-	13,825,122	-	-	-	-	13,884,877
Class 'A' Shares issued on conversion of debenture (see note 19)	1,041,667	14,839	-	-	1,860,161	-	-	-	-	1,875,000
Class 'A' Shares issued on exercise of warrant	100,000	1,425	-	-	178,576	-	-	-	-	180,001
Options exercised	2,784,496	39,667	-	-	7,476,347	-	-	-	-	7,516,014
Class 'A' Shares issued as consideration in business acquisitions	1,834,431	26,131	-	-	5,327,156	-	-	-	-	5,353,287
Class 'A' Shares issued for financial asset	67,872	761	-	-	185,684	-	-	-	-	186,445
Share issue expenses	-	-	-	-	(1,474,799)	-	-	-	-	(1,474,799)
Currency adjustment	-	-	-	-	-	-	(565,653)	-	-	(565,653)
Minority interest in Benen Trading	-	-	-	-	-	-	-	-	77,697	77,697
Profit and loss account	-	-	-	-	-	4,823,465	-	-	-	4,823,465
Balance as at December 31, 2000	38,973,496	590,552	700,000	12,255	75,242,108	5,867,608	(5,203,137)	(21,776,683)	309,946	55,042,649
Options exercised	43,250	613	-	-	73,531	-	-	-	-	74,144
Share issue expenses	-	-	-	-	(183,521)	-	-	-	-	(183,521)
Currency adjustment	-	-	-	-	-	-	148,951	-	-	148,951
Profit and loss account	-	-	-	-	-	1,449,348	-	-	-	1,449,348
Balance as at December 31, 2001	39,016,746	591,165	700,000	12,255	75,132,118	7,316,956	(5,054,186)	(21,776,683)	309,946	56,531,571

Consolidated Statement of Cash Flows for the Year Ended December 31, 2001

	Notes	December 31 2001 US$	December 31 2000 US$
Net cash inflow from operating activities	22	5,630,748	3,224,126
Returns on investments and servicing of finance			
Interest received		142,364	466,149
Interest paid		(369,312)	(663,466)
Interest element of finance lease payments		(23,424)	(41,381)
Net cash outflow from returns on investments and servicing of finance		(250,372)	(238,698)
Taxation			
Corporation tax (paid)/refund		(319,510)	36,000
Net cash (outflow)/inflow for taxation		(319,510)	36,000
Capital expenditure and financial investment			
Purchase of tangible fixed assets	25	(1,343,370)	(1,173,921)
Purchase of intangible fixed assets		(986,502)	(1,360,032)
Net cash outflow for capital expenditure and financial investment		(2,329,872)	(2,533,953)
Acquisitions and disposals			
Acquisition of subsidiary undertakings		(4,777,388)	(7,822,352)
Purchase of associate undertaking		(309,399)	(1,185,197)
Deferred acquisition consideration paid		-	(4,096,006)
Net cash outflow for acquisitions and disposals		(5,086,787)	(13,103,555)
Net cash outflow before use of liquid resources and financing		(2,355,793)	(12,616,080)
Management of liquid resources	23	(2,373,316)	77,815
Financing			
Loan from unconnected third party		(73,336)	(1,071,014)
Issue of shares		74,144	21,580,892
Expenses paid in respect of share issues		(183,521)	(1,474,799)
Capital element of finance lease repayments		(310,076)	(291,838)
Increase/(decrease) in long term debt		4,829,963	(4,916,009)
(Decrease) in promissory note		(350,000)	-
(Decrease) in 7.5% convertible debentures		(625,000)	-
Net cash inflow from financing		3,362,174	13,827,232
(Decrease)/increase in cash in the year		(1,366,935)	1,288,967
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash		(1,366,935)	1,288,967
(Increase)/decrease in debt		(4,829,963)	4,916,009
Long term debt acquired		-	(1,300,000)
Redemption of debentures		625,000	-
Increase/(decrease) in liquid resources		2,373,316	(77,815)
Capital element of finance lease repayments		310,076	291,838
Change in net debt resulting from cash flows		(2,888,506)	5,118,999
New finance leases		-	(175,659)
Conversion of debentures		-	1,875,000
Promissory notes paid/(issued)		350,000	(350,000)
Movement in net debt in the year		(2,538,506)	6,468,340
Net debt at January 1		(1,843,787)	(8,312,127)
Net debt at December 31	23	(4,382,293)	(1,843,787)

Company Balance Sheet at December 31, 2001

	Notes	December 31 2001 US$	December 31 2000 US$
FIXED ASSETS			
Intangible assets	32	6,545,329	-
Financial assets	33	14,058,228	13,826,823
		20,603,557	13,826,823
CURRENT ASSETS			
Debtors and prepayments	34	49,315,524	46,482,443
Cash at bank		3,340,143	1,956,643
		52,655,667	48,439,086
CREDITORS (Amounts falling due within one year)	35	(9,725,309)	(1,401,451)
NET CURRENT ASSETS		42,930,358	47,037,635
TOTAL ASSETS LESS CURRENT LIABILITIES		63,533,915	60,864,458
CREDITORS (Amounts falling due after more than one year)	36	(6,967,550)	(1,000,000)
		56,566,365	59,864,458
CAPITAL AND RESERVES			
Called up share capital			
Class 'A' Ordinary shares	19	591,165	590,552
Class 'B' Ordinary shares	19	12,255	12,255
Share premium account		75,132,118	75,242,108
Currency adjustment		(3,746,921)	(3,746,921)
Profit and loss reserve	37	(15,422,252)	(12,233,536)
Shareholders' funds - (all equity interests)		56,566,365	59,864,458

Approved by the board on April 30, 2002
Ronan O'Caoimh
Maurice Hickey
Directors

Notes to the Consolidated Financial Statements December 31, 2001

1. ACCOUNTING POLICIES

The financial statements have been prepared in US Dollars under the historical cost convention and are in accordance with generally accepted accounting principles in Ireland. The principal accounting policies adopted by the Group are as follows:

(a) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to the end of the financial year. Where a subsidiary undertaking is acquired during the financial year the Group financial statements include the attributable results from the date of acquisition up to the end of the financial year. All inter-company transactions and balances have been eliminated in the preparation of these consolidated financial statements.

(b) Goodwill

With effect from January 1, 1998, goodwill arising on consolidation (representing the excess of the fair value of consideration over the fair value of the separable net assets acquired), at the date of acquisition of subsidiary and associated undertakings, is capitalised in the balance sheet and amortised over an appropriate period. Goodwill arising prior to that date was written off against reserves and has not been reinstated in the Group balance sheet.

(c) Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis to write-off the cost of the assets over their expected useful lives as follows:

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

(d) Intangible Assets

Patents and licences are stated at cost and are amortised over the lesser of their expected useful lives or their statutory lives which range between 3 and 20 years. The carrying value of intangibles is reviewed annually by the directors to determine whether there should be a reduction to reflect any permanent diminution in value.

Research and development expenditure is written-off 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 10 years.

(e) Investments

The Company classifies long and short term marketable investment securities and certain investments as either “held to maturity”, “trading” or “available for sale”. Realised gains and losses are determined using specific identification. Debt securities which the company has the positive intent and ability to hold to maturity are classified as “held to maturity” securities and reported at amortised cost. Equity securities which the Company has the positive intent and ability to hold for the long term are classified as “long term securities” and reported at cost.

Debt and equity securities which are bought and held principally for the purpose of selling them in the near term are classified as “trading” securities and reported at fair value, with realised gains and losses included in income for the period.

Debt and equity securities not classified as either “held to maturity” or “trading securities” are classified as “available for sale” securities and reported at fair value, with unrealised gains or losses reported in a separate component of shareholders’ equity.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value on a first-in first-out basis. Cost 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 activity. Net realisable value is the estimated selling price of inventory on hand less all further costs to completion and costs expected to be incurred in marketing, distribution and selling.

(g) Taxation

Taxation, which is based on the results for the year, is reduced where appropriate by manufacturing companies relief. Deferred taxation on differences between the treatment of certain items for accounting and taxation purposes, is accounted for to the extent that a liability is expected to crystallise within the foreseeable future.

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

1. ACCOUNTING POLICIES (Continued)

(h) *Sales and Revenue Recognition*
Sales of products are recorded as of the date of shipment. Sales represent the value of goods supplied to external customers and exclude sales taxes and discounts.

(i) *Pension Costs*
The Group operates a defined contribution pension scheme. Contributions to the scheme are expensed as incurred.

(j) *Leases*
Where tangible assets are financed by leasing agreements which give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright at the present values of the minimum lease payments. The corresponding obligations are shown in the balance sheet as obligations under finance leases.

The present value of the minimum payments under a lease is derived by discounting those payments at the interest rate implicit in the lease, and is normally the price at which the asset could be exchanged in an arm's length transaction.

Depreciation is calculated in order to write-off the amounts capitalised over the estimated useful lives of the assets 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 profit and loss account in proportion to the amount outstanding under the lease.

Leases other than finance leases are "operating leases" and the rentals thereunder are charged to the profit and loss account on a straight line basis over the periods of the leases.

(k) *Government Grants*
Research and development and training grants are credited to the profit and loss account in the period in which the related expenditure is incurred.

(l) *Foreign Currency*
The functional currency of the Company is the United States Dollar. At January 1, 1998 the Company changed its functional currency from the Irish Pound to the United States Dollar.

Results and cashflows 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. Adjustments arising on translation of the results of these subsidiary undertakings and on restatement of the opening net assets at closing rates, are dealt with in reserves.

Foreign currency transactions are translated at the rates of exchange ruling at the dates of the transactions. 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 profit and loss account.

(m) *Liquid Resources*
Liquid resources are current asset investments which are held as readily disposable stores of value. Liquid resources include investments in equity investments and short term deposits.

(n) *Financial Instruments*
Financial instruments include (i) borrowings, (ii) cash deposits and liquid resources and (iii) interest and forward contracts.
Derivatives, principally interest and forward foreign exchange contracts, are used to manage the working capital requirements of the Group in a cost effective, low risk manner. Working capital management is a key element in the effective management of overall liquidity.

Where derivatives are used to hedge cross-currency cash flows arising from trading activities, the underlying transaction is recorded at the contract rate.

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

2. SALES

(a) The distribution of sales by geographical market was as follows :

By geographical market	December 31 2001 US$	December 31 2000 US$
U.S.A.	25,046,609	17,282,005
Europe	6,879,597	7,197,185
Middle East/Africa	3,900,154	4,047,205
Other overseas	1,238,213	1,216,547
	37,064,573	29,742,942

Sales of diagnostic tests represented 94% (2000 : 96%) of total sales of group companies with the balance represented by licence fees/settlements arising from commercial arrangements and income generated from the servicing of laboratory equipment.

(b) The distribution of profit on ordinary activities before taxation by geographical area was as follows :

	December 31 2001 US$	December 31 2000 US$
Ireland	(330,612)	2,036,824
Rest of Europe	(214,702)	-
U.S.A.	2,200,662	2,910,441
	1,655,348	4,947,265

The loss for the financial year reflected in Ireland is after accruing an exceptional charge of US$2,850,000 (2000 : US$1,222,203). The exceptional charge in 2001 relates to commitments on the acquisition of the assets and goodwill of the Biopool hemostasis business to make payments to employees.

(c) The distribution of net assets by geographical area was as follows :

	December 31 2001 US$	December 31 2000 US$
Ireland	36,818,885	40,810,847
Rest of Europe	185,385	28,832
U.S.A.	19,527,301	14,202,970
	56,531,571	55,042,649

3. ACQUISITION OF BARTELS

On December 8, 2000, the Group purchased the assets and goodwill of Bartels Inc, based in Seattle, Washington. As no audited financial statements were available for the acquired business in the period prior to the acquisition, the directors used the fair values established at the time of the acquisition to derive the following approximate results of the entity from the date of acquisition to December 31, 2000. The results of Bartels are incorporated into continuing operations in the year ended December 31, 2001.

	December 31 2000 US$
Sales	465,871
Cost of sales	(82,000)
Gross profit	383,871

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

4. ADMINISTRATIVE EXPENSES - EXCEPTIONAL

An exceptional charge of US$2,850,000 was incurred during the financial year relating to the acquisition of the assets and goodwill of the Biopool hemostasis business on December 21, 2001. The principal components of this charge were commitments on the acquisition of the assets and goodwill of the Biopool hemostasis business to make payments to employees.

An exceptional charge of US$800,000 was also incurred during the financial year relating to the acquisition of Bartels Inc on December 8, 2000. This charge comprised payments to employees so as to ensure the effective transfer of the business from Seattle to Dublin. A similar exceptional charge of US$1,287,000 arose in 2000 relating to commitments on acquisition to make payments to employees.

	December 31 2001 US$	December 31 2000 US$
Administrative expenses - Exceptional	3,650,000	1,287,000

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging/(crediting)	December 31 2001 US$	December 31 2000 US$
Directors' emoluments:		
Remuneration	953,841	949,116
Pension	59,157	56,456
Auditors' remuneration - audit	109,631	84,000
- non-audit	85,746	-
Depreciation	845,186	657,436
Amortisation	1,829,135	1,303,290
Operating lease rentals in respect of premises	942,495	773,837
Settlement of litigation	(1,360,971)	-
Technology transfer fee provision	555,000	-
Other non-recurring charges	357,447	-
Research and development grants	-	(18,467)

6. INTEREST PAYABLE AND SIMILAR CHARGES

	December 31 2001 US$	December 31 2000 US$
Finance lease interest	23,424	41,381
Interest payable on bank loans repayable by instalments	306,487	437,954
Debenture interest	138,514	109,620
Other	3,858	115,892
	472,283	704,847

7. EMPLOYEES AND REMUNERATION

The average number of persons employed by the Group in the financial year was 332 (2000 : 306) and is analysed into the following categories:

	December 31 2001	December 31 2000
Research and development	28	32
Administration and sales	70	59
Manufacturing	234	215
	332	306

7. EMPLOYEES AND REMUNERATION continued

The staff costs comprise:

	December 31 2001 US$	December 31 2000 US$
Wages and salaries	10,445,013	7,502,890
Social welfare costs	873,374	688,947
Pension costs	583,065	547,475
	11,901,452	8,739,312

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge for taxation based on the profit on ordinary activities, comprises:

	December 31 2001 US$	December 31 2000 US$
Irish corporation tax	190,000	53,800
US corporation tax	193,000	310,000
	383,000	363,800
Deferred tax asset (see note 18)	(177,000)	(240,000)
	206,000	123,800

The effective rate of tax of 23.14% in the year ended December 31, 2001 (2000 : 7.35%) reflected (a) tax at standard rates in the jurisdictions in which the Group operates and (b) the utilisation of all prior year losses that had been carried forward.

9. PROFIT AND LOSS ACCOUNT

The consolidated profit and loss account reflects the combined results of the Group for the year.

As permitted by Section 3(2) of the Companies (Amendment) Act, 1986 the Company has not presented its own profit and loss account. The loss for the financial year reflected in the profit and loss account of the Company amounted to US$3,188,716, (December 31, 2000 - loss of US$235,709), after reflecting an exceptional charge of US$2,850,000 (2000 : US$Nil) relating to commitments on the acquisition of the assets and goodwill of the Biopool hemostasis business to make payments to employees.

10. EARNINGS PER ORDINARY SHARE

(a) *Basic earnings per ordinary share*
Earnings per ordinary share is computed by dividing the profit on ordinary activities after taxation of US$1,449,348 (December 31, 2000 - US$4,823,465) for the financial year by the weighted average number of ordinary shares in issue of 40,408,978 (December 31, 2000 - 37,131,692).

(b) *Diluted earnings per ordinary share*
Diluted earnings per share is computed by dividing the profit on ordinary activities after taxation of US$1,449,348 (December 31, 2000 - US$4,823,465) for the financial year, adjusted for debenture interest saving of US$117,894 (December 31, 2000 - US$121,875), by the diluted weighted average number of ordinary shares of 41,994,219 (December 31, 2000 - 40,540,494).

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

	2001	2000
Basic earnings per share denominator	40,408,978	37,131,692
Issuable on conversion of options	711,952	2,506,024
Issuable on conversion of debentures	873,289	902,778
Diluted earnings per share denominator	41,994,219	40,540,494

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

11. INTANGIBLE FIXED ASSETS

	Licences and patents US$	Goodwill US$	Total US$
Cost			
At January 1, 2001	3,434,348	33,210,202	36,644,550
Arising on acquisitions	-	7,377,799	7,377,799
Additions	986,502	-	986,502
At December 31, 2001	4,420,850	40,588,001	45,008,851
Accumulated Amortisation			
At January 1, 2001	(568,855)	(2,313,991)	(2,882,846)
Charge	(115,175)	(1,608,436)	(1,723,611)
At December 31, 2001	(684,030)	(3,922,427)	(4,606,457)
Net book value			
At December 31, 2001	3,736,820	36,665,574	40,402,394
At December 31, 2000	2,865,493	30,896,211	33,761,704

12. TANGIBLE FIXED ASSETS

	Leasehold improvements US$	Land and buildings US$	Computer and office equipment US$	Plant and equipment US$	Total US$
Cost					
At January 1, 2001	497,343	1,474,086	1,529,204	6,516,700	10,017,333
Additions	179,891	162,264	296,430	704,785	1,343,370
At December 31, 2001	677,234	1,636,350	1,825,634	7,221,485	11,360,703
Accumulated Depreciation					
At January 1, 2001	(257,793)	(353,355)	(590,116)	(3,346,810)	(4,548,074)
Charge	(48,326)	(47,099)	(238,276)	(511,485)	(845,186)
At December 31, 2001	(306,119)	(400,454)	(828,392)	(3,858,295)	(5,393,260)
Net book value					
At December 31, 2001	371,115	1,235,896	997,242	3,363,190	5,967,443
At December 31, 2000	239,550	1,120,731	939,088	3,169,890	5,469,259

Capitalised Leased Assets

Included in the net book value of tangible fixed assets is an amount for capitalised leased assets of US$826,127 (2000 : US$937,639). The depreciation charge in respect of capitalised leased assets for the year ended December 31, 2001 was US$111,512 (2000 : US$96,924).

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

13. FINANCIAL FIXED ASSETS	December 31 2001 US$	December 31 2000 US$
Investment in associate (see below)	1,350,517	1,341,642

On October 2, 2000, the Company acquired 33% of the share capital of HiberGen for a total consideration of US$1,371,642. On July 2, 2001 the Company subscribed for a further 300,000 Ordinary Shares of IR£0.01 each in HiberGen, increasing its shareholding to 40%, at a cost of US$309,399

The carrying amount of the investment in the associate is split as follows:

	December 31 2001 US$	December 31 2000 US$
Share of net assets of associate on acquisition	71,883	(28,891)
Goodwill arising on acquisition	1,609,158	1,400,533
Amortisation charge	(105,524)	-
Share of operating loss in associate	(225,000)	(30,000)
	1,350,517	1,341,642

14. INVENTORIES	December 31 2001 US$	December 31 2000 US$
Raw materials	5,120,345	5,460,122
Work in progress	7,014,487	7,558,858
Finished goods	4,207,476	1,393,005
	16,342,308	14,411,985

The replacement cost of inventory is not materially different from the cost stated above.

15. DEBTORS AND PREPAYMENTS (Amounts falling due within one year)	December 31 2001 US$	December 31 2000 US$
Debtors	5,247,014	4,981,456
Prepayments	973,135	1,508,048
Value Added Tax	155,858	126,951
Called up share capital not paid	291,211	278,525
Grants receivable	290,389	520,721
Other debtors	187,568	314,786
Deferred tax asset (see note 18)	539,400	240,000
	7,684,575	7,970,487

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

16. CREDITORS

(Amounts falling due within one year)	December 31 2001 US$	December 31 2000 US$
Trade creditors	1,713,775	1,488,665
Income tax deducted under PAYE	57,441	56,763
Pay related social insurance	56,539	43,296
Corporation tax	427,690	364,000
Deferred tax liability	122,000	-
Accrued liabilities	2,794,017	2,599,967
Accrued exceptional charges	2,850,000	1,222,203
Obligations under finance leases	185,575	303,772
Loan from unconnected third party - current portion	220,411	293,747
Long term debt - current portion	2,409,757	2,574,185
Promissory note	-	350,000
Deferred consideration - current portion	855,200	-
7.5% convertible debenture (see note 17)	1,000,000	625,000
	12,692,405	9,921,598

As at December 31, 2001 the undrawn portion of existing banking facilities amounted to US$1,900,000.

17. CREDITORS

(Amounts falling due after more than one year)	December 31 2001 US$	December 31 2000 US$
7.5% convertible debenture	-	1,000,000
Deferred consideration	1,736,300	-
Bank loans (secured, see note 26 (i))	6,027,649	1,033,258
Lease creditors	41,288	233,167
	7,805,237	2,266,425

The age profile of the Group's long-term debt, excluding obligations under finance leases, is as follows :

	December 31 2001 US$	December 31 2000 US$
In more than one year, but not more than two	2,919,734	1,737,049
In more than two years, but not more than five	4,697,400	296,209
In more than five years	146,815	-
	7,763,949	2,033,258

In December 1999, the Company completed a private placement of US$3,500,000 principal amount of 7.5% convertible debentures. The debentures bear interest at a rate of 7.5% per annum which is payable semi-annually. The debentures are convertible into Class 'A' Ordinary Shares of the Company at a price of US$1.80. During 2000, US$1,875,000 of the US$3,500,000 principal amount of the debenture was converted into 1,041,667 Class 'A' Ordinary Shares of the Company. During 2001, US$625,000 of the remaining balance of the debenture was redeemed. The remaining balance of the principal amount matures in December 2002 (see note 16).

As at December 31, 2001 payments falling due under finance leases of less than one year's duration amounted to US$185,575 (2000: US$303,772). As at December 31, 2001 payments falling due under finance leases of between two and five years' duration amounted to US$41,288 (2000: US$233,167). There were no payments falling due extending beyond five years.

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

18. DEFERRED TAXATION

	December 31 2001 US$	December 31 2000 US$
At beginning of year	(240,000)	-
Charge to profit and loss account (see note 8)	122,000	95,000
Credit to profit and loss account (see note 8)	(299,000)	(335,000)
At end of year	(417,000)	(240,000)
Deferred taxation represents the following:		
Capital allowances in excess of related depreciation	217,000	95,000
Other timing differences	(634,000)	(335,000)
	(417,000)	(240,000)

19. CALLED UP SHARE CAPITAL (Refer to page 20)

(a) In May 1999 the Company obtained a secondary listing on the Irish Stock Exchange and in April 2000 raised US$13,400,000 by the issue of 4,000,000 Class 'A' Ordinary Shares to a cross section of US, UK and Irish investment institutions.

(b) In December 1999, the Company completed a private placement of US$3,500,000 principal amount of 7.5% convertible debentures. During 2000, US$1,875,000 of the US$3,500,000 principal amount of the debenture was converted into 1,041,667 Class 'A' Ordinary Shares of the Company. During 2001, US$625,000 of the remaining balance of the debenture was redeemed.

(c) In December 1999, the Company completed a private placement of 1,334,805 Class 'A' Ordinary Shares.

(d) In June 1997, the Company completed a private placement of US$3,000,000 principal amount of 4% convertible debentures. During 1999, the remaining balance of US$500,000 of the US$3,000,000 principal amount of the debentures was converted into 498,291 Class 'A' Ordinary Shares of the Company.

(e) The Class 'B' Ordinary Shares have two votes per share and the rights to participate in any liquidation or sale of the Company and to receive dividends as if each Class 'B' Ordinary Share was two Class 'A' Ordinary Shares.

(f) The AGM held on May 28, 2001 approved a resolution for the renominalisation of the Company's share capital from IR£0.01 each to US$0.0109 each.

20 SHARE OPTIONS AND WARRANTS

Under the terms of the Company's Employee Share Option Plan, options to purchase 7,361,428 Class 'A' Ordinary Shares were outstanding at December 31, 2001. Under the plan, options are granted to officers, employees and consultants of the Group at the discretion of the remuneration committee of the board. In addition, the Company granted warrants to purchase 890,405 Class 'A' Ordinary Shares in the Company to agents of the Company who were involved in the Company's private placements in 1994 and 1995 and the debenture issues in 1997 and 1999. A further warrant to purchase 100,000 Class 'A' Ordinary Shares was also granted to a consultant of the Company. At December 31, 2001, there were warrants to purchase 503,525 Class 'A' Ordinary Shares in the Company outstanding. The share options and warrants outstanding at December 31, 2001 were as follows:

	Options and Warrants Shares	Range US$
Outstanding January 1, 2001	5,868,703	0.81-5.00
Granted	2,039,500	0.98-1.20
Exercised	(43,250)	1.00-2.00
Outstanding December 31, 2001	7,864,953	0.81-5.00

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

21. PROFIT AND LOSS RESERVE / MINORITY INTEREST

(a) Profit and loss reserve

	December 31 2001 US$	December 31 2000 US$
Accumulated surplus	7,316,956	5,867,608
Goodwill reserve	(21,776,683)	(21,776,683)
	(14,459,727)	(15,909,075)

Due to the adoption of Financial Reporting Standard No. 10 by the Company, the goodwill reserve is disclosed as part of the profit and loss reserve on the face of the balance sheet. This adoption does not affect the potential distributable reserves of the Company.

(b) Minority interest

	December 31 2001 US$	December 31 2000 US$
Minority interest	309,946	309,946

In March 1998 Benen Trading Limited received an injection of funds under the Business Expansion Scheme. In order to present a true and fair view of the consolidated financial statements, the substance of this transaction, as distinct from its strict legal form, is considered in determining its true nature and the appropriate accounting treatment. In particular, the option which is incorporated within the transaction, and the most likely exercise of it, determine the substance of the transaction.

In these circumstances it is considered that the injection of these funds is in the nature of quasi equity. The Group does have obligations to transfer economic benefits at the end of the investment period. This obligation is limited to a maximum of €330,200 being €1.32 per share. Accordingly, the Group has continued to consolidate Benen Trading Limited as a 100% subsidiary undertaking and the proceeds (after deducting share issue costs and expenses) of the investment have been credited to minority interest.

22. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	December 31 2001 US$	December 31 2000 US$
Operating profit	2,180,267	5,215,961
Depreciation and amortisation	2,674,321	1,960,726
Disposal of investments	-	(37,465)
Exceptional administration expenses	2,850,000	1,287,000
Decrease in debtors and prepayments	1,525,800	1,074,798
Decrease in creditors	(1,818,268)	(1,209,806)
Increase in inventory	(1,930,323)	(4,501,435)
Translation adjustments	148,951	(565,653)
Net cash inflow from operating activities	5,630,748	3,224,126

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

23. ANALYSIS OF NET DEBT

	At January 1 2001 US$	Cashflow US$	Acquisitions US$	Non-Cash Movements US$	Exchange Movements US$	December 31 2001 US$
Cash at bank and in hand	3,381,779	(1,366,935)	-	-	-	2,014,844
Liquid resources	893,816	2,373,316	-	-	-	3,267,132
	4,275,595	1,006,381	-	-	-	5,281,976
Debt due within 1 year	(2,574,185)	164,428	-	-	-	(2,409,757)
Debt due after 1 year	(1,033,258)	(4,994,391)	-	-	-	(6,027,649)
Finance leases	(536,939)	310,076	-	-	-	(226,863)
Convertible debentures	(1,625,000)	625,000	-	-	-	(1,000,000)
Promissory note	(350,000)	350,000	-	-	-	-
Total	(1,843,787)	(2,538,506)	-	-	-	(4,382,293)

	At January 1 2000 US$	Cashflow US$	Acquisitions US$	Non-Cash Movements US$	Exchange Movements US$	December 31 2000 US$
Cash at bank and in hand	2,092,812	1,288,967	-	-	-	3,381,779
Liquid resources	971,631	(77,815)	-	-	-	893,816
	3,064,443	1,211,152	-	-	-	4,275,595
Debt due within 1 year	(2,967,595)	737,160	(343,750)	-	-	(2,574,185)
Debt due after 1 year	(4,255,857)	4,178,849	(956,250)	-	-	(1,033,258)
Finance leases	(653,118)	291,838	-	(175,659)	-	(536,939)
Convertible debentures	(3,500,000)	-	-	1,875,000	-	(1,625,000)
Promissary note	-	-	-	(350,000)	-	(350,000)
Total	(8,312,127)	6,418,999	(1,300,000)	1,349,341	-	(1,843,787)

24. ACQUISITION OF BUSINESSES

On October 19, 2001 Trinity Biotech purchased the Amerlex hormone business of Ortho Clinical Diagnostics for a total consideration of US$877,797. The consideration was satisfied in cash. Acquisition expenses amounted to US$94,860. On December 21, 2001 the Company acquired the assets and goodwill of the Biopool hemostasis business for a total consideration of US$6,409,329 satisfied in cash and deferred consideration. The deferred consideration of US$2,591,500 is payable in three instalments of US$855,200, US$1,166,200 and US$570,100 on December 21, 2002, 2003 and 2004 respectively. The deferred consideration is not conditional on any future event. Total acquisition expenses amounted to US$159,329.

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

24. ACQUISITION OF BUSINESSES continued

	Ortho US$	Biopool US$	Total US$
Working capital	-	(136,000)	(136,000)
Net assets/(liabilities) at fair value	-	(136,000)	(136,000)
Goodwill	877,797	6,545,329	7,423,126
Consideration	877,797	6,409,329	7,287,126
Satisfied by:			
Cash payments including costs	877,797	3,817,829	4,695,626
Net cash outflow	877,797	3,817,829	4,695,626
Deferred consideration	-	2,591,500	2,591,500
Consideration	877,797	6,409,329	7,287,126

Goodwill capitalised during the year in respect of acquired businesses amounted to US$7,423,126 and comprises:

	Book values US$	Fair value adjustment US$	Final fair value US$	Consideration US$	Goodwill US$
Ortho	-	-	-	(877,797)	(877,797)
Biopool Working capital	3,022,000	(3,158,000)*	(136,000)	-	-
	3,022,000	(3,158,000)	(136,000)	(6,409,329)	(6,545,329)
Total	3,022,000	(3,158,000)	(136,000)	(7,287,126)	(7,423,126)

The book values of the assets and liabilities shown above have been taken from management accounts and other information of the acquired businesses at the dates of acquisitions.

The fair value adjustments above principally arise for the following reasons:

*Write-down of inventories and receivables following an assessment of the realisable value of inventories and the collectability of debtors.

During 2000, Trinity Biotech acquired the share capital of MarDx Diagnostics Inc and the assets and goodwill of Bartels Inc. Following the completion of the fair value exercises in 2001 in respect of the acquisitions made during 2000, amendments have been made to the fair values reported in last year's statements. The difference has been taken as an adjustment to goodwill on acquisition. Provisional and final values of net assets acquired and consideration paid are as follows:

	Provisional fair value 2000 US$	Adjustments to net assets 2001 US$	Adjustments to costs 2001 US$	Final fair value 2001 US$
MarDx				
Tangible fixed assets	72,306	-	-	72,306
Working capital	660,458	-	-	660,458
Long-term debt	(956,250)	-		(956,250)
Net assets	(223,486)	-	-	(223,486)
Consideration and costs	(4,208,279)	-	-	(4,208,279)
Bartels				
Working capital	750,000	127,090	-	877,090
Consideration and costs	(9,463,974)	-	(81,762)	(9,545,736)

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

25. SUPPLEMENTARY CASHFLOW INFORMATION

(a) Purchase of tangible fixed assets

	December 31 2001 US$	December 31 2000 US$
Additions to tangible fixed assets net of fair value adjustments	1,343,370	1,349,580
Less new finance leases	-	(175,659)
	1,343,370	1,173,921

(b) Management of liquid resources

Cashflows from the use of liquid resources in 2001 arose from the movement of cash to fixed deposit accounts. Cashflows from the use of liquid resources in 2000 arose from the sale of equity investments of US$127,500, less the purchase of equity investments of US$49,685.

(c) Impact of acquisitions on Cashflow Headings

The operating results of the Amerlex hormone business of Ortho Clinical Diagnostics acquired on October 19, 2001 contributed US$41,148 to the net cash inflow from operating activities of the Group.

26. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

The capital commitments of the Group were as follows:	December 31 2001 US$	December 31 2000 US$
Contracted for	-	-
Authorised, not contracted for	-	400,000
	-	400,000

(b) Operating lease commitments

Trinity Biotech occupies certain facilities under lease arrangements. The Group's executive offices and Irish manufacturing and research and development facilities are located in a 45,000 square foot premises in Bray, Co Wicklow, Ireland. The Company sold this facility in December 1999 and entered into a 20 year lease with the purchaser. The current annual rent which is reviewed every five years is set at €392,337 (US$347,940). In July 2000 the Company entered into a 20 year lease for a 25,000 square foot warehouse adjacent to the existing facility at an annual rent of €190,500 (US$168,903). The Group's present manufacturing facilities are adequate for its current manufacturing and operational needs. However, in anticipation of further acquisitions and organic growth, the Company entered into a further four years eleven month lease in July 2000 at €28,568 (US$25,335) per annum over adjacent lands. The Company also entered into an option with the lessor exercisable for the next two years under which it may require the lessor to construct an additional premises, as may be specified by the Company, on such lands (see note 28). The Company also continues to lease its original manufacturing facility at the Sandyford Industrial Estate in Dublin at an annual rental of €59,676 (US$52,923). These premises are sublet. MarDx Diagnostics Inc operates from two leased facilities in Carlsbad, California. The first facility comprises 21,500 square feet and is the subject of a five year lease, which was renewed for a further five years in July 2001, at an annual rental cost of US$214,000. The second adjacent facility comprises 14,500 square feet and is the subject of a three year lease, which was also renewed in July 2001, at an annual rental cost of US$127,000. Operating lease commitments payable during the next twelve months amount to US$936,101 (2000 : US$876,053). The split of operating lease commitments for 2002 based on lease term is as follows:

	US$
Within one year	-
Between two and five years	366,335
Greater than five years	569,766
Total	936,101

(c) Under agreements between Trinity Biotech and Enterprise Ireland, a grant amounting to US$290,389 (2000 : US$520,721) is receivable which may be revoked, cancelled or abated in certain circumstances.

(d) Under agreements between Trinity Biotech and Enterprise Ireland, a loan amounting to US$220,411 (2000 : US$305,481) is payable which may be required to be repaid immediately in certain circumstances.

(e) Under an agreement reached in November 2000, between the Group and Enterprise Ireland, grants of US$605,680 are payable in the event of predefined employment targets being achieved. As part of this agreement, Enterprise Ireland could subscribe for 'A' Ordinary Shares of the Company up to a value of US$976,320 at a share price 10% below the market price of the Company's shares. In December 2000 Enterprise Ireland subscribed US$501,120 of this amount for 239,198 'A' Ordinary Shares of the Company.

(f) As a result of the disposal by Trinity Biotech of its interest in the supply agreement between Warner Lambert Inc., Applied Biotech Inc and Trinity Biotech Inc., certain future events may result in additional consideration being paid to the Group. No amounts have been reflected in this year's financial statements due to the uncertainty relating to this potential additional consideration.

(g) The Company has guaranteed the bank borrowings of subsidiary undertakings to the amount of US$1,856,159.

(h) Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of Trinity Biotech Manufacturing Limited, a subsidiary undertaking in the Republic of Ireland, for the financial year to December 31, 2001 and, as a result, this subsidiary undertaking has been exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986.

(i) The Company's bank borrowings are secured by a fixed and floating charge over the assets of the Company. The Company has also given security over certain US assets, subordinate to existing banking arrangements, to Xtrana Inc relating to the deferred consideration due as part of the acquisition of the Biopool hemostasis business.

27. PENSION SCHEME

Trinity Biotech operates a defined contribution pension scheme for its full-time employees. The benefits under this scheme 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$583,065 (2000 : US$547,475). This represents the total cost to the Group of the pension scheme for the financial year and as such it was not necessary to accrue or prepay pension contributions at the year end.

28. RELATED PARTY TRANSACTIONS

The Company has entered into various arrangements with JRJ Investments (JRJ), a partnership owned by Mr. O'Caoimh and Dr. Walsh, directors of the Company, to provide for current and potential future needs to extend its premises at IDA Business Park, Bray, Co. Wicklow, Ireland. It has entered into an agreement with JRJ pursuant to which the Company has taken a lease of premises adjacent to the existing facility for a term of 20 years at a rent of €7.62 per square foot ("the Current Extension"). The lease commenced on the newly completed 25,000 square foot building in July 2000. The Company also envisages that a further premises may potentially be required by it and, for that purpose, has entered into a four years eleven month lease at €28,568 per annum over adjacent lands with JRJ. The Company has further entered into an option with JRJ exercisable for the next two years under which it may require JRJ to construct a further premises, as may be specified by the Company, on such lands. If this option is exercised, the Company will be obliged to take a 20 year lease (on terms similar to that for the Current Extension) in respect of such additional premises. Independent Valuers have advised the Company that the rent fixed in respect of the Current Extension and the adjacent lands represents a fair market rent. The rent for any future property constructed will be set at the then open market value. The Company and its directors (excepting Mr. O'Caoimh and Dr. Walsh who express no opinion on this point) believe that the arrangements entered into represent the most favourable basis on which the Company can meet its ongoing requirements for premises.

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

29. DERIVATIVES AND FINANCIAL INSTRUMENTS

Trinity Biotech uses a range of financial instruments (including cash, bank borrowings, convertible debentures 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. The Group 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.

Interest Rate Risk
The Group borrows in appropriate currencies at floating rates of interest. Year-end borrowings, net of cash, totalled US$4,375,840 (2000 : US$1,600,595) at interest rates ranging from 4.52% to 7.50% and including US$1,309,607 of fixed rate debt at interest rates ranging from 5% to 7.50% (2000 : US$1,625,000 at 7.50%). In broad terms, a one-percentage point increase in interest rates would increase the net interest charge by US$81,000.

Liquidity Risk
The Group's operations are cash generating. Short term flexibility is achieved with overdraft facilities.

Foreign Exchange Risk
The vast bulk 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 expenses as a result of the movement in the exchange rate between the US Dollar and the Euro. Arising from this, the Group pursues a formalised treasury policy which aims to sell US Dollars forward to match uncovered Euro expenses at exchange rates lower than budgeted exchange rates. With an increasing level of Euro denominated sales, the Group anticipates that, over the next three years, a higher proportion of its non-US Dollar expenses will be matched by non-US Dollar revenues.

The disclosures below exclude short term debtors and creditors

Interest Rate Profile of Financial Liabilities

The interest rate profile of financial liabilities of the Group was as follows:

	December 31 2001 US$	December 31 2000 US$
Financial liabilities on which no interest is paid	220,411	663,042
Floating rate financial liabilities	8,127,798	3,588,148
Fixed rate financial liabilities	1,309,607	1,625,000
	9,657,816	5,876,190

Financial liabilities on which no interest is paid, comprise loans from unconnected third parties and have a weighted average period until maturity of 1 year.

Floating rate financial liabilities comprise overdrafts and other borrowings that bear interest at rates of between 4.52% and 7.50%. These overdrafts and borrowings are provided by financial institutions at margins ranging from 1% to 2.57% over interbank rates.

	December 31	December 31
Fixed rate financial liabilities	2001	2000
- weighted average interest rate	7.26%	7.50%
- weighted average period for which rate is fixed	1.72 years	1.62 years

29. DERIVATIVES AND FINANCIAL INSTRUMENTS continued

Maturity of Financial Liabilities
The maturity profile of the Group's financial liabilities was as follows:

	December 31 2001 US$	December 31 2000 US$
In one year or less, or on demand	3,630,167	3,842,932
In more than one year, but not more than two	1,753,534	1,737,049
In more than two years, but not more than five	4,127,300	296,209
In more than five years	146,815	-
	9,657,816	5,876,190

Fair Values of Financial Assets and Liabilities
There is no significant difference between the fair value and the carrying value of the Group's financial assets and liabilities as at December 31, 2001.

30. DIFFERENCES BETWEEN IRISH AND US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the Republic of Ireland ("Irish GAAP"), which differ in certain significant respects from accounting principles generally accepted in the United States ("US GAAP"). These differences relate principally to the following items and the necessary adjustments are shown in the table set out below;

(a) *Goodwill:*
In prior years under Irish GAAP, goodwill was either written off immediately on completion of the acquisition against shareholders' equity, or capitalised in the balance sheet and amortised through the income statement on a systematic basis over its useful economic life. From 1998, goodwill must be capitalised and amortised over the period of its expected useful life, however, historic goodwill continues to remain an offset against shareholders' equity. Under US GAAP, accounting for goodwill as an offset against shareholders' equity is not permitted; rather, goodwill must be amortised over the period of its expected useful life, subject to a maximum write-off period of 40 years, through the income statement. A useful life of 10 years has been adopted for the purposes of the reconciliation.

In June 2001, the US Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standard (“SFAS”) 141 “Business Combinations” and SFAS 142 “Goodwill and Other Intangible Assets”, both of which are effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill will no longer be amortised under US GAAP but will be subject to annual impairment tests in accordance with the statements. Under the transitional arrangements set out in SFAS 142, goodwill arising on acquisitions completed after June 30, 2001 has not been amortised for US GAAP purposes, and the goodwill adjustment in the reconciliation on page 40 includes a reduction of US$10,972 to the goodwill amortisation charge under Irish GAAP in respect of these acquisitions.

The Group will apply the new rules on accounting for goodwill and other intangible assets beginning January 1, 2002. During 2002, the Group will perform the first of the required impairment tests of goodwill and indefinite-lived intangible assets as of January 1, 2002 and has not yet determined what the effect of these tests will be on the earnings and financial position of the Group.

(b) *Cash Flow Statements:*
The consolidated statement of cashflows prepared under Irish GAAP presents substantially the same information as required under US GAAP by SFAS 95 ‘Statement of Cash Flows’. This standard differs, however, with regard to the classification of items within the statements and as regards the definition of cash.

Under US GAAP, cash equivalents would not include bank overdrafts. The movements on such bank overdrafts are required to be included in financing activities under SFAS 95. Under US GAAP short term investments with a maturity of three months or less at the date of acquisition are included in cash equivalents. Under Irish GAAP, movements in short term investments are classified as management of liquid resources.

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

30. DIFFERENCES BETWEEN IRISH AND US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

(b) *Cash Flow Statements (continued):*
Under Irish GAAP, cash flows are presented separately for operating activities, returns on investments and servicing of finance, dividends received from associated undertakings, taxation, capital expenditure and financial investment, acquisitions and disposals, equity dividends paid, management of liquid resources and financing. US GAAP, however, requires only three categories of cash flow activity to be reported: operating, investing and financing. Cash flows from taxation and returns on investments and servicing of finance shown under Irish GAAP would, with the exception of preference dividends paid, be included as operating activities under US GAAP. The payment of dividends would be included as a financing activity under US GAAP. Under US GAAP, capitalised interest is treated as part of the cost of the asset to which it relates and is thus included as part of investing cash flows; under Irish GAAP all interest is treated as part of returns on investment and servicing of finance.

(c) *Share Capital Not Paid:*
Under Irish GAAP, unpaid share capital is classified as a receivable under current assets. Under US GAAP, share capital receivable should be reported as a reduction to Shareholders' Equity. Unpaid share capital at December 31, 2001 is US$291,211 (2000 : US$278,525).

(d) *Sale and Leaseback:*
Under Irish GAAP, the Company's sale and leaseback transaction which took place in December 1999 was treated as a disposal of assets with the gain on the disposal of US$1,014,080 being credited to the profit and loss account in the period of the transaction. Under US GAAP, this amount is deferred and released to the profit and loss account over the period of the lease (20 years).

(e) *Deferred Income Taxes:*
Under Irish GAAP, deferred income taxes are provided only where it is probable that the taxation liability will crystallise within the foreseeable future. Under SFAS 109 - "Accounting for Income Taxes", deferred taxation is computed using the liability method under which deferred income tax liabilities are fully provided and deferred tax assets are recognised to the extent that their realisation is more likely than not. In addition, deferred taxation would also be provided under US GAAP on the difference between the accounting and tax bases of assets and liabilities of subsidiaries acquired.

(f) *Minority Interests:*
Under Irish GAAP, minority interests are included as a portion of Shareholders' Equity. Under US GAAP, minority interests are excluded from Shareholders' Equity.

(g) *Sales on Extended Credit Terms:*
In 2000 the Company made certain sales on extended credit terms. Under US GAAP, SAB 101 "Revenue Recognition in Financial Statements", such sales on extended credit terms would not be recognisable as revenue. No similar provisions exist under Irish GAAP to preclude revenue recognition. Sales were not made on extended credit terms in 2001.

(h) *Restructuring Costs:*
Under Irish GAAP, certain provisions made for restructuring costs (principally payments to employees) incurred as a result of acquisitions would not be recognisable under US GAAP, because EITF 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination", would also not permit such costs to be included in the purchase price allocation. It contains more stringent criteria for expense recognition and such restructuring costs will be expensed in the subsequent period.

(i) *Research and Development:*
Under US GAAP, SFAS 2, "Accounting for Research and Development Costs," requires development costs to be written-off in the year of expenditure. Under Irish GAAP, development expenditure on projects whose outcome can be assessed with reasonable certainty as to technical feasibility, commercial viability and recovery of costs through future revenues, are capitalised at cost within intangible assets.

(j) *Stock-based compensation expense:*
US GAAP, as set forth in APB 25 and SFAS 123 "Accounting for Stock-Based Compensation", and FIN 44 "Accounting for Certain Transactions Involving Stock Compensation", requires stock options issued to non-employees to be valued at fair value and compensation cost to be recognised based on that fair value.

(K) *Derivative Instruments*
In June 1998, the FASB issued SFAS No 133 "Accounting for Derivative Instruments and Hedging Activities". SFAS 133 requires that (for US GAAP purposes only) all derivatives be recognised on the balance sheet at fair value. Derivatives which are not hedges or where hedge correlation cannot be demonstrated must be adjusted to fair value through income.

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

CUMULATIVE EFFECT ON SHAREHOLDERS' EQUITY	December 31 2001 US$	December 31 2000 US$
Total shareholders' equity before minority interests under Irish GAAP	56,221,625	54,732,703
US GAAP adjustments:		
Goodwill	8,098,782	10,265,482
Share capital not paid	(291,211)	(278,525)
Adjustment for sale and lease back	(912,672)	(963,376)
Adjustment for sales on extended credit	-	(35,000)
Adjustment for restructuring costs	2,850,000	1,222,203
Adjustment for research and development costs	(1,910,083)	(1,028,373)
Adjustment for stock compensation	(909,062)	(909,062)
Adjustment for fair value of derivative instruments	14,585	-
Other	293,876	(55,916)
Shareholders' equity under US GAAP	63,455,840	62,950,136

EFFECT ON NET PROFIT	December 31 2001 US$	December 31 2000 US$
Profit on ordinary activities after taxation under Irish GAAP	1,449,348	4,823,465
US GAAP adjustments:		
Goodwill amortisation	(2,166,700)	(2,141,935)
Adjustment for sale and lease back	50,704	50,704
Adjustment for sales on extended credit	35,000	(35,000)
Adjustment for restructuring costs	1,627,797	1,222,203
Adjustment for research and development costs	(881,710)	(1,028,373)
Adjustment for stock compensation	-	(909,062)
Adjustment for fair value of derivative instruments	14,585	-
Other	164,792	(314,044)
Profit under US GAAP	293,816	1,667,958
Profit per ordinary share (US cents)	0.73	4.49
Weighted average number of ordinary shares used in computing basic earnings per ordinary share	40,408,978	37,131,692

31. GROUP UNDERTAKINGS

Name and registered office	Principal activity	Principal country of incorporation and operation	Group % holding
Holding Company			
Trinity Biotech plc IDA Business Park Bray Co. Wicklow, Ireland	Investment and holding company	Ireland	
Subsidiary Undertakings			
Trinity Biotech Inc. (Formerly Disease Detection International Inc.) Girts Road Jamestown NY 14702, USA.	Sale of pregnancy and diagnostic tests	U.S.A.	100%

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

31. GROUP UNDERTAKINGS continued

Subsidiary Undertakings continued

Clark Laboratories Inc. Trading as Trinity Biotech (USA) Girts Road Jamestown NY 14702, USA	Manufacture and sale of diagnostic test kits	U.S.A	100%
FHC Corporation Girts Road Jamestown NY 14702, USA	Non-trading	U.S.A.	100%
Trinity Biotech Manufacturing Ltd IDA Business Park Bray Co. Wicklow, Ireland	Manufacture and sale of diagnostic test kits	Ireland	100%
Trinity Research Ltd IDA Business Park Bray Co. Wicklow, Ireland	Research and development	Ireland	100%
Trinity Biotech Sales Ltd IDA Business Park Bray Co. Wicklow, Ireland	Non-trading	Ireland	100%
MarDx Diagnostics Inc 5919 Farnsworth Court Carlsbad CA 92008, USA	Manufacture and sale of diagnostic test kits	USA	100%
Flambelle Ltd 16 Fitzwilliam Place Dublin, Ireland	Non-trading	Ireland	100%
Eastcourt Limited Chichester House 278/282 High Holborn London, UK	Non-trading	UK	100%
Trinity Biotech UK Holdings Ltd (Formerly Centocor UK Holdings Ltd) Captia House Shalford Guildford Surrey, UK	Holding company	UK	100%
Trinity Biotech UK Ltd (Formerly Centocor UK Limited) Captia House Shalford Guildford Surrey, UK	In voluntary liquidation	UK	100%
Benen Trading Ltd IDA Business Park Bray Co. Wicklow, Ireland	Manufacture and sale of diagnostic test kits	Ireland	10%
Reddinview Ltd IDA Business Park Bray Co. Wicklow, Ireland	Dormant company	Ireland	100%
HiberGen Limited, IDA Business Park, Bray, Co. Wicklow, Ireland.	Genetic Variation Detection	Ireland	40%
Trinity Biotech Gmbh Otto Hesse Str 19 64293 Darmstadt Germany	Sale of diagnostic test kits	Germany	100%
Biopool US Inc 6025 Nicolle Street Ventura, CA 93003 USA	Manufacture and sale of diagnostic test kits	USA	100%
Biopool AB S-903 47 Umea Sweden	Manufacture and sale of diagnostic test kits	Sweden	100%

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

32. INTANGIBLE FIXED ASSETS

	Goodwill US$	Total US$
Cost		
Arising on acquisitions	6,545,329	6,545,329
At December 31, 2001	6,545,329	6,545,329
Accumulated Amortisation		
Charge	-	-
At December 31, 2001	-	-
Net book value		
At December 31, 2001	6,545,329	6,545,329

33. FINANCIAL FIXED ASSETS

Shares in subsidiary and associated undertakings at cost	December 31 2001 US$	December 31 2000 US$
Shares in Trinity Biotech Inc. (formerly DDI)	10,582,999	10,582,999
Shares in Centocor UK Holdings Ltd	6,137,747	6,137,747
Shares in Trinity Research Ltd	145	145
Shares in Trinity Biotech Manufacturing Ltd	3	3
Shares in Trinity Biotech Sales Ltd	3	3
Shares in Trinity Biotech Gmbh	27,529	-
Shares in Flambelle Ltd	142	142
Shares in Eastcourt Ltd	142	142
Shares in Hibergen Ltd	1,681,042	1,371,642
Provision for diminution in value of shares in Trinity Biotech Inc.	(4,266,000)	(4,266,000)
Amortisation of HiberGen goodwill	(105,524)	-
	14,058,228	13,826,823

34. DEBTORS AND PREPAYMENTS

(Amounts falling due within one year)	December 31 2001 US$	December 31 2000 US$
Debtors	750,000	-
Prepayments	60,419	60,423
Called up share capital not paid	291,211	278,525
Amount due from group undertakings	48,213,894	46,143,495
	49,315,524	46,482,443

Notes to the Consolidated Financial Statements December 31, 2001 (Continued)

35 CREDITORS

(Amounts falling due within one year)	December 31 2001 US$	December 31 2000 US$
Creditors	886,000	-
Accrued liabilities	3,834,109	776,451
Amount due to group undertakings	1,800,000	-
Long term debt-current portion	1,350,000	-
Deferred consideration-current portion	855,200	-
7.5% convertible debenture	1,000,000	625,000
	9,725,309	1,401,451

36 CREDITORS

(Amounts falling due after more than one year)	December 31 2001 US$	December 31 2000 US$
7.5% convertible debenture	-	1,000,000
Bank loans (secured, see note 26(i))	5,231,250	-
Deferred consideration	1,736,300	-
	6,967,550	1,000,000

37. PROFIT AND LOSS RESERVE

	December 31 2001 US$	December 31 2000 US$
Accumulated deficit	(15,254,396)	(12,065,680)
Goodwill reserve	(167,856)	(167,856)
	(15,422,252)	(12,233,536)

Due to the adoption of Financial Reporting Standard No. 10 by the Company, the goodwill reserve is disclosed as part of the profit and loss reserve on the face of the balance sheet. This adoption does not affect the potential distributable reserves of the Company.

38. BOARD APPROVAL

The board of directors approved the financial statements on April 30, 2002.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Trinity Biotech plc ("the Company") will be held at the IDA Business Park, Bray, Co. Wicklow on June 14, 2002 at 12 noon to consider and, if thought fit, pass the following resolutions of which resolutions 1 to 4, 7 and 9 will be proposed as ordinary resolutions and resolutions 5, 6 and 8 will be proposed as special resolutions:

Ordinary Business

1. To receive and consider the financial statements for the year ended December 31, 2001 together with the reports of the directors and auditors therein.

2. To re-elect Dr. Denis Burger as a director who retires by rotation and being eligible offers himself for re-election.

3. To re-elect Mr. Peter Coyne who was co-opted to the board during the year and who retires in accordance with the Articles of Association, as a director.

4. To authorise the board of directors to fix the auditors' remuneration.

Special Business

5. "That the Company and/or subsidiary (as such expression is defined by Section 155, Companies Act, 1963) of the Company be generally authorised to make one or more market purchases (within the meaning of Section 212 of the Companies Act, 1990) on the National Association of Securities Dealers Automated Quotation Market (NASDAQ) or the Irish Stock Exchange of 'A' Ordinary Shares of US$0.0109 each ("Share(s)") on such terms and conditions and in such manner as the directors may from time to time determine but subject, however, to the provisions of the Companies Act, 1990, the Articles of Association of the Company and to the following provisions:

   (a) the aggregate nominal value of the Shares authorised to be acquired shall not exceed 10% of the aggregate nominal value of the issued share capital of the Company at the close of business on the date of the passing of the resolution:
   (b) the minimum price (exclusive of taxes and expenses) which may be paid for a Share shall be the nominal value of that Share:
   (c) the maximum price (exclusive of taxes and expenses) which may be paid for a Share shall not be more than the average of the closing bid price on the NASDAQ in respect of the ten business days immediately preceeding the day on which the Share is purchased.

   The authority hereby conferred shall expire at the close of business eighteen months from the date upon which the resolution is passed unless previously revoked, varied or renewed in accordance with the provisions of Section 215 of the Companies Act 1990, but the Company, or any subsidiary, may enter into a contract to purchase Shares under the authority hereby conferred prior to the expiry of such authority which would or might be executed wholly or partly after the expiry of such authority and may make a purchase of Shares in pursuance of such contract or contracts notwithstanding that this authority has otherwise expired.

   This replaces the authority given by resolution 6 at the Annual General Meeting of the Company held on May 28, 2001 which authority shall, to the extent that it has not been utilised, be deemed to have been withdrawn".

6. "That subject to the passing of resolution 5 above and to the provisions of the Companies Act, 1990 for the purposes of Section 209 of the Companies Act, 1990, the re-issue price range at which a treasury share (as defined by the said Section 209) for the time being held by the Company may be re-issued off-market shall be as follows:

   (a) the maximum price at which a treasury share may be re-issued off-market shall be 115% of the Relevant Price;
   (b) the minimum price at which a treasury share may be re-issued off-market shall be 85% of the Relevant Price.

   For the purposes of this resolution "the Relevant Price" shall mean the average of the closing bid price of the Share on the NASDAQ in respect of the ten business days immediately preceeding the day on which the treasury share is re-issued.

   This replaces the re-issue price range fixed by resolution 7 at the Annual General Meeting of the Company held on May 28, 2001".

7. "That the directors of the Company be and are generally and unconditionally authorised to exercise all powers of the Company to allot the relevant securities (within the meaning of Section 20 of the Companies (Amendment) Act, 1983) up to an aggregate nominal value equal to 20% of the Company's issued share capital from time to time provided that this authority shall expire at the close of business five years from the date upon which the resolution is passed unless previously renewed, varied or revoked by the Company, save that the Company may before such expiry make an offer or agreement which would or might require securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired".

8. "That the directors be and are hereby empowered pursuant to Section 24 of the Companies (Amendment) Act, 1983 to allot equity securities (within the meaning of Section 23(3) of that Act) pursuant to the authority conferred by resolution 7 above as if Section 23(1) of the Companies (Amendment) Act, 1983 did not apply to such allotment provided that this power shall be limited:

   (i) to the allotment of equity securities in connection with a rights issue in favour of shareholders where the equity securities respectively attributable to the interests of all shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held by them; and
   (ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value equal to 20% of the Company's issued share capital from time to time.

   The power hereby conferred shall expire at the close of business five years from the date upon which the resolution is passed unless such power shall be renewed in accordance with and subject to the provisions of the said Section 24".

9. "That the authorised share capital of the Company be increased from 50,000,000 'A' Ordinary Shares of US$0.0109 each and 700,000 'B' Ordinary Shares of US$0.0109 each to 75,000,000 'A' Ordinary Shares of US$0.0109 each and 700,000 'B' Ordinary Shares of US$0.0109 each by the creation of an additional 25,000,000 "A" Ordinary Shares of US$0.0109 each".

By order of the board
Maurice Hickey
Secretary
IDA Business Park,
Southern Cross Road,
Bray,
Co. Wicklow.
Ireland.

April 30, 2002

Notes

1. Any member entitled to attend and vote at this meeting may appoint a proxy who need not be a member of the Company to attend and vote in his/her place. Completion of a form of proxy will not affect the right of a member to attend and vote at this meeting in person.

2. To be valid, forms of proxy duly signed together with the power of attorney or such other authority under which they are signed (or certified copy of such power or authority), must be lodged with the Company Secretary not later than 12 noon on June 12, 2002.

Corporate Information

DIRECTORS	Mr Ronan O'Caoimh, Chairman & CEO Mr Brendan Farrell Mr Maurice Hickey Dr Jim Walsh Dr Denis Burger (US) Mr. Peter Coyne (appointed November 7, 2001)
SECRETARY	Mr. Maurice Hickey
REGISTERED OFFICE	IDA Business Park Southern Cross Road Bray Co. Wicklow Ireland
LEGAL ADVISERS	O'Donnell Sweeney The Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland William Fry Fitzwilton House Wilton Place Dublin 2 Ireland Carter, Ledyard & Milburn 2 Wall Street New York United States of America
PRINCIPAL BANKERS	Allied Irish Bank plc Morehampton Road Donnybrook Dublin 4 Ireland Investec Bank (UK) Limited Block P3 East Point Business Park Dublin 3 Ireland Morgan Stanley Dean Witter 1345 Avenue of the Americas New York United States of America
AUDITORS	Ernst & Young Chartered Accountants Harcourt Centre Harcourt Street Dublin 2 Ireland
DEPOSITORY FOR AMERICAN SHARES	Bank of New York 101 Barclay Street New York United States of America

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