[VISION]

Breakthrough solutions to improve health and advance science.
2012 was a year of growth and investment for Luminex. We achieved record revenue driven by a 54% increase in assay sales, an area in which we have invested strategically. We again shipped close to a thousand multiplexing analyzers in 2012, nearing 10,000 total systems installed-to-date. Our gross margins improved to 70% reflecting an ongoing product mix shift towards higher-margin items. In addition to delivering solid financial results, we continued to invest in our strategic initiatives, building our portfolio and customer support capabilities for long-term value creation via accelerated growth in key market segments.

Since our founding in 1995, Luminex has pursued a diversified growth model. This model includes a long-term commitment to strategic partners that are market leaders in their respective segments, such as protein panels in the life science research market and transplant testing in the diagnostic market. We are committed to supporting our strategic partners and advancing the achievement of their goals, which is why we anticipate continued solid growth from this core foundation. We are leveraging this foundation to invest in our fast-growing assay franchise and continue our leadership in the evolving molecular diagnostics segment.

STRATEGIC INITIATIVES
It is an exciting time to be in the molecular diagnostic space. A new era of molecular medicine is underway due to innovative technologies, tools, and research that have advanced our understanding of the complexity of disease. Breakthrough discoveries continue to drive the expansion of the molecular diagnostic market, benefiting patients, hospitals and laboratories worldwide. We are proud to be part of this transformation.

Luminex is known for developing many “firsts” in molecular diagnostics — including the first FDA cleared test for cystic fibrosis, the first FDA cleared test for the detection of multiple respiratory viruses, and most recently the first FDA cleared test for detection of multiple gastrointestinal pathogens. These innovative assays are leading the industry’s conversion to molecular methods, thereby achieving two critical objectives: improving patient care and delivering cost savings to the global healthcare system.

As laboratories are increasingly challenged to do more with less, Luminex is developing solutions that complement the productivity provided by multiplexing with automation and simplicity while also improving throughput and capacity. Combining multiplexing with automation, in addition to improving workflow, capacity and throughput, will help to address the demands of tomorrow’s customer.
There are hundreds of assays available on Luminex technology, including assays provided by our market-leading partners. Innovative proprietary assays from Luminex continue to grow and reach new customers. Most recently, we introduced xTAG® Gastrointestinal Pathogen Panel (GPP), the first comprehensive FDA-cleared molecular diagnostic assay that tests for greater than 90% of bacterial, viral, and parasitic causes of infectious gastroenteritis from a single patient sample. We launched NeoPlex4®, our newborn screening assay, outside the U.S., and plan to gain FDA clearance in 2013. We are very excited about these new products and how we are transforming the way testing is performed.

During 2012, we acquired GenturaDx to accelerate market entry of a high capacity, sample-to-answer instrument in the fast-growing molecular diagnostic segment. Throughout our development efforts this system will represent the next generation of integrated molecular diagnostic systems. This innovative platform, in combination with MultiCode®, our proprietary real-time PCR technology, will enable us to offer the customer both multiplexed assays and low-plex real-time assays in a way that will be unmatched in the industry. Additionally this new system is ideal for custom assay development making it accessible to a greater number of diagnostic labs, including those with little molecular experience. We believe this lab-developed test segment is a significant growth opportunity for Luminex today and in future years.

We are also currently developing a new version of our multiplex PCR chemistry that will enable customers to perform our assays more simply and easily, with very little labor and much faster turnaround times, while retaining the ability to process in high volumes. This throughput flexibility and capacity is a critical aspect for tests like RVP, as seasonality and local outbreaks can cause testing volumes to surge unpredictably. Once we launch our next generation chemistry, we anticipate being the only company to offer the convenience of a one-step workflow with the power of multiplexing and the throughput of a batch-based system.

Our new product offerings and the increased adoption of multiplex technology are ushering in the next evolutionary step in serving our customers. Our dedicated sales force allows us to highlight our entire portfolio of products across our platforms and product franchises. By representing our first-mover products and managing customer relationships directly, we are better able to position our products and respond to customers’ needs more effectively. These initiatives position the company for strong long-term growth.

LOOKING AHEAD

This is an exciting time. Luminex is pioneering comprehensive yet simple solutions that are transforming the way biological testing is performed. With the growth of our core business, the release of our newest assays xTAG Gastrointestinal Pathogen Panel and NeoPlex4, the increased adoption of our assay product portfolio and the investments we have made in the company’s infrastructure, our commitment to growth is stronger than ever. The progress we have made and the milestones we have achieved would not be possible without the hard work and dedication of our employees, for which I am both proud and grateful. I have the privilege to work alongside a very talented and dedicated team who are making a difference in the world. Every day we strive to fulfill our mission to enhance the health, safety and quality of life for all. Thank you for your continued support, and I look forward to a bright future for Luminex.

Sincerely,

Patrick J. Balthrop, Sr.
Chief Executive Officer and President
[MISSION]

Luminex transforms the way our customers perform biological testing. We pioneer comprehensive yet simple solutions to improve outcomes and reduce overall costs.

Every day we work to enhance the health, safety and quality of life for all.
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