



SDIX August 2011

This presentation contains forward-looking statements reflecting SDIX's current expectations. When used in this presentation, the words "anticipate", "enable", "estimate", "intend", "expect", "believe", "potential", "will", "should", "project" and similar expressions as they relate to SDIX are intended to identify said forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainties, which may cause actual results to differ from those anticipated by SDIX at this time. Such risks and uncertainties include, without limitation, changes in demand for products, delays in product development, delays in market acceptance of new products, inability to obtain required government approvals, modifications of government regulations, modifications to development and sales relationships, the ability to achieve anticipated growth, increasing dependence on the sale of certain products, competition, seasonality, and other factors more fully described in SDIX's public filings with the U.S. Securities and Exchange Commission.



Corporate Snapshot & Investment Thesis

Two Primary Businesses - focused on large and growing markets

- Life Science
- Food Safety

Leading Immuno-Solutions Company

- Over 20 years of innovation in protein detection and analysis
 - Design and development of antibodies and commercial immunoassays
 - 155 employees
- Existing and new technologies
 - Proprietary SDIX Genomic Antibody Technology™ (GAT™) with capabilities and applications that can be leveraged for upside potential
- Experienced leadership team

Strong Global Customer Base

- Major Biopharma, diagnostic, and research institutions
- Immuno-solutions collaborations with Biopharma and IVD companies

Solid Growing Business

- Sustainable core business in antibody production and food pathogen detection
- Emerging technology and capabilities support potential development of a business in biomarker discovery and/or therapeutics

Key Financials

Shares Outstanding*	20.5M
Fully Diluted Shares*	23.3M
Share Price (NASDAQ: SDIX)**	\$2.15
Market Cap**	\$44.1M
Revenues (ttm)	\$29.4M
Available and Restricted Cash*	\$8.0M

*As of period ended June 30, 2011

**As of July 31, 2011

Top Institutional Holders
Becker Drapkin Management
Stephens Investment Management
T. Rowe Price Associates
Kleinheinz Capital Partners
Dimensional Fund Advisors
Vanguard Group
Ironwood Investment Management
BlackRock Institutional Trust Company
Renaissance Technologies
GAMCO Investors

Leadership Team

- **Francis M. DiNuzzo - President and CEO.** Joined February 2008 as Executive Vice President Marketing and Chief Commercial Officer. Spent 26 years at Agilent Technologies / Hewlett Packard. Strong genomics, proteomics, bioinformatics, life science, chemical, environmental, food and forensics markets experience.
- **Kevin J. Bratton - VP of Finance and CFO.** Joined June 2009. Most recently SVP of Business Operations for EUSA Pharma. Over 35 years of experience in all phases of multi-national financial operations across the healthcare, biotechnology and technology industries.
- **Dr. Klaus Lindpaintner – VP of R&D and CSO.** Joined January 2010. Most recently VP, F. Hoffmann-La Roche, Director, “Roche Molecular Medicine Laboratories” and Global Head, Molecular Medicines Policy and External Affairs. Prior to joining industry, clinical cardiology practice and research in cardiovascular disease, molecular genetics, and genetic epidemiology as Associate Professor at Harvard Medical School. MD Innsbruck University, MPH Harvard.
- **Michael W. Young – VP Sales and Marketing.** Joined August 2010 with 30 years experience in biotechnology sales , marketing and business development, including SVP BD Decode Genetics, VP Commercial Development Genzyme Transgenics, and VP BD PerSeptive Biosystems.

SDIX Progress and Goals

	Recent Accomplishments	Upcoming Goals
General	<ul style="list-style-type: none"> • Built out management team • Solidified cost structure • Improved gross margins • Refocused business model 	<ul style="list-style-type: none"> • Sustained profitable growth <ul style="list-style-type: none"> ◦ Balance with potential investments in opportunistic business areas • Continue to explore opportunities to expand product portfolio and technology base
Life Science	<ul style="list-style-type: none"> • Rationalized Channels <ul style="list-style-type: none"> ◦ Novus distributes catalogue items ◦ Increased focus on Biopharma & IVD ◦ Decreased focus on academic & govt. • Expanded sales and marketing investment • Successfully established collaborations 	<ul style="list-style-type: none"> • Establish technology as a differentiator <ul style="list-style-type: none"> ◦ GAT™ and advanced versions of GAT™ ◦ Monoclonal antibody development • Establish additional collaborations <ul style="list-style-type: none"> ◦ Milestone and royalty structures
Food Safety	<ul style="list-style-type: none"> • Launched SE product with AOAC approval and FDA equivalency determination • Recent success in beef industry for use of test strips in process control • Expanded field sales force (US and Europe) 	<ul style="list-style-type: none"> • Develop and launch new products <ul style="list-style-type: none"> ◦ New pathogens ◦ Faster time to result ◦ Automation • Expand international channels
Water Quality	<ul style="list-style-type: none"> • Rationalized product line • Updated Deltatox design 	<ul style="list-style-type: none"> • Exploit growth opportunities in China and India through distributors
AG	<ul style="list-style-type: none"> • Handed over product line to distributors 	<ul style="list-style-type: none"> • N/A



Life Science Market

Proteomics Market

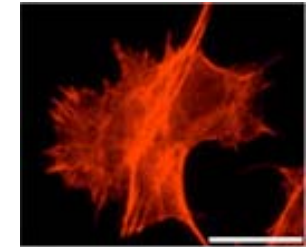
- \$6.7B total market
- \$1.8B immuno-tools segment
- 6-8% CAGR

In Vitro Diagnostic (IVD) Market

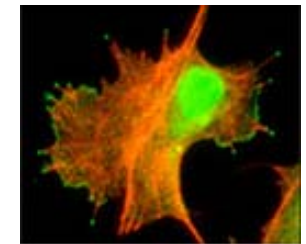
- \$51B total market
- \$17.7B immuno-diagnostic segment
- \$765M ASR Supply and Production Market
- 7-8% CAGR

Large Unmet Need

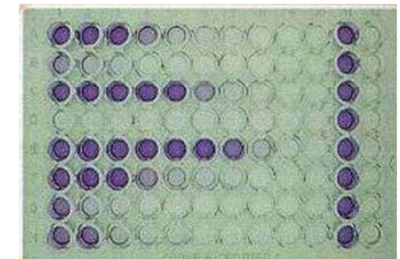
- Commonly used protein detection platforms (i.e. MS) do not address the full dynamic range of the (plasma) proteome
- Life science and clinical research need highly sensitive and quantitatively accurate assays
- Commercially available (“catalogue”) antibodies have notoriously poor performance track record



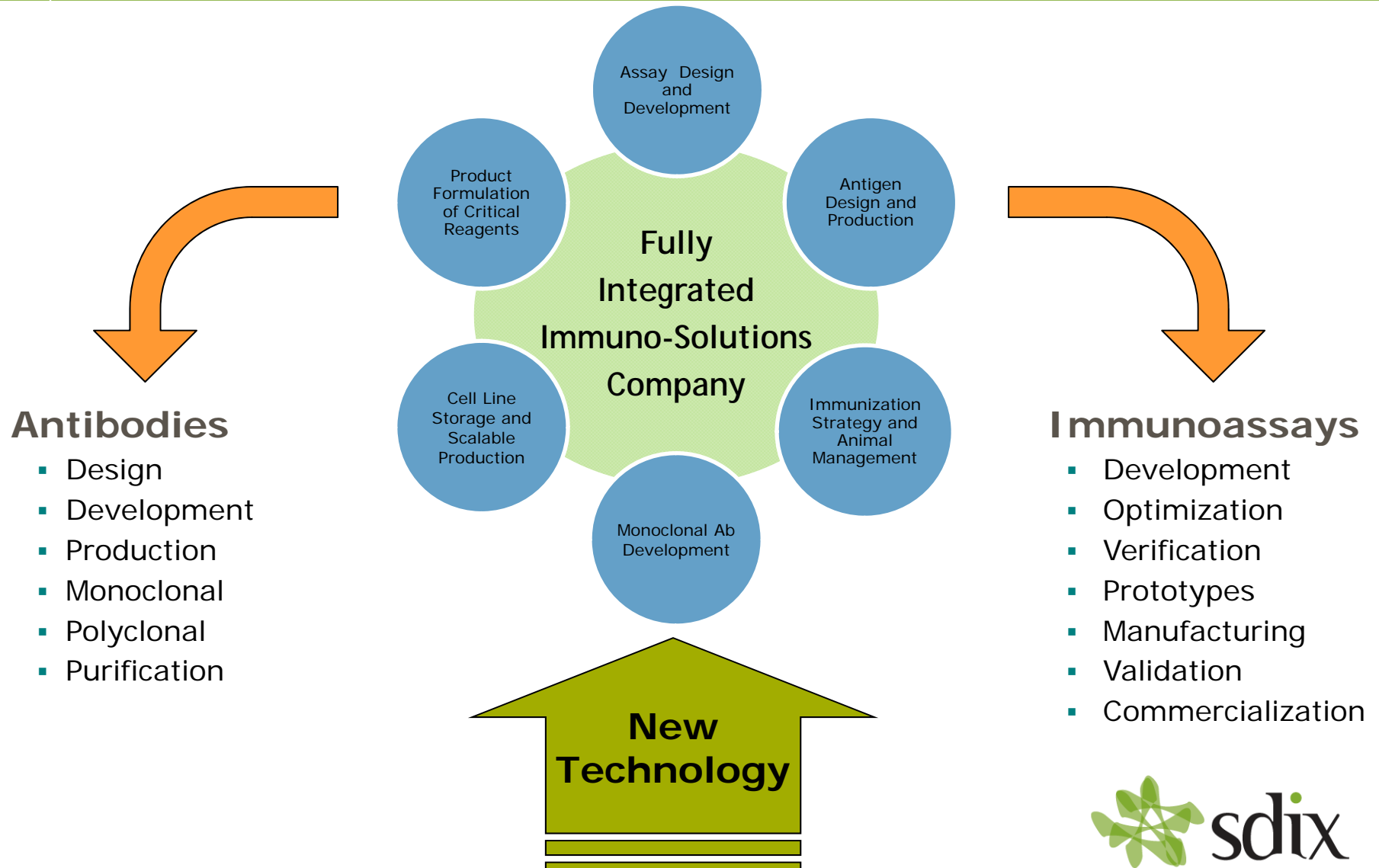
Actin



BAEC cells



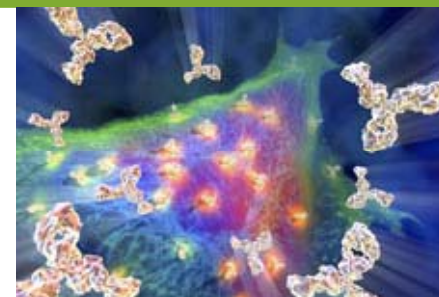
Fundamental Core Competencies



SDIX Life Science Competitive Advantages - Monoclonal

Examples of Monoclonal Projects and Products:

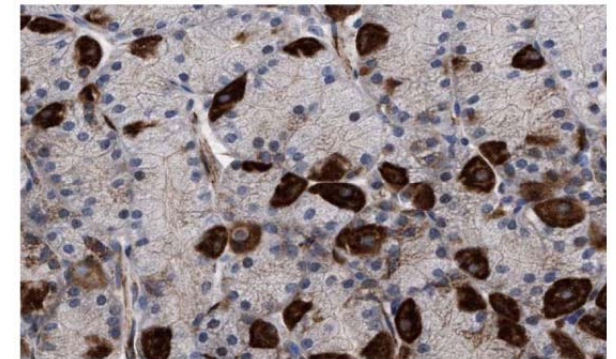
- Anti-Idiotypic monoclonal antibodies for major Biopharm company to be used in therapeutic drug monitoring.
- Monoclonal antibodies to non-human primate GPCR and Ion-Channel Proteins, to be applied in flow cytometry.
- MAb's to be used to detect agriculturally important pathogenic bacteria by flow cytometry.
- MAb's to a vitamin binding protein to be used in a clinical diagnostic assay sold by a major diagnostic company.
- Monoclonal antibody to cancer biomarkers used in early detection and therapeutic monitoring for remission of both hematologic and solid tumors.
- Monoclonal antibody to ABC transporter proteins for pharmaceutical companies use in the development of novel therapeutic targets.
- For NCI, the Clinical Proteomics Technologies for Cancer Initiative (CPTC), more than 100 MAb's to key cancer-related targets.



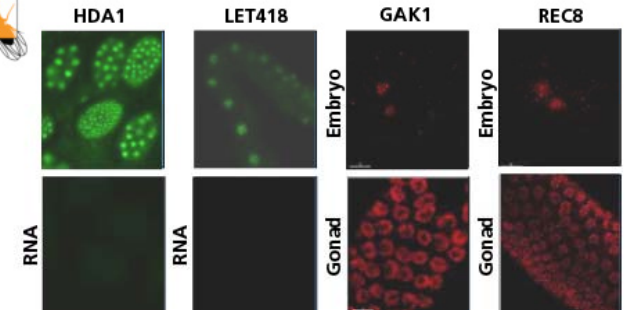
SDIX Life Science Competitive Advantages - Polyclonal

Examples of Polyclonal Projects and Products:

- Approximately 300 rabbit polyclonal antibodies made by SDIX GAT™ (Genomic Antibody Technology™) to a variety of proteins included in the Human Protein ATLAS (an international effort designed to make antibodies to all key human proteins).
- Polyclonal antibodies to Apolipoprotein B used in cardiovascular research for one of the major Pharma companies.
- 1,300 PAb's made within a collaborative research effort with Fred Hutchison Cancer Research Center for biomarkers to early detection of cancer in the Women's Health Initiative.
- More than 400 rabbit GAT™ PAb's to transcription factors, in model organisms, for the ModENCODE consortium funded by the NIH.



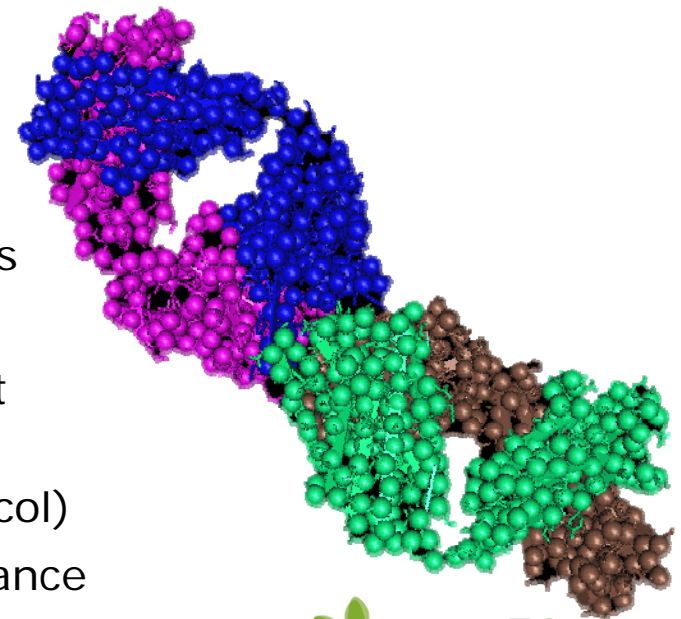
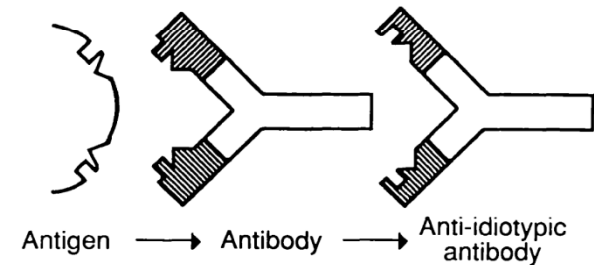
Target: AKAP1, Tissue: Stomach



SDIX Immuno-Solutions Case Study

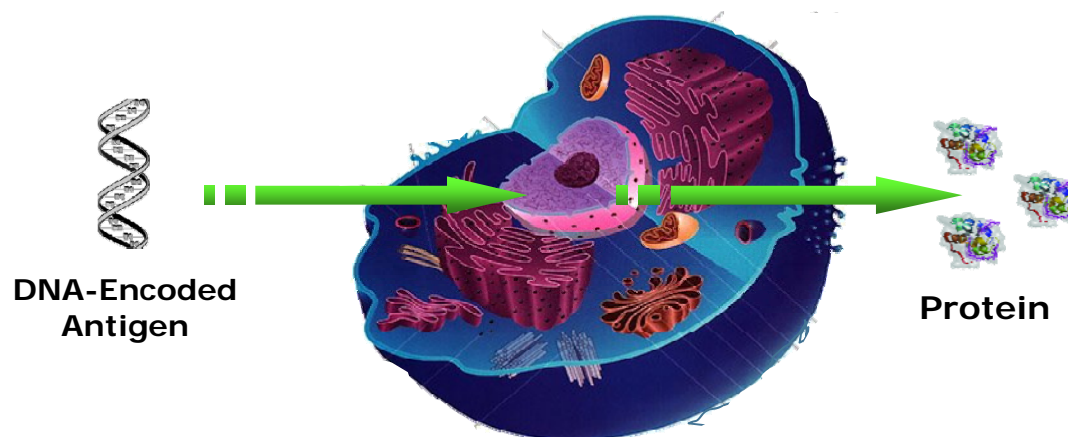
Anti-ID antibody for leading Biopharmaceutical customer

- Anti-idiotypic antibodies are an increasingly important reagents for Biopharmaceutical R&D (PK, distribution, imaging, etc.)
- Case study:
 - Close collaboration with major Biopharma customer, including implementation of proprietary protocols
 - Successful generation of 87 candidate mAbs
 - Prioritization of 15
 - 15 x 15 matrix screening to select the most highly performing pair for sandwich ELISA
 - *Accomplished in 7 weeks* (ultra-rapid protocol)
 - 2 more projects secured based on performance

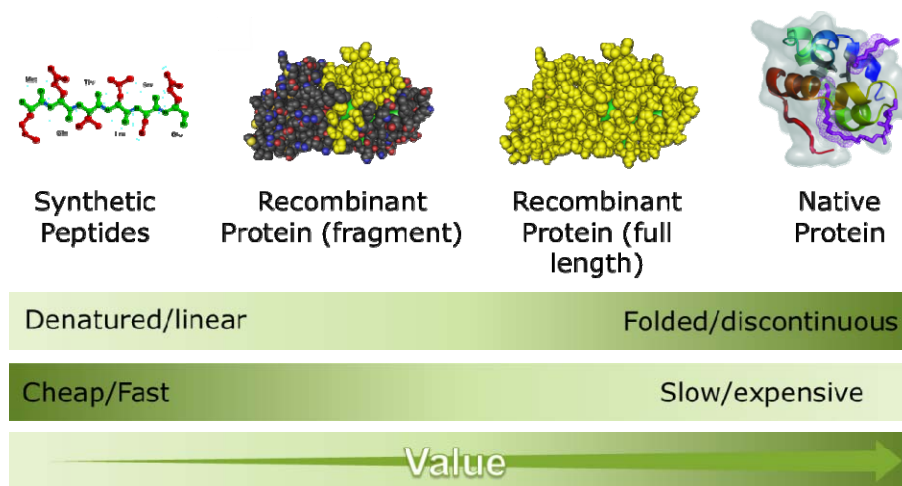


Proprietary Antibody Technology

SDIX Genomic Antibody Technology™ (GAT™)

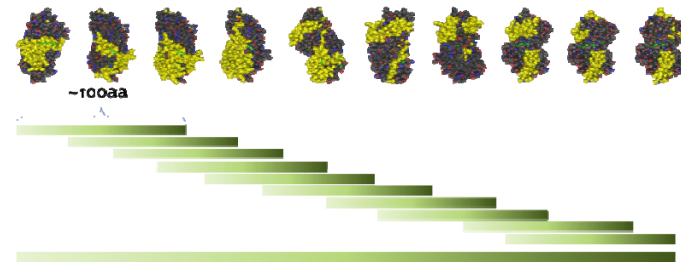
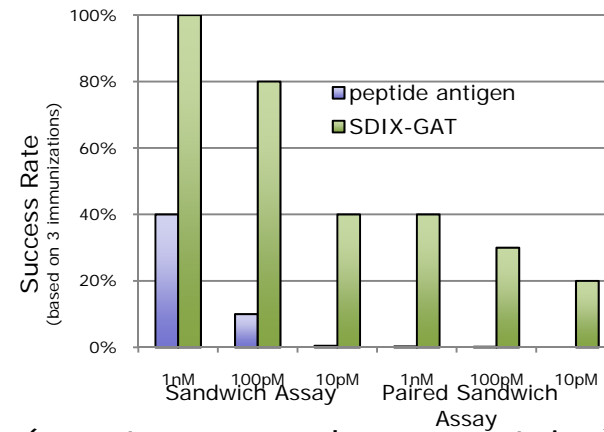


- In contrast to traditional antibody development:
 - Immunization with DNA
 - Conformationally correct antigen generated *in vivo*
 - Highly specific antibodies recognize native protein



SDIX GAT™ Competitive Advantages

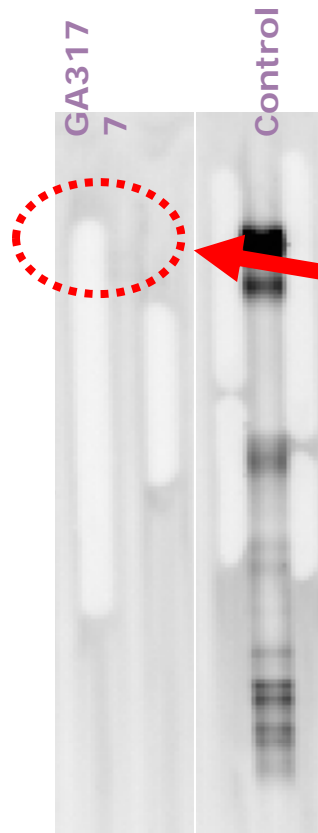
- Significantly higher success rate (up to 10X) than peptide antigen-based approaches (without the need for native protein antigen)
- Enhanced success rate over conventional methods in creating antibodies against highly complex, challenging targets in high-value applications (e.g. trans-membrane proteins)
- Successful creation of antibodies for evolutionarily highly conserved targets
- Antibody Tiling: rapid creation of many antibodies against a target allows efficient screening for selection of optimal antibody
- Creation and development of unique antibodies for advanced research, *in-vitro* diagnostic, and therapeutic applications



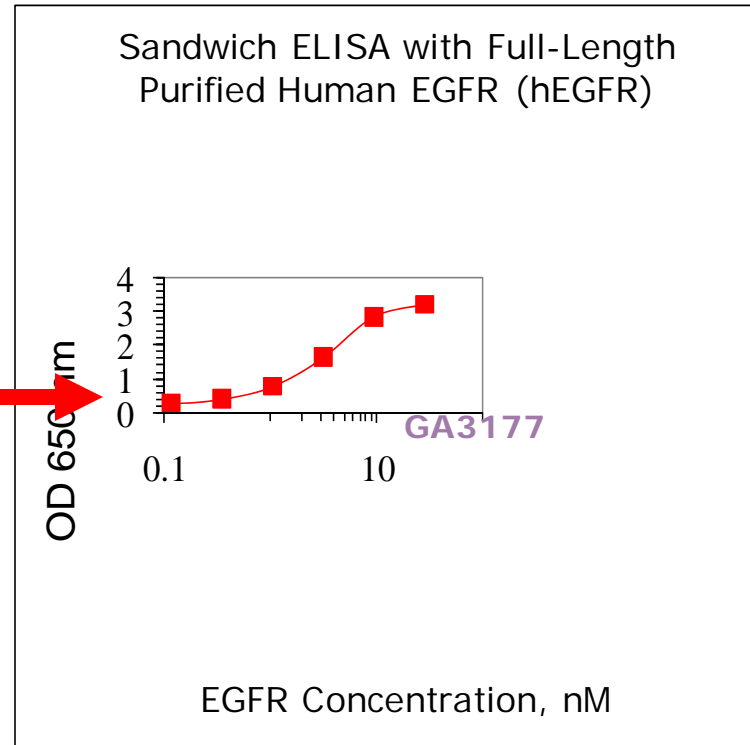
Benefits to customers :
Better antibodies at a lower cost and shorter development time.

Case Study 1: EGFR antibody

Selective Binding to Native Conformational Epitopes



SDIX GAT™ Ab GA3177 will not bind to a denatured antigen...
but does detect naturally-folded, full-length protein target

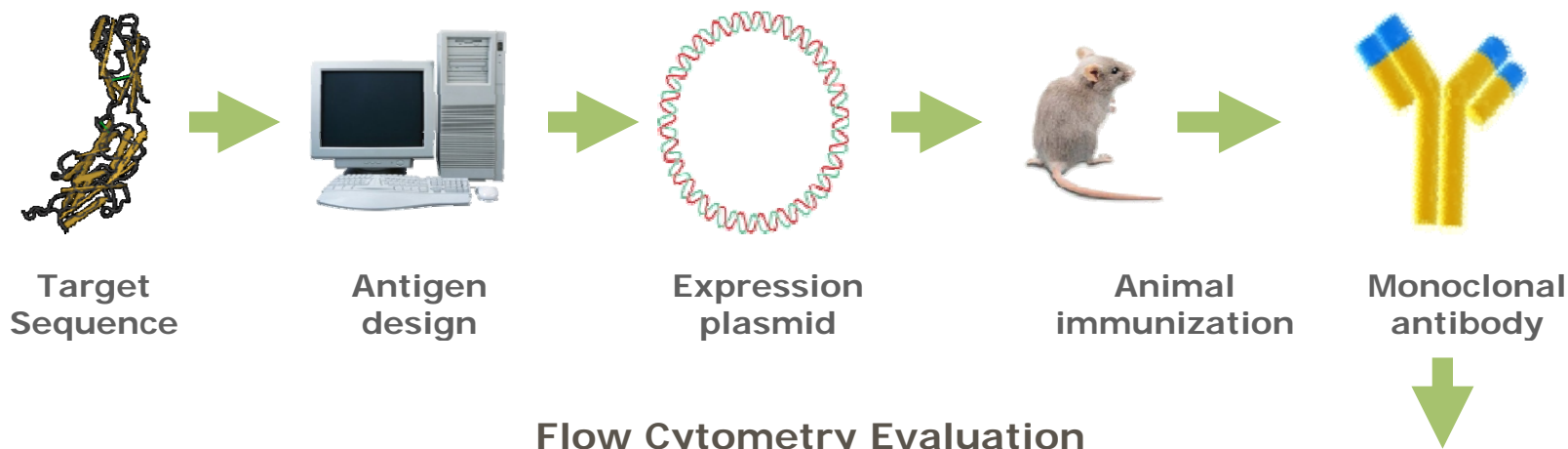


Western blot (denatured antigen)

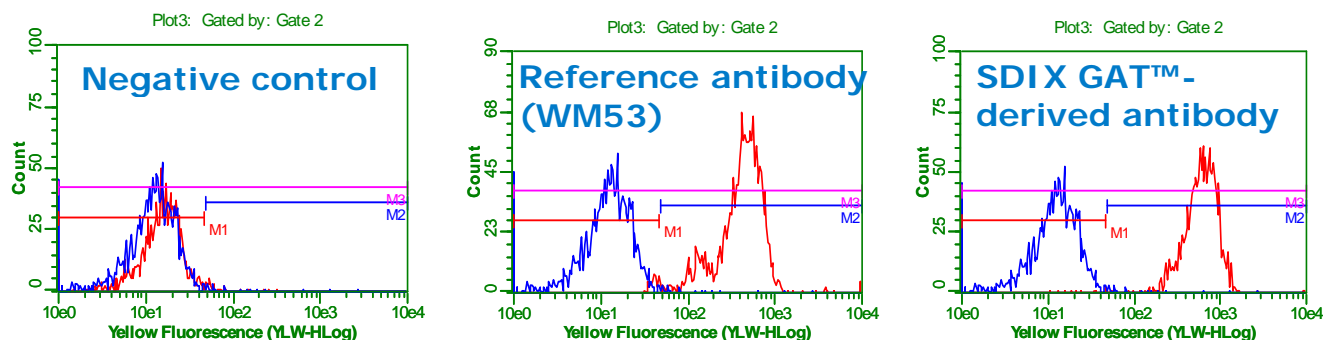
Sandwich ELISA-native antigen (non-denatured)

Case Study 2: CD33 (membrane protein)

Success with highly complex, high value targets



Flow Cytometry Evaluation



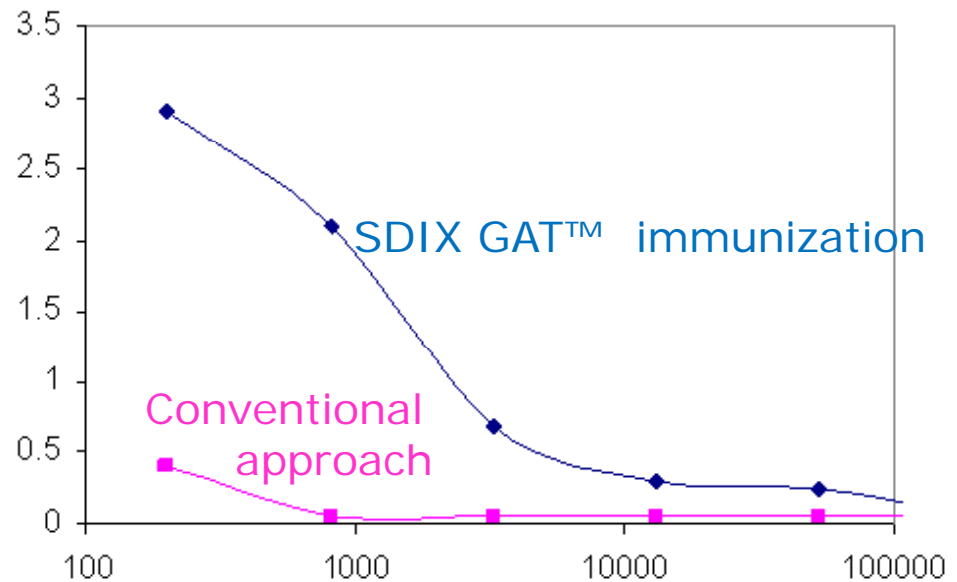
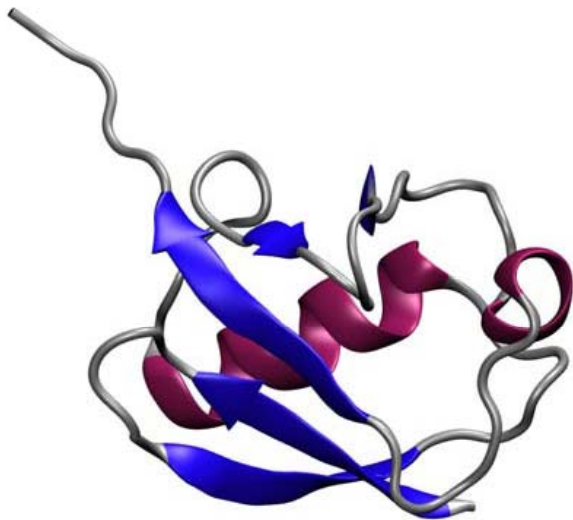
Preliminary results of extensive feasibility study: **100% overall success rate (13/13 targets); 69% success rate per immunization**

Membrane proteins make up the vast majority of pharmacological targets

Case study 3: Ubiquitin

Overcoming the challenge of highly conserved targets

- Important regulator of almost all cellular processes; expressed at high levels in all tissues.
- Highly conserved protein (100% all the way from human to sea urchin) – very difficult to raise antibodies against due to immune tolerance.
- No good ubiquitin antibodies available, especially for binding native protein (e.g. immunoprecipitation)



SDIX Life Science Competitive Advantages

- High caliber technical and business understanding of client Immuno-Solutions needs and expectations.
- Integrated and complete polyclonal, monoclonal and assay systems for Biopharma and Diagnostic companies; research through Phase IV.
- Flexible, workable solutions-based from antigen design through production approach with transparent project management.
- Collaborative, long-term relationship strategy and sustained commitment to the customer and Biopharma industry.



Current Life Science Business Structure

Premade	Core Services	Collaborations
<p>Oncology-focused portfolio of SEQer™ antibodies</p> <ul style="list-style-type: none"> Developed by GAT™ 's superior performance relative to conventional antibodies 	<p>Conventional and GAT™ - based Polyclonal and Monoclonal Ab generation</p>	<p>Complex projects requiring development of new reagents and assays</p>
<p>Portfolio of pre-validated <i>In Vitro</i> Diagnostic reagents</p>	<p>Hybridoma development, mAb production and cell services, including production and purification</p> <p>Custom Critical IVD Reagents</p>	<p>Customer and SDIX scientific engagement</p>
<p>Price for Product</p>	<p>Fee for Service</p>	<p>Fee plus Milestone Structure</p>

Life Science Business Advancement

Translating technology into value and growth



Focused Business

- Existing platform to create products
- Focus on core competencies
- Biopharma and *In Vitro* Diagnostics
- Full-service immuno-solutions provider



Collaborations & Technology Growth (Ongoing)

- Collaboration-based access to SDIX advanced technologies
- Unique, high-value applications (i.e. biomarker and therapeutic candidate generation)
- Focus on revenue growth and establishing long-term relationships



Technology Internalization (2012+)

- Create SDIX-owned molecules either alone or in partnership
- Focus on discovery



SDIX Successful Collaborations

- **Banyan Biomarkers**

A collaboration to develop antibodies for Banyan's biomarker discovery work in the detection of traumatic brain injury (TBI).

- **SAIC-F and National Cancer Institute**

Clinical Proteomic Technologies for Cancer Initiative Reagent Program. SDIX is the only supplier awarded business in all three rounds. Over 50% of all "Gold Standard" reagent programs awarded to SDIX

- **modENCODE Consortium**

Provision of critical reagents for chromatin immunoprecipitation of 122 targets; results recently published (*Science* **330**, 1787; 2010); all antibodies now publicly available to research community through Novus

- **Fred Hutchinson Cancer Research Center**

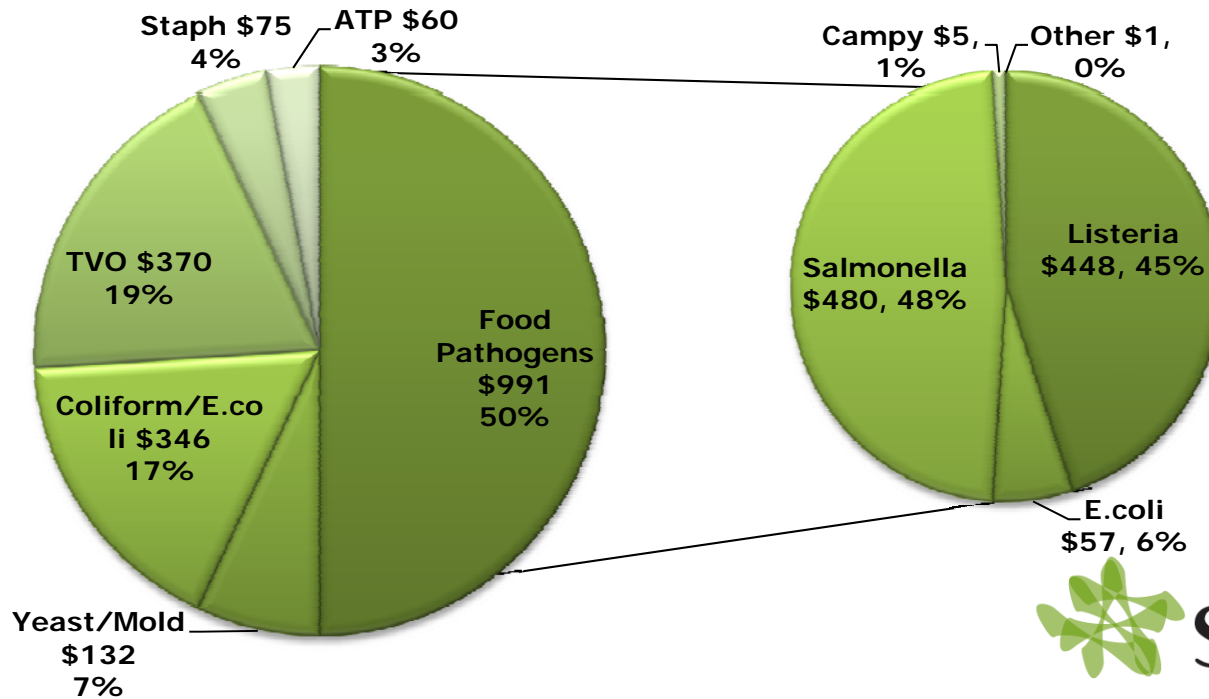
Large scale screening effort for biomarkers for pre-symptomatic detection of pancreatic cancer using samples from the Women's Health Initiative

Food Safety Market

- \$2.0B total market
- \$1.0B addressable food pathogens segment
- 8-9% CAGR for food pathogens segment



\$991M, 8-9% CAGR



\$2.0B, 5-7% CAGR

Food Industry Testing Rationale

Consumer Drivers

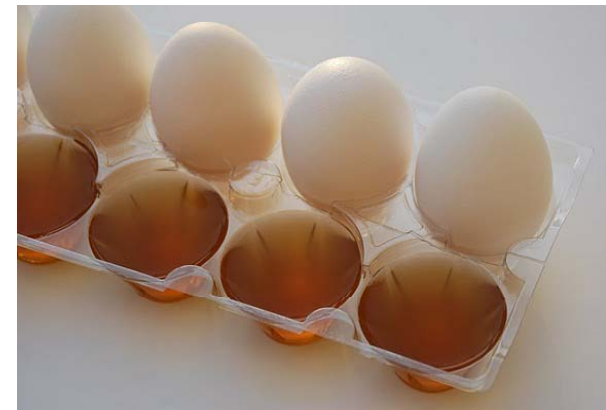
- Safe food
- Food cost

Industry Economic Drivers

- Production cost (hold-release delays)
- Food spoilage
- Recalls
- Brand protection

Regulatory Drivers

- New Food Safety Modernization Act
- USDA-FSIS: meat, poultry, egg-products
- FDA: dairy, produce, eggs, all processed food products, pet food
- NPIP: environmental poultry samples
- International regulatory agencies



SDIX aims to be a leading supplier of rapid pathogen test technologies that enable a safe & protected food supply

RapidChek™ Competitive Advantage

SDIX RapidChek SE is the first marketed product specifically developed in conjunction with the United Egg Producers and the FDA for the detection of *Salmonella* Enteritidis in Table Eggs.

- Ease of use
 - Rapid implementation, without need for instrument platform
 - Simple training for lab technicians
- Lower costs compared to other methods
- Improved results compared to other rapid methods
 - Fastest response time reduces waste and costs
 - Provides more information regarding the health of birds
 - Increased accuracy (higher sensitivity than FDA method)
- AOAC Approved
- FDA method equivalency determination



Case Study: *Salmonella* Enteritidis Markets

- **FDA: SE in Shell Eggs**
 - Final Rule creates mandatory program for egg farms to be regulated and inspected by FDA
 - Over 4,000 farms with up to 5M tests / year
 - SDIX awarded AOAC certification for poultry houses, eggs, and chicken rinses in November 2010
- **NPIP: SE in Hatchery Houses**
 - Environmental test to verify that chick houses are “SE free certified” prior to sale
 - 400,000 tests / year required
 - SDIX awarded AOAC certification for 24-hour test system for food processing environmental testing in November 2010
- **USDA FSIS: SE in Broiler Carcasses**
 - New SIP will look at number of *Salmonella* positives per processing plant *and* types of *Salmonella* to rank plants into categories for testing triage



Revenue Summary (\$Millions)

	FY 2008	FY 2009	FY 2010	3Q-10	4Q-10	1Q-11	2Q-11
Life Science	13.8	14.3	15.4	3.7	4.2	4.5	4.2
Food Safety	5.5	5.5	5.9	1.6	1.7	1.8	1.6
Water Quality	5.2	4.9	4.8	1.5	1.1	0.9	1.0
Ag/GMO	3.1	2.5	2.3	0.7	0.4	0.3	0.3
Total	27.7	27.2	28.3	7.5	7.4	7.5	7.1

Statement of Operations

(\$Millions except per share data)

		FY 2008	FY 2009	FY 2010	3Q-10	4Q-10	1Q-11	2Q-11
Revenues		27.66	27.15	28.35	7.47	7.39	7.48	7.07
Gross Profit	\$	14.57	14.74	16.57	4.46	4.14	4.16	4.11
	%	52.3	54.3	58.4	60.0	56.0	55.7	58.1
R&D Expense		3.58	2.89	3.08	0.77	0.87	0.86	0.84
SG&A Expenses		14.41	13.59	14.42	3.71	3.53	3.95	3.91
Asset Impairment		4.20	-	-	-	-	-	-
Operating Loss		(7.57)	(1.75)	(0.93)	(0.02)	(0.26)	(0.65)	(0.64)
Net Loss		(15.80)	(1.65)	(0.96)	(0.03)	(0.26)	(0.66)	(0.66)
Loss per Share		(0.78)	(0.08)	(0.05)	(0.00)	(0.01)	(0.03)	(0.03)

Balance Sheet Summary (\$Millions)

		December 31, 2010		June 30, 2011
Available and Restricted Cash		\$8.76		\$8.03
Accounts Receivable, net		4.38		4.56
Inventories		3.33		3.30
Other Current Assets		0.56		1.22
Total Current Assets		17.03		17.11
PP&E		4.09		3.98
Other Assets		1.40		1.31
Total Assets		\$22.52		\$22.40
Current Portion of LTD		\$0.40		\$0.40
Accounts Payable & Accrued Expenses		2.09		3.07
Other Current Liabilities		0.02		0.10
Total Current Liabilities		2.51		3.57
Long-Term Debt		0.30		0.10
Stockholders' Equity		19.70		18.73
Total Liabilities and Equity		\$22.52		\$22.40



Near-Term Growth Drivers

Life Sciences

- ✓ Existing collaborations with Biopharma and IVD customers, such as Banyan Biomarkers
- ✓ Launch new IVD products
 - Publish data on GAT advantages
 - Complete proof of principal on next generation GAT
 - Establish two additional high level collaborations in diagnostics or therapeutics
 - Milestone and royalty structures

Food Safety

- ✓ Launch egg pathogen diagnostic
- ✓ Expand RapidChek® *Listeria* portfolio
- ✓ Engage with the beef industry and USDA on new *E.coli* indications
 - Continue to add pathogen indications
 - Continue to expand international distribution channel



Technology Inflection Points

Next Generation of SDIX GAT™ Technology

- Can be applied to biomarker discovery and therapeutic candidate generation
- Opportunity to operate as a CRO with Biopharma customers



Investment Summary

- **Full service leading immuno-solutions company**
 - Focused on large and growing markets
 - Expanded and strengthened management team
- **Financially stable**
 - Solid core business in antibody production and food pathogen detection
 - Expanding customer base includes top Biopharma, Diagnostic, and research institutions
- **Strong Technology Base**
 - Proprietary GAT™ technology with capabilities and applications with upside potential in therapeutics and diagnostics
 - Proprietary antibodies and bacteriophage for rapid and easy to use pathogen detection
- **Potential to develop business in biomarker discovery and therapeutics**

Thank You

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