

C. Trinity Biotech Capital (T180)

July 23, 2009

General Project Plan

Grantee: Clark Laboratories, Inc. d/b/a Trinity Biotech, USA (“Trinity Biotech” or the “Company”)

ESD Investment: A grant of up to \$70,000 to be used for a portion of the cost of building renovations, purchase and installation of machinery and equipment, and relocation.

Project Location: 2823 Girts Road, Jamestown, Chautauqua County

NYS Empire Zone (or equivalent): Jamestown Empire Zone

ESD Incentive Offer Accepted: July 7, 2006

Project Completion: June 2009

Number of Employees at Facility:

Initial employment at time of ESD Incentive Offer:	85
Current employment level:	111
Minimum employment on January 1, 2010:	101

Grantee Contact: Ian Woodward, CEO
2823 Girts Road
Jamestown, NY 14701
Phone: (716) 483-3851 Fax: (716) 488-1990

Project Team:	Origination	Robert Iszard
	Project Management	Jean Bly
	Affirmative Action	Helen Daniels
	Environmental	Soo Kang

Project Description:

Background

Trinity Biotech, founded in 1992, specializes in the manufacture of medical diagnostic products which utilize enzyme immunoassay (“EIA”) technologies including test kits used in the clinical laboratory and point-of-care segments to detect autoimmune diseases such as rheumatoid arthritis, hormonal imbalances, sexually transmitted diseases, and intestinal infections. Clinical laboratory products include ACE and Oxalate, while point-of-care products include diagnostic tests carried out in the presence of the patient such as tests for the presence of HIV antibodies and EPT pregnancy tests. The Company is a wholly-owned subsidiary of Trinity Biotech, PLC (the “Parent”), publicly-traded as “TRIB”, which specializes in the development, manufacture and marketing of clinical diagnostic products.

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The Parent, headquartered in Bray, Ireland, employs over 700 people worldwide and markets over 500 products in more than 80 countries, with manufacturing facilities in Carlsbad, CA; Kansas City, MO; Concord, MA; Lemgo, Germany; Umea, Sweden; and Jamestown, NY. The Jamestown facility also serves as the logistics and engineering center for the United States. Major competitors include Zeus Scientific (Somerville, NJ); Binding Site California (San Diego, CA); and Gull Laboratories, Inc. (Salt Lake City, UT). Major customers are primarily hospitals and laboratories and include Nypro, Inc. (Hartford, CT); MML Diagnostics Packaging (Troutdale, OR); and Corning, Inc. (Charlotte, NC).

In early 2005, Trinity Biotech advised ESD that the Parent, in an effort to increase its coagulation market share, was in negotiations with bioMérieux, a life science company headquartered France, for the purchase of its coagulation product line located in Durham, NC, and St. Louis, IL. If acquired, the Parent was considering relocating the bioMérieux coagulation operations to Jamestown or Germany. In February 2005, ESD provided an incentive offer of a \$1,000,000 capital grant to induce the Parent to transfer the entire product line to the Jamestown Empire Zone. The Company did not accept ESD's offer, however, it purchased the bioMérieux coagulation operations in May 2006. Trinity Biotech subsequently advised ESD that the Parent was relocating the coagulation laboratory division from Durham, NC, to its Ireland headquarters and was considering relocating the instrumentation division from St. Louis, IL, to either its existing Jamestown or Germany manufacturing facilities. ESD therefore issued a revised incentive offer in June 2006, consisting of a \$70,000 capital grant, which the Company accepted on July 7, 2006. This project will maintain 85 existing jobs and create 16 new jobs by January 10, 2010. Without this grant, this project would have taken place out of the country.

The Project

The \$435,000 project involves the relocation of the former bioMérieux instrumentation division from St. Louis to Jamestown, interior building renovations, and the purchase of new machinery and equipment including a filling machine, a freeze drier, and a chiller. The project will be financed by ESD's grant and Company equity. The project was completed in June 2009 and has already created 26 jobs, exceeding its job commitment by 10 jobs.

Financing Uses	Amount	Financing Sources	Amount	Percent
Building Renovations	\$240,000	ESD Grant	\$70,000	16%
Relocation	35,000	Company Equity	365,000	84%
Machinery & Equipment	160,000			
Total Project Costs	\$435,000	Total Project Financing	\$435,000	100%

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Financial Terms and Conditions:

1. The Company shall pay a commitment fee of 1% of the \$70,000 grant (\$700) upon execution of the grant disbursement agreement. In addition, at the time of disbursement, the Company will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of a material adverse change in its financial condition prior to disbursement.
3. The Company or the Company's shareholders will contribute at least 10% in equity to the Project. Equity is defined as any non-debt source of capital, and should be auditable through Company financial statements or Company accounts, if so requested by ESD.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$70,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials, documentation of project costs totaling \$425,000, and documentation of the employment of at least 101 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESDC of an invoice and such other documentation as ESDC may reasonably require. Expenditures must be incurred on or after July 7, 2006, to be considered eligible project costs. Disbursements must be requested by April 1, 2010.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$70,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee

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Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an “Employment Shortfall”), then upon demand by ESDC, Grantee shall be obligated to repay to ESDC a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee’s number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	85
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A	B
Reporting Date	Employment Goals
February 1, 2010	85+X
February 1, 2011	85+X
February 1, 2012	85+X

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section 7 above (i.e. X=16, and Employment Goals shall equal [85 + X = 101] if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

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Statutory Basis – Empire State Economic Development Fund:

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
As a result of this project, the Company will maintain its employment level of 85 and create 16 new jobs by January 1, 2010.

2. The project would be unlikely to take place in New York State without the requested assistance.
The Parent considered relocating the former bioMérieux’s instrumentation division to either existing manufacturing facilities in Jamestown or Germany. ESD’s assistance helped to reduce costs and make the project feasible in New York.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$502,430, which exceed the cost to the State.

4. The requirements of Section 10(g) of the Act are satisfied.
See cover memo.