



PRESS RELEASE

See attached graphic.

FOR IMMEDIATE RELEASE:

Hardy Diagnostics Enhances Employee Wealth Accumulation Program

Employees benefit from increased profits



Hardy Diagnostics' California Shipping Department at a company Easter egg hunt. Photo by Terri Djafroodi

SANTA MARIA, CALIFORNIA, April 5 – Louis Kelso, a 20th century political economist, once said, “What the economy needs is a way of legitimately getting capital ownership into the hands of the people who now don’t have it.” Hardy Diagnostics took a big step in getting more capital ownership into more hands by recently becoming 100% employee owned.

Companies with Employee Stock Ownership Plans are known as ESOPs. In ESOPs, employees are granted real shares in the company at no cost to them. Employee account values grow by the annual addition of shares and by the increase in stock price.

“The Company’s growth rate was 16% last year and in the last two years our stock price has increased 34.5%. This is evidence of a highly dedicated and motivated workforce,” said Jay Hardy, President of Hardy Diagnostics.

Hardy Diagnostics’ ESOP was formed in 2012, when Jay Hardy sold 70% of his shares to the employees. The remaining 30% of shares were sold to the employees in August of last year, making Hardy Diagnostics 100% employee owned. Since that time, \$6.4 million have been deposited in participant accounts.

Christian Alduenda, a sales representative at Hardy Diagnostics, said, “The ESOP gives people working here a sense of ownership and pride. We know we own a business. Being part of the decision-making process drives us to want to work harder.”

As an employee-owned company, Hardy Diagnostics is not obligated to outside shareholders who care only about the bottom line. This ensures the freedom to emphasize other values, like community involvement, environmental responsibility, and the wellness and satisfaction of the workforce as whole people.

“Our employee ownership program ensures the long-term viability of the company and eliminates the fear of Hardy Diagnostics being swallowed up by a larger conglomerate,” said Jay Hardy.

ESOPs generally have a superior track record compared to other companies. ESOPs are 25% more likely to stay in business. ESOPs have 25% higher job growth over the last 10 years compared to non-ESOPs. Employees at ESOPs have retirement accounts that are two-and-a-half times greater than their non-ESOP counterparts and they were four times less likely to be laid off during the recent recession.

Hardy Diagnostics’ ESOP also brings significant tax advantages which will make the company more competitive by allowing for increased investment in innovative products for future growth.

Jay Hardy plans to remain as President and the current Board of Directors will continue to serve the company.

ADDITIONAL INFORMATION ABOUT HARDY DIAGNOSTICS - Hardy Diagnostics is an FDA licensed and ISO 13485 certified manufacturer of medical devices for microbiological procedures in both clinical and industrial laboratories. Hardy Diagnostics was founded in 1980 in Santa Barbara by Jay Hardy and Robert Shibata after they completed their Medical Technology training in the laboratory at Santa Barbara Cottage Hospital.

Hardy Diagnostics manufactures over 2,700 different products for the culture and identification of bacteria and fungi. Among its offerings are products used to culture and detect pathogens commonly reported in the news, such as *E. coli*, *Salmonella*, *Listeria*, MRSA, and Influenza. In addition, the company manufactures reagents and media for use by molecular biology researchers. Over 9,000 laboratories throughout the nation rely on Hardy Diagnostics for their supplies.

Today, Hardy Diagnostics employs 325 people and maintains nine distribution centers throughout the U.S. Manufacturing takes place at its headquarters in Santa Maria, California and at a facility in Springboro, Ohio. The company also exports products through over 65 foreign distributors. The company’s mission is to “partner with its laboratory customers to prevent and diagnose disease.” For more information, visit www.HardyDiagnostics.com.

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