



Business Overview

IDEXX Laboratories, Inc. is the global market leader in diagnostics and information technology solutions for pet health care providers worldwide. Our largest business serves more than 50,000 veterinarians around the world with products and services that advance their practice of medicine and clinic management. IDEXX offers a broad and integrated portfolio of pet-side tests, point-of-care instruments, reference laboratory services, digital radiography, and practice management solutions for veterinarians. In the production animal segment, we are the leading worldwide provider of diagnostic tests and health monitoring systems. We also have global businesses that provide diagnostics technology to ensure the quality and safety of drinking water and milk production. The hallmark of all our businesses is a focus on global technological innovation that brings value to our customers and drives profitable growth.

Performance Highlights

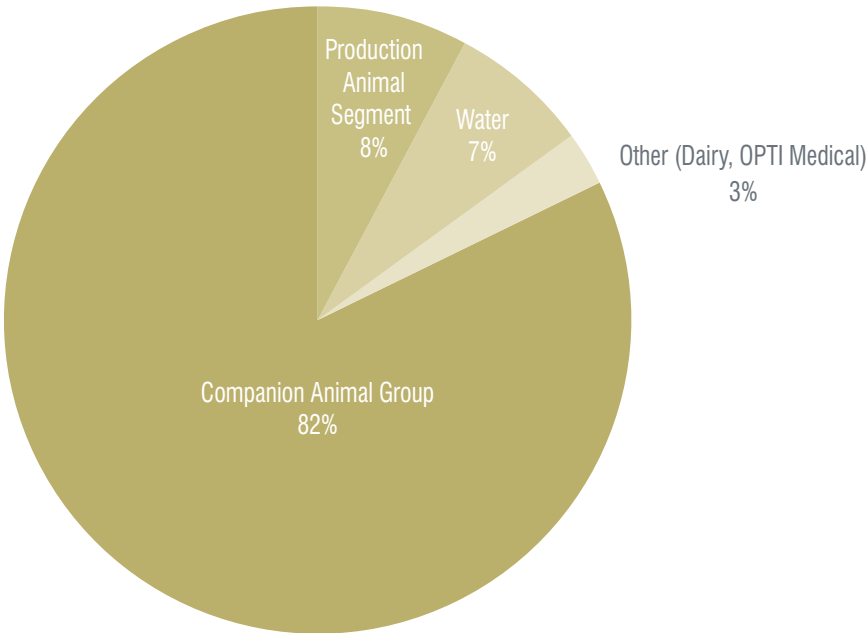
- Revenue increased 25% to \$923 million.
- Diluted earnings per share (EPS) were \$1.46 (post-split), an increase of 3% over 2006. After adjusting for discrete items in both years, EPS grew 19%.*
- Operating cash flow was \$135 million.
- \$118 million was used to buy back 2.6 million shares of stock at an average price of \$46 per share.
- Invested \$90 million in acquisitions.
- Net debt of \$18 million at the end of 2007.
- Stock return of 48% compared with a 19% rise in the S&P SmallCap Healthcare Index, and a 13% rise in the S&P MidCap Healthcare Index.
- Two-for-one stock split effective November 26, 2007.

*In 2006 discrete items included a net benefit of \$0.09 per share due to a reduction in previously accrued taxes in connection with the resolution of an Internal Revenue Service income tax audit for 2003 and 2004 in advance of the expiration of the statutes of limitations; a reduction of previously recorded international deferred tax liabilities as a result of obtaining certain multiyear tax incentives; and the release of a valuation allowance on international deferred tax assets as a result of a subsidiary demonstrating consistent sustained profitability partially offset by integration costs for businesses acquired in 2006 and the write-down of an equity investment in one of our technology licensors.

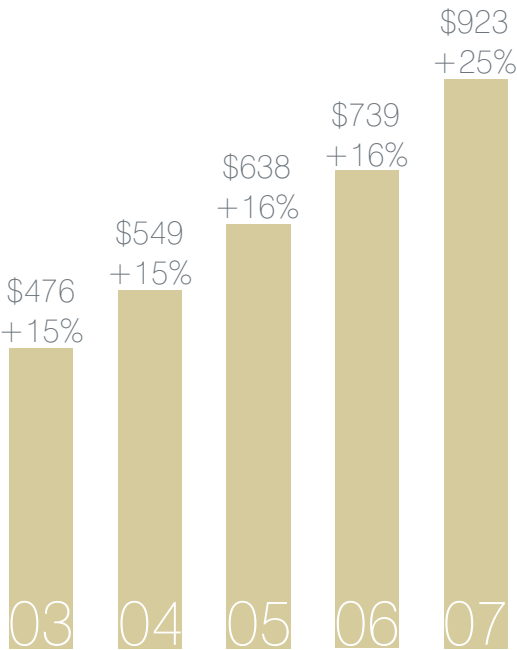
In 2007 discrete items included a net charge of \$0.10 per share for the write-down of certain pharmaceutical assets and discrete items associated with acquisitions of \$0.02 per share.



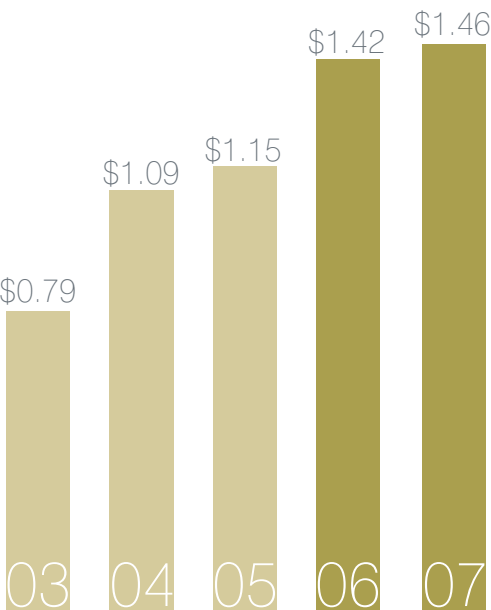
2007 Revenue by Business Segment



Annual Revenue Millions



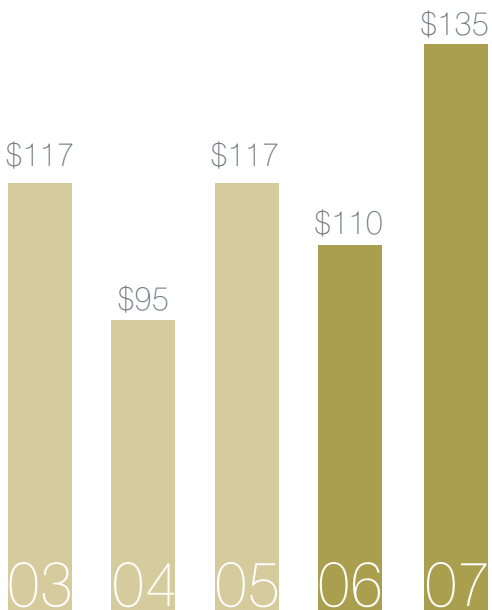
Diluted Earnings Per Share



All earnings per share have been adjusted for a two-for-one stock split effective November 26, 2007.

Operating Cash Flow

Millions



Financial Highlights

Dollars and shares in millions, except per share data

Year ended December 31,

	2005	2006	2007
Total revenue	638	739	923
Income from operations	115	128	136
Net income	78	94	94
Earnings per share: diluted	1.15	1.42	1.46
Weighted average shares outstanding: diluted	68	66	64
Net cash provided by operating activities	117	110	135
Cash and investments	133	97	60
Total assets	491	560	702
Debt	1	7	79
Total liabilities	121	150	264
Stockholders' equity	369	410	438

Historical share and per share data have been retroactively restated to reflect the additional shares of common stock that were distributed on November 26, 2007, as a result of the two-for-one stock split.



Diagnostic innovations that help our



The IDEXX Integrated Practice

In an IDEXX Integrated Practice, SmartLink™ technology links and automates diagnostic instruments, radiography systems, reference laboratory services, and patient data for higher levels of medical care, productivity, and profitability.

Key benefits of integration:

- Enhanced focus on patient care with greater access to complete medical information
- Better medical decisions with all case results on a single report
- Increased staff efficiencies with simplified tasks and reduced paperwork
- Simple transition to electronic medical records with automatic results downloads
- Growth in practice income with reduced lost charges and increased revenue through automation

IDEXX VetLab® Station

Laboratory Information Management System

Catalyst Dx™
Chemistry Analyzer



IDEXX VetLab® UA™
Urine Analyzer



Coag Dx™
Coagulation Analyzer



VetTest® Chemistry Analyzer and SNAP® Reader



VetLyte® Electrolyte Analyzer



IDEXX VetAutoread™ Hematology Analyzer

Companion Animal Group

Revenue increased 24% to \$752 million.

IDEXX VetLab®

The IDEXX VetLab line of business, which remains our largest, consists of in-house diagnostic instruments and associated consumables. The IDEXX VetLab® Suite of in-house analyzers offers a higher level of care by delivering comprehensive, real-time results, flexibility in testing, and practical efficiencies. This complete suite provides results for chemistry,

hematology, urinalysis, electrolytes, endocrinology, blood gases, coagulation, and infectious diseases. All test results, including SNAP® test results, are simply and seamlessly integrated through the IDEXX VetLab® Station for archiving, easy access to historical results, and a single, easy-to-read report.

The IDEXX VetLab business line is a razor-and-blade business model, with approximately 80% of the line's revenue derived from proprietary consumables, services, and accessories.

Innovations

- IDEXX VetLab® Station Laboratory Information Management System
January 2007
- VetTest® Chemistry Analyzer Certificate Course
February 2007
- New VetTest® Pipette Tips
March 2007
- Diagnostic Health Profile for the VetTest Chemistry Analyzer
April 2007
- Avian Health Profile for the VetTest Chemistry Analyzer
October 2007
- Coag Dx™ Analyzer
December 2007
- VetStat® Cassette Multipack Electrolytes and Fluid Therapy/Acid-Base
January 2008
- Catalyst Dx™ Chemistry Analyzer
March 2008
- SNAPshot Dx™ Analyzer
March 2008

LaserCyte®
Hematology Analyzer



SNAPshot Dx™
Endocrinology Analyzer



IDEXX StatSpin®
Centrifuge



IDEXX VetLab® Report



VetStat®
Electrolyte and Blood Gas Analyzer



Rapid Assays

The family of IDEXX SNAP® ELISA tests offers simple, quick, and accurate pet-side testing for a number of infectious diseases. SNAP tests support flexible sample options with plasma, serum, or whole blood. Fast results in less than 10 minutes provide answers before the patient leaves the clinic. ELISA technology is trusted for proven accuracy, and the blue test result dots are easy to read and interpret.

Innovations

- SNAP® cPL™ Test
(canine pancreas-specific lipase)
July 2007

Practice Management Systems and Services

IDEXX Cornerstone® practice management software gives veterinarians an important tool to easily and efficiently manage patient progress, raise compliance and testing acceptance, improve client satisfaction, and increase clinic revenue. This flagship Microsoft® Windows®-based software product provides complete patient records and invoices online, moving veterinary practices away from paperwork and manual entering of information and toward automated information management.

IDEXX provides software and hardware support to practice information system customers, and related supplies and services to veterinary practice information system users in general.

Innovations

- Cornerstone® 7.0
SmartLink™ integration, advanced inventory capabilities, and LabREXX®
January 2007
- Cornerstone® 7.1
Electronic Whiteboard, physical exams, advanced reporting capabilities, and Pet Health Report Card
July 2007

Digital Imaging Systems

IDEXX offers computed and direct digital imaging systems for the companion animal or equine practice. The digital imaging systems use IDEXX-PACS™ (picture archiving and communication system) software for viewing, manipulation, management, storage, and retrieval of the digital images generated by the digital capture plate. IDEXX-PACS software also permits images from the digital imaging systems to be integrated into patients' medical records in the Cornerstone system, as well as transferred to other practice information management systems.

Innovations

- EquiView® Direct Digital Laptop Radiography System (Equine)
January 2007
- IDEXX-PACS™ 3.0
January 2008



**SNAP® 4Dx® Test and
SNAP® cPL™ Test**



**Cornerstone® Practice
Management Software**



**EquiView® Direct Digital Laptop
Radiography System**

Reference Laboratory Services

IDEXX Reference Laboratories comprises 39 facilities providing reference laboratory testing and consulting services to veterinarians worldwide. Each laboratory offers a large selection of tests and diagnostic panels to detect a number of disease states and conditions. Seventy board-certified veterinary specialists, including anatomic and clinical pathologists and internal medicine specialists, deliver real-time case guidance.

Business Developments

- Acquired reference laboratory in Ontario, Canada
March 2007
- Opened new molecular diagnostic laboratory in West Sacramento, California
March 2007
- Opened new reference laboratory in Port Elizabeth, South Africa
November 2007
- Acquired reference laboratory in Barcelona, Spain
January 2008
- Collaboration with GlobalVetLink to offer standardized eHealth certificates and Coggins forms for animal health certification
February 2008
- Partnership with Sysmex Corporation to integrate the Sysmex XT-2000i V Automated Hematology Analyzer into labs
February 2008

Innovations

- RealPCR™ Tests
June 2007
 - Feline Upper Respiratory Disease (Feline URD) Panel
 - Feline Hemotropic Mycoplasma (FHM) Test
 - Canine Respiratory Disease (CRD) Panel
 - Canine Distemper Virus (CDV) Test
- Equine Infectious Diseases Tests
October 2007
 - IDEXX/EBI Equine Herpes Virus Type 1 (EHV-1) RealPCR™ Test
 - IDEXX/EBI West Nile Virus (WNV) IgM Capture ELISA Test
 - IDEXX/EBI Lyme and *Anaplasma phagocytophilum* ELISA Test
- LabREXX® on VetConnect®
Provides 24/7 secure Internet access to patient results and lab test history
March 2008

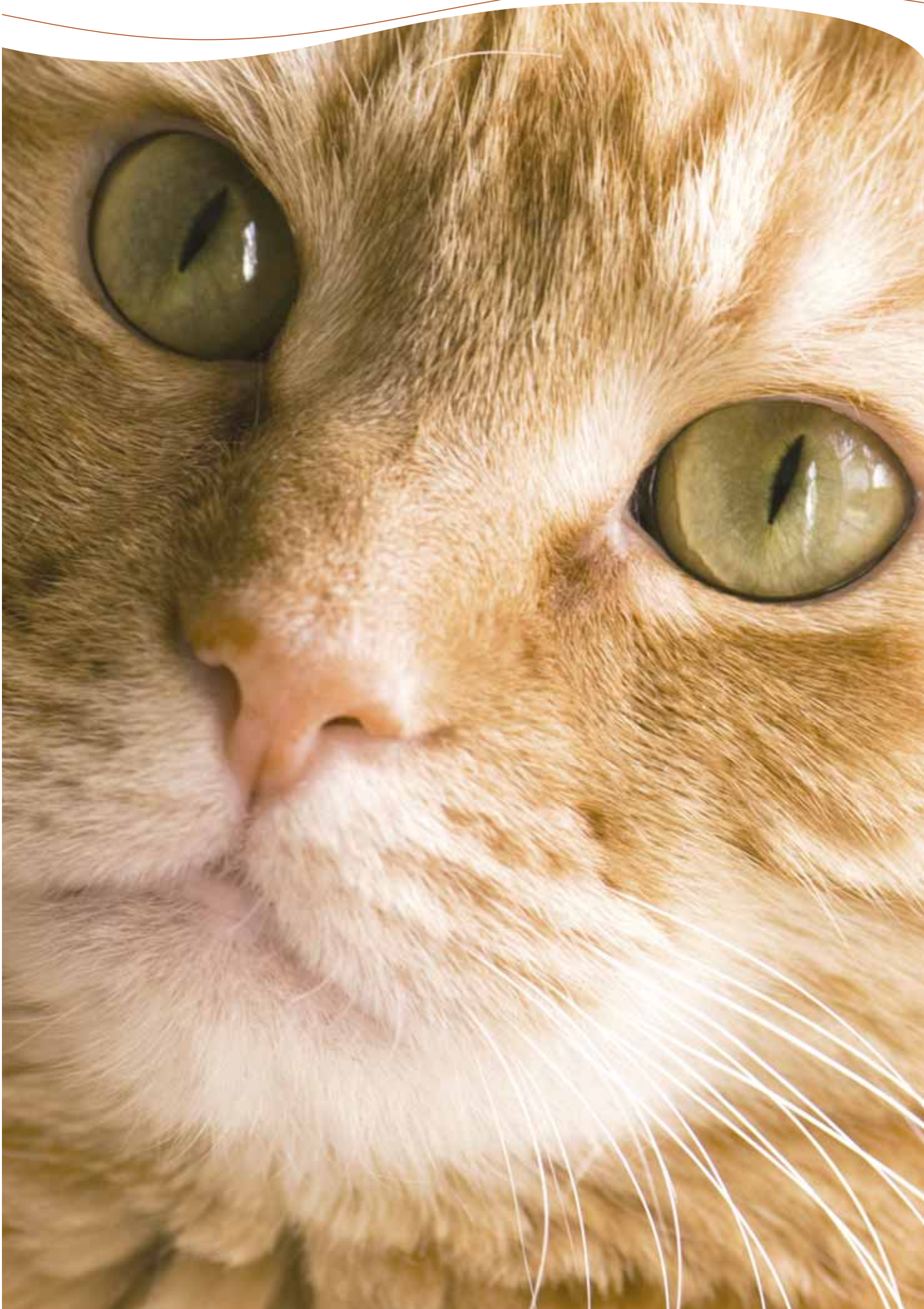
Pharmaceutical Products

IDEXX develops and commercializes pharmaceuticals for the veterinary market, and currently sells PZI VET®, an insulin product for the treatment of diabetic cats; Aicarexx® (0.01% ivermectin) Otic Suspension for the treatment of ear mites in cats; SURPASS® (1% diclofenac sodium) Topical Anti-Inflammatory Cream for horses; and Navigator® (32% nitazoxanide) Antiprotozoal Oral Paste, a treatment for equine protozoal myeloencephalitis (EPM).



Aicarexx® (0.01% ivermectin)
Otic Suspension

customers practice what's possible



Water

Revenue increased 13% to \$66 million.

IDEXX is a global leader in providing tests for detecting microbial contamination in drinking and other water supplies.

Business Developments

- Quanti-Disc® YEA approval in the U.K.
January 2007
- U.S. EPA approval of Colilert®, Colilert®-18, Enterolert™ and Quanti-Tray® for wastewater testing
March 2007
- Strategic collaboration with Invitrogen Corporation, to market and distribute water testing kits that utilize Invitrogen's Dynabeads®. Invitrogen's technologies in combination with IDEXX's Filta-Max® and Filta-Max xpress® systems provide customers with a comprehensive range of products to support the entire water testing process
September 2007

Production Animal Segment

Revenue increased 27% to \$75 million.

The production animal business is a worldwide leader in production animal diagnostics, offering microtiter well assay kits, software, and instrumentation for accurate assessment of infectious diseases and long-term monitoring of the health status of herd and flock animals.

Business Developments

- Acquired Institut Pourquier, a leader in the development of production animal vaccines and diagnostic reagents, and an institution that offers a worldwide-distributed portfolio of high quality products addressing more than 22 pathologies affecting bovine, small ruminants, equine, porcine, and poultry
March 2007

Innovations

- BSE and BSE-Scrapie Ultra-Short Protocols
October 2007

Dairy

IDEXX Dairy is a global market leader in the field of milk safety. Dairy processors and farmers worldwide have adopted the SNAP family of tests to screen for antibiotic residues in milk.

Innovations

- SNAPshot® Reader Software Upgrade 2.10
February 2007
- Enhanced SNAP® Aflatoxin M1 Test
June 2007
- New SNAP® Tetracycline Test
January 2008

OPTI Medical Systems

OPTI point-of-care analyzers and related consumables are used in human medical hospital and clinic emergency rooms, operating rooms, and cardiac monitoring areas for measurement of time-sensitive diagnostics tests such as blood gas, electrolyte, and metabolite analysis. OPTI also provides the electrolyte modules and consumables for the Catalyst Dx.

Innovations

- OPTI® LION Stat Electrolyte Analyzer
January 2007
- OPTI® R Blood Gas and Electrolyte Analyzer
January 2007
- Expansion of the OPTI® CCA-TS menu with release of BUN (Urea)
July 2007



Corporate Information

Executive Officers

Jonathan W. Ayers
Chairman, President and
Chief Executive Officer

William C. Wallen, PhD
Senior Vice President and
Chief Scientific Officer

Conan R. Deady
Corporate Vice President,
General Counsel and Secretary

Thomas J. Dupree
Corporate Vice President

S. Sam Fratoni, PhD
Corporate Vice President

William B. Goodspeed
Corporate Vice President

Irene C. Kerr
Corporate Vice President

Ali Naqui, PhD
Corporate Vice President

James F. Polewaczky
Corporate Vice President

Merilee Raines
Corporate Vice President,
Chief Financial Officer and Treasurer

Michael J. Williams
Corporate Vice President

Board of Directors

Jonathan W. Ayers
Chairman, President and
Chief Executive Officer
IDEXX Laboratories, Inc.

Thomas Craig
Partner and Co-founder
Monitor Group

Errol B. De Souza, PhD
President and Chief Executive Officer
Archemix Corp.

William T. End
Retired Executive Chairman
of the Board
Cornerstone Brands, Inc.

Rebecca M. Henderson, PhD
Eastman Kodak LFM Professor
of Management
MIT Sloan School of Management

Barry C. Johnson, PhD
Former Dean, College of Engineering,
Villanova University

Brian P. McKeon
Executive Vice President and
Chief Financial Officer
Iron Mountain, Inc.

Robert J. Murray
Retired Chairman and
Chief Executive Officer
New England Business Service, Inc.

Corporate Offices

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Fax: 1-207-556-4346

Web Site

idexx.com

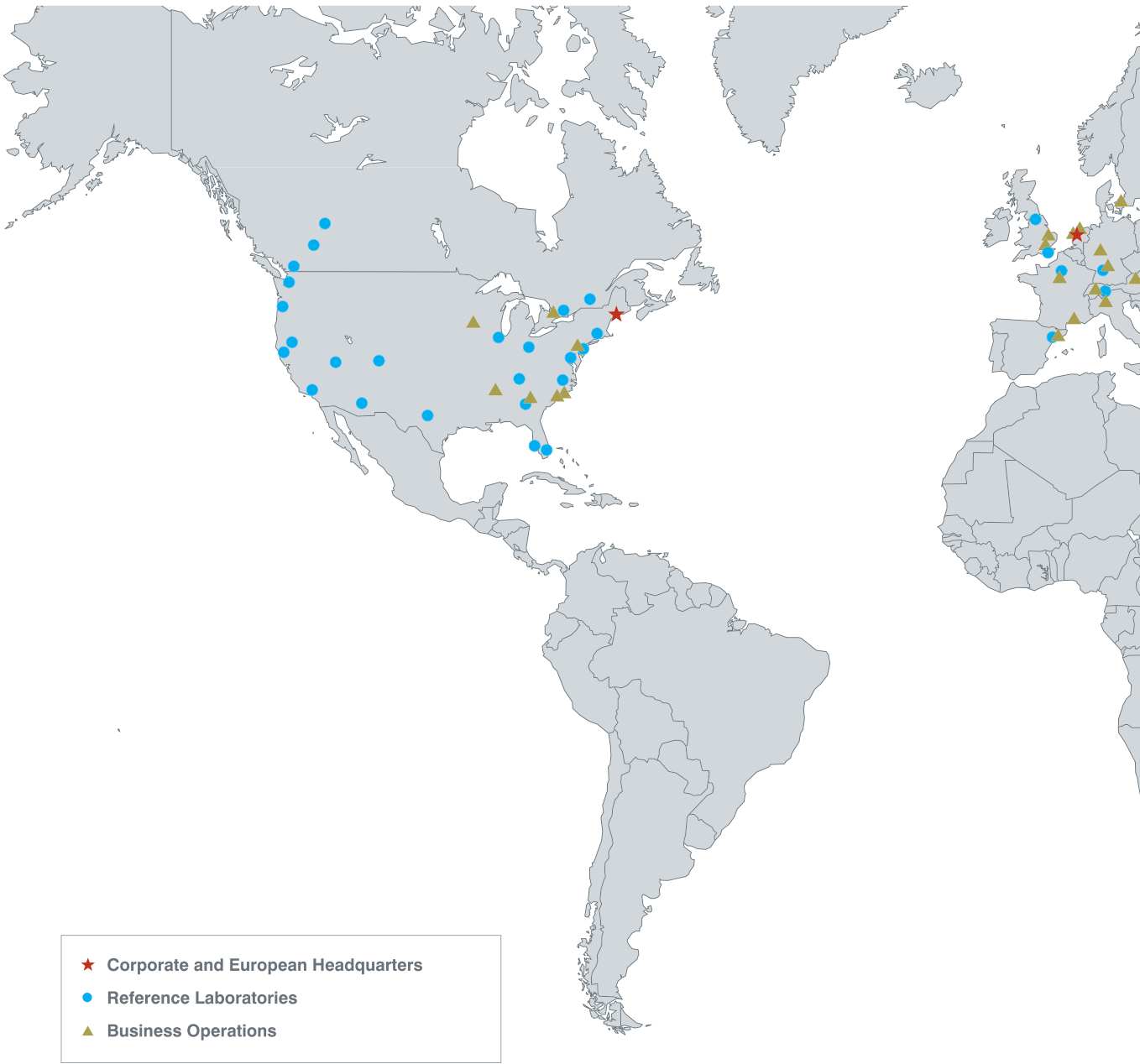
Rankings/Awards

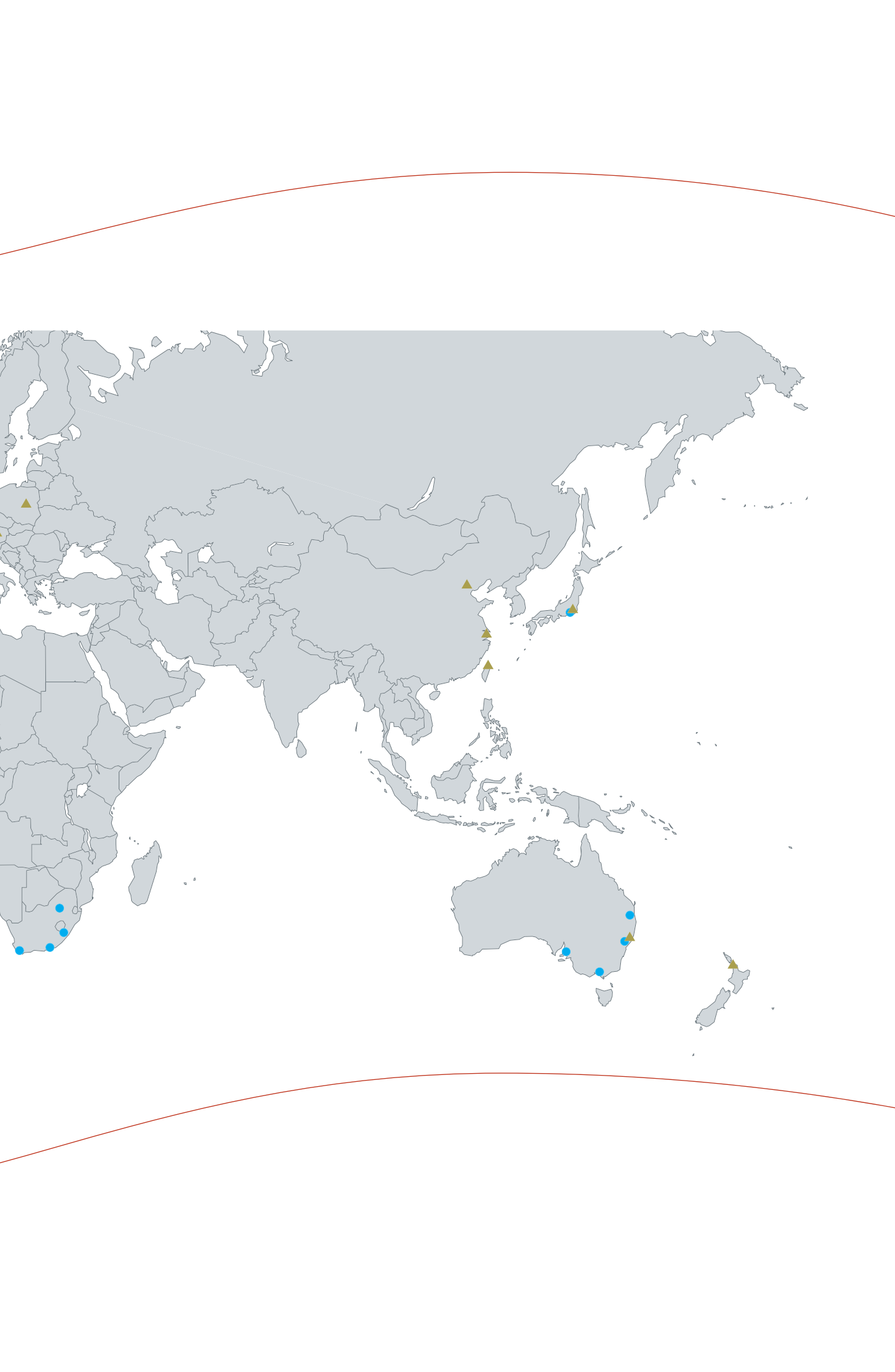
- *Forbes* — Ranked 27th on the *Forbes* list of America's 100 Best Mid-Cap Stocks (2007)
- Biotech Hall of Fame (2007)
- *Business Ethics* — Ranked 100th on the list of 100 Best Corporate Citizens (2006)
- ISS Corporate Governance Quotients Index ranking: 97.8
Industry ranking: 99.5
IDEXX outperformed 97.8% of the companies in the S&P SmallCap 600 Index and 99.5% of the companies in the healthcare equipment and services group.



Connected Worldwide

Founded in southern Maine in 1984, IDEXX has expanded to more than 65 locations in 18 countries, serving customers around the world with a staff of over 4,700 people across 5 continents.





Investor Resources

Annual Meeting

Wednesday, May 7, 2008, 10:00 a.m.
Portland Marriott Hotel
200 Sable Oaks Drive
South Portland, Maine 04106
Tel: 1-207-871-8000

Stock Listing

NASDAQ Global Market
Trading Symbol: IDXX

Transfer Agent and Registrar

American Stock Transfer &
Trust Company
59 Maiden Lane
Plaza Level
New York, New York 10038
Tel: 1-800-937-5449
E-mail: info@amstock.com
amstock.com

10-K

The Form 10-K for the Company's fiscal year ended December 31, 2007, is not accompanied by the exhibits that were filed with the Securities and Exchange Commission. These exhibits are accessible on the Internet by visiting the Edgar section of the SEC Web site (www.sec.gov/edgar.shtml) or the Investor Relations pages of idexx.com.

Similarly, the Company will furnish any such exhibits to those stockholders who request the same upon payment to the Company of its reasonable expenses in furnishing such exhibits. Requests for any such exhibits should be made to:

Investor Relations
IDEXX Laboratories, Inc.
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Fax: 1-207-556-4427
E-mail: investorrelations@idexx.com

Quarterly Reports and Proxy Statements

Forms 10-Q and proxy statements can be obtained via the Investor Relations pages of idexx.com or by e-mail.

