

laboratory in the United States, a site in Lake Forest, California that serves as our distribution center for HemoCue and our laboratory facility in Mexico City, Mexico. We also lease laboratory facilities in San Juan, Puerto Rico, and Heston, England and lease a manufacturing and laboratory facility near Sydney, Australia for our Enterix (InSure™) operations. We believe that, in general, our facilities are suitable and adequate for our current and anticipated future levels of operation. We believe that if we were unable to renew a lease on any of our facilities, we could find alternative space at competitive market rates and relocate our operations to such new location.

Item 3. Legal Proceedings

In addition to the investigations described in “Business – Government Investigations and Related Claims”, we are involved in various legal proceedings arising in the ordinary course of business. Please refer to Note 14 to the Consolidated Financial Statements for a discussion of various legal proceedings that involve the Company. Some of the proceedings against us involve claims that are substantial in amount and could result in substantial monetary damages as well as damage to our reputation. Although we cannot predict the outcome of such proceedings or any claims made against us, we do not anticipate that the ultimate outcome of the various proceedings or claims will have a material adverse effect on our financial condition, but may be material to our results of operations and cash flows in the period in which the impact of such matters is determined or paid.

Item 4. Submission of Matters to a Vote of Security Holders

None.