A NEW YEAR
ONE COMPANY
A NEW YEAR
ONE COMPANY

05 The center of it all
09 Reaching further together
10 Research
12 Doing more to support the mission
14 Financial highlights

A NEW DAY
ONE COMMITMENT

18 Putting our plans to work
21 Our opportunities and goals
22 Making it happen
24 Locations
Our accomplishments during this past year centered around one goal: **excellence.**

ITxM, a not-for-profit company with headquarters in Pittsburgh, PA, is proud of our achievements to better meet the needs of donors and customers as we continue to take transfusion medicine to a higher level.

Transfusion medicine is ever-changing, and over the last year ITxM expanded our reach into five states, implemented new services, procedures and advanced technology, and continued to advance strategic collection practices to increase efficiency and strengthen our financial management. We thank the entire ITxM team and all our partners who helped drive these important company advances.
AS WE IMPROVE OUR PROCEDURES, PROGRAMS AND FACILITIES, WE HELP IMPROVE THE LIVES OF PATIENTS IN THE COMMUNITIES WE SERVE.
THE CENTER OF IT ALL

The most visible side of ITxM is our Blood Services operations, with four blood centers: Pittston-based Geisinger Blood Center, Chicago-based LifeSource, Pittsburgh-based Central Blood Bank and our new addition, Richmond-based Virginia Blood Services. Together, the blood centers, along with ITxM’s Clinical and Diagnostic Services, provide local communities with products, programs and services that help support healthcare providers in the care and management of their patients.

Collecting blood is both a science and an art. Beyond the technology, execution is critical — especially collecting products based on clinical need to maintain the right levels of inventory and eliminate waste. In fiscal year (FY) 2013, we enhanced our blood centers’ abilities to manage front-end collections and deliver superior customer service.

COLLECT-TO-NEED APPROACH
Collect-to-need represents a total supply chain view that aligns our front-end collection plans with regularly updated forecasts of customer needs. This enables us to adapt our collection efforts based on inventory changes. With collection goals determined by customer needs, we reduce waste and improve customer service levels.

In 2012, ITxM’s focus on collect-to-need ensured that our supply chain of critical blood products was managed to continually maintain the right levels of inventory for customer needs. Some of the keys to this success were enabling staff to identify ABO type on-site, educating and training staff on preferred donation types based on the donors’ ABO type and converting each donor to that donation procedure. We also purchased technology that gave us greater flexibility in collection procedures and improved our processing times.

INVENTORY MANAGEMENT
Through integration of our blood centers’ inventories and looking at them as one collective inventory, ITxM was able to maximize collections and emphasize intercompany transfers over ad hoc marketplace purchases. As a result, we continued to steadily eliminate contracted imports. Each of our centers contributed to maximizing our blood services:

- LifeSource has improved split rates on platelet collections through staff and donor education, enhancing our service to hospitals.
- Central Blood Bank transitioned its entire frozen blood inventory to our Clinical Services division, improving overall management and speeding up product availability.
- Virginia Blood Services implemented a new software application to optimize collection opportunities from apheresis donors. An 8% increase was immediately demonstrated in single donor platelet split rate, as well as favorable increases in concurrent products (plasma and red blood cells).

Virginia Blood Services also opened an additional community donor center in Salem, VA, and a new distribution and mobile staging location in Roanoke, VA. This expansion will increase collections and improve distribution services to our customers.

Geisinger Blood Center, the result of last year’s signed partnership between ITxM and Geisinger Health System, was launched and began collections in July 2012. Currently servicing Geisinger Health System hospitals, the Geisinger Blood Center not only successfully executed services but also received successful initial inspections by AABB and the FDA.
CENTRALIZED TRANSFUSION SERVICES REDUCE COSTS
ITxM Clinical Services’ centralized patient blood-management capabilities continue to provide meaningful benefits to hospitals. ITxM combines evidence-based guidelines, computer-assisted decision support analysis, and reductions in autologous blood use and platelet pool size to cut blood use in hospitals and assist with appropriate selection of transfusion products. These initiatives help decrease unnecessary transfusions and improve patient outcomes.

Successful implementation of centralized transfusion services within Meadville Medical Center in Meadville, PA, gave ITxM a foothold outside of our long-time Pittsburgh market. With Meadville operations in place and a contract with the University of Illinois Medical Center, which anticipates operations to begin in the Chicago market in the last half of FY 2014, Clinical Services continues to expand the market areas in which we provide centralized transfusion services.

DIAGNOSTIC SERVICES
In the communities we serve, ITxM Diagnostic Services is recognized by physicians, hospitals and medical centers as providing expert services in therapeutic hemapheresis services, coagulation testing and non-blood donor testing.

The Diagnostic Services division continues to increase ITxM’s presence in the Chicago market. We maintained our presence in donor testing with a minority share in the joint venture with Creative Testing Services for the LifeSource donor testing lab.

Finalized in FY 2013, we added non-blood donor testing to our service offering. Now called the ITxM Specialty Testing Lab, this department provides testing services on cellular, tissue and organ donor products, as well as fostering new clinical relationships in donor testing with local hospitals.

In Pittsburgh, we expanded our relationship with the University of Pittsburgh Medical Center (UPMC) to provide interfaced coagulation testing at their outpatient Cancer Center locations. Our system quickly delivers test information to UPMC physicians to better guide patient treatments. We also implemented a new Client Service Module, replacing a manual system for tracking customer calls, documenting details, and solving problems quickly and expediently.

ITxM Therapeutics, which has been a Pittsburgh resource for outpatient and inpatient procedures, began outpatient services at the Rosemont facility in July 2011 with a focus on mononuclear cell collections for cellular therapy companies such as Dendreon. In its second year of operations, stem cell collections for the National Marrow Donor Program were introduced to the procedure portfolio, and additional staff was brought on to accommodate our increased procedure volumes.
As a world-class leader, ITxM pursues opportunities for expansion of the company and service markets like those with Virginia Blood Services and the University of Illinois at Chicago. Our goal is working together to fulfill our common vision of providing the highest impact on patient care.

JAMES P. COVERT
ITxM PRESIDENT & CEO
REACHING FURTHER TOGETHER

At ITxM, our practice of transfusion medicine goes well beyond collecting blood products. By providing specialized services to medical facilities, we aid physicians in delivering the highest quality care to support the efficacy of patient care throughout our communities. Together with our expertise in these specialized services, we position ourselves as the leader in transfusion medicine by continuing to explore opportunities and new partnerships. FY 2013 saw the culmination of several such initiatives.

BUSINESS DEVELOPMENT

At year’s end, we acquired Virginia Blood Services, a leading nonprofit blood center with nine donor centers throughout the state. The team holds nearly 2,700 blood drives every year and collects nearly 115,000 donations. This acquisition extended ITxM’s reach into a third geographic footprint.

While the second half of FY 2012 saw the finalization of the joint venture between ITxM and Geisinger Health System, the final achievement was the successful launch of Geisinger Blood Center collections in early FY 2013. ITxM expertise was key in driving the multifaceted implementation process for operational success of this groundbreaking partnership between blood centers.

In Chicago, ITxM has finalized contracts with the University of Illinois at Chicago (UIC) Medical Center for providing hospital services that include transfusion medicine, blood services, blood products, donor services, and therapeutic hemapheresis services for patients and the UIC hospital. This strategic partnership is set to realize the common vision between our two entities for leading transfusion-medicine capabilities and related medical education and research in Illinois.
ITxM excels in clinical and laboratory research for many good reasons. Our activities support the training of clinicians who specialize in transfusion medicine. Our reputation helps us recruit the industry’s top professionals for our facilities. And our successes support transfusion medicine advances that positively impact patient care.
ITxM CONTINUES REDS-III RESEARCH ACTIVITIES

As one of four national hubs in the NIH-funded REDS-III research network, ITxM is helping to perform epidemiologic studies of outcomes in transfusion recipients and safety in blood donors. Our research activities include the following:

**Plasma Epidemiology Study.** The largest study of its kind, it will provide a large transfusion database to identify opportunities to improve practices and patient outcomes.

**Hemoglobin and Iron Recovery Study (HEIRS).** This study will help define iron metabolism and hemoglobin recovery in blood donors with and without iron supplementation. It will allow blood centers to optimally identify and prevent iron deficiency in blood donors.

During FY 2014, we will complete the RECESS study and implement the REDS-III Recipient, Donor and Component database. These initiatives will advance knowledge in transfusion medicine and donor care. We will also be evaluating patient blood management at Allegheny Health Network to help improve patient care and reduce hospital costs.
DOING MORE TO SUPPORT OUR MISSION

The world of transfusion medicine presents challenges unknown to past generations. Changing protocols. Rapid advances in therapies. Stricter regulations. And a pressing concern to connect today’s growing number of patients with center staff in real time. This is another area where ITxM shines: finding new solutions and satisfying the needs of donors and customers.

The vital work of our clinicians, diagnostic experts, collection specialists and skilled researchers would not be possible without an equally proficient support team behind the scenes who are committed to the highest level of operational management and patient care.

**Biokey/TruDonor.** Implemented at all LifeSource and Central Blood Bank community donor centers, this ITxM innovation uses fingerprint technology to identify donors. It speeds donor registration, enables more precise identification of collected units and eliminates paper errors that can compromise blood supply integrity.

**DonorView.** Our proprietary scheduling tool makes it easy for website visitors to find locations for our donor centers and blood drives, view their donation history and loyalty program status, and even access trend reports on their health metrics like blood pressure, pulse and cholesterol.
QUALITY ASSURANCE AND CLINICAL TRAINING
During FY 2013, we improved our operational efficiencies through ongoing staff training in Six Sigma practices. The solutions developed from this training improved the donation experience, reduced product outdates, streamlined workflows and improved responsiveness — all at a reduced cost to our business units. In addition, this training helps ITxM maintain our best-in-class status on a national level.

FINANCIAL SERVICES
One of our key financial activities of FY 2013 was the acquisition of Virginia Blood Services, which strengthened ITxM’s total blood supply and expanded our footprint into the Richmond area. We also consolidated the Hemophilia Center of Western Pennsylvania into ITxM, with reporting to the Diagnostics business unit, further enhancing our services to patients with coagulopathies.

ITxM finalized our joint venture with Creative Testing Solutions, which enabled us to achieve significant cost savings on donor testing.
FINANCIAL HIGHLIGHTS

Blood Science Foundation

<table>
<thead>
<tr>
<th>Total assets</th>
<th>$98,677,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities</td>
<td>$2,624,000</td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>$96,053,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grants awarded</th>
<th>($1,850,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other expenses</td>
<td>($137,000)</td>
</tr>
<tr>
<td>Transfers to operations</td>
<td>$ 0</td>
</tr>
<tr>
<td>Realized/unrealized gain on investments</td>
<td>$10,418,000</td>
</tr>
<tr>
<td>Change in unrestricted net assets</td>
<td>$8,431,000</td>
</tr>
</tbody>
</table>

The Institute for Transfusion Medicine

<table>
<thead>
<tr>
<th>USES OF FUNDS$^1</th>
<th>$216.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>$80.9 Employee costs</td>
<td></td>
</tr>
<tr>
<td>$8.7 Other operating expenses</td>
<td></td>
</tr>
<tr>
<td>$114.1 Blood- and testing-related expenses</td>
<td></td>
</tr>
<tr>
<td>$7.9 Depreciation, interest and amortization</td>
<td></td>
</tr>
<tr>
<td>$4.8 Provision for capital and new/expanded programs</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SOURCES OF FUNDS$^1</th>
<th>$216.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50.0 Laboratory and service fees</td>
<td></td>
</tr>
<tr>
<td>$3.8 Other</td>
<td></td>
</tr>
<tr>
<td>$157.3 Blood products and components</td>
<td></td>
</tr>
<tr>
<td>$5.3 Investment income</td>
<td></td>
</tr>
</tbody>
</table>

$^1 Not part of change in unrestricted net assets.  
In millions of dollars.
Blood Science Foundation:
Grants Awarded
A new dawn. A new day. At ITxM, that means a new page for exploring and leading transfusion medicine breakthroughs. We are passionate about our future.

As ITxM’s footprint expands and our base of donors, customers and partners grows, one thing stays constant: our combined desire to be the premier provider of transfusion medicine in the United States. Throughout the year to come and beyond, we will remain driven to succeed and eager to conquer new challenges and new opportunities.
A NEW DAY
ONE COMMITMENT
PUTTING OUR PLANS TO WORK

While ITxM has long been respected for clinical services, our management practices and operational policies are key as well. Simply put, being the best requires leadership, and our Senior Management Team is well-prepared to steer ITxM through whatever events the future brings.

Our focus for FY 2014 continues to emphasize the initiatives that serve our mission. We will drive Operational Excellence through our total supply chain view, and we will maximize collection opportunities through our attention to donors and emphasis on educational programs.

We will further optimize inventory management by increasing real-time communication among all our blood centers. And we will continue to expand our Blood, Clinical and Diagnostic Services reach by implementing and promoting additional services for local hospitals and healthcare facilities.

Wearing the mantle of the industry leader comes with responsibility for integrity, accountability and innovation. ITxM is more than up to the task. We look forward to a new year of focusing on solutions and continuing to always be the best at what we do.
1. OPERATIONAL EXCELLENCE
Focusing on cost minimization and efficient, rapid customer delivery processes.

2. CUSTOMER FOCUS
Offering a broad range of customer solutions that meet individual customer needs.

3. PRODUCT LEADERSHIP
Including innovation, invention and working in unexplored areas to advance product development.
With more than 40 years of experience, ITxM is highly regarded in the field of transfusion medicine. Our expertise and shared commitment to impacting patient care at the highest level and advancing transfusion science make this an ideal partnership. We look forward to the enhancements this relationship will bring to the region.

DR. SALLY CAMPBELL-LEE
UNIVERSITY OF ILLINOIS AT CHICAGO HOSPITAL MEDICAL DIRECTOR, TRANSFUSION SERVICES
OUR OPPORTUNITIES AND GOALS

ITxM’s plans for FY 2014 are aggressive, innovative, and beneficial to our donors and partners. More importantly, they are fiscally sound, carefully considered and returning significant cost savings. Our plans fully support our mission to provide best-in-class blood products and services to meet the needs of the healthcare community, patients and donors.

OPPORTUNITIES
We will focus on aligning our collection goals with our donors and donor groups by promoting our collect-to-need approach. New educational content will explain to donors how our product needs change based on our inventory and market conditions. This will help them understand why it’s important to tailor their donation efforts to our current need. Our aim is to provide customers with a reliable and efficient supply of blood products so that they can maintain their focus on clinical care.

LifeSource is working to increase projection accuracy for daily collection activities. Our goals are improved service levels for donors, more appropriate staffing levels and greater manufacturing efficiencies.

Central Blood Bank will be placing additional specialized collection equipment on mobiles and at community donor centers to make donation procedures more flexible, quickly process double red donors and improve our platelet collection abilities. In the coming year, Central Blood Bank will also launch 10-minute appointment times for mobile collection initiatives to decrease wait times and improve staff efficiency.

To facilitate inventory management, Central Blood Bank will transition its available red blood cell and plateletpheresis inventories to Clinical Services. With one central location, our efficiencies will be improved for the region’s hospital customers.

Virginia Blood Services expects to continue increasing collections in the Roanoke area and reach self-sufficient status. Apheresis platelet collections will be extended to mobile initiatives, extending the donor database and offering more convenience to those not frequenting our donor centers.

Virginia Blood Services will also implement the DonorID program used at other ITxM centers. This initiative uses biometrics for donor identification, which enables paperless donor records and increases accuracy and efficiency.

In addition, Virginia Blood Services will continue to give back to the community through involvement in local events and sports team sponsorships. This participation is intended to increase brand awareness, heighten the center’s reputation and inspire future donors.

EXPRESSION
ITxM will expand its therapeutic outpatient services to include low-density lipoprotein (LPL) apheresis out of our Rosemont, IL, facility. This is a highly specialized outpatient procedure — the first and sometimes only treatment option for people with high LDL (bad cholesterol) that does not respond to diet, exercise or medication. We are successfully providing this treatment in Pittsburgh and are pleased that we’ll be making it available to the Chicago-area healthcare community, too.

We have offered therapeutic apheresis procedures for more than 20 years in many Pittsburgh-area hospitals, and we plan to expand this beneficial service into the Chicago area for hospital inpatients in FY 2014. By outsourcing these services, ITxM provides a viable strategy for hospitals that are challenged with maintaining staff credentialing or lack the ability to purchase equipment that keeps pace with the latest procedures. In some cases, hospitals can realize cost reduction even as they maintain a high standard of care and provide the most recent procedure options to their patients.

We will finalize a single combined licensure for LifeSource, Central Blood Bank and Geisinger Blood Center, which will help us respond more quickly to regulatory and operational changes. To create cost-saving synergies within our financial department, we will integrate the staff, functions and policies into one unified team.

OUR STRATEGY OF FOCUSING ON OPERATIONAL EXCELLENCE ENABLES US TO CONTINUE MEETING THE NEEDS OF DONORS AND CUSTOMERS AND ENSURES A BRIGHT FUTURE FOR ITxM.
MAKING IT HAPPEN

We appreciate this opportunity to recognize our board members and leadership team precisely because they do what they do not for recognition, but for the opportunity to support life every day. The same selfless attitude distinguishes our employees, volunteers and donors, who always go the extra mile. To all who share our desire to serve others with excellence, thank you.

The Institute for Transfusion Medicine Board of Directors

OFFICERS
Charles H. Bracken Jr.
Michael H. Jones
James P. Covert
Mark J. Giaquinto

MEMBERS
Patricia Abrego-Santucci
OfficeMax
James R. Berry
Retired, Wachovia Bank
Charles H. Bracken Jr.
The Barton Group
Robert E. Carden, Ph.D.
Virginia Blood Foundation
Sunny Chico
SPC Educational Solutions
James P. Covert
The Institute for Transfusion Medicine
Alan J. Dean
Chicago Board Options Exchange, Inc.
Twyla L. Johnson
Highmark Blue Cross Blue Shield
Michael H. Jones
Raymond James & Associates, Inc.
Pat Laughlin
President, Family Foundation Management, LLC
Kathy L. Mayle Towns,
B.S.N., M.N.Ed., M.B.A.
Community College of Allegheny County
Donald J. McGraw, M.D.
Occupational and Environmental Medicine, LLC
Richard D. McHugh, M.D.
UPMC Health System
Christopher D. Murtaugh
Winston & Strawn LLP
Patricia Pulido Sanchez
Pulido Sanchez Communications, LLC
Richard L. Stover
Birchmere Capital
Matthew J. Suhey
Entrepreneur

Blood Science Foundation Board of Directors

OFFICERS
Terrence Bilkey
Donald J. McGraw, M.D.
James P. Covert
Mark J. Giaquinto

MEMBERS
Terrence Bilkey
Bilkey Katz
Charles H. Bracken Jr.
The Barton Group
James P. Covert
The Institute for Transfusion Medicine
Alan J. Dean
Chicago Board Options Exchange, Inc.
Donald J. McGraw, M.D.
Occupational and Environmental Medicine, LLC
Robert Ostrowski
Federated Investors
Richard L. Stover
Birchmere Capital

Effective as of December 1, 2013
The Institute for Transfusion Medicine Senior Management

James P. Covert
President and Chief Executive Officer

James F. Fitzgerald
Chief Operating Officer

Mark J. Giaquinto
Chief Financial Officer

Darrell Triulzi, M.D.
Chief Medical Director

Andrea Cortese Hassett, Ph.D.
Vice President, Diagnostics and Chief Science Officer

Linda Hahn
Vice President, Clinical Services

Roxanne M. Tata
Vice President and Chief Quality Officer

Diane Merkt
Chief Administration Officer and Chief Compliance Officer
LOCATIONS

ITxM CORPORATE
Five Parkway Center
875 Greentree Road
Pittsburgh, PA 15220

CENTRAL BLOOD BANK
Five Parkway Center
875 Greentree Road
Pittsburgh, PA 15220

ITxM CLINICAL SERVICES
501 Martindale Street
Pittsburgh, PA 15212

LIFESOURCE
5505 Pearl Street
Rosemont, IL 60018

ITxM RESEARCH
3636 Boulevard of the Allies
Pittsburgh, PA

For more information, visit itxm.org.