March 8, 2013

Veracyte Announces UnitedHealthcare Coverage Policy For the Afirma® Gene Expression Classifier

South San Francisco, Calif. --- March 8, 2013 --- Veracyte, Inc., a molecular diagnostics company pioneering the emerging field of molecular cytology, today announced that UnitedHealthcare, one of the nation's largest private health insurers, has issued a positive medical coverage policy for the Afirma® Gene Expression Classifier for use in assessing thyroid nodule fine needle aspirate (FNA) biopsies that are indeterminate – not clearly benign or malignant following traditional cytology review. The new medical coverage policy will apply to the insurer's nearly 27 million commercial members, effective April 1, 2013. Veracyte's genomic test is already covered for approximately 40 million Medicare patients nationwide.

UnitedHealthcare's March 2013 Medical Policy Update Bulletin features an update to its Gene Expression Testing medical policy, which now includes the Afirma Gene Expression Classifier as a proven test based on medical evidence. The Afirma test is the only gene expression test to date to receive a "proven" designation in the policy document, which is available on UnitedHealthcare's website at https://www.unitedhealthcareonline.com.

"We are pleased that this coverage decision will make Afirma more accessible to thyroid nodule patients around the country," said Bonnie Anderson, Veracyte's cofounder and chief executive officer. "Because of UnitedHealthcare's leadership, more patients will be able to avoid unnecessary thyroid surgeries, and healthcare costs for the management of indeterminate thyroid nodules will be reduced."

The UnitedHealthcare policy decision is consistent with the National Comprehensive Cancer Network (NCCN) Thyroid Carcinoma Guidelines, which recommend that clinicians consider the use of molecular testing to identify patients with indeterminate cytopathology results whose nodules are actually benign and can thus avoid surgery. The Afirma Gene Expression Classifier is the only molecular test clinically validated in prospective, multicenter, double-blinded trials to meet the NCCN's validation benchmark to safely monitor nodules in lieu of diagnostic surgery.

The Afirma Gene Expression Classifier measures the expression of 142 genes to reclassify indeterminate thyroid FNA samples as either benign or suspicious for cancer. The test is designed to help identify patients whose nodules are actually benign and who can thus avoid unnecessary diagnostic surgery. An additional 25 supplemental genes are used to improve classification of rare cancer subtypes. The test is offered as part of Veracyte's comprehensive Afirma Thyroid FNA Analysis, which combines specialized cytopathology assessment for initial review of thyroid nodule FNAs, with the gene expression test used to clarify inconclusive results. The test is available throughout the U.S. through a global co-promotion partnership with Genzyme, a Sanofi company.

Thyroid cancer is the fastest-increasing cancer in the United States, with 60,220 new cases expected in 2013, according to the American Cancer Society. Approximately 450,000 thyroid nodule FNAs – a minimally invasive procedure to extract cells for examination under the microscope – are performed each year in the U.S. to rule out cancer. However, 15% to 30% of FNA biopsy results are inconclusive, and most physicians recommend thyroid surgery for final diagnosis. Following surgery, however, 70-80% of patients' nodules are diagnosed as benign. These surgeries are invasive, expensive, and typically result in lifelong thyroid hormone replacement therapy for the patient.

About Veracyte

Veracyte, Inc., based in South San Francisco, Calif., is a privately held molecular diagnostics company pioneering the emerging field of molecular cytology. The company discovers, develops and commercializes molecular diagnostic solutions that enable physicians to make more informed treatment decisions early, thus helping patients avoid unnecessary invasive procedures while reducing healthcare costs. Veracyte's first product – the Afirma® Thyroid FNA Analysis – combines specialized cytopathology assessment with the Afirma Gene Expression Classifier, a genomic test that clarifies inconclusive thyroid nodule results as benign or suspicious for cancer. The company has formed a global co-promotion partnership with Genzyme, a Sanofi company, to make the Afirma Thyroid FNA Analysis available throughout the U.S. and, subsequently, globally. Veracyte is currently in the early biomarker discovery phase for lung cancer and interstitial lung diseases. Veracyte is privately held and funded by Domain Associates, Kleiner Perkins Caufield & Byers, TPG Biotech and Versant Ventures. For more information, visit www.veracyte.com.

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Media Contact:

Tracy Morris

650-473-1272 (o); 650-380-4413 (c)

Tracy.Morris@veracyte.com

Send Veracyte media related inquiries to media@veracyte.com.