MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon. This is the Chorus Call conference operator. Welcome and thank you for joining the DiaSorin First Half 2010 Results Presentation Conference Call. As a reminder, all participants are in listen-only mode. After the presentation, there will be an opportunity to ask questions. [Operator Instructions]

At this time, I would like to turn the conference over to Mr. Carlo Rosa, CEO of DiaSorin. Please go ahead, sir.

Carlo Rosa, Chief Executive Officer

Thank you operator. Good morning, good afternoon. Welcome to the Quarter Two Conference Call for DiaSorin. As usual I will make some overall comment on the main elements of the second quarter results and then Mr. Andrea Senaldi; the Chief Financial Officer will discuss in detail the financial results.

Let me start first from revenues in the third – and I think it's noteworthy that for the first time DiaSorin has exceeded €100 million in the quarter and this is an achievement that we are very proud of. In fact, year-on-year growth in the second quarter is 26.5% and growth is healthy and spread over in all geographies.

In Europe, we enjoyed a double-digit growth as you have seen 11- 11.5% when most of our competitors have reported disappointing results. These again show that our ability to compete with competitors, is there in LIAISON as a platform and the LIAISON menu is a very attractive platform for our customers.

In the U.S. we continue to pursue our strategy to expand the LIAISON base using Vitamin D as a hook and completing the trials offer in with our infectious disease products. The demand for vitamin D continues to grow and fueled by all the clinical data that are now becoming public around the clinical use of vitamin D testing.

And finally the merging geographies, Asia Pacific and South America, we continue to enjoy a very strong growth with continued enlargement of the LIAISON installed base. As we have seen in both areas we are growing 30, 40% and this is very relevant for us, also in light of the fact that we are transitioning the Murex business from Abbott to us. And so not only the current business is very healthy but we are ready to with – successfully to take also the responsibility for the ELISA products we bought from Abbott less than a year ago.

And as far installed base, we placed in the quarter 163 LIAISON which clearly is this for us a record quarter. And what I think is relevant to understand is that installations are being evenly spread around all geographies. U.S. roughly represents 25% of this new installed base. Europe represents roughly 30%. And then the remaining 40 is split almost evenly between Asia Pacific and Brazil. So if some of you are concerned about an overwhelming effect of Vitamin D – I'm telling you, the installed base today goes even in the regions following – in other regions following the different strategy that the company has set in place in this very different market.

Now moving to research and development. I'm pleased to announce that we have received CE Marking for the HIV XL product. If you remember, we have submitted three products HIV, HCV and hepatitis B. HIV is the first one to be approved and we expect to see HCV to be approved by late September, early October in time for the soft launch of the LIAISON XL.

The LIAISON XL product continued in its development. The first two units have been installed in Italy to conduct usability testing at two customer sites in the north of Italy. We expect to start the soft launch activities for XL in early quarter 4.

Finally, as far as LIAISON XL is concerned, we are starting clinical studies in the U.S. to file for the system. And we expect filing with the FDA to be completed by December of 2010 in line with our expectation to start active consolidation of LIAISON XL in the U.S. in the late quarter 2, early quarter 3 next year.

The last comment I would like to make is related to the strategic alliance that we have announced with Meridian Diagnostics. Meridian Diagnostics as some of you may know, is a worldwide leader in GI tract infections. They enjoy a leadership position in areas like Clostridium difficile and Helicobacter pylori. They offer under a foolproof technology, or a reliable technology -but the two companies, they have agreed to allow DiaSorin to use certain Meridian technologies. And now to develop flagship Meridian products on the LIAISON platform. These would be specialty products. They will clearly differentiate our product offering from competition. So we continue to follow our strategy of differentiation vis-à-vis the LIAISON menu.

We expect the revival market for these five assays is in excess of $100 million, and there is a very limited competition in that space. Moreover, 50% of the current LIAISON installed base has been determined to be at customer sites that are performing these Meridian assays in their premises. And therefore we expect that the adoption rate would be very high. If you remember we started development and we expect that these products would be available to the market at the beginning of 2012.

As far as MUREX is concern, the activities of transferring the business from Abbott to DiaSorin are continuing. We took direct responsibility of the sales of the products in certain geographies. Whereas in Asia Pacific and South America, where the bulk of the sales are, we are working to transition the business there to us. And we expect that the full transition should happen by year-end.

I am going to then now leave Andrea for the comments on the financial results and then we will open the Q&A session.

Andrea Senaldi, Chief Financial Officer

Thank you, Carlo. Ladies and gentleman, good morning or good afternoon. I'm going to use the slide presentation to take you through the key performance indicator of the quarter 2 and first half of 2010 for DiaSorin.

Now let me start with a remark concerning the closing of the MUREX operation. As you know we closed the deal – we announced closing of the deal on June 1. So given the short period of conclusion within the consolidation area, DiaSorin, we had not fully consolidated that operation. We consolidate within our financials for the opening asset value of the deal and a very marginal part of the sales. Full consolidation of the MUREX business will happen as of next quarter, the quarter 3.

Now if I may use slide number one, Carlo has already commented on the revenue growth, I would like to point your attention to three more highlights of the financial results. First of all, as of June 30, the installed base, for the driving of the growth, for the top line of our growth, the installed base of LIAISON systems has reached 3,290. Instruments settings installed as you may remember 153 in quarter one, and 162 in the second quarter of the year, the last one clearly represents a record number of LIAISON.

Alongside the growth of the top line as we continuously report significant improvement at operating margins, both at gross margins and EBIT margins. And later on I will comment in more details on this. And last but not least we are reporting an improvement or a growth of the net earnings as compared to 2009. What I would anticipate and then again we will go into the details is that you may remember that 2009 in net earnings, it was positively affected by one-off fiscal benefits related to the goodwill step-up. And therefore represents to us a very difficult comparable, but I will go into to more details.

So, turn please to the second slide; that is the representation of the profile of our revenues on a quarterly basis. You can already see that in quarter 2, we achieved €100 million consolidated in the quarter, but the turnover is around 101.5, which represents a significant improvement also vis-à-vis the previous quarter of 2010.

If we move to the full representation of the profit and loss statements, Carlo already mentioned the net revenues grew 26.5% versus previous year. In the quarter, we enjoy a positive exchange rate effect with reference the future is to, needless to say the U.S. dollar but also the Brazilian reais.

The total exchange rate, the growth of the top line is around 21.5 percentage points.

As far as gross profit is concerned, the growth – the more than proportional growth is reflected into higher incidents in the gross margin versus the turnover. Gross margin has improved by almost 1.5 percentage points versus previous year growing from 70.8 to 72.2.

Operational expenses grew from 26.7 to 31.4. There is a strong leverage on the structural cost of the group to the point that the incidence of revenues of operational expenses decreases by more than 2 percentage points from 33.5 to 31.2.

There is a hefty charge on other operating expenses in the quarter, 3.8 million. The majority of which is represented by a non-recoverable revolving tax paid on dividends within the Group, dividends that the holding company has attracted from the U.S. subsidiary. Those dividends were used to finance the Murex acquisition. On top of that, you have to bear in mind that more than €0.5 million was related to costs associated with the legal assistance for the Murex acquisition I think in the second quarter of this year.

All-in-all, this EBIT is 37.4 growing at 26.7% versus previous year second quarter with a margin which is in line with what we reported last year. Again, I'll talk later on the one-off effect falling in the quarter on our profitability margin. Below EBIT, net financial expenses are positive for 0.5 million, or just about 0.5 million whereas tax a negative 14.6 million.

As I said before, the comparison between this quarter and 2009 second quarter is a challenging one. In 2009, as you can see, the tax rate was significantly lower, because we used the provision of the laws to set up and to deduct it and deductibility is the goodwill that we carry on the balance sheet with a net positive tax effect of 3.5 million.

As you can see in the line just below the net results, we should discuss the one-off effect which is coming from the income tax that I just mentioned. And the fact that we changed the accounting principles related to hedging of our exposure to the U.S. dollar which are now not recorded any longer to P&L but now to our net worth – into the net worth. The 2 comparisons between the 2 corporate net results would have given us an increase of 23% year-on-year.

Moving to the first half year profit and loss statement, again 24% and growth on the top line as a total 22.3 at constant exchange rate and in a similar fashion to the quote of the gross profit and the gross margin are increasing significantly. The incident of gross margin is going up by 150 basis points versus previous year which leads to a growth over growth of 26 – almost 27% versus previous year.

Again, operating expenses grew far less in proportion to the top line in the improvement in the incidence on ratio on sales by more than 2 percentage points. And again this is reflected in the first 6 months of the other percent I just mentioned in the quarter on top of an additional €1 million of non-recurring items related to the dividends and legal assistance performed during quarter one of this year related to the Murex acquisition.

Moving on, as a result of this, The EBIT in the first 6 months is growing by almost 28% versus previous year from just shy of 54 million to just shy of 69 million in 2010, moving up from 35.7 to 36.8% of revenues. The same considerations I mentioned before are valid for the first 6 months. They relate to net financial expenses and tax, all-in-all the net result of the total is growing over 16% from quarter 3. A fair comparison would see a growth of close to 27% from 34 million which is the net profit of last year which excludes the one-off effect with that financial accounting, 2.3 million.

EBITDA is growing more than 26% in the first six months from 62 to almost 78.5 million, moving up from 41.2% of revenues to 41.9.

Now if we move on slide number six to a more detailed analysis of revenues breakdown, semi-luminescent so the year's project data continues to represent further then the growth driver for the group. CLIA sales in the first six months grew by 37% versus the first half of 2009. The drivers of this growth continue to be clearly what we had experienced in the previous 4 quarters as well. Vitamin D continue to grow the market, reflecting in our sales at a significant rate, which is significantly higher than the average of the other clinical areas of the LIAISON product.

As we said before, we continue to enlarge the installed base to a more than proportional rate than we've seen in the past. And also, we – as we announced in quarter 1 as well we continue to leverage on new distribution agreements in strategic areas of the world like Latin America. As a consequence of the growth of the incidence of technology on the overall portfolio, we moved up from 62% in 2009 to more than 68% in 2010.

Shifting our view to geographies, as Carlo already mentioned, all the regions recorded a double-digit growth. Europe recorded in the quarter a growth by 11%, and more than 10% in the first six months. And the double-digit growth clearly is diluted by the Italian market where the penetration that we have achieved with more than 750 LIAISON installed in the Italian territory, does not allow for double digit growth, although the growth in this market is significantly higher than the average growth of the Vitamin D market.

France, we mentioned two examples of very good performance within the European region. France is growing 30.2% versus previous year and Israel is growing at almost the same level 26.7%.

North America, strong revenue as reported and at comparable exchange rate of 43.5% as reported and 35.2 in local currency. This is clearly first 6 months 2010 versus '09.

Latin America did hefty growth, which is about more than 50% in quarter 2 and more than 35% in the first half year is sustained by very assuring growth on the Mexican company as well as the enlargement of the third-party distributors networks that I just mentioned before.

And Asia Pacific has reported 28.4% growth versus previous year with a strong contribution from China where, I remind you, we opened a subsidiary for direct distribution as of the beginning of this year and Australia where we have incorporated our own subsidiary as of April this year and that subsidiary has started their distribution as of August 2.

Okay, if we can now move to commenting deeper the margin or profitability of the group on slide number 9, you can find summarized the gross margins, EBITDA and EBIT growth versus previous year, growing in the range of 27 with incidence which is moving up year-on-year. Now the

improvement of the margins as you know is driven by structural factors aside from the improvement in the exchange rate the euro versus the dollar, and the improved technology mix so the ever higher incidence of this versus the rest of the portfolio is clearly driving our margins up. Vitamin D is adding as a specialty base adding more and more weight of specialties onto the overall LIAISON portfolio. And we continued to leverage upon the fixed costs represented by the depreciation of the installed base and the instrument depreciation.

I mentioned before that within the first 6 months we have incurred the results which have been affected by what we consider non-recurring events but the revenue stream which has been used to fund the Murex acquisition – the dividend stream which has been used to finance the Murex acquisition, as well the legal and tax counsel charges related to the same operation, which should be deducted when analyzing the true operational performance of the company. If we do this, the operating margins, EBITDA and EBIT will grow like 43.6% of turnover in the first six months, 44.2% in quarter two and as far as EBIT is concerned, 38.5% of total sales and 39.4% in the quarter.

The net results I mentioned already represent as reported the growth year-on-year of 16% but excluding hedge accounting and FX in 2009 result in a growth of 20.6%.

If I now move to the balance sheet in – on the 30 of June, we had closed with a total capital employed of €276 million, moving up from 206 at the end of 2009. The significant growth of our net capital employed is related to the incorporation of the initial asset bases of the acquired MUREX business, which has been reported both in terms of tangible assets and intangible assets that for the time being we have allocated to goodwill. All the parts related to intangible assets will be next few months before quarter 3 results to allocate into as intangible emerge related to goodwill.

Apart from this, net working capital has also increased, particularly, as far as inventory is concerned because of the consolidation of the MUREX asset base. Against this 276 net capital employed, we have 264 shareholders' equity, and the net financial position, which has become, again, negative for 12.3 million. Let me remind you that this is – this position has been achieved after having paid about $60 million on the MUREX acquisition and €11 million on dividend.

The operational cash flow performance, which is reported on page 11, has been 40.1 million in the first six months and before capital expenditure of around €12.5 million, which compares to the 25.9 million in the first half year of last year before CapEx of about 15. Negative financial position of 12.5 million, I already commented. At the end of the first six months, we were holding cash and cash equivalents in the range of €25 million.

Last but not least, in view – on slide 12, in view of the strong rate of the revenue growth and the favorable trend that we continue to see in the exchange rates and clearly the continued success of vitamin D test. The management believes that we should raise upward the earlier expectation, which sets the target for revenue growth in the range of 15% to a growth in the range of 20%, confirming the set of all profitability indicators will increase and improve more than proportionally.

We also on the basis of the first evidence believe that the MUREX placements will contribute for additional 15 to 20 million to the growth that I just mentioned. And on the basis of the number of placements that we record in the first six months of the year, we believe that this year the group will exceed 500 new placements in the field.

That's all that I wanted to say on the conference call. And I would like now to hand over to you for a Q&A session. Thank you very much.

QUESTION AND ANSWER SECTION

Operator: Excuse me. This is the Chorus Call conference operator. We will now begin the question-and-answer session. [Operator Instructions] First question is from Martin Wales of UBS. Please go ahead.

<Q – Martin Wales>: Good afternoon. For a start, simply by getting a little bit more color on your guidance, if MUREX is going to add 15, 20 million to the top line, what do you think it will add to the bottom line this year? And maybe you can talk about what it could do for you on a full year basis. I know you only have the business for a couple of months now but some initial thoughts there will be helpful.

<A – Carlo Rosa>: So, Martin, do you have any other question or just one?

<Q – Martin Wales>: Yes, I do have other questions. But I can get on with – I can wheel them out now or, you have

<A – Carlo Rosa>: Yes, if you can just go through it – through all of them and then we take notes and give you answers.

<Q – Martin Wales>: Okay, second question, as you're going place almost 500 machines this year, I know you have a slower Q3. But it doesn't apply all the remaining machines – well, 185 machines in the second half of the year. I'm just wondering if that's still little bit cautious, or are you just going to tell me you said more than 500?

Thirdly, on the vitamin D side, two questions, firstly, I understand that Roche is in the process of withdrawing its Vitamin D3 from Australia. What impact could that possibly have on your business if that is indeed the case, which I believe it is, if you could address that? And finally, could you talk more generally about vitamin D competition post AACC? What you learned there and how you see that business developing?

<A – Carlo Rosa>: Okay, listen. I'll take the last two questions and Andrea will give comment on MUREX. First, in fact, as you pointed out, Roche has started to send out some official notes to customers in certain geographies indicating that they are withdrawing their vitamin D products from the market and we feel that already clearly announced in Asia-Pacific, mainly Australia, that is actually the largest market in Asia-Pacific.

We are in the process already to convert some of the Roche customers to the LIAISON platform. And there has not been any official note that is being delivered by Roche Europe but we expect that sooner than later this should happen and actually DiaSorin is very well positioned in case that happens, to capture a good portion of those – of that Roche market.

And this is what – these are the only facts that I can relate to as far as the Roche issue. We can just make a comment and this is a general comment, as I stated before Vitamin D is for many different reasons a very difficult product to make. And if you remember I always stated that I could not believe that if we – if DiaSorin was unable to make Vitamin D in Stillwater, Minnesota nobody else would have been able to make it somewhere else. However this confirms again that because of the nature of the product, it's a difficult product, and that error range from a technological point of view it was a good product, it's very high.

Now, this leads me to your second question, as you know last week there has been AACC in the U.S. and this usually is a podium where lots of companies display what they have. As far as Vitamin D is concerned we have seen some news provided by Siemens where there was, they displayed a research and development poster showing some data on where I said but it is very difficult to judge where they are at and how they detect it because it was a very limited evaluation

and you cannot tell how far they are from a product. So if you want my gut feeling I don't say that Siemens is close to a commercial launch for a product.

There has been some indication that Abbott is working on this. However, we've not seen data provided by Abbott nor we have any indication, official, that the product has been filed. So I would say that the level of rumor around Vitamin D went up and that is expected as said because of the size and visibility of this market, but it is difficult for us today to in a factual way foresee whether competition is truly available or not.

As far as your last comment, as far as IDS is concerned as I already said a few times, IDS is good company with a group of small systems however, I don't consider IDS as one very good primary competitor of DiaSorin because of lack of infrastructure and because of the fact that their system is designed to operate markets which are different from what we address with this one.

Now Andrea, do you want to take the?

<A – Andrea Senaldi>: Yes. Martin, as far as the Murex business, I think we are today again in a position to confirm what is the guidance that we provided before. So in terms of margin we do believe that the Murex business is – first of all we know Murex is a profitable business, and really confirm the fact that that will provide an EBITDA of at least 15% on the turnover.

I think you also had a comment about the number of placements in the second half of the year.

<Q – Martin Wales>: Yes.

<A – Andrea Senaldi>: Now, clearly the guidance that we provide of more than 500 units and reflects the thought that in the third and the fourth quarter we will be able to place at least 100 instruments per quarter which is what the company is prepared to commit right now.

<A – Carlo Rosa>: And it does exclude any business that may come through the issue that Roche is having with Vitamin D, and that clearly would then require placements of dedicated Vitamin D platforms as we've already done in Australia.

<Q – Martin Wales>: Okay. So your guidance actually is on the impact of this apparent Roche withdrawal?

<A – Carlo Rosa>: No, it does not.

<Q – Martin Wales>: Okay. Just to come back the Vitamin D test, obviously you want to differentiate or ultimately it will be – just how variable the test is, and what's your take on this sort of research process for Siemens and with regards to coefficient of variation and where are you on your own test now. Obviously I guess mass spec has the lowest coefficient of variation, but obviously you require some expert operator.

<A – Carlo Rosa>: And again, very difficult to say, that poster as, that poster presented by Siemens is an R&D poster. And I can honestly tell it by experience also looking at the DiaSorin optimism of the R&D growth, you never know whether an R&D poster eventually translate into a final product specification. So we need to wait and see what the product will be. Remember that the Roche product was supposed to be a very strong product in Europe where it ended up going.

Now regarding mass spec I keep saying that the issue with mass spec has nothing to do with performance. Mass spec is a good analytical technology. The issue with mass spec is related to the complexity of technology per se which requires dedicated resources and know how. And it has to do with standardization because the extraction, having an extraction set first and then the detection

system, standardization of the 2 steps versus a system like LIAISON where everything is included in one device, it is much more complex.

<Q – Martin Wales>: Okay. I'll go back in the queue and let other people ask questions. Thanks.

<A – Carlo Rosa>: Okay. Thank you.

Operator: The next question is from Massimo Vecchio of Mediobanca. Please go ahead.

<Q – Massimo Vecchio>: Yes. Good afternoon to everybody. Just a quick question on the tax rate, what kind of a level can we expect for the full year 2010? Thanks.

<A – Andrea Senaldi>: As you may have seen the tax rate in the second quarter has gone slightly up, some 38%. I believe that – and as you know, our tax rate today is heavily influenced by the performance of the U.S. company and the tax rate existing in the U.S. I believe that we will continue to see a tax rate around 37% on average for the remainder of the year.

<Q – Massimo Vecchio>: Okay. Thank you very much.

Operator: Next question is from Elsa Rocha of Goldman Sachs. Please go ahead.

<Q – Elsa Rocha>: Hi. Hello, good afternoon gentlemen, and thank you for taking my questions. Two points. First, could you elaborate a bit on the weakness you've seen in the Italian market, when you – we talk about revenue growth in Europe? And my second question is about the recent talks about change in the FDA's 510(k) approval process. If you believe that's going to have any impact on the launch of the LIAISON XL for instance or any other tests. Thank you

<A – Carlo Rosa>: Okay. Let me first start with the FDA, will be a very short answer. There has been an indication by the FDA that revising the 510(k), the problem is the final guideline has not been made available. So it's very difficult for us to make a comment on where this will go. We checked yesterday on the website and the official guideline is not being released yet. So, I think we need to hold our thoughts until we will see what it is.

To be honest with you, I would be very surprised if that were to change significantly, the FDA vis-a-vis the 510(k), but again jury's out and we will see what happens. As far as, if I understand correctly your question is – was related to Italy?

<Q – Elsa Rocha>: Yes.

<A – Carlo Rosa>: And why the Italian growth is not in line with the rest of the company, is this the question?

<Q – Elsa Rocha>: Correct.

<A – Carlo Rosa>: Okay. It is very simple and Andrea gave you – already gave you the answer before. We have a problem of saturation. In Italy we have a very large installed base of 700 LIAISONs. We have certain market share in product families, in infectious disease and other product families which are close to 25, 30% and we have pretty much blanket the market as far as the kind of accounts that we can reach within LIAISON.

Now with the LIAISON XL – sorry, just one more comment. As far as vitamin D is concerned, the business is growing lightly in Italy, however because of the size of the market today, it really does not have an impact on the overall revenues in the Italian market. However, we strongly believe that because of, again, our ability to penetrate that market, the LIAISON XL is – will provide very relevant opportunity for us to grow and address those markets like hepatitis and HIV testing where

today we don't participate because we don't have the product from the LIAISON, as well as those very large labs that are present in Italy and we cannot address within LIAISON because of the size of the box.

So, today Italy is – it doesn't grow as fast, but is a fantastic country – will be a fantastic country to take LIAISON XL and grow with LIAISON XL. So, we have lots of expectations from LIAISON XL launch.

<Q – Elsa Rocha>: Thank you very much.

Operator: Next question is from Fabrizio Barini of Intermonte SIM. Please go ahead.

<Q – Fabrizio Barini>: Good afternoon. Just a quick question, is a clarification on your new guidance in terms of sales growth for 2010. I would like to understand if the new range of plus 20% includes Murex's sale expectation and the ForEx effect or if it excludes this contribution? Thank you.

<A – Andrea Senaldi>: No, it does not. 20% is compared on a like-for-like basis. I think we've said that the 15 to 20 million Murex contribution will be additional.

<Q – Fabrizio Barini>: Thank you.

Operator: You've got a follow-up question from Martin Wales of UBS. Please go ahead.

<Q – Martin Wales>: Okay. Thanks for that.

<A – Andrea Senaldi>: Go ahead Martin.

<Q – Martin Wales>: I guess one thing Murex brings you is some presence in emerging markets, if you could talk more broadly about where you see your emerging markets business going in the next 2 to 3 years?

<A – Carlo Rosa>: Sorry, you are breaking up, so the question is?

<Q – Martin Wales>: Murex obviously brings you some emerging markets, more emerging market exposure to add to the exposure you already have. I was wondering where you see your business in the emerging markets going in the next few years. The second question, I would have coming back to machine placings would be, I know it's a bit early to be talking about 2011, but any sense of where you might be going in 2011 on the machine side?

<A – Carlo Rosa>: Well, sorry to cut you short, but for 2011 I don't think I'm prepared.

<Q – Martin Wales>: I thought you were going to say that.

<A – Carlo Rosa>: It is a comment. As far of the emerging markets, you have seen everybody – and I was looking at our competitor reports, everybody is enjoying growth in emerging markets, but if you see the level of growth that we get is far greater than everybody else is enjoying. And I believe that this is related to two different strategies. As far as China is concerned, as I told you, we are going to China or we view China as again a country where we cannot be perceived generally but as a specialist. And so we went for infectious disease. We're the only count – the only company – foreign company with a full prenatal panel infectious disease approved by the SFDA which is the governmental authorities in China. We just concluded a tour in China where we organized very successful meetings with the – all the Chinese labs and doctors and we had a French opinion leader giving a speech and that is clearly positioning the company, again as a specialty company, high value company and all these laboratories in China are hungry of technology and education.

And this is what we are providing and this is what is providing us with and a very good end-user price, because we don't compete with the local mumbo jumbo and with our recognition in that market, which I think is a varied market, which I think is a very good investment going forward for our company. Last but not least, let's not forget that we have been in China since the beginning in a joint venture with the Chinese government and that really is helping a lot in terms of establishing us as a friend likely not foe.

As far as South America is concerned, we went through some turmoil in Brazil as you have seen because of that the famous in Chinese ELISA tender that we won and then was not renewed and then finally has been renewed. So you will see again revenues growing in the third and four quarter of this year. Moreover, we have hired a new person responsible for the region that is coming for one of the largest competitors and we started again to focus on LIAISON and LIAISON placement are picking up in Brazil again.

In both geographies in Asia Pacific and China, then we are transitioning the – towards the MUREX business. I have to say that it has been a very impressive franchise and business that MUREX and Abbott were able to set up. The collaboration with Abbott in conditioning, in working with the customer is fantastic. And there are some of these countries where we may even be interested to evaluate whether we could team up with Abbott in continuing that the product offering of our ELISA platform, the other platform, in some of their products, because it has been a very successful strategy and Abbott, well and I think it should continue also on our other watch. So, overall as a general comment, I'm extremely pleased by those emerging markets and I bank on the fact that they will continue to expand and grow for the foreseeable future.

<Q – Martin Wales>: Okay. Thanks very much.

Operator: The next question is from Paolo Assarotti of Terena. Please go ahead.

<Q>: Yes, good afternoon. A couple of questions actually. The first one is if you could provide an update on Japanese market for Vitamin D? And the second one is a clarification on the rollout of LIAISON XL. You said that these will be helping labs with high throughput for adopted machine, to labs that previously were not interested in LIAISON because of the low throughput. And I was wondering to what extent this could also be instrumental maybe to penetrate a little bit more of the U.S. lab base and to help the substitution of ELISA technology with CLIA technology for some of those labs. Thank you.

<A – Carlo Rosa>: Okay. Let's talk about the rollout of the XL. As we did comment many times and as you can see again by the quarter, they were a golden goose, LIAISON, and we need to be very careful before we kill the golden goose. So, we continue our rollout of the XL in terms of unrolling it slowly to initially our domestic market as stated. We are running the benefit studies in 2 hospitals in Italy and we are doing some pre-marketing activities expecting what we call soft launch, that means approaching certain customers with the HIV, HCV and HBV products in the core in order to build credibility and not to disturb too much the LIAISON product line going forward. And we expect, as stated before, that we will have a full commercial impact of the LIAISON XL in 2011.

As far as the U.S. is concerned, as I said before, we are going through the registration of the instrument, that's a required clinical strategy that was set up to start in September. We expect the LIAISON XL, the clinicals to be completed by year-end and filed with the FDA and usually approval of systems in the U.S. is a relatively short timeline; it should take, I believe, no more than 90 days to be able to rollout the XL in the U.S. Now, as I generally said many times before in the U.S. we have a very successful LIAISON program as well.

And one of the thoughts we have it would be to really limit the LIAISON XL to a couple of very large accounts that today are running a high volume of Vitamin D, where we would like to secure that business and facilitate customers in handling those, that throughput. But then just limit the XL to

those accounts and continuing our strategy to place LIAISON – current LIAISON in hospital settings, which is what we are doing, where the XL for the time being we don't believe is needed.

As far as the time is concerned in Vitamin D, dealing with the Japanese authorities is a painful process and very slow. However we have concluded our clinical studies and the results of the publication, the results of the study have been published in Japan. We expect that by quarter 2, quarter 3, next year we will get our Vitamin D registered with a specific claim on bones and bone related diseases. In parallel, once registration is obtained, we need to apply for reimbursement, and that process usually takes 6 months. And which means that we should be positioned by year-end next year to start the distribution in Japan of our Vitamin D. We have estimated that just with the bone claim, the Japanese market could be worth between 2 and 3 million tests per year. And so it's a very nice business opportunity and we will be the only company approved in Japan with a Vitamin D test. Okay, so this is the status today of our Japanese assets.

<Q>: Thank you.

Operator: [Operator Instructions] Mr. Rosa, there are no more questions at this time.

Carlo Rosa, Chief Executive Officer

Okay, operator. Thank you.

Andrea Senaldi, Chief Financial Officer

Thank you.

Operator: Ladies and gentlemen, thank you for joining. The conference is now over and you may disconnect your telephones. Thank you.

corrected transcript