DiaSorin

The Diagnostic Specialist

Press Release

Saluggia, August 3, 2011

The Board of Directors of DIASORIN S.p.A. approves the results for the first half of 2011

Financial highlights

Amounts in millions of euros	Q2 2011	Q2 2010	Change	
			Amount	%
Consolidated net revenues	115.7	100.5	+15.2	*+15.1%*
EBITDA	51.5	44.3	+7.2	*+16.2%*
EBITDA margin	*44.5%*	*44.0%*	*+0.4%*	
EBIT	44.9	39.4	+5.5	*+13.9%*
EBIT margin	*38.8%*	*39.2%*	*-0.4%*	
Consolidated net profit	27.9	23.5	+4.4	*+18.8%*

Amounts in millions of euros	H1 2011	H1 2010	Change	
			Amount	%
Consolidated net revenues	227.1	187.2	+39.9	*+21.3%*
EBITDA	101.4	80.4	+21.0	*+26.2%*
EBITDA margin	*44.7%*	*42.9%*	*+1.7%*	
EBIT	88.4	70.9	+17.4	*+24.6%*
EBIT margin	*38.9%*	*37.9%*	*+1.0%*	
Consolidated net profit	56.4	43.0	+13.4	*+31.1%*

Review of results

The Board of Directors of DiaSorin S.p.A., meeting today in Saluggia under the chairmanship of Gustavo Denegri, reviewed and approved the results for the first half of 2011 presented by Carlo Rosa, the Company's Chief Executive Officer.

DiaSorin S.p.A. ended H1 2011 with steadily growing revenues and a further increase in profitability compared with the same period last year. In addition, the Group's performance in Q2 2011 shows sharp gains over the data reported in Q2 2010.

Consolidated net revenues

Consolidated net revenues totaled €115.7 million in Q2 2011, for a gain of 15.1%, or €15.2 million (+20.2% at CER), compared with €100.5 million in Q2 2010.
In H1 2011, consolidated net revenues grew to €227.1 million, increasing by 21.3%, or €39.9 million (+23.3% at CER), compared with the €187.2 million reported at June 30, 2010.

When the data are restated to eliminate the effect of a decline in the value of the U.S. dollar versus the euro and the contribution of the Murex business operations (€9.6 million in Q2 and €17.9 million in H1), consolidated net revenues show increases of 11.8% in Q2 2011 and 14.4% in H1 2011.

The following factors are primarily responsible for this positive performance:

- <u>A steadily expanding installed base of LIAISON systems</u>
    - New systems in Q2 2011: 138
    - New systems in H1 2011: 271
    - Total installed systems at June 30, 2011: 3,912
- <u>Constantly rising sales of CLIA products</u>
    - Q2 2011 versus same period in 2010: +14.0%
    - Cumulative growth for the period: +19.8%
- <u>Success and steady growth for products in specific clinical areas</u>
    - bone metabolism
    - feto-maternal diseases
    - infectious diseases

Revenues by geographic region

The tables below provides a breakdown of the consolidated revenues of the DiaSorin Group by geographic region of destination. Because of the logistics flows that resulted from the need to use Abbott branches for distribution in some areas, it was not possible to provide an accurate breakdown of the corresponding revenues by geographic region of destination. Consequently, the comments about sales and service revenue by geographic region refer only to DiaSorin's business activities:

Amounts in millions of euros	Q2 2011	Q2 2010	Change	
			Amount	%
Europe and Africa	49.0	45.9	+3.0	*+6.6%*
Central and South America	8.8	6.7	+2.0	*+29.9%*
Asia Pacific	11.5	7.6	+3.9	*+51.6%*
North America	36.9	39.2	-2.3	*-5.9%*
Total without Murex	**106.1**	**99.5**	**+6.6**	***+6.7%***
Murex	9.6	1.1	+8.6	*n.m.*
Grand total	**115.7**	**100.5**	**+15.2**	***+15.1%***

Amounts in millions of euros	H1 2011	H1 2010	Change	
			Amount	%
Europe and Africa	98.0	89.0	+9.0	*+10.1%*
Central and South America	17.5	12.1	+5.4	*+44.9%*
Asia Pacific	21.1	14.0	+7.1	*+50.5%*
North America	72.6	71.1	+1.6	*+2.2%*
Total without Murex	**209.2**	**186.1**	**+23.1**	***+12.4%***
Murex	17.9	1.1	+16.9	*n.m.*
Grand total	**227.1**	**187.2**	**+39.9**	***+21.3%***

- **Europe and Africa**

  The revenues generated in the countries of Europe and Africa increased by 6.6% in Q2 2011 and by 10.1% in H1 2011 (+9.8 % at CER).

  In Europe, the best performances were achieved in the following countries:

	Q2 2011	H1 2011
- Italy:	+7.3%	+7.4%[1]
- France:	+11.9%	+22.0%
- Germany:	+11.0%	+17.2%

- **North America**

  In North America, revenues were down 5.9% in Q2 2011 (+5.8% at CER[2]) but up 2.2% in H1 2011 (+8.1 % at CER).

- **Central and South America**

  Revenues booked in Latin America grew by 29.9%[3] in Q2 2011 (+31.9% at CER) and by 44.9%[4] in H1 2011 (+41.3% at CER).

  The excellent performance recorded in this region reflects outstanding revenue gains by subsidiaries in the following countries:

[1] Even though DiaSorin's products have achieved a high penetration in this area, revenues increased at a rate that, while lower that the average for the Group, outpaced the market average.

[2] The negative change is due exclusively to the loss of value of the U.S. dollar during the period in question.

[3] Negative effect caused by the appreciation of the euro versus the Brazilian real during the period in question.

[4] Positive effect caused by the appreciation of the Brazilian real versus the euro during the period in question.

- Brazil: +20.4% in Q2 2011 (+22.4% at CER) and +45.6 % in H1 2011 (+39.7% at CER), net of sales of Murex products, due mainly to the following factors:
  - Submission of the winning bid in a call for tenders involving ELISA products;
  - Higher sales of CLIA products, particularly Vitamin D tests and product families in the areas of infectious and fetus-maternal diseases.
- Mexico: +8.1% in Q2 2011 (+12.8% at CER) and +25.5% in H1 2011 (+24.7% at CER).

- **Asia Pacific**

  The revenues booked in Asia and the Pacific Basin in Q2 2011 grew to €11.5 million, up 51.6% over the same period last year (+56.0% at CER).

  At June 30, 2011, the revenues generated in this region totaled €21.1 million, for a year-over-year gain of 50.5% (+52.1% at CER).

  The Chinese subsidiary is continuing on its growth track, thanks to the placement of LIAISON systems and the resulting increase in sales of CLIA technology products, which, net of Murex products, boosted revenues by 42.0% in Q2 2011 and 43.8% in H1 2011 (+45.4% at CER).

Revenues by technology

The tables that follows show the percentage of the Group's consolidated revenues contributed by each technology in Q2 and H1 2011 and 2010. In order to maintain comparability with the previous year, the data in the breakdown of revenues by technology do not include sales of Murex products, which are based exclusively on ELISA technology. Had the revenues from these products been included in the breakdown by technology, the percentage of total revenues contributed by ELISA products would have been 18.6 percentage points in Q2 2011 and 19.1 percentage points in H1 2011.

% of revenues contributed	Q2 2011	Q2 2010	Change
RIA	4.5%	5.7%	*-1.2%*
ELISA	11.2%	15.2%	*-4.0%*
CLIA	74.0%	69.3%	*+4.7%*
Equipment sales and other revenues	10.3%	9.8%	*+0.5%*

% of revenues contributed	H1 2011	H1 2010	Change
RIA	4.6%	6.0%	*-1.4%*
ELISA	12.2%	15.8%	*-3.6%*
CLIA	73.2%	68.7%	*+4.5%*
Equipment sales and other revenues	10.0%	9.5%	*+0.5%*

In Q2 2011, the revenues generated by LIAISON products (CLIA technology) increased by 14.0% and in H1 2011 by 19.8% compared with the same period last year.

In Q2 2011, revenues from sales of CLIA technology products accounted for 74.0% of total revenues, up from 69.3% in 2010 and, in H1 2011, for 73.2% vs. 68.7% in 2010.

At June 30, 2011, there were about 3,912 automated LIAISON analyzers installed in the market, at facilities operated by direct and indirect customers of the Group, for an increase of about 271 units compared with the installed base at December 31, 2010, net of placements of next-generation LIAISON XL analyzers.

Gross profit

The reported **gross profit** reflects the improvement in the Group's profitability, which occurred concurrently with a substantial rise in revenues.

- Q2 2011: €84.4 million (73.0% of revenues), +16.3% compared with €72.6 million in the same period last year (72.2% of revenues);

- H1 2011: €164.3 million (72.3% of revenues), +22.0% compared with €134.6 million in the first six months of 2010 (71.9% of revenues).

EBITDA

EBITDA in Q2 2011 grew to €51.5 million, for a gain of €7.2 million compared with €44.3 million in Q2 2010 (+16.2%), bringing the EBITDA margin to 44.5%, up from 44.0% the previous year.
At June 30, 2011, EBITDA totaled €101.4 million, or €21.0 million more than the €80.4 million earned in H1 2010 (+26.2%). The EBITDA margin also improved, rising to 44.7% (42.9% in the first six months of 2010).

EBIT

Second quarter **EBIT,** which amounted to €44.9 million, up €5.5 million compared with €39.4 million in Q2 2010 (+13.9%), were equal to 38.8% of revenues, compared with 39.2% the previous year.
At June 30, 2011, EBIT totaled €88.4 million, for an increase of €17.4 million compared with €70.9 million in the same period in 2010 (+24.6%), and were equal to 38.9% of revenues, up from 37.9% in H1 2010.

This sharp improvement in profit margins is due primarily to the effect of following factors:

- Higher percentage of total revenues contributed by CLIA technology products: 73.2% of total revenues at June 30, 2011 (68.7% in the same period last year);
- Increased contribution by sales of specialty tests with higher margins:
  - bone metabolism,
  - feto-maternal diseases,
  - infectious diseases.
- Containment of operating expenses: 31.7% of revenues, for a slight positive reduction (30 basis points) compared with 32% in the same period in 2010, despite a negative translation effect that reduced revenues in the second quarter.

Financial performance

With regard to the Group’s **financial performance,** net financial expense totaled €0.875 million in Q2 2011 (as against net financial income of €0.689 million in the same period last year). As a result, cumulative net financial income amounted to €0.807 million at June 30, 2011, as against net financial expense of €0.539 million in the first six months of 2010.
The difference compared with the previous year is chiefly the result of the following factors:

- The measurement at fair value of forward contracts to sell U.S. dollars;
- A different translation effect: mainly with regard to outstanding intercompany financing facilities and liquidity held in U.S. dollars.

Significant components of interest and other financial expense included the following factoring transaction fees:

- Q2 2011: €0.619 million (€0.346 million in the same period last year);
- H1 2011: €0.882 million (€0.508 million in the first six months of 2010).

Income taxes

The income tax expense recognized in Q2 2011 amounted to €16.2 million, which, when added to the amount owed for Q1 2011, brings to €32.8 million the total at June 30, 2011 (compared with €27.4 million last year), for a tax rate of 36.8%.

Consolidated net profit

In Q2 2011, the **consolidated net profit** grew to €27.9 million, or €4.4 million more than the €23.5 million earned in Q2 2010 (+18.8%).
At June 30, 2011, the consolidated net profit totaled €56.4 million, for a gain of €13.4 million compared with the amount reported in H1 2010 (+31.1%).

Basic **earnings per share,** which are computed by dividing the net profit attributable to the shareholders by the average number of shares outstanding (55.196 million shares), amounted to €1.02 in H1 2011 (€0.78 in the first six months of 2010).
Because the stock option plans in effect at June 30, 2011 did not have a measurable effect on earnings per share, diluted earnings per share also amounted to €1.02.

Consolidated net financial position

At June 30, 2011, the **consolidated net financial position** was positive by €22.7 million, for a decrease of about €10.4 million compared with the balance at the end of 2010 (+€33.1 million).
While the cash flow generated from operating activities remained high in H1 2011, significant cash was absorbed by the following transactions:[5]

- Purchases of treasury shares: €25.1 million
- Payment of the second installment for the purchase of business operations in Australia: €2.5 million
- Tax payments: €31.2 million, including:
  - income taxes owed by the U.S. and South African subsidiaries,
  - income taxes withheld on dividends received by DiaSorin S.p.A.;
- Dividend distribution: €22.0 million (€11.0 million in 2010);
- Loan repayments: €4 million.

[5] As a result, available liquid assets decreased by €16.9 million at June 30, 2011.

Significant events

Signing of an agreement with Precision System Science Co. Ltd

In Q2 2011, the Group entered into an agreement with Precision System Science Co. Ltd, a Japanese company, to develop an analyzer for molecular diagnostic tests. Biotrin International Ltd, DiaSorin's Irish subsidiary, is currently pursuing the same objective, focusing on the use of LAMP (Loop Mediated Isothermal Amplification) technology in the clinical area of infectious diseases.

Signing of a five-year supply contract with LabCorp

DiaSorin S.p.A. and Laboratory Corporation of America Holdings (LabCorp), a U.S. company, entered into a 5-year supply agreement. The agreement calls for the distribution in the U.S. market of the new LIAISON XL analyzer, together with a Vitamin D level determination test (Liaison 25 OH Vitamin D) and a series of tests in the clinical area of infectious diseases.

Launch of the new LIAISON XL system platform

The launch of the new LIAISON XL system platform was successfully completed in Q2 2011. Over 25 tests and available on the new system and the menu is expected to expand steadily in the near future.

LIAISON XL systems have been installed at over 20 benchmark laboratories in Europe and Israel, where they are delivering productivity levels and quality of result in line with expectations.

Following positive feedback from this initial release, DiaSorin has begun to implement its plan for the introduction of the LIAISON LX system in the rest of the world.

Expansion of the menu of specialty tests on the automated LIAISON platform

In H1 2011, DiaSorin expanded its menu of specialty tests on the automated LIAISON platform, completing the LIAISON MMRV IgG panel and introducing automated tests for the semi-quantitative determination of Measles and Mumps viruses (Liaison Measles IgG and Liaison Mumps IgG), all products in the area of infectious diseases.

The LIAISON MMRV IgG panel thus represents a major opportunity for DiaSorin in terms of product and geographic expansion, particularly in the American market.

Business outlook

The DiaSorin Group continued to achieve positive operating results after June 30, 2011.
Based also on the Group's operating performance after June 30, 2011, the guidance for all of 2011 provided earlier in the year is confirmed:

- Revenues: projection for the full year of €465-475 million (overall growth >15%);
- EBITDA: over €200 million, as the increase in operating profitability should be proportionately greater than the gain in revenues;
- Installed base (LIAISON and LIAISON XL): increase of >600 systems for the full year.

***

Andrea Alberto Senaldi, the Officer Responsible for the preparation of corporate financial reports of DiaSorin S.p.A., in accordance with the second subsection of art. 154-bis, part IV, title III, second paragraph, section V-*bis*, of Legislative Decree February 24, 1998, no. 58, declares that, to the best of his knowledge, the financial information included in the present document corresponds to book of accounts and book-keeping entries of the Company.

INVESTOR RELATIONS
Tel +39.02.96474567 / +39.348.1511542
laura.villa@diasorin.it

PRESS OFFICE
Tel +39.335.6555651
c.mailander@mailander.it

Tel +39.335.5901402
caprioli@mailander.it

CONSOLIDATED INCOME STATEMENT

(Amounts in thousands of euros)	*Second quarter* [1]			
	2011	***2010***	**Change**	**%**
Sales and service revenues	115.730	100.536	+15.194	*+15,1%*
Cost of sales	(31.287)	(27.927)	-3.360	*+12,0%*
Gross profit	**84.443**	**72.609**	**+11.834**	***+16,3%***
	73,0%	*72,2%*	*+0,7%*	
Sales and marketing expenses	(20.865)	(17.559)	-3.306	*+18,8%*
Research and development costs	(5.498)	(4.615)	-883	*+19,1%*
General and administrative expenses	(11.337)	(9.201)	-2.136	*+23,2%*
Total operating expenses	**(37.700)**	**(31.375)**	**-6.325**	***+20,2%***
	(32,6)%	*(31,2)%*	*-1,4%*	
Other operating income (expense)	(1.838)	(1.822)	-16	*+0,9%*
non recurring amount	*-*	*(628)*	*+628*	*n.m.*
EBIT	**44.905**	**39.412**	**+5.493**	***+13,9%***
	38,8%	*39,2%*	*-0,4%*	
Net financial income (expense)	(875)	689	-1.564	*-227,0%*
Profit before taxes	**44.030**	**40.101**	**+3.929**	***+9,8%***
Income taxes	(16.156)	(16.641)	+485	*-2,9%*
Net profit	**27.874**	**23.460**	**+4.414**	***+18,8%***

Basic earnings per share	**0,51**	**0,43**	**+0,08**	***+18,6%***
Diluted earnings per share	**0,51**	**0,42**	**+0,09**	***+21,4%***

EBITDA [2]	**51.458**	**44.277**	**+7.181**	***+16,2%***
	44,5%	*44,0%*	*+0,4%*	

(1) Unaudited data.
(2) The Company defines EBITDA as the "result from operations" before amortization of intangibles and depreciation of property, plant and equipment. EBITDA, which the Company uses to monitor and assess the Group's operating performance, are not recognized as an accounting tool in the IFRSs and, consequently, should not be viewed as an alternative gauge to assess the Group's operating performance. Because the composition of EBITDA is not governed by the reference accounting principles, the computation criterion used by the Group could be different from the criterion used by other operators and/or groups and, consequently, may not be comparable.

CONSOLIDATED INCOME STATEMENT

(Amounts in thousands of euros)	*Fist half*			
	2011	***2010***	**Change**	**%**
Sales and service revenues	227.133	187.212	+39.921	*+21,3%*
Cost of sales	(62.854)	(52.567)	-10.287	*+19,6%*
Gross profit	**164.279**	**134.645**	**+29.634**	***+22,0%***
	72,3%	*71,9%*	*+0,4%*	
Sales and marketing expenses	(39.354)	(33.000)	-6.354	*+19,3%*
Research and development costs	(10.714)	(8.657)	-2.057	*+23,8%*
General and administrative expenses	(22.028)	(18.214)	-3.814	*+20,9%*
Total operating expenses	**(72.096)**	**(59.871)**	**-12.225**	***+20,4%***
	(31,7)%	*(32,0)%*	*+0,2%*	
Other operating income (expense)	(3.814)	(3.840)	+26	*-0,7%*
non recurring amount	*-*	*(1.635)*	*+1.635*	*n.m.*
EBIT	**88.369**	**70.934**	**+17.435**	***+24,6%***
	38,9%	*37,9%*	*+1,0%*	
Net financial income (expense)	807	(539)	+1.346	*-249,7%*
Profit before taxes	**89.176**	**70.395**	**+18.781**	***+26,7%***
Income taxes	(32.819)	(27.417)	-5.402	*+19,7%*
Net profit	**56.357**	**42.978**	**+13.379**	***+31,1%***

Basic earnings per share	**1,02**	**0,78**	**+0,24**	***+30,8%***
Diluted earnings per share	**1,02**	**0,77**	**+0,25**	***+32,5%***

EBITDA [1]	**101.429**	**80.386**	**+21.043**	***+26,2%***
	44,7%	*42,9%*	*+1,7%*	

(1) The Company defines EBITDA as the “result from operations” before amortization of intangibles and depreciation of property, plant and equipment. EBITDA, which the Company uses to monitor and assess the Group’s operating performance, are not recognized as an accounting tool in the IFRSs and, consequently, should not be viewed as an alternative gauge to assess the Group’s operating performance. Because the composition of EBITDA is not governed by the reference accounting principles, the computation criterion used by the Group could be different from the criterion used by other operators and/or groups and, consequently, may not be comparable.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of euros) ASSETS	*06/30/11*	*12/31/10*	*Change*
Non-current assets			
Property, plant and equipment	57,316	57,551	-235
Goodwill	64,079	65,402	-1,323
Other intangibles	58,620	61,462	-2,842
Equity investments	27	27	-
Deferred-tax assets	20,486	19,656	+830
Other non-current assets	707	544	+163
Total non-current assets	**201,235**	**204,642**	**-3,407**
Current assets			
Inventories	74,948	68,311	+6,637
Trade receivables	115,410	106,411	+8,999
Other financial assets	951	296	+655
Other current assets	7,910	5,575	+2,335
Cash and cash equivalents	45,454	62,392	-16,938
Total current assets	**244,673**	**242,985**	**+1,688**
TOTAL ASSETS	**445,908**	**447,627**	**-1,719**

(Amounts in thousands of euros) LIABILITIES AND SHAREHOLDERS' EQUITY	*06/30/11*	*12/31/10*	*Change*
Shareholders' equity			
Share capital	55,698	55,693	+5
Additional paid-in capital	13,744	13,684	+60
Statutory reserve	8,015	4,519	+3,496
Other reserves	(23,982)	8,076	-32,058
Retained earnings (Loss carryforward)	208,489	143,546	+64,943
Net profit for the period	56,357	90,418	-34,061
Total shareholders' equity	**318,321**	**315,936**	**+2,385**
Non-current liabilities			
Long-term borrowings	15,546	20,799	-5,253
Provisions for employee severance indemnities and other	20,826	20,692	+134
Deferred-tax liabilities	2,877	2,328	+549
Other non-current liabilities	6,886	5,179	+1,707
Total non-current liabilities	**46,135**	**48,998**	**-2,863**
Current liabilities			
Trade payables	40,561	40,515	+46
Other current liabilities	20,969	23,544	-2,575
Income taxes payable	11,740	9,812	+1,928
Current portion of long-term debt	8,182	8,822	-640
Total current liabilities	**81,452**	**82,693**	**-1,241**
Total liabilities	**127,587**	**131,691**	**-4,104**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**445,908**	**447,627**	**-1,719**

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in thousands of euros)	*Second quarter* [1]	
	2011	***2010***
Cash and cash equivalents at beginning of period	**57,950**	**69,308**
Net cash from operating activities	21,828	15,193
Cash used in investing activities	(7,653)	(6,636)
Cash used in financing activities	(26,671)	(12,016)
Acquisitions of subsidiaries and business operations	-	(41,048)
Change in net cash and cash equivalents	**(12,496)**	**(44,507)**
Cash and cash equivalents at end of period	**45,454**	**24,801**

(Amounts in thousands of euros)	*First half*	
	2011	***2010***
Cash and cash equivalents at beginning of period	**62,392**	**47,885**
Net cash from operating activities	49,463	40,356
Cash used in investing activities	(11,878)	(12,487)
Cash used in financing activities	(54,523)	(9,905)
Acquisitions of subsidiaries and business operations	-	(41,048)
Change in net cash and cash equivalents	**(16,938)**	**(23,084)**
Cash and cash equivalents at end of period	**45,454**	**24,801**

(1) Unaudited data.