DiaSorin The Diagnostic Specialist

Comunicato **Stampa**

DIASORIN S.P.A., THE BOARD OF DIRECTORS APPROVES THE RESULTS FOR THE FIRST QUARTER OF 2010: REVENUE GROWTH AND COST CONTAINMENT CONTRIBUTE TO FURTHER GAINS IN PROFITABILITY

Financial highlights for the first quarter of 2010

- Consolidated net revenues rise to 86.7 million euros, or 21.4% more than the 71.4 million euros reported in the first quarter of 2009;
- EBITDA[1] grow to 36.1 million euros, up 27.3% compared with 28.4 million euros in the first three months of 2009;
- EBIT increase to 31.5 million euros, for a gain of 29.2% compared with 24.4 million euros in the first quarter of 2009;
- Consolidated net profit jumps to 19.5 million euros, or 48.3% more than in the first three months of 2009;
- Positive net financial position of 31.3 million euros at March 31, 2010, up from 11.2 million euros at December 31, 2009.

[1] The Company's 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 the 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.

Saluggia, May 14, 2010 – The Board of Directors of DiaSorin S.p.A., a company that operates in the global market for *in vitro* diagnostics, meeting under the chairmanship of Gustavo Denegri, approved the Interim Report on Operations for the first quarter of 2010 presented by Carlo Rosa, the Company's Chief Executive Officer.

Highlights of the consolidated income statement and balance sheet for the first quarter of 2010

In the first quarter of 2010, the DiaSorin Group enjoyed faster revenue growth than in the last three months of 2009, which, when combined with the effect of a less than proportional rise in operating expenses, produced further gains in the main profitability benchmarks.

In the first quarter of 2010, the consolidated **revenues** of the DiaSorin Group increased by 21.4% compared with the same period a year ago (+23.2% at constant exchange rates), rising from 71.4 million euros to 86.7 million euros. Higher sales of products based on CLIA technology, which continued their steady climb at a rate faster than 30 percentage points (+36.2% for the quarter), and a further expansion of the base of installed LIAISON equipment, which grew 153 units, from about 2,975 systems at December 31, 2009 to about 3,128 systems at March 31, 2010, account for this improvement.

The increase in revenues translated into a proportionally larger gain in the Group's profitability: the **gross profit,** which rose from 49.9 million euros in the first quarter of 2009 to 62.0 million euros this year (+24.4%), was equal to 71.6% of revenues, up from 69.9% in the first quarter of 2009. **EBITDA** increased from 28.4 million euros in the first three months of 2009 to 36.1 million euros in the same period in 2010 (+27.3%), for an EBITDA-to-revenues ratio of 41.7% (compared with 39.8% in 2009); and **EBIT,** which grew from 24.4 million euros in the first quarter of 2009 to 31.5 million euros in the same period this year (+29.2%), were equal to 36.4% of revenues (compared with 34.2% in 2009).

The main factors driving the increase in profitability were:

- the constantly rising contribution provided to total revenues by products available on CLIA technology, which accounted for 67.9% of the Group's revenues at March 31, 2010;
- a steady increase in sales of the LIAISON VITAMIN D – Total test, which provides a better margin than other products in the LIAISON portfolio;
- a reduced impact of operating expense (down from 35.1% of revenues in the first quarter of 2009 to 32.9% in the same period this year), which grew at a proportionally smaller rate than

revenues, despite the expenses incurred to make the new branches in the Czech Republic, the Netherlands and China fully operational.

Research and development costs totaled 4.0 million euros, an amount equal to 4.7% of revenues. As a result of R&D investments, three new products became available on the LIAISON platform (available outside the United States) in the first quarter of 2010: LIAISON Biotrin Parvovirus B19 IgM and IgG, LIAISON Calcitonin II and LIAISON 1.84 PTH.

In addition, the Group incurred nonrecurring costs of 1 million euros in connection with the Murex acquisition in the first three months of 2010.

With regard to the Group's **financial performance,** net financial expense amounted to 1.2 million euros in the first quarter of 2010, compared with net financial expense of 3.6 million euros in the same period in 2009. The difference is due mainly to the different accounting treatment of the Group's debt exposure denominated in U.S. dollars, which, as required by IAS 39 (Hedge Accounting), is recognized directly in equity.

Lastly, the consolidated **net profit** at March 31, 2010 amounted to 19.5 million euros, for a gain of 48.3% compared with amount reported at the same time last year (13.2 million euros).

Basic **earnings per share** for the first quarter of 2010 improved to 0.35 euros (0.24 euros in 2009).

Breakdown of revenues by geographic region

Consistent with the organizational structure adopted by DiaSorin to maximize its potential and support as effectively as possible the Group's growth, the table below provides a breakdown of consolidated revenues based on four geographic regions of destination: Europe and Africa (including Israel), North America (excluding Mexico), Latin America, Asia and Oceania.

(in thousands of euros)	First quarter		
	2010	2009	Change
Europe and Africa	43,038	39,519	8.9%
North America	31,850	21,996	44.8%
Latin America	5,349	4,506	18.7%
Asia and Pacific	6,440	5,347	20.4%
Total	86,676	71,369	21.4%

Europe and Africa

The revenues generated in the countries of the Europe and Africa region, which totaled 43.0 million euros, or 8.9% more than in the same period last year (+8.4% at constant exchange rates), were equal to 49.7% of the Group's revenues, compared with 55.4% in 2009. The French and Israeli branches were the best performers in this region, reporting revenue increases of 28.8% and 27.5%, respectively.

North America

The North American region continues to be the engine driving the Group's revenue growth. Revenues generated in North America, which increased by 44.8% in the first quarter of 2010 (+53.7% at constant exchange rates), have risen to account for 36.7% of the Group's revenues, up from 30.8% last year. A steady expansion of the market for Vitamin D tests, in which the Group has a leadership position, and promising sales results for the panel of infectivity tests are the reasons for this success.

Latin America

The revenues generated by the Group in the Latin American market increased by 18.7% compared with the first three months of 2009 (+5.6%, when the data are restated to eliminate the impact of a positive translation effect). In the first quarter of 2010, as was the case in earlier periods, year-over-year comparisons were adversely affected by a reduction in the revenues generated in the Brazilian market due to a delay in the award of an important contract subject of a call for tenders. Conversely, in Latin America region there was a major expansion of the indirect distribution network.

Asia and Pacific

The Asia/Pacific region is becoming increasingly important for the Group's future growth, as proven by the conversion of Chinese subsidiary into a fully operational branch, handling direct distribution in China since January 1, 2010.

Total revenues generated in the Asia/Pacific region increased by 20.4% (+22.3% at constant exchange rates), accounting for 7.4% of the Group's revenues, about the same as a year ago.

Breakdown of revenues by technology

Concurrently with its geographic expansion, the Group continued to increase the revenues generated by the LIAISON closed technology platform, thanks to the positive impact of a broader menu of available products and a steady expansion of the base of installed systems.

The table below shows the percentage of consolidated revenues contributed by each technology.

	First quarter	
	2010	2009
	% of revenues contributed	
RIA	6.2%	8.5%
ELISA	16.4%	22.4%
CLIA	67.9%	60.6%
Equipment sales and other revenues	9.5%	8.5%
Total	100.0%	100.0%

In the first quarter of 2010, the revenues generated by LIAISON products increased by 36.2% compared with the same period last year, accounting for 67.9% of total revenues (60.6% in 2009). At March 31, 2010, about 3,128 automated LIAISON analyzers were installed at facilities operated by direct and indirect customers of the Group (+153 units).

Business outlook for the balance of 2010

The DiaSorin Group continued to achieve positive operating results after March 31, 2010.

In light of the strong rate of revenue growth, the relative stability of the euro/U.S. dollar exchange rate and the continuing success of the LIAISON Vitamin D- Total test in the North American market, the Group believes that it should revise upward the guidance provided earlier in the year and project revenue growth of about 15% for the current year, with all profitability indicators showing proportionately larger rates of increase.

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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.

About DiaSorin

DiaSorin S.p.A., an international player in the market for in vitro diagnostics, develops, produces and markets reagent kits for clinical laboratory diagnostics. The DiaSorin Group is comprised of 22 companies based in Europe, the United States, Central and South America and Asia. It has more than 1,100 employees, including about 110 research and development specialists, and operates four manufacturing and research facilities in Saluggia (Vercelli, Italy), Dietzenbach (Germany), Stillwater (USA) and Dublin (Ireland). Thanks to its direct sales organization and an international network of over 80 independent distributors, the Group is present in more than 60 countries, offering a broad array of high quality products that includes comprehensive lines for each of the clinical segments in which the Group operates: infectious and viral diseases, management of bone and calcium related diseases, thyroid pathologies, oncology and fertility testing.

For additional information, please visit our website: www.DiaSorin.it

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CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	First quarter 2010	First quarter 2009
Sales and service revenues	86,676	71,369
Cost of sales	(24,640)	(21,482)
Gross profit	**62,036**	**49,887**
Sales and marketing expenses	(15,441)	(13,499)
Research and development costs	(4,042)	(3,783)
General and administrative expenses	(9,013)	(7,782)
Other operating income (expenses)	(2,018)	(418)
EBIT	**31,522**	**24,405**
Net financial income (expense)	(1,228)	(3,640)
Profit before taxes	**30,294**	**20,765**
Income taxes	(10,776)	(7,604)
Net profit	**19,518**	**13,161**
Basic earnings per share	**0.35**	**0.24**
Diluted earnings per share	**0.35**	**0.24**

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CONSOLIDATED BALANCE SHEET

(in thousands of euros)	3/31/10	12/31/09
ASSETS		
Non-current assets		
Property, plant and equipment	43,900	41,963
Goodwill	60,573	59,333
Other intangibles	37,253	36,673
Equity investments	26	123
Deferred-tax assets	19,575	18,910
Other non-current assets	498	462
Total non-current assets	161,825	157,464
Current assets		
Inventories	52,770	50,331
Trade receivables	88,006	75,868
Other current assets	5,505	5,359
Cash and cash equivalents	69,308	47,885
Total current assets	215,589	179,443
TOTAL ASSETS	**377,414**	**336,907**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	55,000	55,000
Additional paid-in capital	5,925	5,925
Statutory reserve	2,427	2,427
Other reserves	5,795	(455)
Retained earnings (Loss carryforward)	155,033	84,911
Net profit for the period	19,518	70,047
Total shareholders' equity	**243,698**	**217,855**
Non-current liabilities		
Long-term borrowings	28,847	27,862
Provisions for severance indemnities and other employee benefits	20,015	19,837
Deferred-tax liabilities	1,946	2,492
Other non-current liabilities	3,655	3,019
Total non-current liabilities	54,463	53,210
Current liabilities		
Trade payables	34,410	29,778
Other current liabilities	16,347	17,370
Income taxes payable	19,330	9,902
Current portion of long-term debt	9,166	8,792
Total current liabilities	79,253	65,842
Total liabilities	**133,716**	**119,052**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**377,414**	**336,907**

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euros)	1st quarter 2010	1st quarter 2009
Cash and cash equivalents at January 1	**47,885**	**16,790**
Net cash from operating activities	25,163	18,062
Cash from/(used in) investing activities	(5,851)	(8,838)
Cash from/(used in) financing activities	2,111	(813)
Change in net cash and cash equivalents	***21,423***	***8,411***
Cash and cash equivalents at March 31	**69,308**	**25,201**