DiaSorin The Diagnostic Specialist

**Press** Release

**DIASORIN S.P.A., THE BOARD APPROVES THE RESULTS FOR THE THIRD QUARTER OF 2010: SIGNIFICANTLY FASTER RATE OF REVENUE GROWTH AND STEADY GAINS IN PROFITABILITY.**

Financial highlights for the third quarter of 2010

- Consolidated net revenues rise to 108 million euros, or 45.7% more than the 74.2 million euros reported in the third quarter of 2009;
- EBITDA[1] grow to 44 million euros, up 47.9% compared with 29.8 million euros in the third quarter of 2009;
- EBIT rise to 38.1 million euros, for a 50% gain compared with 25.4 million euros in the third quarter of 2009;
- Consolidated net profit jumps to 24.3 million euros, or 43.9% more than in the third quarter of 2009.

Financial highlights for the first nine months of 2010

- Consolidated net revenues rise to 295.2 million euros, or 31.2% more than the 225 million euros reported in the first nine months of 2009;
- EBITDA[1] grow to 122.4 million euros, up 33.2% compared with 92 million euros in the same period last year;
- EBIT rise to 107 million euros, for a gain of 34.9% compared with 79.3 million euros in the first nine months of 2009;
- Consolidated net profit jumps to 67.3 million euros, or 24.6% more than in the same period in 2009;
- Consolidated net financial position positive by 16.3 million euros, compared with a positive balance of 11.2 million euros at December 31, 2009.

[1] The Board of Directors 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.

**Saluggia, November 5, 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 third quarter of 2010 presented by Carlo Rosa, the Company's Chief Executive Officer.

The Com[any also announces that Board approved today the adoption of the "Procedure for Transactions with Related Parties," pursuant to Consob regulation No. 17221, as amended, and established a Committee for Transactions with Related Parties, to which it appointed Franco Moscetti, Ezio Garibaldi and Giuseppe Alessandria, all independent Directors.

**Key events occurring in the third quarter of 2010**

Starting with the interim report on operations for the first nine months of 2010, the DiaSorin Group consolidates the data for the Murex business operations effective as of the closing date of the acquisition. The contribution provided by the Murex product line from the date of acquisition to September 30, 2010 amounted to 13.7 million euros. It is worth noting that, because of highly restrictive regulations and the lengthy bureaucratic processes required to transfer the registrations of Murex products from Abbott to DiaSorin, in many of the regions where Murex products are sold the Group is having to use Abbott as a distributor and expects this situation to continue for an additional period of time estimated at 12 to 18 months. For this reason, the sales data for Murex products include sales made distributors to establish their initial inventories (3 million euros). Moreover, Murex sales for the initial four months were affected to a significant degree by the conservative approach taken by several customers and distributors, who chose to build up their inventories ahead of DiaSorin's acquisition of the Murex business operations.

**DiaSorin Australia,** a company established in the second quarter of 2010 that purchased from a local distributor the distribution rights for Australia and New Zealand, effective August 1, 2010, was added to the scope of consolidation in the third quarter of 2010.

During the third quarter of 2010, work continued in preparation for the launch of the new **LIAISON XL** system platform, including, more specifically, completion of the usability test with preselected customers, which yielded valuable information on how to improve the system's usability for future customers. The only requirement still missing to launch the new platform is the award of the CE Mark for the system and for the LIAISON HCV and HBV products. The approval process for the LIAISON HIV product has already been completed.

**Highlights of the consolidated income statement and balance sheet for the third quarter of 2010 and the first nine months of 2010**

In the third quarter of 2010, thanks to another outstanding economic and operating performance, the DiaSorin Group reported **revenues** of 108 million euros, up from 74.2 million euros in the same period in 2009. Net of the contribution provided by Murex products, Group revenues for the third quarter of 2010 still show a very substantial gains of 28.7% (+21.5% at constant exchange rates).
Consolidated revenues for the first nine months of the year grew to 295 million euros, up from 225 million euros at September 30, 2009. If the data are restated without the contribution of Murex products, revenues from sales of DiaSorin products show an increase of 25.1 percentage points (21.6% at constant exchange rates).
The following factors are primarily responsible for this positive performance:

- the steady expansion of the base of installed LIAISON systems, which increased by 157 units in the third quarter of 2010 (472 in the first nine months of the year), reaching 3,447 units at September 30, 2010;
- growing sales of CLIA products, which increased by 40.8% in the third quarter of 2010 (+38.3% in the first nine months of the year);
- steadily expanding demand for Vitamin D testing products both in America and the main European markets;

Consistent with the revenue increase, the Group's profitability indicators basically confirmed the positive performance of the first half of the year. This performance is particularly significant in view of the dilutive effect of Murex products, which are based on ELISA technology and, consequently, are less profitable than other Group products, and of the abovementioned sales made to Abbott distributors to establish their initial inventories.

In the third quarter of 2010, the **gross profit** grew to 74.1 million euros, or 43.7% more than in the same period last year, boosting the total for the fist nine months of the year to 208.8 million euros, for a gain of 32.4% compared with 2009. At September 30, 2010, the ratio of gross profit to revenues was equal to 70.7 percentage points, slightly better than in the first nine months of 2009, even though sales of Murex products had a minor dilutive effect of 0.7 percentage points.

In the third quarter of 2010, all other profitability indicators improved compared with the same period last year. Consolidated **EBITDA** totaled 44 million euros, for a gain of 47.9% compared with the 29.8 million euros earned in the same period last year. **EBIT** grew by 50%, rising from 25.4 million euros in the third quarter of 2009 to 38.1 million euros at September 30, 2010. The ratio of EBITDA and EBIT to revenues improved from 40.2% and 34.2%, respectively, in the third quarter of 2009 to 40.8% and 35.2%, respectively, in the same period this year. The initial consolidation of the Murex business operations had a dilutive effect of 2.8 percentage points on EBITDA and 2.9 percentage points on EBIT.

In the first nine months of 2010, consolidated **EBITDA** grew to 122.4 million euros, up from 92 million euros in the same period in 2009, and the ratio of EBITDA to revenues improved to 41.5%, compared with 40.9% at September 30, 2009. Consolidated **EBIT** amounted to 107 million euros, compared with 79.3 million euros in the first nine months of 2009. Over the same period, the ratio of EBIT to revenues increased from 35.2 percentage points in 2009 to 36.2 percentage points in 2020. The initial consolidation of the Murex business operations had a dilutive effect of one percentage point both on EBITDA and EBIT.

The following factors are continuing to drive the steady improvement in Group's profitability indicators:

- the rising contribution provided to total revenues by products based on CLIA technology and, more specifically, the growing percentage of total revenues represented by sales of LIAISON VITAMIN D – Total tests, which provide a better margin than rest of the product portfolio;
- a lower ratio of operating expenses to revenues, which decreased from 33.7% in the first nine months of 2009 (32.6% in the third quarter of 2009) to 31.8% at September 30 2010 (31.4% in the third quarter of 2010).

It is worth mentioning that the indicators of operating performance for the first nine months of 2010 were adversely affected by charges for income taxes withheld on intra-Group dividends and by nonrecurring expenses for legal ad accounting consulting support incurred in connection with the Murex acquisition. These costs had an impact equal to 1.4% of revenues.

Turning to the Group's **financial performance,** net financial income amounted to 1.1 million euros in the third quarter of 2010, as against net financial expense of 0.126 million euros in the same period in 2009. Cumulative net financial income totaled 0.537 million euros at September 30, 2010, as against net financial expenses of 1.4 million euros in the first nine months of 2009. The difference between the two quarters is due mainly to the different accounting treatment of currency translation differences on the debt exposure denominated in U.S. dollars: following the adoption of an official foreign exchange risk management policy, the Group now applies the hedge accounting principles required by IAS 39, recognizing translation differences directly in equity.
In addition, financial income for the third quarter of 2010 included 1.3 million euros di (0.537 million euros for the first nine months of the year) for the measurement at fair value of U.S. dollar forward contracts executed by the Group's Parent Company to hedge projected future cash flows from its U.S. subsidiary.

Lastly, the **net profit** increased by 43.9% to 24.3 million euros in the third quarter of 2010, bringing the total for the first nine months of the year to 67.3 million euros, for a gain of 24.6% compared with the same period in 2009.
However, it is worth noting that:

- The income tax liability for the third quarter of 2009 benefited from the payment by the Group's Parent Company of a substitute tax of 0.683 million euros to realign the differences generated upon transition to the IFRS (pursuant to Article 15, Sections 1-9, of Decree Law No. 185 of November 29, 2008) and concurrently reverse corresponding deferred-tax liabilities of 1.7 million euros;

- In the second quarter of 2009, the Group's parent Company paid a substitute tax of 3.6 million euros, required to make the amortization of goodwill tax deductible (pursuant to Article 15, Section 10, of Decree Law No. 185 of November 29, 2008), which enabled it to recognized a deferred-tax asset of 7.1 million euros.
- Reported results for first nine months of 2009 benefited from substantially higher translation gains than in the same period in 2010 (1.5 million euros), which resulted from a different accounting treatment applied to the Group's indebtedness in foreign currencies.

When the data are restated net of these factors, the net profit for the third quarter and the first nine months of 2010 shows increases of 61.4% and 39.2%, respectively, compared with the corresponding periods the previous year.

Basic **earnings per share,** amounting to 1.22 euros at September 30, 2010 (0.98 euros at September 30, 2098), were computed by dividing the Group's interest in net profit by the average number of shares outstanding, equal to 55.066 million (effect that incorporates the exercise of the first tranche of stock options awarded under the stock option plan). The stock option plan in effect at September 30, 2010 has no dilutive effect on earnings per share.

The **net financial position** was positive by 16.3 million euros at September 30, 2010, compared with a positive net financial position of 11.2 million euros at December 31, 2009. This improvement is mainly the result of the growing cash flow from operating activities generated in the first nine months of the year, which increased from 46.4 million euros in the first nine months of 2009 to 74.1 million euros in the same period this year. The amount of liquid assets used in investing activities (excluding the Murex acquisition) during the first nine months of 2010 was in line with the previous year. The purchase from a local distributor of all distribution rights for Australia and New Zealand at a price equal to 7.1 million euros required an outlay of 2.2 million euros in the third quarter of 2010. The remaining 4.9 million euros will be paid in two installments over the next two years.
During the first nine months of 2010, the Group's Parent Company distributed dividends totaling 11 million euros. In addition, the Board of Directors agreed to increase the Company's capital stock and additional paid-in capital by 0.595 million euros and 6.7 million euros, respectively, to implement the "2007-2012 Stock Option Plan," and the Company repaid borrowings totaling 4.6 million euros and paid Abbott a portion of the outstanding balance of the acquisition price, amounting to 4.5 million euros, which covered invoices issued by branches of the Abbott Group to DiaSorin Group subsidiaries (Inventory and Instruments Settlement Holdback Amount).
At September 30, 2010, available liquid assets totaled 48.9 million euros, up from 40.6 million euros last year.

**Breakdown of revenues by geographic region**

The table 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 is currently impossible to provide an accurate breakdown of the corresponding revenues by geographic region of destination. Therefore, it seems preferable to show the revenues from sales of Murex products separately from the geographic breakdown of DiaSorin's traditional business activities. Accordingly, sales and service revenue data by geographic region are only those of DiaSorin's business activities:

| *(in thousands of euros)* | Third quarter | | | First nine months | | |
|---|---|---|---|---|---|---|
| | **2010** | **2009** | **% change** | **2010** | **2009** | **% change** |
| Europe and Africa | 41,695 | 37,671 | 10.7% | 130,671 | 119,035 | 9.8% |
| Central and South America | 6,007 | 4,798 | 25.2% | 18,090 | 13,952 | 29.7% |
| Asia/Pacific | 9,077 | 5,422 | 67.4% | 23,074 | 16,440 | 40.4% |
| North America | 38,660 | 26,264 | 47.2% | 109,744 | 75,598 | 45.2% |
| **Total without Murex** | **95,439** | **74,155** | **28.7%** | **281,579** | **225,025** | **25.1%** |
| Murex | 12,587 | - | | 13,659 | - | |
| **Grand total** | **108,026** | **74,155** | **45.7%** | **295,238** | **225,025** | **31.2%** |

*Europe and Africa*

In the third quarter of 2010, the revenues generated in Europe and Africa increased to 41.7 million euros, or 10.7% than in the same period last year, bringing cumulative revenues at September 30, 2010 to 130.7 million euros, for a gain of 9.8% compared with the first nine months of 2009. Net of the positive impact of the appreciation of the Israeli shekel and Swedish kronor versus the euro, the revenue increase is 8.7%.

A strong sales momentum in France and the Benelux generated revenue increases of 29.2% and 10.8%, respectively, compared with the previous year. The Israeli subsidiary also reported double-digit gains both at current exchange rates (23.9%) and at constant exchange rates (13%).

*North America*

In the third quarter of 2010, the American market continued to deliver outstanding results, with revenues up 47.2% (+32.5% at constant exchange rates). As a result, cumulative revenues at September 30, 2010 rose to 109.7 million euros, or 45.2% more than in the same period last year (+39.6% at constant exchange rates).

In the Canadian market, the local subsidiary (operational since March 2009) grew its revenues by 55 percentage points at current exchange rates and by 49.1 percentage points at constant exchange rates.

At September 30, 2010, the revenues generated in the North American market (not counting those from Murex products) were equal to 39% of total Group revenues, up from 33.6% in the same period in 2009.

*Latin America*

In the Latin American market revenues increased by 25.2% in the third quarter of 2010, owing in part to the appreciation of the Brazilian real versus the euros. When the data are restated at constant exchange rates, the revenue gain is 8.9%.

Cumulative revenues at September 30, 2010 were up 29.7%, but show an improvement of 12.7 percentage points net of the translation effect. Weakness in the Brazilian market, where revenues continue to feel the impact of delays in the award of a major public contract for ELISA technology products, was more than offset by the results achieved by the Mexican subsidiary, which reported a revenue increase of 31.1% (+17.6% at constant exchange rates), and by higher sales to local distributors, which increased by 268% compared with the previous year, due mainly to the signing of new distribution contracts in strategic countries, such as Venezuela and Colombia.

*Asia/Pacific*

The revenues generated in Asia during the third quarter of 2010 increased by 67.4% compared with the same period last year (+63.6% at constant exchange rates). The cumulative revenues for the first nine months of 2010 totaled 23.1 million euros (+40.4% at current exchange rates; +36.6% at constant exchange rates).

Particularly strong results were achieved in the Chinese market, with revenues increasing by more than 53 percentage points, due mainly to an expansion of the installed base of LIAISON systems. Sales by local distributors continued to increase steadily, rising by 19 percentage points compared with the same period in 2009.

**Breakdown of revenues by technology**

The table that follows shows the percentage of the Group's consolidated revenues contributed by each technology in the third quarter and first nine months of 2010 and 2009: 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.

| % of revenues contributed | 3rd quarter 2010 | 3rd quarter 2009 | Sept. 30, 2010 | Sept. 30, 2009 |
|---|---|---|---|---|
| RIA | 5.2% | 7.4% | 5.7% | 8.0% |
| ELISA | 15.1% | 18.5% | 15.6% | 20.2% |
| CLIA | 70.8% | 64.7% | 69.4% | 62.8% |
| Equipment sales and other revenues | 8.9% | 9.4% | 9.3% | 9.0% |
| Total | 100% | 100% | 100% | 100% |

At September 30, 2010, the revenues generated by LIAISON products increased by 38.3% compared with the same period in 2009, accounting for 69.4% of total Group revenues, up from 62.8% a year earlier.

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## Significant events occurring after September 30, 2010 and business outlook

The DiaSorin Group continued to report positive operating results after September 30, 2010.
The data for the beginning of the fourth quarter confirm that the growth trend in revenues reported in the first half of the year is continuing. In view of the strong rate of revenue growth, the favorable trend in the exchange rates for the euro versus the Group's main currencies and the continuing success of the LIAISON Total Vitamin D test in the global market, management believes that it should revise upward its earlier expectations and project revenue growth of more than 20% for the current year, with all profitability indicators showing proportionately larger rates of increase.
Based on early results, management believes that the Murex product line could contribute an additional 15-20 million euros to the Group's revenues in 2010.
Lastly, based on the rate at which the installed base of LIAISON systems expanded in the first nine months of 2010, management believes that it can achieve the target of 550 net new installations for all of 2010.

On November 4, 2010, 2010 DiaSorin S.p.A. announced a restructuring plan for the Dartford plant that will affect about 80 employees.

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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 23 companies based in Europe, North, Central and South America, Africa and Asia. It has about 1,500 employees, including more than 110 research and development specialists, and operates six manufacturing and research facilities in Saluggia (Vercelli, Italy), Dietzenbach (Germany), Stillwater (USA), Dublin (Ireland), Dartford (UK) and Johannesburg (SA). The last two were part of the Murex business operations, recently acquired from the Abbott Group. 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.com

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## CONSOLIDATED INCOME STATEMENT

| *(in thousands of euros)* | *3rd quarter* | | *First nine months* | |
|---|---|---|---|---|
| | ***2010***(*) | ***2009***(*) | ***2010***(*) | ***2009***(*) |
| Sales and service revenues | 108,026 | 74,155 | 295,238 | 225,025 |
| Cost of sales | (33,906) | (22,581) | (86,473) | (67,298) |
| **Gross profit** | **74,120** | **51,574** | **208,765** | **157,727** |
| Sales and marketing expenses | (17,380) | (13,081) | (50,380) | (41,219) |
| Research and development costs | (4,997) | (3,735) | (13,654) | (11,392) |
| General and administrative expenses | (11,534) | (7,373) | (29,748) | (23,301) |
| Other operating income (expenses) | (2,131) | (1,994) | (7,965) | (2,497) |
| **EBIT** | **38,078** | **25,391** | **107,018** | **79,318** |
| Net financial income (expense) | 1,077 | (126) | 537 | (1,425) |
| **Profit before taxes** | **39,155** | **25,265** | **107,555** | **77,893** |
| Income taxes | (14,881) | (8,394) | (40,304) | (23,931) |
| **Net profit** | **24,274** | **16,871** | **67,251** | **53,962** |
| **Earnings per share (basic)** | **0.44** | **0.31** | **1.22** | **0.98** |
| **Earnings per share (diluted)** | **0.44** | **0.31** | **1.22** | **0.98** |
| **EBITDA** | **44,043** | **29,781** | **122,435** | **91,951** |

(*) Unaudited data.

(1) Among the data in the income statement schedule provided above, the Board of Directors 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.

## CONSOLIDATED BALANCE SHEET

| *(in thousands of euros)* | ***9/30/10****(*)* | ***12/31/09*** |
|---|---|---|
| **ASSETS** | | |
| *Non-current assets* | | |
| Property, plant and equipment | 55,293 | 41,963 |
| Goodwill | 65,004 | 59,333 |
| Other intangibles | 62,424 | 36,673 |
| Equity investments | 27 | 123 |
| Deferred-tax assets | 19,981 | 18,910 |
| Other non-current assets | 518 | 462 |
| *Total non-current assets* | *203,247* | *157,464* |
| *Current assets* | | |
| Inventories | 68,022 | 50,331 |
| Trade receivables | 98,518 | 75,868 |
| Other financial assets | 543 | |
| Other current assets | 7,728 | 5,359 |
| Cash and cash equivalents | 48,947 | 47,885 |
| *Total current assets* | *223,758* | 179,443 |
| **TOTAL ASSETS** | **427,005** | **336,907** |

(*) Unaudited data.

**CONSOLIDATED BALANCE SHEET (continued)**

| *(in thousands of euros)* | ***9/30/10**(*)* | ***12/31/09*** |
|---|---|---|
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| *Shareholders' equity* | | |
| Share capital | 55,595 | 55,000 |
| Additional paid-in capital | 12,578 | 5,925 |
| Statutory reserve | 4,519 | 2,427 |
| Other reserves | 5,897 | (455) |
| Retained earnings | 141,938 | 84,911 |
| Net profit for the period | 67,251 | 70,047 |
| **Total shareholders' equity** | **287,778** | **217,855** |
| *Non-current liabilities* | | |
| Long-term borrowings | 24,343 | 27,862 |
| Provisions for severance indemnities and other employee benefits | 20,458 | 19,837 |
| Deferred-tax liabilities | 2,015 | 2,492 |
| Other non-current liabilities | 5,853 | 3,019 |
| *Total non-current liabilities* | *52,669* | 53,210 |
| *Current liabilities* | | |
| Trade payables | 34,236 | 29,778 |
| Other current liabilities | 29,217 | 17,370 |
| Income taxes payable | 14,310 | 9,902 |
| Current portion of long-term debt | 8,795 | 8,792 |
| *Total current liabilities* | *86,558* | 65,842 |
| **Total liabilities** | **139,227** | **119,052** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **427,005** | **336,907** |

(*) Unaudited data.

## CONSOLIDATED CASH FLOW STATEMENT

| | First nine months | | 3rd quarter | |
|---|---|---|---|---|
| *(in thousands of euros)* | ***2010***(*) | ***2009***(*) | ***2010(*)*** | ***2009(*)*** |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD** | **47,885** | **16,790** | **24,801** | **26,437** |
| Net cash from operating activities | 74,071 | 46,391 | 33,715 | 20,516 |
| Cash used in financing activities | (7,487) | (2,457) | 2,418 | (1,170) |
| Cash used in investing activities | (19,972) | (20,153) | (7,485) | (5,212) |
| Acquisitions of subsidiaries and business operations (*) | (45,550) | - | (4,502) | - |
| ***Change in net cash and cash equivalents*** | ***1,062*** | ***23,781*** | ***24,146*** | ***14,134*** |
| **CASH AND CASH EQUIVALENTS AT END OF PERIOD** | **48,947** | **40,571** | **48,947** | **40,571** |

(*) Unaudited data.