Diagnostic Specia

Third Quarter **Report** 2008

DiaSorin

The Diagnostic Specialist

QUARTERLY REPORT
THIRD QUARTER OF 2008

Diasorin S.p.A

Via Crescentino (no building No.) - 13040 Saluggia (VC) Tax I.D. and Vercelli Company Register No. 13144290155

Contents

Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors (elected on March 26, 2007)

Chairman	Gustavo Denegri
Executive Deputy Chairman	Antonio Boniolo
Chief Executive Officer	Carlo Rosa [(1)]
Directors	Giuseppe Alessandria [(2)(3)]
	Chen Menachem Even
	Enrico Mario Amo
	Ezio Garibaldi [(2)]
	Michele Denegri
	Franco Moscetti [(2)]

Board of Statutory Auditors

Chairman	Luigi Martino
Statutory Auditors	Bruno Marchina
	Vittorio Moro
Alternates	Alessandro Aimo Boot
	Maria Carla Bottini

Committees

Internal Control Committee	Ezio Garibaldi (Chairman)
	Franco Moscetti
	Enrico Mario Amo
Compensation Committee	Giuseppe Alessandria (Chairman)
	Ezio Garibaldi
	Michele Denegri
Nominating Committee	Franco Moscetti (Chairman)
	Giuseppe Alessandria
	Michele Denegri

Independent Auditors	Deloitte & Touche S.p.A.

(1) General Manager
(2) Independent Director
(3) Lead Independent Director

Consolidated financial highlights

(in thousands of euros)	**Third quarter 2008**	**% of revenues**	**Third quarter 2007**	**% of revenues**	**Third quarter 2007 pro forma (*)**	**% of revenues**
Net revenues	59,850	100.0%	49,003	100.0%	50,982	100.0%
EBITDA	22,015	36.8%	13,452	27.5%	14,199	27.9%
Operating result (EBIT)	18,579	31.0%	10,034	20.5%	10,730	21.0%
Net result	7,069	11.8%	5,318	10.9%	5,916	11.6%
Adjusted EBITDA	21,546	36.0%	15,307	31.2%	16,054	31.5%
EBIT before nonrecurring income (expense)	18,110	30.3%	11,889	24.3%	12,585	24.7%

(in thousands of euros)	**1st nine months 2008**	**% of revenues**	**1st nine months 2007**	**% of revenues**	**1st nine months 2007 pro forma (*)**	**% of revenues**
Net revenues	176,116	100.0%	151,163	100.0%	153,142	100.0%
EBITDA	61,703	35.0%	45,093	29.8%	45,789	29.9%
Operating result (EBIT)	51,218	29.1%	34,653	22.9%	35,349	23.1%
Net result	27,333	15.5%	19,054	12.6%	19,652	12.8%
Adjusted EBITDA	61,703	35.0%	49,086	32.5%	49,782	32.5%
EBIT before nonrecurring income (expense)	51,218	29.1%	38,646	25.6%	39,342	25.7%

(in thousands of euros)	**At 9/30/2008**	**At 12/31/2007**
Total assets	260,149	208,328
Net borrowings	23,285	12,131
Shareholders' equity	143,941	120,273

(*) The consolidated data for the third quarter of 2007 include those of the Biotrin Group.

Report on operations

1. Review of the Group's operating performance and financial position

1.1. Foreword

This Quarterly Report at September 30, 2008 (Interim Report on Operations Pursuant to Article 154 *ter* of Legislative Decree No. 58/1998) was prepared in accordance with the provisions of the abovementioned Legislative Decree, as amended, and with those of the Issuers' Regulations published by the Consob.

This Quarterly Report is consistent with the requirements of the International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board ("IASB"), and was prepared in accordance with IAS 34 – Interim Financial Reporting.

With regard to the composition of gross profit, some of the items that were included in last year's computation have been reclassified in accordance with the presentation criteria adopted this year, which reflect a more accurate allocation of such items, consistent with sound management criteria.

On July 9, 2008, Diasorin entered into an agreement to buy the Biotrin Group, which is based in Ireland. As a result of this transaction, the Group consolidates Biotrin on a line-by-line basis as of the date of acquisition. In order to offer a clearer presentation of the indicators of operating performance, this Report on Operations also provides a comparison with a pro forma 2007 income statement restated to reflect the contribution of the Biotrin Group in the third quarter of 2007 and make the financial data comparable with those reported in the same period in 2008.

This Quarterly Report was not audited.

1.2. The foreign exchange market

In 2008, the average exchange rate for the euro vis-à-vis the currencies that have an impact on the Group's operations shows that the euro appreciated significantly compared with the previous year. However, the U.S. dollar staged a turnaround in the third quarter 2008, appreciating significantly versus the euros compared with previous quarters, particularly in the latter part of the quarter. Specifically, the exchange rate, which stood at 1.5764 euros for one dollar at June 30, 2008, had fallen to 1.4303 euros for one dollar by September 30.
The table below provides a comparison between the exchange rates for the third quarter and first nine months of 2008 and those for the same periods last year (source: Italian Foreign Exchange Bureau):

	Average exchange rate for the third quarter		Average exchange rate for the first nine months	
Currency	**2008**	**2007**	**2008**	**2007**
U.S. dollar (USD)	1.5050	1.3745	1.5217	1.3443
Brazilian real (BRL)	2.4986	2.6338	2.5616	2.6898
British pound (GBP)	0.7950	0.6803	0.7820	0.6765
Swedish kronor (SEK)	9.4738	9.2636	9.4092	9.2368
Mexican peso (MXN)	15.5214	15.0673	15.9929	14.7247
Israeli shekel (ILS)	5.2422	5.7525	5.3375	5.5986

1.3. Acquisition of the Biotrin Group

On July 9, 2008, Diasorin acquired Biotrin, an Irish Group that is the world leader in the diagnosis of maternal-fetal infections caused by Parvovirus. The total value of the transaction amounted to about 25 million euros.

Biotrin was founded in 1992 in Dublin, where its research, production and marketing operations are located. It has about 70 employees at a facility registered with the FDA in the United States.

Over the past ten years, Biotrin has gained a global leadership position in the diagnosis of Parvovirus infections, in terms both of its commercial presence (estimated market share of 60%) and of the patents that protect its products in the United States and Europe. With regard to future growth, Biotrin signed a licensing agreement with the National Institutes of Health (NIH) in the United States securing exclusive rights to a series of patents that will be used to develop innovative products to assess the effectiveness of the Human Papilloma Virus (HPV) vaccination.

1.4. Operating performance in the third quarter of 2008

In the third quarter of 2008, the Diasorin Group reported revenues of 59,850,000 euros, for a gain of 22.1 percentage points compared with the same period last year.

The contribution provided by the Biotrin Group, which is consolidated as of July 9, 2008, boosted revenues by 2,242,000 euros, or about 4.5 percentage points.

At the same time, the revenue increase compared with the third quarter of 2007 was constrained by the appreciation of the euro versus the other currencies used by the Group, with a weakening U.S. dollar having the biggest negative impact. Changes in exchange rates reduced revenues by 3.5 percentage points overall.

The installed base of LIAISON systems grew to about 2,390 units at September 30, 2008. Sales of CLIA products increased by 36.6 percentage points in the third quarter of 2008, accounting for 57.1% of total revenues.

Revenues based on ELISA technology were up 12.9% in the three months ended September 30, 2008, benefiting from sales of Biotrin products, mainly Parvovirus B19 tests based on EIA technology.

All profitability indicators improved significantly compared with the third quarter of 2007.

Third-quarter consolidated EBITDA rose from 13,452,000 euros in 2007 to 22,015,000 euros in 2008, for a year-over-year gain of 63.7%.

The consolidated operating result (EBIT) grew from 10,034,000 euros in the third quarter of 2007 to 18,579,000 euros in the same period this year, posting an increase of 85.2 percentage points.

As explained later in this Report, the EBITDA and EBIT amounts include the impact of nonrecurring revenues and expenses both in 2008 and 2007. In addition, subsequent to its acquisition, Biotrin contributed 863,000 euros and 832,000 euros to EBITDA and EBIT, respectively, in the third quarter of 2008. If the comparison is made using pro forma data in 2007, third-quarter consolidated EBITDA total 14,199,000 euros in 2007 and 22,015,000 euros in 2008, for a gain of 55 percentage points. On the same basis, consolidated EBIT show an increase of 73.2%, rising from 10,730,000 euros in the third quarter of 2007 to 18,579,000 euros in the same period this year.

Lastly, the net result for the third quarter of 2008 amounted to 7,069,000 euros, for a gain of 32.9% compared with the same period in 2007. Compared with other profitability indicators, the net result reflects the impact of (unrealized) currency translation losses that were recognized on the Group's borrowings in foreign currencies as a result of the significant appreciation of the U.S. dollar in the third quarter.

However, currency translation differences are recognized for valuation purposes and do not entail a cash outlay. The resulting charge reflects the impact of the Group's financial policy, which is designed to match the strong cash flow in U.S. dollars generated by the expansion of the U.S. operations with indebtedness in the same currency, thus balancing cash inflows and outflows. The existence of timing differences between cash flow generation and changes in debt exposure during periods of sudden fluctuations in exchange rates, as was the case in the third quarter of 2008, affects the income statement in the manner described above.

A euro-U.S. dollar exchange rate that stabilizes at the current levels or a further appreciation of the greenback would have a positive impact on the Diasorin's profitability indicators, which would be magnified by the high growth rate of the Group's operations in the American market.
A consolidated income statement for the quarters ended September 30, 2007 and 2008 is provided on the following page. In order to offer a clearer presentation of the indicators of operating performance subsequent to the acquisition of the Biotrin Group, a comparison with a pro forma 2007 income statement is also provided.

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Third quarter		
	2008	**2007**	**2007 pro forma**
Net revenues	59,850	49,003	50,982
Cost of sales	(20,026)	(18,232)	(18,608)
Gross profit	**39,824**	**30,771**	**32,374**
	66.5%	*62.8%*	*63.5%*
Sales and marketing expenses	(11,757)	(10,660)	(10,900)
Research and development costs	(3,571)	(2,736)	(3,022)
General and administrative expenses	(6,578)	(6,166)	(6,618)
	-36.6%	*-39.9%*	*-40.3%*
Other operating income (expenses)	661	(1,175)	(1,104)
nonrecurring amount	*469*	*(1,855)*	*(1,855)*
Operating result (EBIT)	**18,579**	**10,034**	**10,730**
	31.0%	*20.5%*	*21.0%*
Net financial expense	(7,085)	(750)	(832)
Result before taxes	**11,494**	**9,284**	**9,898**
Income taxes	(4,425)	(3,966)	(3,982)
Net result	**7,069**	**5,318**	**5,916**
EBITDA (1)	**22,015**	**13,452**	**14,199**
	36.8%	*27.5%*	*27.9%*

(1) The Board of Directors defines EBITDA as the "operating result (EBIT)" before amortization of intangibles and depreciation of property, plant and equipment.

1.5. Operating performance in the first nine months of 2008

The Diasorin Group performed especially well during the first nine months of 2008. Revenues increased substantially compared with the same period last year, even though the Group's consolidation currency appreciated vis-à-vis other currencies, especially the U.S. dollar.
Biotrin's financial data are being consolidated as of the date of its acquisition. Consequently, they do not materially distort the cumulative results of the Diasorin Group. The impact of the Biotrin acquisition on the results for the first nine months of 2008 is reflected in the pro forma financial statements and was explained when commenting on third-quarter results earlier in this Report.
Consolidated revenues for the nine months ended on September 30, 2008 show an increase of 16.5 percentage points compared with the same period last year. If the data are restated using constant exchange rates (2007 average), the year-over-year revenue gain is 20.8 percentage points.

Revenue growth was again driven by higher sales of CLIA technology products, which were up 33.5 percentage points in 2008 thanks to a steady increase in the installed base of LIAISON systems (about 320 new analyzers were installed in the first nine months of 2008) and an expansion of the product line available on this platform. At September 30, 2008, sales of CLIA technology reagents accounted for 57% of total revenues.
Consolidated EBITDA, which totaled 61,703,000 euros at September 30, 2008, up from 45,093,000 euros in the first nine months of 2007, were equal to 35% of revenues, compared with 29.8% in the first nine months of 2007.
In the first nine months of 2008, the consolidated operating result (EBIT) rose to 51,218,000 euros (34,653,000 euros in the same period in 2007), an amount equal to 29.1% of revenues, up from 22.9% at September 30, 2007.
As explained later in this report, last year's EBITDA and EBIT include the impact of nonrecurring income and expense.
The cumulative net result totaled 27,333,000 euros, for a gain of 43.5 percentage points compared with the first nine months of 2007.
Basic earnings per share, amounting to 0.50 euros at September 30, 2008, were computed by dividing the Group's interest in net result by the number of shares outstanding (55 million). The stock option plan in effect at September 30, 2008 did not have a dilutive effect on earnings per share.
A consolidated income statement at September 30, 2007 and 2008 is provided on the following page. Due to the acquisition of the Biotrin Group, a comparison with a pro forma 2007 income statement is also provided.

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	**First nine months**		
	2008	**2007**	**2007 pro forma**
Net revenues	176,116	151,163	153,142
Cost of sales	(60,905)	(53,997)	(54,373)
Gross profit	**115,211**	**97,166**	**98,769**
	65.4%	*64.3%*	*64.5%*
Sales and marketing expenses	(34,688)	(32,628)	(32,868)
Research and development costs	(9,762)	(8,144)	(8,430)
General and administrative expenses	(19,406)	(17,691)	(18,143)
	-36.3%	*-38.7%*	*-38.8%*
Other operating income (expenses)	(137)	(4,050)	(3,979)
nonrecurring amount	*0*	*(4,508)*	*(4,508)*
Operating result (EBIT)	**51,218**	**34,653**	**35,349**
	29.1%	*22.9%*	*23.1%*
Net financial expense	(7,343)	(2,864)	(2,946)
Result before taxes	**43,875**	**31,789**	**32,403**
Income taxes	(16,542)	(12,735)	(12,751)
Net result	**27,333**	**19,054**	**19,652**
EBITDA [(1)]	**61,703**	**45,093**	**45,789**
	35.0%	*29.8%*	*29.9%*

(1) The Board of Directors defines EBITDA as the "operating result (EBIT)" before amortization of intangibles and depreciation of property, plant and equipment.

1.6. 1.6. Net revenues

In the third quarter of 2008, net revenues increased to 59,850,000 euros, or 10,847,000 euros more than in the same period last year. The year-over-year increase of 22.1 percentage points shows that the pace of growth accelerated compared with the first two quarters of the year (when it was 13.5 and 14.1 percentage points, respectively) and with the pro forma amount for 2007.
As mentioned earlier in this Report, changes in the exchange rates between the euro and other currencies had a negative impact of about 3.5 percentage points on consolidated revenues.

1.6.1. 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:

(in thousands of euros)	Third quarter			First nine months		
	2008	**2007**	**Change %**	**2008**	**2007**	**Change %**
Italy	12,056	10,357	16.4%	38,984	34,352	13.5%
Rest of Europe	20,802	18,351	13.4%	63,561	56,076	13.3%
North America (United States and Canada)	15,959	11,644	37.1%	42,328	33,660	25.8%
Rest of the world	11,033	8,651	27.5%	31,243	27,075	15.4%
Total	**59,850**	**49,003**	**22.1%**	**176,116**	**151,163**	**16.5%**

Italy

Revenues booked in Italy in the third quarter of 2008 totaled 12,056,000 euros, or 16.4 percentage points more than in the same period last year.
In the first nine months of 2008, revenues increased by 4,632,000 euros (a gain of 13.5 percentage points) to a total of 38,984,000 euros, accounting for 22.1% of total consolidated Group revenues. The installed base of LIAISON systems grew to about 660 units.

Rest of Europe

In the rest of Europe (i.e., excluding Italy), the revenues reported by the Group in the third quarter of 2008 were higher by 2,451,000 euros (+13.4 percentage points) than in the same period a year ago. Cumulative revenues at September 30, 2008 show an increase of 7,485,000 euros.
The operations in the Scandinavian markets posted significantly above average growth rates, as the marketing operations in those countries focused their efforts on specialized clinical areas in the segments of infectious diseases, hypertension and phospho-calcic metabolism. In that region, third quarter revenues rose by 69 percentage points compared with the previous year, producing a cumulative gain of 74.7 percentage points over the amount booked in the first nine months of 2007.
The French and Belgian subsidiaries also performed well in the third quarter of 2008, reporting revenue gains of 17.1 and 13.9 percentage points, respectively, compared with the same period a year ago. In both cases, the revenue improvement was driven by an expansion of the installed base and higher sales of LIAISON platform products.
At September 30, 2008, as a result of the gains outlined above, the markets in the rest of Europe contributed 36.1% of the consolidated revenues of the Diasorin Group.

North America

North America continued to be a key strategic market as the engine of the Group's revenue growth. In the third quarter of 2008, revenues totaled 15,959,000 euros, or 37.1 percentage points higher than in the same period last year. If the data are restated at constant exchange rates, the increase compared with the third quarter of 2007 is 49.6 percentage points. However, the acquisition of the Ireland-based Biotrin Group provided a significant contribution (+8.6% at constant exchange rates) to the Group's revenue expansion in North America during the third quarter of 2008.

At September 30, 2008, cumulative nine-month growth in the North American market was equal to 25.8 percentage points (42.1 percentage points at constant exchange rates).

The success achieved in North America is driven mainly by the rising revenues generated by tests to determine vitamin D levels (LIAISON VIT D), for which Diasorin is the market leader. These tests are becoming increasingly popular thanks to recent studies that have extended their clinical use to oncology-related areas and as a means of assessing the risk of the onset of heart diseases.

Growth in the U.S. market also continues to benefit from the distribution agreement with Cardinal Health. Thanks to an extensive sales network throughout the United States, Cardinal Health has helped Diasorin Inc achieve a more effective coverage of its target market.

In the first nine months of 2008, North American sales contributed 24% of the Diasorin Group's total revenues, for an increase of 1.8 percentage points over the same period last year.

Rest of the world

Revenues booked by the Group in markets other than Europe and North America revenues totaled 2,382,000 euros in 2008, for a gain of 27.5 percentage points compared with the third quarter in 2007.

Year-over-year revenues growth was significantly faster in the third quarter of 2008 than in the first and second quarter of the year, when it was equal to 0.4 and 19.2 percentage points, respectively.

The success of the Brazilian subsidiary in bidding for an important public tender and the sales volume that it generated provided a significant contribution to the increase in the revenues achieved in that market (+31.7 percentage points compared with the third quarter of 2007).

In the markets targeted more recently for geographic expansion, the Mexican subsidiary boosted revenues by 64.2 percentage points. As a result, cumulative revenues at September 30, 2008 improved to 2,089,000 euros. Cumulative growth was penalized by unfavorable interest rates, which had a negative impact equal to about 11.1 percentage points.

The revenues reported by the Israeli subsidiary increased by 42.7 percentage points, compared with the third quarter of 2007, with cumulative nine-month revenues totaling 2,293,000 euros.

In the regions where the Group operates through independent distributors instead of a direct organization, revenues for the third quarter of 2008 increased by 16.6% compared with the same period last year, with the best performances recorded in markets in the Middle East, Australia and South Africa.

In the first nine months of 2008, sales in the Chinese market increased by 15 percentage points compared with the same period last year, reaching 3,696,000 euros, as the installed based grew to about 115 LIAISON analyzers, or 40 units more than at December 31, 2007.

At September 30, 2008, sales in the "rest of the world" region accounted for 17.7% of total Group revenues.

1.6.2. Breakdown of revenues by technology

Concurrently with its geographic expansion, the Group increased the revenues generated by the LIAISON closed platform.
The table below, which is provided merely for information purposes, shows the percentage of consolidated revenues contributed by each technology at September 30, 2007 and 2008.

	% of revenues contributed Third quarter		% of revenues contributed First nine months	
	2008	2007	2008	2007
RIA	8.7	11.5	9.6	11.9
ELISA	24.3	26.3	22.8	28.0
CLIA	57.1	51.1	57.0	49.8
Equipment and other revenues	9.9	11.1	10.6	10.3
Total	**100.0**	**100.0**	**100.0**	**100.0**

In the third quarter of 2008, the revenues generated by LIAISON products were 9,165,000 euros higher than in the same period last year. This increase of 36.6 percentage points brought the cumulative gain for the first nine months of the year to 25,189,000 euros (+33.5 percentage points compared with the first nine months of 2007).
At September 30, 2008, revenues contributed by sales of products based on CLIA technology accounted for 57% of total Group revenues, or 7.2 percentage points more than a year earlier.
At September 30, 2008, about 2,390 automated LIAISON analyzers, or about 320 more than at December 31, 2007, were installed at facilities operated by direct and indirect customers of the Group.
The percentage of total revenues contributed by ELISA technology products increased in the third quarter of 2008, due mainly to the delivery of a large order to the Brazilian Ministry of Health and sales of Biotrin Group products, all of which are based on this technology.

1.7. Operating performance

The gross profit of the Diasorin Group grew from 30,771,000 euros in the third quarter of 2007 to 39,824,000 euros in the same period this year, for a gain of 29.4 percentage points, and the ratio of gross profit to revenues increased from 62.8% to 66.5%. Sales of high-margin Biotrin products contributed to this improvement. In addition, sales of equipment to distributors, which generate relatively low margins, accounted for a smaller percentage of total sales than in the third quarter of 2007.
Rising sales of LIAISON products continue to drive the improvement in operating performance. In addition, following the acquisition of the Ireland-based Biotrin Group on July 9, 2008, Diasorin benefits from sales of reagents used in the diagnosis of maternal-fetal infections, which are characterized by high margins.
The positive effect of a more favorable sales mix was magnified by a steady reduction in the impact of the depreciation of equipment made possible by the optimization of the installed base.
The cumulative gross profit increased by 18.6 percentage points, rising from 97,166,000 euros in the first nine months of 2007 to 115,221,000 euros in the same period this year.
In the third quarter of 2008, operating expenses totaled 21,906,000 euros, or 12% more than in the same period last year. If the comparison is made using pro forma data for 2007, operating expenses show an increase of 6.7%. Moreover, while up in absolute terms, their impact as a percentage of revenues shrank to 36.6 percentage points, down from 39.9 percentage points in the third quarter of 2007.

In the third quarter of 2008, the increase recorded in sales and marketing expenses (+10.3 percentage points) was proportionally smaller than the gain in revenues, causing their ratio to revenues to decrease to 19.6%, down from 21.8% in the same period last year.

The ratio of research and development costs to revenues increased by 0.4 percentage points compared with the third quarter of 2007, growing from 5.6% at September 30, 2007 to 6% at September 30, 2008. R&D costs incurred by the recently acquired Biotrin Group accounts for most of the increase incurred during the reporting period. When the comparison is made against pro forma 2007 data, the ratio of research and development costs to revenues is about the same.

Lastly, in the third quarter of 2008, the ratio of general expenses to revenues was equal to 11 percentage points, a significant improvement compared with 12.6 percentage points in the third quarter of 2007. The reduction in the impact of operating expenses is even more substantial when the comparison is made against a 13% ratio for the pro forma data for the third quarter of 2007.

In the third quarter of 2008, the consolidated operating result (EBIT) totaled 18,579,000 euros, or 85.2 percentage points more than in 2007. In the same period, the ratio of consolidated EBIT to revenues improved from 20.5 percentage points in 2007 to 31 percentage points this year. Restated to eliminate the impact of nonrecurring income and expense, the ratio of EBIT to revenues improves to 30.3%, up from 24.3% in the same period a year ago.

At 22,015,000 euros, third quarter EBITDA were 63.7 percentage points higher than in the same period in 2007, causing the ratio of consolidated EBITDA to revenues to improve from 27.5% in 2007 to 36.8% this year. Restated to eliminate impact of nonrecurring income and expense, EBITDA are equal to 36% of revenues, compared with 31.2% in the third quarter of 2007.

In the third quarter of 2007, the Group incurred nonrecurring expenses totaling 1,855,000 euros to list its shares on the Online Stock Market, as against non recurring income of 469,000 euros in the same period this year generated by the capitalization of costs related to the acquisition of the Ireland-based Biotrin Group. At June 30, 2008, this amount had been charged to income because, at the time, the acquisition, which closed on July 9, 2008, had not yet been completed.

Restated to eliminate the impact of these items, EBITDA for the third quarter of 2008, amount to 21,546,000 euros, for a gain of 40.8 percentage points compared with the 15,307,000 euros earned in the same period last year.

Net of extraordinary items, EBIT for the quarter total 18,110,000 euros, or 52.3% more than the quarterly amount of 11,889,000 euros reported at September 30, 2007.

Consolidated EBITDA for the first nine months of 2008 improved to 61,703,000 euros, up from 45,093,000 euros at September 30, 2007. The ratio of consolidated EBITDA to revenues also improved, rising to 35%, compared with 29.8% for the first nine months of 2007.

Consolidated EBIT for the first nine months of 2008 totaled 51,218,000 euros, compared with 34,653,000 euros in the same period in 2007. As a result, the ratio of consolidated EBIT to revenues was 29.1% this year and 22.9% last year.

Both in 2007 and 2008, EBITDA and EBIT figures include the impact of nonrecurring income and expense items. Specifically, in the first nine months of 2007, the Company incurred nonrecurring charges totaling 4,508,000 euros in connection with the listing of its shares on the Online Stock Market, offset in part by a nonrecurring gain of 515,000 euros recognized by the Group's Parent Company for the reform of the severance benefit system. A description of the nonrecurring charges incurred in 2008 was provided earlier in this Report.

Restated net of these nonrecurring items, EBITDA for the first nine months of 2008 amount to 61,703,000 euros, for a gain of 25.7 percentage points over the amount for the same period last year (49,086,000 euros).

On the same basis, cumulative EBIT increased by 32.5% to 51,218,000 euros, compared with 38,646,000 euros in the first nine months of 2007.

1.8. Financial income and expense

In the third quarter of 2008, net financial expense totaled 7,085,000 euros, up from 750,000 euros in the same period last year. A breakdown of interest and other financial expense includes 488,000 euros in interest paid on borrowings (516,000 euros in the third quarter of 2007), 455,000 euros in factoring fees (474,000 euros in the third quarter of 2007) and 161,000 euros in financial charges on employee-benefit plans (203,000 euros in the third quarter of 2007). The net impact of foreign exchange differences was negative by 5,826,000 euros, as against a positive impact of 412,000 euros in the third quarter of 2007.

Cumulative net financial expense for the first nine months of 2008 amounted to 7,343,000 euros, compared with 2,864,000 euros in the same period last year. In the first nine months of 2008, interest and other financial expense totaled 3,668,000 euros (this amount includes 1,499,000 euros in factoring fees paid by the Group's Parent Company and pension fund interest charges of 613,000 euros). The net impact of foreign exchange differences on the Group's financial assets and liabilities denominated in currencies other than the euro was negative by 3,939,000 euros.

The (unrealized) currency translation losses recognized on the Group's foreign currency exposure are related mainly to indebtedness denominated in U.S. dollars contracted by the Parent Company in connection with the Biotrin acquisition.

While currency translation differences have an impact on the net profit for the period, the corresponding charge is recognized for valuation purposes and does not entail a cash outlay. This is because the Group's financial policy is designed to match the strong cash flow in U.S. dollars generated by the expansion of the U.S. operations with indebtedness in the same currency, thus balancing cash inflows and outflows. The existence of timing differences between cash flow generation and changes in debt exposure during periods of sudden fluctuations in exchange rates, as was the case in the third quarter of 2008, affects the income statement in the manner described above.

1.9. Result before taxes and net result

The third quarter of 2008 ended with a result before taxes of 11,494,000 euros and a tax liability of 4,425,000 euros. The pretax amount was greater than in the same period in 2007, when it totaled 9,284,000 euros, subject to a tax liability of 3,966,000 euros.

In the first nine months of 2008, the result before taxes increased to 43,875,000 euros and the resulting tax liability amounted to 16,542,000 euros. In the same period in 2007, the corresponding amounts were 31,789,000 euros and 12,735,000 euros, respectively.

The tax rate decreased to 37.7 percentage points at September 30, 2008, down from 40.1 percentage points in the first nine months of 2007, due mainly to the impact of lower tax rates in Italy and Germany.

The consolidated net result for the first nine months of the year amounted to 27,333,000 euros in 2008, up from 19,054,000 euros in 2007.

Basic earnings per share, amounting to 0.13 euros and 0.50 euros, respectively, in the third quarter and first nine months of 2008, were computed by dividing the Group's interest in net result by the number of shares outstanding (55 million). The stock option plan in effect at September 30, 2008 did not have a dilutive effect on earnings per share.

1.10. Analysis of Consolidated Cash Flow

A table showing the consolidated cash flow statement, followed by a review of the main statement items and the changes that occurred compared with the first half of 2008, is provided below:

(in thousands of euros)	Third quarter		First nine months	
	2008	**2007**	**2008**	**2007**
Cash and cash equivalents at beginning of period	**14,092**	**9,574**	**8,367**	**8,718**
Net cash from operating activities	18,037	11,442	32,410	23,759
Cash used for investing activities	(25,298)	(3,150)	(31,625)	(11,207)
Cash from financing activities	13,570	4,617	11,249	1,213
Cash contributed by the Biotrin Group	1,227	0	1,227	0
Net change in cash and cash equivalents	***7,536***	***12,909***	***13,261***	***13,765***
Cash and cash equivalents at end of period	**21,628**	**22,483**	**21,628**	**22,483**

The cash flow from operating activities grew from 23,759,000 euros in the first nine months of 2007 to 32,410,000 euros in 2008. This increase reflects an improvement in the income stream (net result plus depreciation and amortization, additions to provisions and other non-cash items), which more than offset a rise in working capital. More specifically, trade receivables were up, consistent with the growth in revenues compared with the same period last year, and payments made to strategic suppliers in 2008 were higher than in the first nine months of 2007, when, however, accounts payable increased due to nonrecurring charges incurred to list the Company's shares. Lastly, income tax payments totaled 13,985,000 euros, compared with 8,844,000 euros in the first nine months of 2007.
The cash used for investing activities amounted to 31,625,000 euros, including 21,775,000 euros used for the Biotrin Group acquisition. Investments in intangible assets, which consist mainly of capitalized development and software costs, were lower than in the first nine months of 2007, when the capitalized amount included the costs incurred to implement the SAP R/3 system on the Group's shared platform.
Cash from financing activities totaled 11,249,000 euros, up sharply compared with the first nine months of 2007 (1,213,000 euros), as a result of the following items:

- a new financing facility provided by Interbanca in the amount of US$56,000,000 in connection with the acquisition of the Biotrin Group and the concurrent repayment of outstanding indebtedness totaling 17,813,000 euros (this amount includes indebtedness owed by Biotrin at the time of its acquisition);
- the distribution of 5,500,000 euros in dividends.

In the third quarter of 2008, the net change in cash equivalents was positive by 7,536,000 euros, compared with a positive change of 12,909,000 euros in the same period last year.
The change compared with the third quarter of 2007 reflects the impact of the following transactions:

- the acquisition of the Biotrin Group on July 9, 2008;
- the distribution of dividends in the third quarter of 2008, as against a share capital increase of 6,500,000 euros in the same period in 2007.

At September 30, 2008, the cash and cash equivalents held by the Group totaled 21,628,000 euros, up from 8,367,000 euros at the end of 2007.

1.11. Analysis of Consolidated Net Borrowings

(in thousands of euros)	**9/30/2008**	**12/31/2007**
Cash and cash equivalents	(21,628)	(8,367)
Liquid assets (a)	**(21,628)**	**(8,367)**
Current bank debt	352	3,001
Other current financial obligations	1,705	2,097
Current indebtedness (b)	**2,057**	**5,098**
Net current indebtedness (c)=(a)+(b)	**(19,571)**	**(3,269)**
Non-current bank debt	40,605	12,575
Other non-current financial obligations	2,251	2,825
Non-current indebtedness (d)	**42,856**	**15,400**
Net borrowings (e)=(c)+(d)	**23,285**	**12,131**

At September 30, 2008, consolidated net borrowings totaled 23,285,000 euros, compared with 12,131,000 euros at December 31, 2007. This increase reflects the impact of a transaction that involved repaying a facility owed to Interbanca while concurrently taking out a new loan to finance the Biotrin acquisition, offset in part by a strong cash flow from operations.

1.12. Other Information

At September 30, 2008, the Group had 1,062 employees (928 at December 31, 2007).

2. Transactions with related parties

In the normal course of business, Diasorin S.p.A. engages on a regular basis in commercial and financial transactions with its subsidiaries, which are also Group companies. These transactions, which are executed on standard market terms, consist of the supply of goods and services, including administrative, information technology, personnel management, technical support and consulting services, which produce receivables and payables at the end of the year, and financing and cash management transactions, which produce income and expenses.

These transactions are eliminated in the consolidation process and, consequently, are not discussed in this section of the Report.

At September 30, 2008, the following transactions had been executed with Diasorin LTD, an unconsolidated Chinese subsidiary:

- liabilities of 71,000 euros
- costs totaling 734,000 euros for sales and technical support provided to local distributors.

The Group provides additional benefits to qualified employees of Diasorin S.p.A. and other Group companies by means of a stock option plan. The impact of this plan on the income statement totaled 436,000 euros in the first nine months of 2008 and 1,200,000 euros in the same period a year ago.

The compensation payable to senior managers and eligible employees (key management) is consistent with standard market terms for compensation offered to employees with a similar status.

Employees are also awarded incentive payments tied to the achievement of corporate or personal targets and bonuses predicated on the achievement of a predetermined length of service.

Fees paid to Directors and Statutory Auditors in the first nine months of 2008 totaled 435,000 euros (398,000 euros in the first nine months of 2007).

3. Attestation of compliance with the listing requirements set forth in Article 36, Letters a), b) and c), of the Market Regulations

With regard to compliance with the requirements for the listing of shares introduced by Article 36 of the regulations adopted by the Consob with Resolution No. 16191 of October 29, 2007, the issuer Diasorin S.p.A., in its capacity as the controlling company of subsidiaries among which there are companies that, while established in accordance with and governed by the laws of countries that are not members of the European Union, are materially relevant for the purpose of complying with the provisions of Title VI, Chapter II, of the regulations adopted by the Consob with Resolution No. 11971 of 1999, as amended, attests that:

a) It makes available to the public the accounting schedules provided by its subsidiaries in connection with the preparation of the consolidated financial statements. As a minimum, these schedules include a balance sheet and an income statement, as already required to comply with the provisions of Article 2429 of the Italian Civil Code. The accounting schedules are made available to the public in the manner required by the provisions of Part III, Title II, Section V, of the regulations adopted by the Consob with Resolution No. 11971 of 1999, as amended.

b) Its subsidiaries provide it on a regular basis, but always promptly when changes in substance or form occur, with copies of their Bylaws and documents setting forth the composition and powers of their governance bodies.

c) It ensures that its subsidiaries:

i) provide the Parent Company's Independent Auditors with the information they need to audit the Parent Company's annual and interim financial statements;

ii) adopt an adequate accounting system that enables them to deliver on a regular basis to the Group's management and the Parent Company's Independent Auditors the income statement, balance sheet and financial position data needed to prepare the consolidated financial statements.

Consequently, the issuer Diasorin S.p.A. does not believe that it is required to adopt a specific plan to comply with the requirements of Article 39 of the regulations adopted by the Consob with Resolution No. 16191 of October 29, 2007, other than establishing formal procedures for the performance of the activities described above, when one does not already exist.

4. Significant events occurring after September 30, 2008 and business outlook

A significant event occurring after September 30, 2008 that requires mention concerns the acquisition of the Biotrin Group. On October 20, 2008, Diasorin S.p.A. and the sellers executed an agreement setting at 574,900 euros the amount payable to the selling shareholders as a price adjustment, in accordance with the provisions of the acquisition contract.

In addition, on October 21, 2008, in another important step along the Group's path towards geographic expansion, the Company established a new corporation in Prague called DiaSorin Czech s.r.o. This new subsidiary, which will be used to begin direct distribution of the Group's products in the Czech Republic, will become operational in the first quarter of 2009.

No other significant events occurred after September 30, 2008.

Subsequent to September 30, 2008, the Diasorin Group continued to report positive operating results: revenues increased, in line with the trend of the first nine months of the year.

Consolidated financial statements of the Diasorin Group at September 30, 2008 and September 30, 2007

Consolidated income statement

(in thousands of euros)	**Notes**	**Third quarter**		**First nine months**	
		2008	**2007**	**2008**	**2007**
Net revenues	(1)	59,850	49,003	176,116	151,163
Cost of sales	(2)	(20,026)	(18,232)	(60,905)	(53,997)
Gross Profit		**39,824**	**30,771**	**115,211**	**97,166**
		66.5%	62.8%	65.4%	64.3%
Sales and marketing expenses	(3)	(11,757)	(10,660)	(34,688)	(32,628)
Research and development costs	(4)	(3,571)	(2,736)	(9,762)	(8,144)
General and administrative expenses	(5)	(6,578)	(6,166)	(19,406)	(17,691)
Other operating income (expenses)	(6)	661	(1,175)	(137)	(4,050)
nonrecurring amount		*469*	*(1,855)*	*0*	*(4,508)*
Operating result (EBIT)		**18,579**	**10,034**	**51,218**	**34,653**
Net financial income (expense)	(7)	(7,085)	(750)	(7,343)	(2,864)
Result before taxes		**11,494**	**9,284**	**43,875**	**31,789**
Income taxes	(8)	(4,425)	(3,966)	(16,542)	(12,735)
Net result		**7,069**	**5,318**	**27,333**	**19,054**
Basic earnings per share	(9)	**0.13**	**0.10**	**0.50**	**0.35**
Diluted earnings per share	(9)	**0.13**	**0.10**	**0.50**	**0.35**

CONSOLIDATED BALANCE SHEET

(in thousands of euros)	**Notes**	**9/30/2008**	**12/31/2007**
ASSETS			
Non-current assets			
Property, plant and equipment	(10)	33,543	33,946
Goodwill	(11)	71,630	48,055
Other intangibles	(11)	17,567	17,334
Equity investments		158	123
Deferred-tax assets		9,351	8,667
Other non-current assets		468	399
Total non-current assets		**132,717**	**108,524**
Current assets			
Inventories	(12)	40,183	35,485
Trade receivables	(13)	60,523	52,163
Other current assets		5,098	3,789
Cash and cash equivalents	(14)	21,628	8,367
Total current assets		**127,432**	**99,804**
TOTAL ASSETS		**260,149**	**208,328**

CONSOLIDATED BALANCE SHEET *(continued)*

(in thousands of euros)	Notes	9/30/2008	12/31/2007
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	(14)	55,000	55,000
Additional paid-in capital	(14)	5,925	5,925
Statutory reserve	(14)	1,141	639
Other reserves	(14)	(831)	(2,666)
Retained earnings (Accumulated deficit)	(14)	55,373	36,156
Net result for the year	(14)	27,333	25,219
Total shareholders' equity		**143,941**	**120,273**
Non-current liabilities			
Non-current financial liabilities	(15)	42,856	15,400
Provisions for employee severance indemnities and other employee benefits	(16)	19,382	19,030
Deferred-tax liabilities		986	1,028
Other non-current liabilities	(17)	1,768	2,239
Total non-current liabilities		**64,992**	**37,697**
Current liabilities			
Trade payables	(18)	25,284	27,716
Loans payable to Group companies		72	
Other current liabilities	(19)	15,381	13,847
Income taxes payable	(20)	8,422	3,697
Current portion of long-term debt	(15)	2,057	5,098
Total current liabilities		**51,216**	**50,358**
Total liabilities		**116,208**	**88,055**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**260,149**	**208,328**

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euros)	Third quarter		First nine months	
	2008	**2007**	**2008**	**2007**
Cash flow from operating activities				
Net result for the period	7,069	5,318	27,333	19,054
Adjustments for:				
- Income taxes	4,425	3,966	16,542	12,735
- Depreciation and amortization	3,436	3,418	10,485	10,440
- Financial expense (income)	7,085	750	7,343	2,864
- Additions to/(Reversals of) provisions for risks and charges	61	(290)	(221)	(214)
- (Gains)/Losses on sales of non-current assets	27	(36)	80	(111)
- Contributions to/(Reversals of) provisions for employee severance indemnities and other employee benefits	88	367	272	(77)
nonrecurring amount	-	-	-	*(515)*
- Changes in shareholders' equity reserves	-	-	-	
- Stock option reserve	153	600	436	1,200
- Cumulative translation adjustment from operating activities	(345)	(284)	(200)	(459)
- Change in other non-current assets/liabilities	117	(1,390)	(620)	(1,368)
Cash flow from operating activities before changes in working capital	**22,116**	**12,419**	**61,450**	**44,064**
(Increase) Decrease in trade receivables	4,157	2,382	(6,608)	(6,577)
(Increase) Decrease in inventories	(1,686)	(520)	(3,520)	(3,673)
Increase (Decrease) in trade payables	(2,049)	(3,192)	(2,516)	1,499
(Increase) Decrease in other current items	191	1,387	(90)	(185)
Cash from operating activities	**22,729**	**12,476**	**48,716**	**35,128**
Income taxes paid	(3,964)	(271)	(13,985)	(8,844)
Interest paid	(728)	(763)	(2,321)	(2,525)
Net cash from operating activities	**18,037**	**11,442**	**32,410**	**23,759**
Investments in intangibles	(606)	(652)	(1,689)	(3,060)
Investments in associates	(21,775)	-	(21,775)	-
Investments in property, plant and equipment	(3,157)	(3,051)	(8,796)	(9,155)
Disinvestments	240	553	635	1,008
Cash used in investing activities	**(25,298)**	**(3,150)**	**(31,625)**	**(11,207)**
Repayment of loans	(16,351)	(223)	(17,813)	(3,248)
Proceeds from/Repayment of other financial obligations	(226)	(847)	(964)	(2,920)
Proceeds from new borrowings	35,483	-	35,483	1,559
Share capital increases/Dividend distributions	(5,500)	6,500	(5,500)	6,500
Impact of foreign exchange translation differences on cash and cash equivalents	164	(813)	43	(678)
Cash used in financing activities	**13,570**	**4,617**	**11,249**	**1,213**
Cash contributed by the Biotrin Group	**1,227**	**-**	**1,227**	**-**
Net change in cash and cash equivalents	**7,536**	**12,909**	**13,261**	**13,765**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**14,092**	**9,574**	**8,367**	**8,718**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**21,628**	**22,483**	**21,628**	**22,483**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	Share capital	Additional paid-in capital	Statutory reserve	Cumulative translation reserve	Stock option reserve	Retained earnings (Accumulated deficit)	Net result for the year	Group interest in shareholders' equity
Shareholders' equity at 12/31/2006	**50,000**	**4,425**	**207**	**652**	**2,202**	**7,957**	**22,294**	**87,737**
Appropriation of previous year's profit			432			21,862	(22,294)	-
Share capital increase	5,000	1,500						6,500
Share-based payments and other changes					1,200			1,200
Translation adjustment				(1,982)				(1,982)
Net result for the period							19,054	19,054
Shareholders' equity at 9/30/2007	**55,000**	**5,925**	**639**	**(1,330)**	**3,402**	**29,819**	**19,054**	**112,509**
Shareholders' equity at 12/31/2007	**55,000**	**5,925**	**639**	**(2,790)**	**124**	**36,156**	**25,219**	**120,273**
Appropriation of previous year's profit			502			24,717	(25,219)	-
Dividend distribution						(5,500)		(5,500)
Share-based payments and other changes					436			436
Translation adjustment				1,399				1,399
Net result for the period							27,333	27,333
Shareholders' equity at 9/30/2008	**55,000**	**5,925**	**1,141**	**(1,391)**	**560**	**55,373**	**27,333**	**143,941**

Notes to the consolidated financial statements at September 30, 2008

GENERAL INFORMATION AND SCOPE OF CONSOLIDATION

General information

The Diasorin Group is specialized in the development, manufacture and distribution of products in the immunochemistry and infectious immunology product groups. These product classes can also be grouped into a single family called immunodiagnostics.

Diasorin S.p.A., the Group's Parent Company, has its headquarters on Via Crescentino (no building number), in Saluggia (VC) 13040.

Principles for the preparation of the quarterly report

The consolidated quarterly report of the Diasorin Group at September 30, 2008 was prepared in accordance with the requirements of the relevant international accounting standard (IAS 34 – Interim Financial Reporting). These notes provide information in summary form, in order to avoid duplicating information published previously, as required by IAS 34. Specifically, these notes discuss only those components of the income statement and balance sheet the composition or change in amount of which require comment (due to the amount involved or the type of transaction or because an unusual transaction is involved) in order to understand the Group's operating performance, balance sheet and financial position.

The accounting principles applied to prepare the consolidated quarterly report are consistent with those used for the annual consolidated financial statements at December 31, 2007, since it has been determined that the revisions and interpretations published by the IASB that were applicable as of January 1, 2008 did not require any material changes in the accounting principles adopted by the Group the previous year.

When preparing interim financial statements, management is required to develop estimates and assumptions that affect the amounts shown for revenues, expenses, assets and liabilities in the financial statements and the disclosures provided with regard to contingent assets and liabilities on the date of the interim financial statements. If such estimates and assumptions, which were based on management's best projections, should differ from actual events, they will be modified appropriately when the relevant events produce the abovementioned differences.

Moreover, certain valuation processes, particularly the more complex processes such as determining whether the value of non-current assets has been impaired, are carried out fully only in connection with the preparation of the annual financial statements, when all necessary information is available, except when there are impairment indicators that require an immediate measurement of any impairment losses that may have occurred.

With regard to the composition of gross profit, some of the items that were included in last year's computation have been reclassified in accordance with the presentation criteria adopted this year, which reflect a more accurate allocation of such items, consistent with a sound management approach.

The Group engages in activities that, taken as a whole, are not subject to significant seasonal or cyclical shifts in revenue generation during the year.

The income tax liability is recognized using the best estimate of the weighted average tax rate projected for the entire year.

In this consolidated quarterly report, all amounts are in euros and are rounded to the nearest thousand, unless otherwise stated.

This quarterly report was not audited.

Scope of consolidation

The consolidated quarterly report includes the financial statements of Diasorin S.p.A., the Group's Parent Company, and those of its subsidiaries.

The scope of consolidation changed compared with December 31, 2007 due to the consolidation of Biotrin as of July 9, 2008, which is the date when this Ireland-based Group was acquired. Overall, the impact of the abovementioned change has not been material. Information providing a clearer understanding of how the consolidation of the Biotrin Group affected the Group's indicators of operating performance is available in the section of this report entitled "Review of the Group's operating performance and financial position."

Subsidiaries are companies over which the Group is able to exercise control, i.e., it has the power to, directly or indirectly, govern their operating and financial powers so as to obtain benefits from the results of their operations.

Subsidiaries are consolidated line by line from the date the Group obtains control until the moment when control ceases to exist. Dormant subsidiaries and subsidiaries that generate an insignificant volume of business are not consolidated. Their impact on the Group's total assets and liabilities, financial position and bottom-line result is not material.

A list of the subsidiaries included in the scope of consolidation, complete with information about head office locations and the percentage interest held by the Group, is provided in Annex I.

Other information

Information about significant events occurring after September 30, 2008, the Group's business outlook and its transactions with related parties is provided in separate sections of this quarterly report.

The table below shows the exchange rates used to translate amounts reported by companies that operate outside the euro zone:

	First nine months 2008		At December 31, 2007	First nine months 2007	
Currency	**Average**	**At 9/30**		**Average**	**At 9/30**
U.S. dollar	1.5217	1.4303	1.4721	1.3443	1.4179
Brazilian real	2.5616	2.7525	2.6108	2.6898	2.6148
British pound	0.7820	0.7903	0.7334	0.6765	0.6968
Swedish kronor	9.4092	9.7943	9.4415	9.2368	9.2147
Mexican peso	15.9929	15.7126	16.0547	14.7247	15.4879
Israeli shekel	5.3375	4.9457	5.6651	5.5986	5.6948

Segment information at September 30, 2008 and September 30, 2007

	ITALY		EUROPE		UNITED STATES		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
	First nine months		First nine months		First nine months		First nine months		First nine months		First nine months	
(in thousands of euros)	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**
INCOME STATEMENT												
Revenues from outsiders	53,064	59,634	47,579	54,971	37,918	46,193	14,019	16,389	(1,417)	(1,071)	151,163	176,116
Inter-segment revenues	34,566	37,462	6,678	8,841	6,264	7,133			(47,508)	(53,436)		
Total revenues	**87,630**	**97,096**	**54,257**	**63,812**	**44,182**	**53,326**	**14,019**	**16,389**	**(48,925)**	**(54,507)**	**151,163**	**176,116**
Segment result	**15,540**	**18,675**	**6,200**	**7,608**	**13,379**	**23,596**	**951**	**1,921**	**(1,417)**	**(582)**	**34,653**	**51,218**
Unallocated common costs												
EBIT											**34,653**	**51,218**
Other income (expense), net												
Financial income (expense)											(2,864)	(7,343)
Result before taxes											**31,789**	**43,875**
Income taxes											(12,735)	(16,542)
Net result											**19,054**	**27,333**
OTHER INFORMATION												
Amortization	(963)	(1,111)	(136)	(147)	(158)	(157)	(70)	(105)			(1,327)	(1,520)
Depreciation	(3,856)	(3,830)	(3,173)	(3,178)	(1,148)	(1,120)	(1,758)	(1,784)	822	947	(9,113)	(8,965)
Total amortiz. and depreciation	**(4,819)**	**(4,941)**	**(3,309)**	**(3,325)**	**(1,306)**	**(1,277)**	**(1,828)**	**(1,889)**	**822**	**947**	**(10,440)**	**(10,485)**

	ITALY		EUROPE		UNITED STATES		REST OF THE WORLD		ELIMINATIONS		CONSOLIDATED	
(in thousands of euros)	**12/31/2007**	**9/30/2008**	**12/31/2007**	**9/30/2008**	**12/31/2007**	**9/30/2008**	**12/31/2007**	**9/30/2008**	**12/31/2007**	**9/30/2008**	**12/31/2007**	**9/30/2008**
BALANCE SHEET												
Segment assets	105,280	116,880	56,956	73,361	61,351	76,426	15,342	16,633	(47,757)	(69,612)	191,172	213,688
Unallocated assets											17,156	46,461
Total assets	**105,280**	**116,880**	**56,956**	**73,361**	**61,351**	**76,426**	**15,342**	**16,633**	**(47,757)**	**(69,612)**	**208,328**	**260,149**
Segment liabilities	61,077	68,842	29,741	40,249	4,925	6,193	7,951	8,831	(40,861)	(62,228)	62,833	61,887
Unallocated liabilities											25,222	54,321
Shareholders' equity											120,273	143,941
Total liabilities and shareholders' equity	**61,077**	**68,842**	**29,741**	**40,249**	**4,925**	**6,193**	**7,951**	**8,831**	**(40,861)**	**(62,228)**	**208,328**	**260,149**

DESCRIPTION AND MAIN CHANGES

CONSOLIDATED INCOME STATEMENT

The notes to the consolidated income statement are provided below. More detailed information about the components of the income statement is provided in the Report on Operations.

1. Net revenues

In the third quarter of 2008, net revenues, which are generated mainly through the sale of diagnostic kits, totaled 59,850,000 euros, or 22.14% more than in the same period last year. Cumulative revenues at September 30, 2008 amounted to 176,116,000 euros (151,163,000 euros in the first nine months of 2007). Third-quarter revenues include equipment rentals and technical support revenues of 1,284,000 euros, compared with 1,111,000 euros in the same period last year.

2. Cost of sales

In the third quarter of 2008, the cost of sales amounted to 20,026,000 euros, compared with 18,232,000 euros in the three months ended September 30, 2007. The cumulative amount at September 30, 2008 was 60,905,000 euros (53,997,000 euros in 2007).
The cost of sales for the third quarter of 2008 includes 1,781,000 euros paid for royalties (1,070,000 euros in 2007) and 1,501,000 euros in costs incurred to distribute products to end customers (900,000 euros in 2007).

3. Sales and marketing expenses

Sales and marketing expenses increased to 11,757,000 euros in the third quarter of 2008, up from 10,660,000 euros in the same period last year. As a result, the cumulative amount for the first nine months of 2008 totaled 34,688,000 euros (32,628,000 euros in 2007).
This item consists mainly of marketing costs incurred to promote and distribute Diasorin products, costs attributable to the direct and indirect sales force and the cost of the technical support offered together with the Group-owned equipment provided to customers in accordance with gratuitous loan contracts.

4. Research and development costs

The research and development costs incurred during the third quarter of 2008, which totaled 3,571,000 euros (2,736,000 euros in the same period in 2007), included all of the research and development outlays (including the costs incurred to register the products offered for sale and meet quality requirements) that were not capitalized and the amortization of capitalized development costs (136,000 euros, the same amount as in the third quarter of 2007). During the third quarter of 2008, the Group capitalized new development costs amounting to 364,000 euros, down from 559,000 euros in the same period last year.

5. General and administrative expenses

General and administrative expenses, which include expenses incurred for corporate management activities, accounting, Group finance and control, information technology, corporate organization, and insurance, totaled 6,578,000 euros in the third quarter of 2008 (6,166,000 euros in the third quarter of 2007) and 19,406,000 euros in the first nine months of the year (17,691,000 euros in 2007).

6. Other operating income (expenses)

Net other operating income totaled 661,000 euros, compared with net other operating expenses of 1,175,000 euros in the third quarter of 2008. Operating charges and expenses that cannot be allocated to specific functional areas are posted to this account.

7. Net financial income (expense)

The table below provides a breakdown of financial income and expense:

(in thousands of euros)	Third quarter		First nine months	
	2008	**2007**	**2008**	**2007**
Interest and other financial expense	(1,222)	(1,133)	(3,055)	(3,433)
Interest on pension funds	(161)	(203)	(613)	(595)
Interest and other financial income	124	174	264	357
Net translation adjustment	(5,826)	412	(3,939)	807
Net financial income (expense)	**(7,085)**	**(750)**	**(7,343)**	**(2,864)**

In the third quarter of 2008, net financial expense totaled 7,085,000 euros, compared with net financial expense of 750,000 euros in 2007. Interest and other financial expense includes 488,000 euros in interest paid on loans (516,000 euros in the third quarter of 2007), 455,000 euros in fees on factoring transactions (474,000 euros in the third quarter of 2007) and 161,000 euros in financial expense on employee benefit plans (203,000 euros in the third quarter of 2007).
Currency translation losses recognized on the Group's foreign currency exposure are related mainly to indebtedness denominated in U.S. dollars contracted by the Parent Company in connection with the Biotrin acquisition.

8. Income taxes

The income tax expense recognized in the consolidated income statement for the third quarter of 2008 amounted to 4,425,000 euros (38.5% of the result before taxes), compared with 3,966,000 euros in the same period in 2007 (42.7% of the result before taxes). The income tax expense for the first nine months of the year was 16,542,000 euros in 2008 and 12,735,000 euros in 2007.
The reduction in the tax rate is due mainly to the impact of lower tax rates in Italy and Germany.

9. Earnings per share

Basic earnings per share, which are computed by dividing the net result attributable to shareholders by the average number of shares outstanding, amounted to 0.13 euros in the third quarter of 2008 (0.10 euros in the same period last year) and 0.50 euros in the first nine months of 2008 (0.35 euros in 2007).
Diluted earnings per share were 0.13 euros in the third quarter of 2008 (0.13 euros in the third quarter of 2007) and amounted to 0.50 euros in the first nine months of 2008 (0.35 euros in the same period in 2007).

The financial instruments that are relevant for the computation of diluted earnings per share (the 2007-2010 Stock Option Plan) had no impact on their amount.

CONSOLIDATED BALANCE SHEET

10. Property, plant and equipment

The table below shows the changes that occurred in this account as of September 30, 2008:

(in thousands of euros)	Net carrying value at 12/31/2007	Additions	Change in scope of consolidation	Depreciation	Translation adjustment	Retirements and other changes	Net carrying value at 9/30/2008
Land and buildings	9,269	247		(527)	80		9,069
Plant and machinery	7,114	1,441	289	(1,915)	7	78	7,014
Equipment held by outsiders	16,930	6,377		(6,523)	104	(680)	16,208
Other property, plant and equipment	633	731			1	(113)	1,252
Total property, plant and equipment	**33,946**	**8,796**	**289**	**(8,965)**	**192**	**(715)**	**33,543**

11. Intangible assets

A breakdown of intangible assets at September 30, 2008 is as follows:

(in thousands of euros)	Net carrying value at 31/12/2007	Additions	Change in scope of consolidation	Amortization	Translation adjustment and other changes	Net carrying value at 30/06/2008
Goodwill	48,055	15,324	8,251			71,630
Development costs	8,693	1,352		(396)	23	9,672
Other intangibles	8,641	337	21	(1,124)	20	7,895
Total intangible assets	**65,389**	**17,013**	**8,272**	**(1,520)**	**43**	**89,197**

The increase in development costs reflects the ongoing investment in the project for the new LIAISON XL analyzer, which amounted to 343,000 euros in the third quarter of 2008 and 1,121,000 euros in the first nine months of 2008.

The increase in goodwill reflects the impact of the initial consolidation of the Biotrin Group, upon the purchase of 100% of the share capital of this associate on July 9, 2008. The increase is the result of the following items:

- The positive difference (15,324,000 euros) determined by comparing the carrying value of the investment in the associate (21,775,000 euros) with the value of the underlying shareholders' equity at the date of acquisition (6,451,000 euros). This difference has not been allocated to specific assets and liabilities of the Biotrin Group because an analysis designed to identify and value these assets and liabilities is currently being carried out with the support of independent expert appraisers;
- The goodwill included among the assets of the Biotrin Group (8,251,000 euros) that originated in previous years.

There were no indications of impairment concerning intangible assets with an indefinite useful life. An updated analysis of these assets will be carried out when the annual financial statements are prepared.

12. Inventories

A breakdown of inventories at September 30, 2008 and a comparison with the data at December 31, 2007 is as follows:

	9/30/2008			12/31/2007		
(in thousands of euros)	**Gross amount**	**Provisions for write-downs**	**Net amount**	**Gross amount**	**Provisions for write-downs**	**Net amount**
Raw materials and supplies	13,355	(1,284)	12,071	11,783	(1,195)	10,588
Work in progress	17,982	(1,632)	16,350	15,726	(1,380)	14,346
Finished goods	12,863	(1,101)	11,762	11,698	(1,147)	10,551
Total	**44,200**	**(4,017)**	**40,183**	**39,207**	**(3,722)**	**35,485**

13. Trade Receivables

Trade receivables totaled 60,523,000 euros at September 30, 2008. As of the same date, the allowance for doubtful accounts amounted to 5,940,000 euros. The table below shows the changes that occurred in the allowance for doubtful accounts:

(in thousands of euros)	**9/30/2008**	**12/31/2007**
Opening balance	**5,938**	**5,934**
Additions for the period	153	571
Utilizations and reversals for the period	(47)	(697)
Currency translation differences and other changes	(104)	130
Closing balance	**5,940**	**5,938**

14. Shareholders' equity

Shareholders' equity totaled 143,941,000 euros at September 30, 2008. The increase of 23,668,000 euros is the net result of the earnings for the period (27,333,000 euros), the effect of changes in foreign exchange rates on the translation of financial statements denominated in currencies other than the euro (1,399,000 euros) and dividend distributions (5,500,000 euros). Consolidated gains and losses that are recognized directly with offsetting entries posted to shareholders' equity included the following:

(in thousands of euros)	**9/30/2008**	**12/31/2007**
Reserve for tax benefits from stock options	-	2,935
Translation differences	1,399	(3,442)
Gains (Losses) recognized directly in equity	**1,399**	**(507)**
Stock option costs	436	1324
Net result for the reporting period	27,333	25,219
Total gains recognized during the reporting period	**29,168**	**26,036**

15. Borrowings

The table that follows lists the borrowings outstanding at September 30, 2008 and provides a comparison with the data at December 31, 2007 (amounts in thousands of euros):

Lender institution	Balance at December 31, 2007	New borrowings during the period	Repayments during the period	Translation difference	Amortized cost effect	Balance at September 30, 2008
Interbanca USD	5,645		(5,304)	(356)	15	-
Interbanca USD 2008		35,783		3,370	(300)	38,853
Interbanca	7,627		(7,682)		55	-
IMI/Italian Ministry of Education	945				76	1,021
CRT Unicredit	1,359		(333)		55	1,081
Lessors	4,745	1,061	(1,848)			3,958
Factors	177		(177)			0
Total	**20,498**	**36,844**	**(15,167)**	**3,014**	**(99)**	**44,913**

To finance the acquisition of the Ireland-based Biotrin Group, Interbanca provided the Group with a new facility in the amount of US$56 million. This amount was used to cover the cost of the Biotrin acquisition and repay in full a pre-existing facility provided by the same bank. Indebtedness owed by the Biotrin Group amounting to 4.4 million euros was also repaid.

Repayment of the new loan will take place in 10 semiannual installments of the same principal amount, beginning on December 31, 2009 and ending on June 30, 2014.
Six-month interest will be payable in arrears on the same due dates. Interest will be computed at the six-month USD Libor rate plus a spread determined, pursuant to the loan agreement, based on the ratio between consolidated net financial position and EBITDA, as defined in the loan agreement.

The table below provides a breakdown of borrowings by maturity (in thousands of euros):

Lender institution	Currency	Short-term amount	Long-term amount	Amount due after 5 years	Total
Interbanca USD 2008	USD		55,788	5,025	55,788
	Amount in EUR		38,853	7,188	38,853
IMI/Italian Ministry of Education	EUR		1,021	541	1,021
CRT Unicredit	EUR	352	729		1,081
Lessors	EUR	1,719	2,239		3,958
Total		**2,071**	**42,842**	**7,729**	**44,913**

16. Provision for employee severance indemnities and other employee benefits

The liability for employee benefit plans totaled 19,382,000 euros at September 30, 2008. The table that follows provides a breakdown of the changes that occurred in these plans during the first nine months of 2008:

(in thousands of euros)	Defined-benefit plans	Other benefits	Total employee benefits
Balance at December 31, 2007	**18,062**	**968**	**19,030**
Financial expense/(income)	610		610
Actuarial losses/(gains)	(26)		(26)
Service costs	145	153	298
Contribution/Benefits paid	(466)		(466)
Currency translation differences and other changes	(64)		(64)
Balance at September 30, 2008	**18,261**	**1,121**	**19,382**

17. Other non-current liabilities

Other non-current liabilities, which totaled 1,768,000 euros at September 30, 2008, refer to provisions for risks and charges. The table below shows the changes in these provisions:

(in thousands of euros)	9/30/2008	12/31/2007
Opening balance	**2,239**	**2,819**
Additions for the period	73	688
Utilizations for the period	(96)	
Reversals for the period	(400)	(1,353)
Currency translation differences and other changes	(48)	85
Closing balance	**1,768**	**2,239**

Utilizations of 96,000 euros and reversals of 400,000 euros refer to changes in the provision for risks on legal disputes recognized upon the settlement of a tax dispute by Diasorin S.p.A., the Group's Parent Company.

Annex I:
List of Equity Investments

Company	Head office location	Currency	Share capital	Par value per share or partnership interest	% interest held directly	Number of shares held
DiaSorin S.A.	Brussels (Belgium)	EUR	1,674,000	6,696	99.99%	250
DiaSorin Ltda	São Paulo (Brazil)	BRR	10,011,893	1	99.99%	10,011,892
DiaSorin S.A.	Antony (France)	EUR	960,000	15	99.99%	62,494
DiaSorin S.A.	Madrid (Spain)	EUR	1,453,687	6	99.99%	241,878
DiaSorin Ltd	Wokingham (Great Britain)	GBP	500	1	100.00%	500
DiaSorin Inc.	Stillwater (United States)	USD	1	0.01	100.00%	100
DiaSorin SAdeCV	Mexico City (Mexico)	MXP	100,000	1	99.99%	50,000
DiaSorin GmbH	Dietzenbach (Germany)	EUR	275,000	1	100.00%	1
DiaSorin AB	Bromma (Sweden)	SEK	5,000,000	1	100.00%	1
DiaSorin Ltd	Rosh Haayin (Israel)	ILS	100	1	100.00%	100
Equity Investments Valued at Cost						
DiaSorin Ltd	Shanghai (China)	EUR	120,000	1	80.00%	
DiaSorin Austria GmbH	Wien (Austria)	EUR	35,000	1	100.00%	1
Equity Investments in Other Companies						
Consorzio Sobedia	Saluggia (ItalY)	EUR	5,000		20.00%	1

Declaration in accordance with the second subsection of Art. 154-*bis*, Part IV, Title III, Second Paragraph, Section V-*bis*, of Legislative Decree No. 58 of February 24, 1998: "Uniform Law on Financial Intermediation Enacted Pursuant to Articles 8 and 21 of Law No. 52 of February 6, 1996"

I, the undersigned, Andrea Senaldi, Officer Responsible for the preparation of corporate financial reports of Diasorin S.p.A.

ATTEST

as required by the second subsection of Art. 154-*bis*, Part IV, Title III, Second Paragraph, Section V-*bis*, of Legislative Decree No. 58 of February 24, 1998, that, to the best of my knowledge, the financial information included in the present document corresponds to book of accounts and bookkeeping entries of the Company.

Andrea Senaldi
Officer Responsible for the preparation
of corporate financial reports
DIASORIN S.p.A.

DiaSorin
The Diagnostic Specialist

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