

DiaSorin

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Q2 & H1 10 results conference call

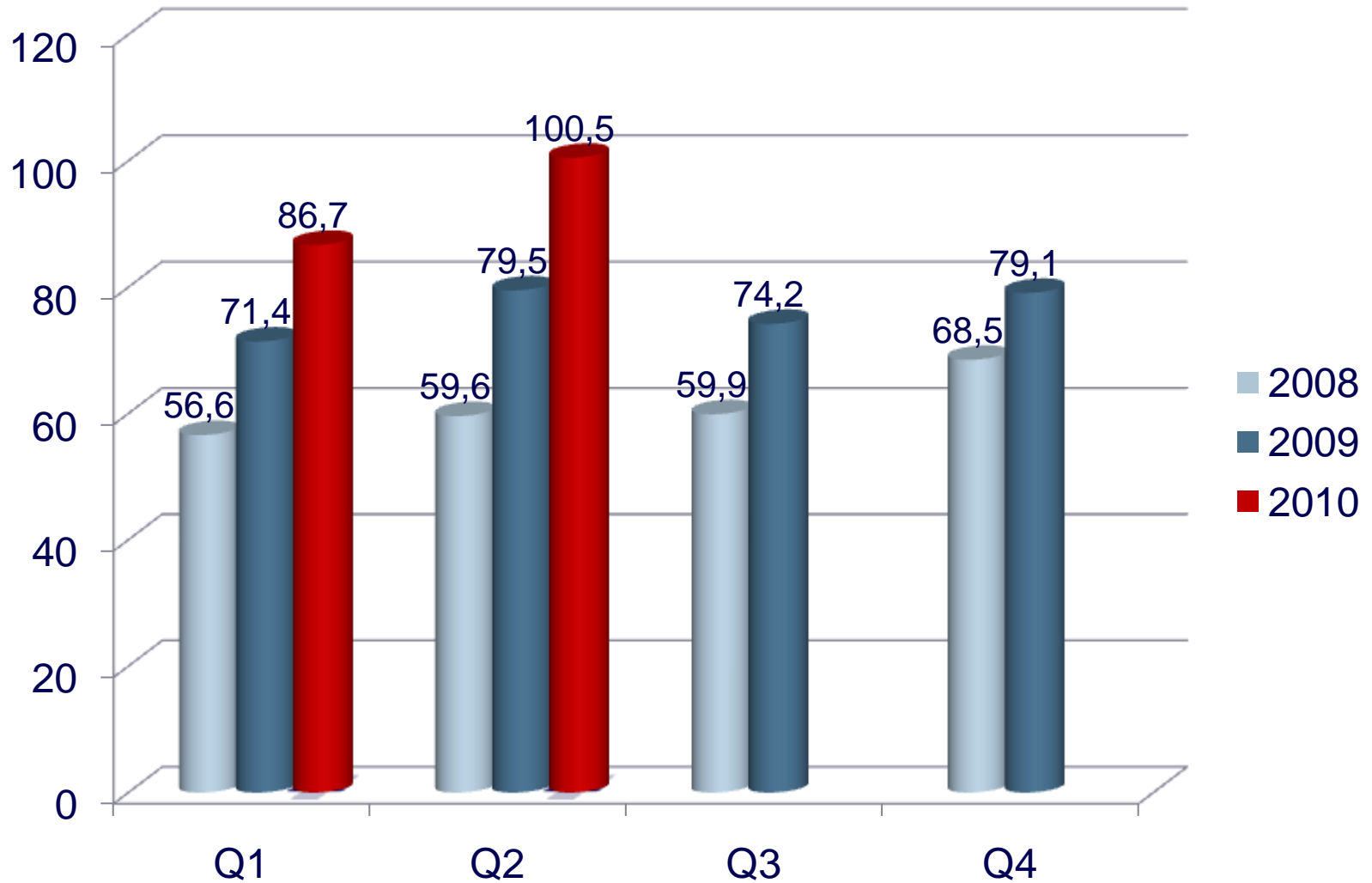
August 6th

The Diagnostic Specialist

Q2 and H1 10 results highlights

- **Steady revenues growth as reported as well as at constant exchange rates:**
 - +26.5% Q2 10 vs Q2 09 (+21.4% at constant exchange rates)**
 - +24.1% H1 10 vs H1 09 (+22.3% at constant exchange rates)**
- **Double digit growth in all regions, strong growth in US and developing markets**
- **Steady enlargement of Liaison installed base, 162 placements in the Quarter, 315 in the first six months (from 2,975 to 3,290)**
- **Significant consistent improvement of operating margins:**
 - **Gross Margin** **+29.0% Q2 10 vs Q2 09,** **+26.8% H1 10 vs H1 09**
 - **Ebit Margin** **+26.7% Q2 10 vs Q2 09,** **+27.8% H1 10 vs H1 09**
- **Net earnings growth comparison affected by 2009 one-off fiscal benefits from goodwill step-up :**
 - **+15.9% H1 10 vs H1 09**
 - **+26.6% excluding one off effects**

Net Revenues by Quarter 2008 - 2010



Q2 10 Results: income statement

<i>millions €</i>	Q2 2010	Q2 2009	Δ
Net Revenues	100.5	79.5	+26.5%
Gross profit	72.6	56.3	+29.0%
<i>Margin</i>	72.2%	70.8%	
<i>G&A</i>	(9.2)	(8.1)	
<i>R&D</i>	(4.6)	(3.9)	
<i>S&M</i>	(17.6)	(14.6)	
Total Operating Expenses	(31.4)	(26.7)	
<i>% on sales</i>	(31.2%)	(33.5%)	
<i>Other operating Income/(Expenses)</i>	(3.8)	-	
Ebit	37.4	29.5	+26.7%
<i>Margin</i>	37.2%	37.1%	
<i>Net Financial expense</i>	0.6	2.3	
<i>Tax</i>	(14.6)	(7.9)	
Net Result	23.5	23.9	-2.0%
Net Result w/o 2009 one off effects	23.5	19.1	+23.0%
Ebitda	42.3	33.8	+25.1%
<i>Margin</i>	42.1%	42.5%	

H1 10 Results: income statement

<i>millions €</i>	1H 10	1H 09	Δ
Net Revenues	187.2	150.9	+24.1%
Gross profit	134.6	106.2	+26.8%
<i>Margin</i>	71.9%	70.4%	
<i>G&A</i>	(18.2)	(15.9)	
<i>R&D</i>	(8.7)	(7.7)	
<i>S&M</i>	(33.0)	(28.1)	
Total Operating Expenses	(59.9)	(51.7)	
<i>% on sales</i>	(32.0%)	(34.3%)	
<i>Other operating Income/(Expenses)</i>	(5.8)	(0.5)	
Ebit	68.9	53.9	+27.8%
<i>Margin</i>	36.8%	35.7%	
<i>Net Financial expense</i>	(0.5)	(1.3)	
<i>Tax</i>	(25.4)	(15.5)	
Net Result	43.0	37.1	+15.9%
Net Result w/o 2009 one off effects	43.0	34.0	+26.6%
Ebitda	78.4	62.2	+26.1%
<i>Margin</i>	41.9%	41.2%	

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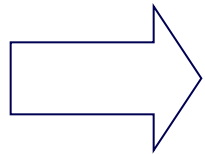
Revenues break down H1: by technology

CLIA sales still represent revenues growth driver

+37.1% H1 10 vs. H1 09

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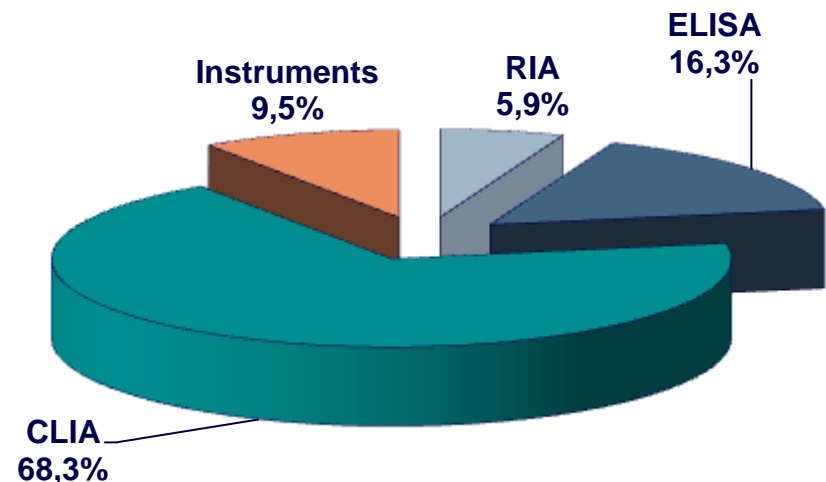
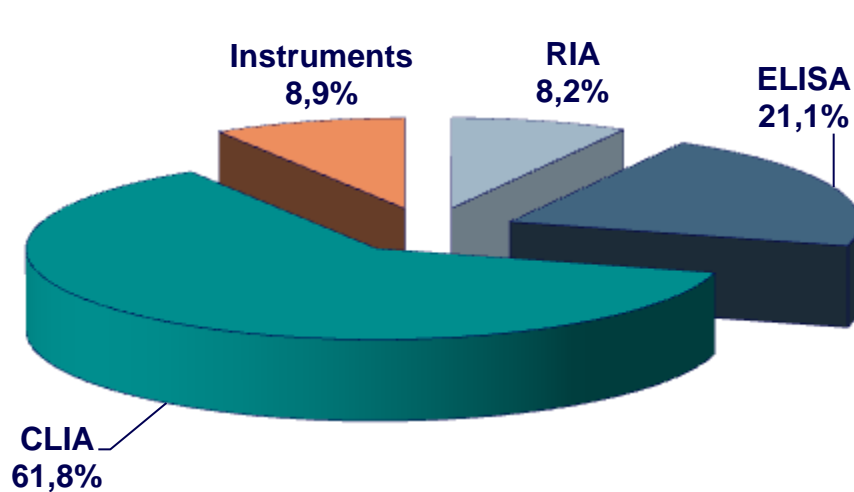
- Vit. D sales boost
- Installed base enlargement : +315 new instruments placed in H1 10
- New Distribution agreements in Latin America



Revenues mix by technology improved towards CLIA kits, from 61.8% in H1 09 to 68.3% in H1 10 of total sales

H1 09

H1 10



Revenues break down Q2/H1: by geography

millions €	Q2			H1		
	2010	2009	Δ%	2010	2009	Δ%
Europe/ Africa	46.5	41.8	11.2%	89.6	81.4	10.1%
Latin America	7.1	4.7	51.6%	12.4	9.2	35.4%
Asia/Pacific	7.7	5.7	36.2%	14.1	11.0	28.5%
North America	39.2	27.3	43.5%	71.1	49.3	44.1%
Total	100.5	79.5	26.5%	187.2	150.9	24.1%

- In Europe/Africa, double digit growth diluted by Italian market:
 - France** +30.2% H1 10 vs. H1 09
 - Israel** +27.6% H1 10 vs. H1 09
- In North America, strong revenues growth as reported as well as at comparable exchange rate:
 - + 43.5% H1 10 vs. H1 09 as reported
 - + 35.2% H1 10 vs. H1 09 at comparable FX**
- In Latin America, revenue growth sustained by new distribution network and by Mexico sales:
 - + 35.4% H1 10 vs. H1 09 as reported **(+17.5% at comparable FX)**
 - Mexico** + 26.6% H1 10 vs. H1 09 as reported **(+15.4% at comparable FX)**
- In Asia Pacific, positive trends in China and good performance in Australia
 - + 28.4% H1 10 vs. H09 as reported

H1 10 Results: income statement

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Continuous improvement in profitability

Profitability growth rate accelerated, despite of one off effects:

Gross Margins	+26.8% H1 10 vs. H1 09	from 70.4% to 71.9% of tot sales
EBITDA	+26.1% H1 10 vs. H1 09	from 41.2% to 41.9% of tot sales
EBIT	+27.8% H1 10 vs. H1 09	from 35.7% to 36.8% of tot sales

Thanks to:

- Improved technology mix: CLIA revenues represents 68.3% in H1 10 vs. 61.8% in H1 09
- Vitamin D test continuous growth
- Lower incidence of instrument sales and instrument depreciation on total sales
- Improved Euro/Dollar exchange rate

Normalizing results for tax on intercompany dividends (€1.6 MM) and legal and tax counsel charges in connection with the Murex acquisition (€1.6MM)

EBITDA	43.6% of total sales in H1 (44.2% in Q2)
EBIT	38.5% of tot sales in Q1 (39.4% in Q2)

Net Result	+15.9% H1 10 vs. H1 09	from 24.6% to 23.0% of tot sales
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Excluding hedge accounting in 2010 and tax benefits in 2009

Net Result	+26.6% H1 10 vs. H1 09	from 22.5% to 23.0% of total sales
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H1 results: balance sheet & cash flow

<i>millions €</i>	30/06/10	31/12/2009
Total tangible asset	53.6	42.0
Total intangible asset	128.7	96.1
Other non-current asset	22.0	19.4
Net Working Capital	97.7	74.5
Other non-current liabilities	(25.6)	(25.3)
Net Capital Employed	276.4	206.7
Net Financial position	(12.3)	11.2
Total shareholder's' equity	264.1	217.9

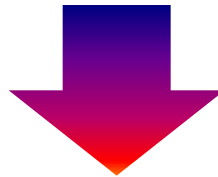
	H1 10	H1 09
Net change in cash and cash equivalents	(23.1)	9.6
Cash and equivalents at the end of the period	24.8	26.4

Solid financial structure

- **Operating cash flow € 40.1 MM in H1 10 (bef. Capex of 12.5 MM) vs. € 25.9 MM in H1 09 (bef. Capex of 14.9 MM);**
- **Negative financial position of € 12.3 MM at 30/06/10 vs. positive financial position of € 11.2 MM at 31/12/09 after dividend payment (€ 11.0 MM) and Murex acquisition Initial Consideration payment (\$ 49.9 MM);**
- **Cash and equivalents at the end of H1 10 amount to € 24.8 MM.**

2010 business outlook

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 Vitamin D -TOTAL test in the global market...



... management believes that it should revise upward its earlier expectations and project revenue **growth in the range of 20%** for the current year, with all **profitability indicators increasing more than proportionally.**

MUREX sales expected to contribute for additional **15-20 € mn**

LIAISON placements in the full year expected to exceed **500 units**