Third Quarter **Report** 2010

DiaSorin

The Diagnostic Specialist

Diagnostic Specia

INTERIM REPORT ON OPERATIONS OF THE DIASORIN GROUP AT SEPTEMBER 30, 2010
Third Quarter 2010

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

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Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors (elected on April 27, 2010)

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)]
	Gian Alberto Saporiti

Board of Statutory Auditors

Chairman	Roberto Bracchetti
Statutory Auditors	Bruno Marchina
	Andrea Caretti
Alternates	Umberto Fares
	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) Direttore generale
(2) Amministratore indipendente
(3) Lead Independent Director

The DiaSorin Group

The DiaSorin Group is an international player in the market for in vitro diagnostics.

Specifically, the DiaSorin Group is active in the area of immunodiagnostics, a market segment that encompasses the categories of immunochemistry and infectious immunology.

In the immunodiagnostics market segment, the Group develops, produces, and markets immunoreagent kits for laboratory in vitro clinical diagnostics based on various technologies. The technologies that the Group uses and has established as the foundation for the development and production of its entire product line reflect the technological path followed by in vitro immunodiagnostic assaying, starting with the introduction of the first commercial tests at the end of the 1960s. Specifically, there are three primary technologies:

- RIA (Radio Immuno Assay): This is a technology that uses radioactive markers and is currently employed primarily for some products capable of providing results that cannot be delivered by other technologies. It does not enable the development of products that can be used with automated testing systems and equipment, but only with products for tests that have to be carried out manually by experienced technicians.
- ELISA (Enzyme Linked ImmunoSorbent Assay): Introduced in the 1980s, this is a non-radioactive technology in which the signal generated by the marker is colorimetric, and which primarily makes it possible to develop products in the microplate format. Originally, products that used the ELISA technology were developed in such a way that diagnostic tests could be performed with the use of minimally sophisticated instrumentation and with a high level of involvement by the laboratory staff. Later came the development of analyzers capable of automating some of the manual operations, but they were still much more complex than the new generation of products that use the CLIA technology.
- CLIA (ChemiLuminescent Immuno Assay): This is the latest generation technology that appeared in the early 1990s. Here, the signal is generated by a marker marked with a luminescent molecule; the CLIA technology can be adapted to products and instruments with features offering a high level of usage flexibility in terms of menus and the performance speed of the test. This technology is used on the LIAISON system. Unlike ELISA, the CLIA technology has made it possible to shorten processing time and has been used by diagnostic companies to develop products in proprietary formats (that is, non-standard formats) based on cartridges capable of working only on the system developed by the particular company (so-called closed systems). The diagnostic kit used on the LIAISON system is manufactured by DiaSorin in cartridges, each of which contains 100 tests for the same disease. Unlike products that use the ELISA technology, the operator is not required to perform any action on the product, which comes in its final form and only needs to be loaded into the appropriate location on the equipment.

In addition to the development, production, and marketing of immunoreagent kits, the Group supplies its customers with equipment that, when used in combination with the reagents, makes it possible to carry out the diagnostic investigation automatically. Specifically, DiaSorin offers two primary types of equipment: the ETI-MAX system, for products that are based on the ELISA technology, and the LIAISON system, which handles products developed on the basis of the CLIA technology.

DiaSorin's products are distinguished by the high technological and innovative content brought to bear in the research and development process and the large-scale production of the biological raw materials that constitute their basic active ingredients (viral cultures, synthetic or recombinant proteins, monoclonal antibodies).

DiaSorin internally manages the primary processes involved in the research, production, and distribution aspects, that is, the process that, starting with the development of new products, leads to the marketing of those products. The Group's manufacturing organization consists of several facilities located in Saluggia (VC), at the Group's Parent Company's headquarters; Stillwater, Minnesota (USA), at the headquarters of DiaSorin Inc.; Dietzenbach, Frankfurt (Germany), at the headquarters of DiaSorin Deutschland GmbH; and Dublin (Ireland), at the headquarters of Biotrin Ltd. Two more plants, located in Dartford (UK) and Kyalami (Johannesburg - South Africa), were added with the acquisition of the Murex business operations from the Abbott Group.

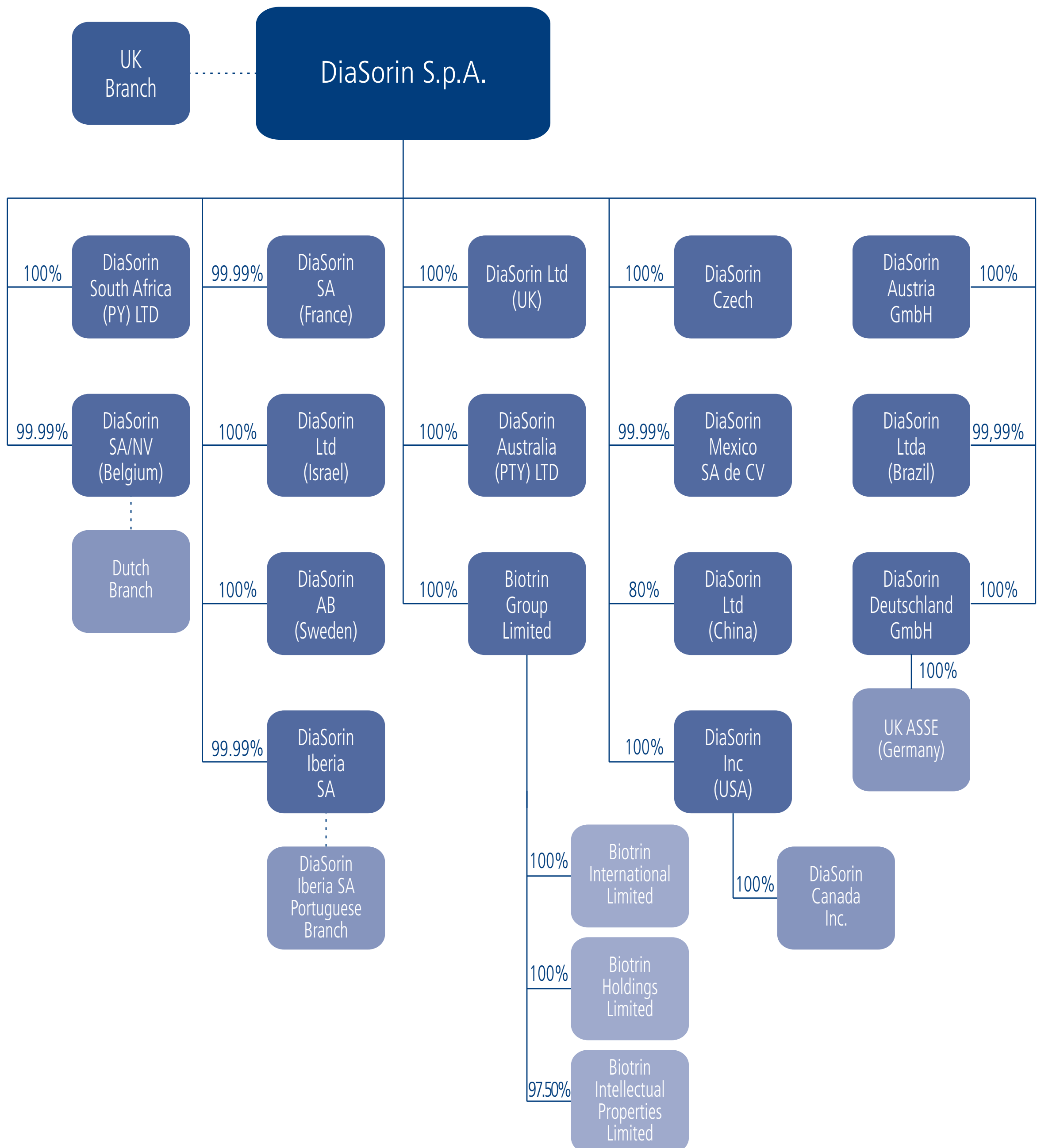
The Group headed by DiaSorin S.p.A. consists of 23 companies based in Europe, in North, Central, and South America, in Africa and in Asia. Six of these companies are involved in research and production.

DiaSorin Australia (Pty) Ltd, a company based in Victoria, Australia, was incorporated on April 27, 2010. The main function of this new company, which became operational on August 1, 2010, is to distribute the products of the DiaSorin Group.

Lastly, the Group established foreign branches that serve as commercial offices in Portugal and the Netherlands.

In Europe, the United States, Mexico, Brazil and Israel, the DiaSorin Group sells its products mainly through its own sales organizations. In countries where the Group does not have a direct presence, it uses an international network of more than 80 independent distributors.

Structure of the DiaSorin Group at September 30, 2010



Consolidated financial highlights

Income statement *(in thousands of euros)*	**Third quarter 2010**	**Third quarter 2009**	**First nine months 2010**	**First nine months 2009**
Net revenues	108,026	74,155	295,238	225,025
Gross profit	74,120	51,574	208,765	157,727
EBITDA [(1)]	44,043	29,781	122,435	91,951
Operating result (EBIT)	38,078	25,391	107,018	79,318
Net profit for the period	24,274	16,871	67,251	53,962

Balance sheet *(in thousands of euros)*	**at 9/30/2010**	**at 12/31/2009**
Capital invested in non-current assets	203,247	157,464
Net invested capital	271,426	206,624
Net financial position	16,352	11,231
Shareholders' equity	287,778	217,855

Cash flow statement *(in thousands of euros)*	**Third quarter 2010**	**Third quarter 2009**	**First nine months 2010**	**First nine months 2009**
Net cash flow for the period	24,146	14,134	1,062	23,781
Free cash flow [(2)]	26,565	16,043	55,074	28,030
Capital expenditures	8,398	5,356	21,629	20,750
Number of employees			1,518	1,186

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

[(2)] Free cash flow is the cash flow from operating activities, counting utilizations for regular capital expenditures but before interest payments.

Interim Report on Operations

Foreword

This interim financial report at September 30, 2010 was prepared in accordance with international accounting principles (International Accounting Standards – IAS and International Financial Reporting Standards – IFRS) and the corresponding interpretations (Standing Interpretations Committee – SIC and International Financial Reporting Interpretations Committee – IFRIC) published by the International Accounting Standards Boards (IASB). More specifically, it is being presented in condensed form, in accordance with the international accounting principle that governs interim financial reporting (IAS 34), as adopted by the European Union, and comply with the requirements of Article 154-ter, Sections 2 and 3, of Legislative Decree No. 58 of February 24, 1998.

Acquisitions of companies and business operations

On June 1, 2010, the Group completed the acquisition of the MUREX® product line from the Abbott Group at a price of US$58 million.

The products manufactured by the acquired business operations are produced at two facilities located in the United Kingdom and South Africa.

The following assets were acquired by the DiaSorin Group:

- The production facilities located in Dartford (Great Britain), the assets of which were acquired by DiaSorin SpA through a branch established in the U.K., and the production facilities located in Kyalami (South Africa), the assets of which were acquired through the DiaSorin South Africa subsidiary. Together with the two plants, a total of about 240 employees was transferred to the Group.
- The MUREX® trademark and all intellectual property rights (including licensed rights) required to use Murex biological materials both for EIA assays and the LIAISON platform.
- All raw materials used by Abbott to manufacture with EIA (enzyme immunoassay) technology Murex EIA assays, including those for HIV, HCV and HBV.
- Medical equipment located at various blood banks throughout the world.
- The customer list and the distribution contracts for MUREX products based on ELISA technology.

Trade receivables and payables were not included in the transaction.

The DiaSorin Group consolidates the data for the Murex business operations starting with this interim report on operations, effective as of June 1, 2010.

As of the date of this quarterly report, the Group had determined the fair value of the acquired assets (in accordance with IFRS 3 Revised), recognizing the difference between the consideration paid for the acquisition and the carrying values of the acquired assets as Goodwill.

A breakdown of how the acquisition price was allocated is provided below:

(amounts in thousands of US dollars)	DiaSorin South Africa subsidiary	DiaSorin SpA through UK branch	DiaSorin SpA and DiaSorin subsidiaries	Total
Inventory (raw materials, semifinished goods, finished products/spare parts)	$ 2,725	$ 6,570	$ 9,074	$ 18,369
Industrial equipment/Plant and machinery	$ 1,397	$ 5,636		$ 7,033
Medical equipment			$ 3,045	$ 3,045
Trademark			$ 15,138	$ 15,138
Knowhow/Patents			$ 8,936	$ 8,936
Goodwill			$ 5,479	$ 5,479
Total	**$ 4,122**	**$ 12,206**	**$ 41,672**	**$ 58,000**

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.

The foreign exchange market

During the first nine months of 2010, the euro decreased significantly in value versus the U.S. dollar, compared with the same period in 2009. In addition, the exchange rate for the Brazilian real versus the euro remained high, with the euro losing 17.4% of its value versus the Brazilian currency compared with the previous year.
Lastly, all of the other currencies with a less material impact on the performance of the DiaSorin Group also increased in value versus the euro during the third quarter of 2010.

The table below provides a comparison of the exchange rates for the first half of 2010 and 2009 (source: Italian Foreign Exchange Bureau):

Currency	**Average exchange rate Third quarter**		**Average exchange rate First Nine Months**		**Exchange rate at September 30**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
U.S. dollar	1.2910	1.4303	1.3145	1.3665	1.3648	1.4643
Brazilian real	2.2589	2.6699	2.3410	2.8345	2.3201	2.6050
British pound	0.8331	0.8716	0.8573	0.8862	0.8600	0.9093
Swedish kronor	9.3804	10.4241	9.6484	10.7103	9.1421	10.2320
Czech koruna	24.9281	25.5975	25.4541	26.6092	24.6000	25.1640
Canadian dollar	1.3416	1.5704	1.3609	1.5933	1.4073	1.5709
Mexican peso	16.5210	18.9695	16.7086	18.6282	17.1258	19.7454
Israeli shekel	4.8975	5.4754	4.9559	5.4334	4.9605	5.5112
Chinese yuan	8.7388	9.7702	8.9474	9.3361	9.1321	9.9958
Australian dollar	1.4289	1.7169	1.4656	1.8228	1.4070	1.6596
South African rand	9.4593	11.1618	9.8084	11.8772	9.5438	10.8984

Review of the Group's operating performance and financial position

Operating performance in the third quarter 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 and a further improvement in all profitability indicators. The main operating and economic developments that characterized the third quarter of the year are reviewed below.

On June 1, 2010, as mentioned earlier in this report, the Company completed the acquisition of the MUREX® product line from the Abbott Group. The MUREX® product line, which is based on the ELISA technology, consists essentially of products for the diagnosis of HIV, HCV and HBV infections. The revenues generated by this new business, from the date of acquisition to September 30, 2010, amounted to 13,659 thousand 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 must still use Abbott as a distributor and expects this situation to continue for an additional period of 12 to 18 months. For this reason, the sales data for Murex products include sales made to distributors to establish their initial inventories, which were acquired directly from Abbott as part of the overall business operations (2,958 thousand euros).
Moreover, Murex sales for the initial four months were affected to a significant degree by the unusually high inventory levels established by customers and distributors ahead of DiaSorin's acquisition of the Murex business operations.

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.

In the third quarter of 2010, the DiaSorin Group increased revenues by 45.7 percentage points compared with the same period in 2009 (38.5% at constant exchange rates). Net of the contribution provided by Murex products, revenues still show a very substantial gain of 28.7% (+21.5% at constant exchange rates).

CLIA technology continued to be the engine driving the rise in revenues. Sales of products based on this technology platform increased by 40.8 percentage points compared with the corresponding period last year.

Continuing the trend that characterized the first two quarters of the year, a large number of new systems were placed at customer facilities in the third quarter of 2010. Specifically, the base of installed LIAISON analyzers increased by 157 units, compared with 92 in the third quarter of 2009.

In the third quarter of 2010, the gross profit grew to 74,120 thousand euros, for a gain of 43.7 percentage points compared with the 51,574 thousand euros reported at September 30, 2009. The ratio of gross profit to revenues contracted from 69.5 percentage points to 68.6 percentage points. The impact of the sales made to Abbott distributors for their initial inventories, as mentioned above, is the reason for the gross profit erosion in the third quarter. Net of this effect, the ratio of gross profit to revenues would have been 70.5%.

In the third quarter of 2010, the other profitability indicators improved compared with the same period last year. Consolidated EBITDA totaled 44,043 thousand euros, for a gain of 47.9% compared with the 29,781 thousand euros earned in the same period last year. EBIT grew by 50%, rising from 25,391 thousand euros in the third quarter of 2009 to 38,078 thousand 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.

Lastly, the net profit for the third quarter increased to 24,274 thousand euros, or 43.9% more than in the same period in 2009. However, it is worth noting that the net profit reported in the third quarter of 2009 was boosted to a significant extent by tax benefits generated by the reversal of deferred-tax liabilities, made possible by the payment of a substitute tax to realign the differences generated upon transition to the IFRS (amounting to 1,063 thousand euros), and by substantially higher translation gains than in the same period in 2010, which resulted from a different accounting treatment applied to the Group's indebtedness in foreign currencies. When the 2009 data are restated net of these factors, the quarter-over-quarter comparison shows an increase of 61.4% in net profit.

The table that follows shows the consolidated income statement for the quarters ended September 30, 2009 and September 30, 2010:

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Third quarter	
	2010 (*)	**2009** (*)
Net revenues	108,026	74,155
Cost of sales	(33,906)	(22,581)
Gross profit	**74,120**	**51,574**
	68.6%	*69.5%*
Sales and marketing expenses	(17,380)	(13,081)
Research and development costs	(4,997)	(3,735)
General and administrative expenses	(11,534)	(7,373)
Total operating expenses	**(33,911)**	**(24,189)**
	-31.4%	*-32.6%*
Other operating income (expenses)	(2,131)	(1,994)
EBIT	**38,078**	**25,391**
	35.2%	*34.2%*
Net financial income (expense)	1,077	(126)
Profit before taxes	**39,155**	**25,265**
Income taxes	(14,881)	(8,394)
Net profit	**24,274**	**16,871**
EBITDA (1)	**44,043**	**29,781**
	40.8%	*40.2%*

(*) Unaudited data.

(1) With regard to the income statement data provided above, please note that 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.

Operating performance in the first nine months of 2010

The results reported by the DiaSorin Group were again highly positive when its performance is viewed over the first nine months of 2010.

Revenues were up sharply in the first nine months of 2010, showing an increase of 31.2 percentage points compared with the same period last year (+27.7% at constant exchange rates). The contribution provided by Murex products to the revenue gain was equal to 6.1 percentage points. Restated excluding the Murex revenues and the translation effect, revenue growth is 21.6%. Aside from the impact of the Murex business operations, the growth in revenues that characterized the entire period was driven by sales of CLIA technology products, which increased by 38.3% compared with the first nine months of 2009, thanks to a steady expansion of the installed base of LIAISON analyzers and the success of Vitamin D testing products.

A total of about 472 new analyzers were installed in the first nine months of 2010 and sales of reagents for CLIA technology assays accounted for 66.2% of total revenues (69.4% if only DiaSorin's business activities are taken into account).

The gross profit increased to 208,765 thousand euros, for a gain of 32.4 percentage points compared with the 157,727 thousand euros reported a year earlier. 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 resulting from sales for the establishment of initial inventories, as explained earlier in this report (the negative impact on the cumulative gross margin for the first nine months of 2010 was equal to 0.7 percentage points). 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 and accounting consulting support incurred in connection with the Murex acquisition. These costs had an impact equal to 1.4% of revenues.

In the first nine months of 2010, consolidated EBITDA grew to 122,435 thousand euros, up from 91,951 thousand euros in the same period in 2009; at September 30, 2010, the ratio of consolidated EBITDA to revenues improved to 41.5 percentage points, compared with 40.9 percentage points a year earlier. Consolidated EBIT amounted to 107,018 thousand euros, compared with 79,318 thousand euros in the first nine months of 2009; at September 30, 2010, the ratio of consolidated EBIT to revenues increased to 36.2 percentage points, up from 35.2 percentage points the previous year. The initial consolidation of the Murex business operations, which included the initial sales discussed above, had a dilutive effect of one percentage point both on EBITDA and EBIT.

Lastly, the cumulative net profit grew to 67,251 thousand euros, or 24.6% more than at September 30, 2009. The comparison with the net profit for the first nine months of 2010 is adversely affected by the same factors mentioned when reviewing the Group's performance in the third quarter. If the data for the first nine months of 2009 are restated without nonrecurring items i. e., foreign exchange gains on indebtedness in foreign currencies and the effect of making the amortization of goodwill tax deductible (1,532 thousand euros and 4,536 thousand euros, respectively), the increase in net profit is 39.2%.

Basic earnings per share, which amounted to 1.22 euros in the first nine months of 2010 (0.98 euros in 2009), were computed by dividing the Company'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 material effect on earnings per share: diluted earnings per share for the first nine months of 2010 were equal to 1.22.

A consolidated income statement for the first nine months of 2010 and 2009 is provided below:

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	First nine months	
	2010 (*)	**2009** (*)
Net revenues	295,238	225,025
Cost of sales	(86,473)	(67,298)
Gross profit	**208,765**	**157,727**
	70.7%	*70.1%*
Sales and marketing expenses	(50,380)	(41,219)
Research and development costs	(13,654)	(11,392)
General and administrative expenses	(29,748)	(23,301)
Total operating expenses	**(93,782)**	**(75,912)**
	-31.8%	*-33.7%*
Other operating income (expenses)	(7,965)	(2,497)
EBIT	**107,018**	**79,318**
	36.2%	*35.2%*
Net financial income (expense)	537	(1,425)
Profit before taxes	**107,555**	**77,893**
Income taxes	(40,304)	(23,931)
Net profit	**67,251**	**53,962**
EBITDA (1)	**122,435**	**91,951**
	41.5%	*40.9%*

(*) Unaudited data.

(1) With regard to the income statement data provided above, please note that 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.

Net revenues

The comments provided below with regard to net revenue refer exclusively to the DiaSorin business activities. As for the Murex business activities, at September 30, 2010, the Group reported sales of Murex products valued at 13,659 thousand euros, including the initial inventories of Abbott distributors, amounting to 2,958 thousand euros, and Abbott distribution fees totaling 801 thousand euros.

As explained earlier in this report, with regard to sales of the Murex product line, it is important to keep in mind that in many of the distribution regions the Group has to continue using Abbott for an additional period of time estimated at 12

to 18 months. Moreover, Murex sales for the initial four months were affected to a significant degree by the unusually high inventory levels established by customers and distributors ahead of DiaSorin's acquisition of the Murex business operations. Management believes that, once the effects resulting from the startup of the acquired business operations have been absorbed, sales revenues will return to normal levels, i.e., about US$60 million a year.

In the third quarter of 2010, net revenues generated exclusively through the sale of DiaSorin products and services totaled 95,439 thousand euros, or 21,284 thousand euros more than in the same period last year. The gain compared with the third quarter of 2009 was equal to 28.7 percentage points.

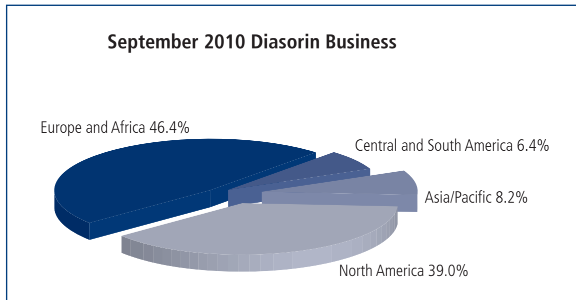
With data stated at constant exchange rates (third quarter 2009), the year-over-year gain amounts to 15,960 thousand euros, or 21.5%.

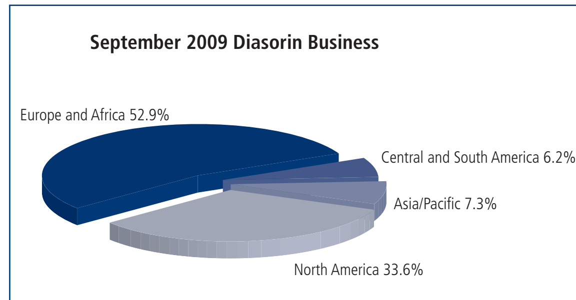
At September 30, 2010, the cumulative revenues from DiaSorin products showed an increase of 56,554 thousand euros, equal to a gain of 25.1%, at current exchange rates, compared with the first nine months of 2009. Stated at constant exchange rates, the revenue increase amounts to 21.6 percentage points. The impact of changes in exchange rates reflects the loss of value of the euro versus all of the other currencies used by the Group, particularly regarding the U.S. dollar and the Brazilian real.

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 European sales region generated revenues of 41,695 thousand euros, for a gain of 10.7% compared with the revenues reported in the same period last year (37,671 thousand euros).

At September 30, 2010, the cumulative revenues booked in this region's markets totaled 130,671 thousand euros, up from 119,035 thousand euros in the first nine months of 2009. This increase, which corresponds to a gain of 9.8%, reflects primarily the benefit of a significant increase in the value of the Israeli shekel and Swedish kronor versus the euro. With data stated at constant exchange rates, the increase in the region's revenues is 8.7%.

In the Italian market, cumulative revenues totaled 44,246 thousand euros, for a gain of 5.1 percentage points compared with the first nine months of 2009.
The Group continued to report strong performances in France and the Benelux, with revenues increasing by 29.2% and 10.8%, respectively, compared with the previous year. The Israeli subsidiary reported double-digit gains both at current exchange rates (23.9%) and at constant exchange rates (13%) and the German subsidiary increased its revenues by 7.1%.

North America

In the North American market, revenues grew by 12,397 thousand euros, or 47.2 percentage points, in the third quarter of 2010. With data restated net of a favorable translation effect, the gain is 32.5%.

At September 30, 2010, the cumulative revenues generated in this region totaled 109,744 thousand euros, or 45.2% more than in the same period last year. Favorable fluctuations in the euro/U.S. dollar exchange rate contributed to this increase. When revenues are restated at constant exchange rates (first nine months of 2009), the revenue gain is equal to 39.6 percentage points.

In the Canadian market, the local subsidiary grew its revenues by 55 percentage points at current exchange rates and by 49.1 percentage points at constant exchange rates.

As a result of these developments, the revenues generated in the North American market at September 30, 2010 (not counting those from Murex products) were equal to 39% of total Group revenues.

Latin America

In the Latin American market revenues increased by 1,209 thousand euros, or 25.2 percentage points, in the third quarter of 2010. This strong performance reflects the positive impact of the revaluation of the Brazilian real versus the euro. Stated at constant exchange rates (third quarter of 2009), revenues show a gain of 8.9%.

Cumulative revenues for the first nine months of 2010 grew by 29.7% to a total of 18,090 thousand euros, up from 13,952 thousand euros in the same period in 2009. In this case as well, the revaluation of the Brazilian currency had a significant impact on the revenue gain. At 2009 exchange rates, the revenue increase would have been equal to 12.7 percentage points.
The cumulative revenues of the Brazilian subsidiary, which at constant exchange rates were significantly lower than in 2009, continue to feel the impact of delays in the award of a major public contract for ELISA technology products.

On the other hand, the Mexican subsidiary reported year-over year revenue increases of 31.1 percentage points at current exchange rates and 17.6 percentage points at constant exchange rates.

Cumulative revenues from sales to this region's distributors were up 268% compared with the previous year. The addition of new distributors in such strategic countries as Venezuela and Colombia accounts for this improvement.

Asia/Pacif

In the Asia/Pacific region, revenues totaled 9,077 thousand euros in the third quarter of 2010, for a gain of 67.4 percentage points compared with the same period in 2009. As was the case in other regions, favorable fluctuations in exchange rates contributed to this increase. When the revenue amounts are translated at the exchange rates of the third quarter of 2009, the revenue gain is equal to 63.6 percentage points.

At September 30, 2010, the region's cumulative revenues amounted to 23,073 thousand euros, or 40.4% more than in the first nine months of 2009. At the aggregate level, changes in exchange rates contributed 3.8 percentage points to the revenue gain.

The Australian subsidiary began to operate directly in the local market in August, one month later than originally planned. In the Chinese market, revenues for the first nine months of 2010 increased by 53 percentage points compared with the previous year, thanks to an expansion of the installed base of LIAISON systems and the resulting increase in sales of CLIA technology products.

Lastly, the network served through independent distributors continued to report positive results, with revenues up by 19 percentage points compared with the same period in 2009.

Breakdown of revenues by technology

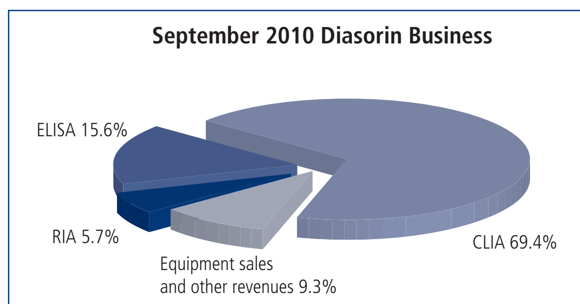
Revenues generated by the LIAISON platform continued to increase reflecting the impact of a steadily growing installed base and the Group's geographic expansion.

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. If these products were included in the breakdown by technology analysis, ELISA technology products would account for 19.1% of consolidated revenues.

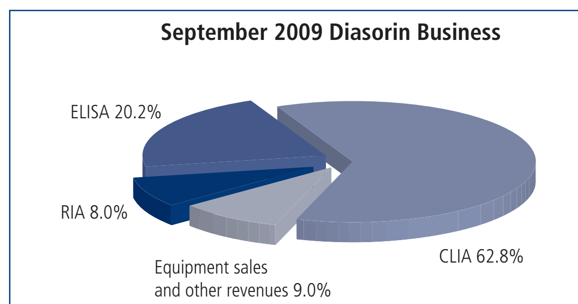
	% of revenues contributed			
	Third quarter		September	
	2010	**2009**	**2010**	**2009**
RIA	5.2%	7.4%	5.7%	8.0%
ELISA	15.1%	18.5%	15.6%	20.2%
CLIA	70.8%	64.7%	69.4%	62.8%
Equipment sales and other revenues	8.9%	9.4%	9.3%	9.0%
Total	**100%**	**100%**	**100%**	**100%**

The revenues generated by LIAISON products in the first nine months of 2010 grew by 38.3 percentage points compared with the same period in 2009.

September 2010 Diasorin Business



September 2009 Diasorin Business



In the first nine months of 2010, sales of CLIA technology products accounted for 69.4% of total Group revenues. At September 30, 2010, about 3,447 automated LIAISON analyzers were installed at facilities operated by direct and indirect customers of the Group, for an increase of about 472 units compared with the installed base at December 31, 2009. About 157 new analyzers were installed in the third quarter of 2010.

Operating performance

The Group ended the third quarter of 2010 with a gross profit of 74,120 thousand euros, for a gain of 43.7 percentage points compared with the 51,574 thousand euros reported at September 30, 2009. The ratio of gross profit to revenues decreased from 69.5 percentage points to 68.6 percentage points. The gross profit erosion in the third quarter reflects the effect of revenues from sales of Murex products, particularly with regard to sales made to Abbott distributors for their initial inventories (2,958 thousand euros), which had an impact of 1.9 percentage points on the gross profit for the quarter. The cumulative gross profit increased from 157,727 thousand euros in the first nine months of 2009 to 208,765 thousand euros in the same period last year, for a gain of 32.4%. The ratio of gross profit to revenues grew from 70.1% to 70.7% (71.4 % excluding the effect of the abovementioned initial-inventory sales).

The main factor that continues to drive these sharp gains in the Group's performance indicators is the improvement of the sales mix, with a rising percentage of total revenues provided by high margin CLIA technology products and, specifically, by sales of specialty assays, chief among them the LIAISON Vitamin D Total test. The resulting positive effect is magnified by programs implemented to reduce the percentage impact on revenues of operating expenses and of depreciation, amortization and writedowns.

Operating expenses rose by 40.2 percentage points to 33,911 thousand euros in the third quarter of 2010, but the increase was proportionately significantly smaller than the gain in revenues. As a result, while up in absolute terms, the impact of operating expenses as a percentage of revenues shrank to 31.4 percentage points, down from 32.6 percentage points in the third quarter of 2009. Expenses attributable to the sales and marketing organization increased, due to the process of incorporating into the Group the operations related to the Murex product line.

In the first nine months of 2010, operating expenses totaled 93,782 thousand euros, up 23.5% from 75,912 thousand euros in the same period a year ago. The ratio of operating expenses to revenues decreased from 33.7% to 31.8%.

In the third quarter and first nine months of 2010, the ratio of research and development costs to revenues held relatively steady compared with the corresponding periods last year, with investments ranging between 4.6% and 5.1% of revenues.

The ratio of general and administrative expenses to revenues improved significantly in the first nine months of 2010, decreasing from 10.4 percentage points in 2009 to 10.1 percentage points in 2010.

It is worth noting that the operating expenses recognized in the first nine months of 2010 included 2,575 thousand euros in tax withholdings that could not be deducted for tax purposes by the Group's Parent Company. These tax withholdings were levied on the distribution of intra-Group dividends that were used to finance the acquisition of the Murex product line. Other extraordinary nonrecurring charges booked in the first nine months of 2010 included 1,654 thousand euros paid to legal and tax counsel in connection with the abovementioned acquisition.

As a result of the developments described above, consolidated third quarter EBIT totaled 38,078 thousand euros in 2010, up 50 percentage points compared with 2009, for a ratio of EBIT to revenues of 35.2%; cumulative EBIT totaled 107,018 thousand euros, or 34.9% more than in the first nine months of 2009.

EBITDA for the third quarter of 2010 amounted to 44,043 thousand euros, for a gain of 47.9 percentage points compared with 2009. Cumulative EBITDA also improved, rising to 122,435 thousand euros, up 33.2% compared with the first nine months of 2009.

Financial income and expense

Net financial income amounted to 1,077 thousand euros in the third quarter of 2010, as against net financial expense of 126 thousand euros in the same period in 2009. Cumulative net financial income totaled 537 thousand euros at September 30, 2010, as against net financial expense of 1,425 thousand 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.

Interest and other financial expense includes 211 thousand euros in fees on factoring transactions (265 thousand euros in the third quarter of 2009), 190 thousand euros in interest on pension funds (247 thousand euros in the same period in 2009) and 176 thousand euros in interest on borrowings owed to banks and leasing companies.
In addition, financial income for the third quarter of 2010 included 1,315 thousand euros 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.

Financial income and expense for the first nine months of 2010 included 719 thousand euros in fees paid on factoring transactions (874 thousand euros in the same period in 2009), 577 thousand euros in interest paid on pension funds (630 thousand euros in the same period in 2009), 496 thousand euros in interest paid on borrowings owed to banks and leasing companies and financial income of 543 thousand euros for the measurement at fair value of U.S. dollar forward sales contracts.

Result before taxes and net result

In the third quarter of 2010, the result before taxes grew to 39,155 thousand euros, causing the cumulative result before taxes at September 30, 2010 to rise to 107,555 thousand euros. Both figures were higher than the amounts reported in the corresponding periods in 2009, when they totaled 25,265 thousand euros and 77,893 thousand euros, respectively.

Income taxes for the third quarter of 2010 totaled 14,881 thousand euros, up from 8,394 euros in the same period last year. It is worth noting that the income tax liability for the third quarter of 2009 reflected the positive impact of the reversal of deferred-tax liabilities, made possible by the payment of a substitute tax to realign the differences generated upon transition to the IFRS (positive effect of 1,063 thousand euros).

Income taxes for the first nine months of 2010 amounted to 40,304 thousand euros compared with 23,931 thousand euros in the same period last year, when, however, the income tax liability reflected the impact of the payment of a substitute tax of 3,644 thousand euros, which made the amortization of goodwill tax deductible, and the concurrent recognition of a corresponding deferred-tax asset of 7,124 thousand euros.

The Group ended the third quarter of 2010 with a net profit of 24,274 thousand euros (16,871 thousand euros in 2009). As a result, the consolidated net profit for the first nine months of 2010 grew to 67,251 thousand euros (53,962 thousand euros in the same period last year).

If the 2009 net profit is restated net of the impact of extraordinary items, including the tax effect of the substitute tax and of the different accounting treatment applied to the Group's debt exposure in foreign currencies, the increase in net profit for the third quarter and the first nine months of 2010 is 61.4% and 39.2%, respectively, compared with the corresponding periods the previous year.

Analysis of consolidated cash flow

A schedule showing a condensed consolidated statement of cash flows, followed by a review of the main statement items and the changes that occurred compared with the first nine months of 2009, is provided below:

(in thousands of euros)	First nine months		Third quarter	
	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 for financing activities	(7,487)	(2,457)	2,418	(1,170)
Cash used for investing activities	(19,972)	(20,153)	(7,485)	(5,212)
Acquisitions of subsidiaries and business operations (*)	(45,550)	-	(4,502)	-
Net change in 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.

The cash flow from operating activities grew from 46,391 thousand euros in the first nine months of 2009 to 74,071 thousand euros in 2010.

This increase reflects mainly an improvement in the income stream (net result plus depreciation and amortization, additions to provisions and other non-cash items) during the first nine months of 2010. Trade receivables increased compared with December 31, 2009, consistent with a rise in revenues and an expansion of the customer base, following the consolidation of the Murex business operations. The increase in inventories, both in the third quarter and the first nine months of 2010, is due mainly to the acquisition of the Murex business operations.

The liquid assets used in investing activities (excluding the Murex acquisition) during the first nine months of 2010 totaled 19,972 thousand euros, in line with the previous year. In the third quarter, the DiaSorin Australia Ltd subsidiary purchased the business operations of a local distributor for a price amounting to 7,139 thousand euros, including 2,253 thousand euros paid upon acquisition and 4,886 thousand euros payable in two installments over the next two years.

During the first nine months of 2010, the Group's Parent Company distributed dividends totaling 11,000 thousand euros (6,600 thousand euros in 2009). In addition, the Board of Directors agreed to increase the Company's capital stock and additional paid-in capital by 595 thousand euros and 6,653 thousand euros, respectively, to implement the "2007-2012 Stock Option Plan," and the Company repaid borrowings totaling 4,566 thousand euros.

In the third quarter of 2009, the Company paid Abbott a portion of the outstanding balance of the acquisition price, amounting to 4,502 thousand 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 48,947 thousand euros, up from 47,885 thousand euros at the end of 2009.

Net financial position

(in thousands of euros)	**At September 30, 2010**	**At December 31, 2009**
Cash and cash equivalents	(48,947)	(47,885)
Liquid assets (a)	**(48,947)**	**(47,885)**
Other current financial assets (b)	**(543)**	
Current bank debt	8,154	7,616
Other current financial liabilities	641	1,176
Current indebtedness (c)	**8,795**	**8,792**
Net current financial position (d)=(a)+(b)+(c)	**(40,695)**	**(39,093)**
Non-current bank debt	24,000	27,135
Other non-current financial liabilities	343	727
Non-current indebtedness (e)	**24,343**	**27,862**
Net financial position (f)=(d)+(e)	**(16,352)**	**(11,231)**

At September 30, 2010, the net financial position was positive by 16,352 thousand euros.

Other information

At September 30, 2010, the Group had 1,518 employees (1,196 at December 31, 2009) including 234 employees who joined the Group as a result of the Murex transaction.

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 part of the Group's regular operations and 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 this Report.

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.

The cost incurred for stock options amounted to 635 thousand euros in 2010 and 566 thousand euros in 2009.

Fees paid to Directors and Statutory Auditors in the first nine months of 2010 totaled 630 thousand euros (510 thousand euros in the first nine months of 2009).

Significant events occurring after September 30, 2010 and business outlook

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

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, in light of the rate of expansion of the installed base of LIAISON systems attained in the first nine months of 2010, management believes that it will succeed in achieving the target of 550 net new installations for all of 2010.

Consolidated financial statements of the DiaSorin Group at September 30, 2010 and accompanying notes

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	**Notes**	**Third quarter**		**First nine months**	
		2010	**2009**	**2010**	**2009**
Net revenues	(1)	108,026	74,155	295,238	225,025
Cost of sales	(2)	(33,906)	(22,581)	(86,473)	(67,298)
Gross profit		**74,120**	**51,574**	**208,765**	**157,727**
Sales and marketing expenses	(3)	(17,380)	(13,081)	(50,380)	(41,219)
Research and development costs	(4)	(4,997)	(3,735)	(13,654)	(11,392)
General and administrative expenses	(5)	(11,534)	(7,373)	(29,748)	(23,301)
Other operating income (expenses)	(6)	(2,131)	(1,994)	(7,965)	(2,497)
EBIT		**38,078**	**25,391**	**107,018**	**79,318**
Net financial income (expense)	(7)	1,077	(126)	537	(1,425)
Result before taxes		**39,155**	**25,265**	**107,555**	**77,893**
Income taxes	(8)	(14,881)	(8,394)	(40,304)	(23,931)
Net result for the period		**24,274**	**16,871**	**67,251**	**53,962**
Broken down as follows:					
Minority interest in net result		-	-	-	-
Group Parent Company's interest in net result		24,274	16,871	67,251	53,962
Earnings per share (basic)	(9)	**0.44**	**0.31**	**1.22**	**0.98**
Earnings per share (diluted)	(9)	**0.44**	**0.31**	**1.22**	**0.98**
EBITDA		**44,043**	**29,781**	**122,435**	**91,951**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	**Notes**	**9/30/2010**	**12/31/2009**
ASSETS			
Non-current assets			
Property, plant and equipment	(10)	55,293	41,963
Goodwill	(11)	65,004	59,333
Other intangibles	(11)	62,424	36,673
Investments in associates		27	123
Deferred-tax assets	(12)	19,981	18,910
Other non-current assets		518	462
Total non-current assets		**203,247**	**157,464**
Current assets			
Inventories	(13)	68,022	50,331
Trade receivables	(14)	98,518	75,868
Other financial assets	(17)	543	-
Other current assets	(15)	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**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

(in thousands of euros)	**Notes**	**9/30/2010**	**12/31/2009**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	(16)	55,595	55,000
Additional paid-in capital	(16)	12,578	5,925
Statutory reserve	(16)	4,519	2,427
Other reserves	(16)	5,897	(455)
Retained earnings (Accumulated deficit)	(16)	141,938	84,911
Net result for the period	(16)	67,251	70,047
Total shareholders' equity		**287,778**	**217,855**
Non-current liabilities			
Long-term borrowings	(17)	24,343	27,862
Provisions for employee severance indemnities and other employee benefits	(18)	20,458	19,837
Deferred-tax liabilities	(12)	2,015	2,492
Other non-current liabilities	(19)	5,853	3,019
Total non-current liabilities		**52,669**	**53,210**
Current liabilities			
Trade payables	(20)	34,236	29,778
Other current liabilities	(21)	29,217	17,370
Income taxes payable	(22)	14,310	9,902
Current portion of long-term debt	(17)	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**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Third quarter		First nine months	
	2010	**2009**	**2010**	**2009**
Cash flow from operating activities				
Net result for the period	24,274	16,871	67,251	53,962
Adjustments for:				
- Income taxes	14,881	8,394	40,304	23,931
- Depreciation and amortization	5,966	4,390	15,419	12,633
- Financial expense	(1,076)	126	(537)	1,425
- Additions to/(Utilizations of) provisions for risks	75	457	2,595	588
- (Gains)/Losses on sales of non-current assets	(190)	103	(110)	197
- Additions to/(Reversals of) provisions for employee severance indemnities and other employee benefits	(33)	77	376	178
- Changes in shareholders' equity reserves:				
- Stock option reserve	277	211	635	566
- Cumulative translation adjustment from operating activities	(1,809)	(301)	1,141	(748)
- Change in other non-current assets/liabilities	3,786	(270)	1,642	(372)
Cash flow from operating activities before changes in working capital	**46,151**	**30,058**	**128,716**	**92,360**
(Increase)/Decrease in receivables included in working capital	(5,121)	3,117	(21,583)	(9,078)
(Increase)/Decrease in inventories	(661)	(1,011)	(3,296)	(7,675)
Increase/(Decrease) in trade payables	491	(4,438)	3,734	(345)
(Increase/ Decrease in other working capital items	2,322	666	4,954	348
Cash from operating activities	**43,182**	**28,392**	**112,525**	**75,610**
Income taxes paid	(9,132)	(7,137)	(37,479)	(27,427)
Interest paid	(335)	(739)	(975)	(1,792)
Net cash from operating activities	**33,715**	**20,516**	**74,071**	**46,391**
Investments in intangibles	(1,791)	(1,046)	(4,110)	(6,650)
Investments in property, plant and equipment	(6,607)	(4,310)	(17,519)	(14,100)
Retirements of property, plant and equipment	913	144	1,657	597
Cash used in regular investing activities	**(7,485)**	**(5,212)**	**(19,972)**	**(20,153)**
Acquisitions of subsidiaries and business operations	(4,502)		(45,550)	
Cash used in investing activities	**(11,987)**	**(5,212)**	**(65,522)**	**(20,153)**
Loan repayments	(188)	(179)	(4,566)	(352)
Proceeds from new borrowings	-	-	-	6,897
(Repayment of)/Proceeds from other financial obligations	(262)	(461)	(935)	(1,462)
Share capital increase/Dividend distribution	7,248	-	(3,752)	(6,600)
Foreign exchange translation differences	(4,380)	(530)	1,766	(940)
Cash used in financing activities	**2,418**	**(1,170)**	**(7,487)**	**(2,457)**
Net change in cash and cash equivalents	**24,146**	**14,134**	**1,062**	**23,781**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**24,801**	**26,437**	**47,885**	**16,790**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**48,947**	**40,571**	**48,947**	**40,571**

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 (Accumu-lated deficit)	Net result for the period	Group interest in share-holders' equity
Shareholders' equity at 12/31/2008	**55,000**	**5,925**	**1,140**	**(1,467)**	**716**	**55,374**	**37,459**	**154,147**
Appropriation of previous year's profit	-	-	1,287	-	-	36,172	(37,459)	-
Dividend distribution	-	-	-	-	-	(6,600)	-	(6,600)
Share-based payments and other entries	-	-	-	-	566	-	-	566
Translation adjustment	-	-	-	(1,214)	-	-	-	(1,214)
Change in scope of consolidation	-	-	-	-	-	(145)	-	(145)
Net result for the period	-	-	-	-	-	-	53,962	53,962
Shareholders' equity at 9/30/2009	**55,000**	**5,925**	**2,427**	**(2,681)**	**1,282**	**84,801**	**53,962**	**200,716**
Shareholders' equity at 12/31/2009	**55,000**	**5,925**	**2,427**	**(1,927)**	**1,472**	**84,911**	**70,047**	**217,855**
Appropriation of previous year's profit	-	-	2,092	-	-	67,955	(70,047)	-
Dividend distribution	-	-	-	-	-	(11,000)	-	(11,000)
Share-based payments and other entries	595	6,653	-	-	635	-	-	7,883
Translation adjustment	-	-	-	6,678	-	-	-	6,678
Change in scope of consolidation	-	-	-	-	-	72	-	72
Net investment hedge gains (losses) after tax effect	-	-	-	(961)	-	-	-	(961)
Net result for the period	-	-	-	-	-	-	67,251	67,251
Shareholders' equity at 9/30/2010	**55,595**	**12,578**	**4,519**	**3,790**	**2,107**	**141,938**	**67,251**	**287,778**

CONSOLIDATED STATEMENT OF COMPREHENSIVE PROFIT AND LOSS

(in thousands of euros)	Third quarter		First nine months	
	2010	**2009**	**2010**	**2009**
Net result for the period	**24,274**	**16,871**	**67,251**	**53,962**
Currency translation differences	(10,158)	(1,191)	6,678	(1,214)
Net investment hedge gains (losses) after tax effect	2,051	-	(961)	-
Total other components of comprehensive income for the period	**(8,107)**	**(1,191)**	**5,717**	**(1,214)**
Total net comprehensive income for the period	**16,167**	**15,680**	**72,968**	**52,748**
- Group Parent Company's interest	**16,167**	**15,680**	**72,968**	**52,748**

Notes to the consolidated quarterly report at September 30, 2010 and September 30, 2009

GENERAL INFORMATION AND SCOPE OF CONSOLIDATION

General information

The DiaSorin Group specializes 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, in Saluggia (VC).

Principles for the preparation of the interim report on operations

This quarterly report was prepared in compliance with the International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union. The designation IFRSs also includes the International Accounting Standards ("IASs") that are still in effect and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This quarterly report 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, financial performance and financial position.

When preparing interim financial reports, 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.

As a rule, 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 the necessary information is available, except when there are impairment indicators that require an immediate evaluation of any impairment losses that may have occurred.

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 thousands of euros unless otherwise stated.
The accounting principles applied to prepare this consolidated semiannual report are consistent with those used for the annual consolidated financial statements at December 31, 2009, since it has been determined that the revisions and interpretations published by the IASB that were applicable as of January 1, 2010 did not require any material changes in the accounting principles adopted by the Group the previous year.

For the sake of complete disclosure, the accounting principles relevant to the DiaSorin Group that were amended after December 31, 2009 or are being adopted for the first time are reviewed below.

IFRS 8 "Operating Segments" – This principle requires the disclosure of information about the Group's operating segments and eliminates the requirement to identify the Group's primary reporting segment (business) and secondary reporting segment (geographic). The adoption of this amendment had no impact on the Group's financial position or performance.
The adoption of IFRS 8 did not require changes in how the Group identifies and defines its operating segments. Therefore, the operating segments are the same as those identified earlier in accordance with IAS 14 "Segment Reporting," which coincide with the geographic regions where the DiaSorin Group operates.

IFRS 3 (2008) "Business Combinations" – As allowed under the standard's transition rules, the Group adopted IFRS 3 (revised in 2008) "Business Combinations" prospectively, applying it to business combinations carried out as of January 1, 2010.
Specifically, the revised version of IFRS 3 introduced some important changes, which are described below:

1) Step acquisition of a subsidiary

According to IFRS 3 (2008), when a subsidiary is acquired in stages, a business combination takes place only when control is acquired. At that moment, all of the identifiable net assets of the acquired company must be measured at fair value.

Under the previous version of the principle, the step acquisition of control was recognized one transaction at the time, as a series of separate acquisitions that, taken together, generated a goodwill amount determined as the sum of the goodwill amounts generated by the individual transactions.

As of the date of these interim financial statements, the process of valuing the assets and liabilities acquired with the Murex transaction had not been completed. Consequently, the difference between the consideration paid for the acquisition and the book values of the acquired assets was provisionally recognized as Goodwill, as allowed under IFRS 3 Revised.

2) Incidental transaction costs

Under IFRS 3 (2008), incidental costs incurred in connection with business combinations must be expensed out in the period they are incurred. Under the previous version of this standard, these charges were included in the acquisition cost of the acquired company's net assets.
As required by IFRS 3, the Group recognized these charges on its income statement as Other operating expenses.

3) Recognition of contingent consideration

Under IFRS 3 (2008), contingent consideration must be treated as part of the purchase price of the acquired assets and measured at fair value on the date of acquisition. Conversely, if the business combination contract requires that certain components of the consideration must be refunded if certain conditions occur, this right must be recognized as an asset by the acquirer. Subsequent changes in fair value may be recognized as a restatement of the original accounting treatment only if they are determined by more or better information about the fair value and if this occurs within 12 months from the date of acquisition. All other changes must be recognized in profit or loss.
Under the standard's previous version, contingent consideration was recognized on the date of acquisition only if its payment was deemed to be likely and its amount could be determined reliably. Any subsequent change in the value of the contingent consideration was recognized as a restatement of goodwill.
No contingent consideration was required for the Murex acquisition.

IAS 39 "Financial Instruments"
Consistent with its corporate strategy, the Group uses hedging instruments exclusively to mitigate its foreign exchange risk.
In 2009, the Group's management revised the policies concerning the hedging of the risk related to the exposure of assets denominated in currencies other than the euro to fluctuations in foreign exchange rates.

Accordingly, it developed an official risk management policy that matches a large foreign currency cash flow generated by the Group's business expansion, particularly in the United States, with borrowings in the same currencies, thereby balancing over time cash inflows and outflows. Starting in the first quarter of 2010, the Company applies the guidelines of IAS 39 to account for a hedge of a net investment: if a financial instrument is designated as a hedge of a net investment in a foreign operation, held directly or indirectly through an intermediate subsidiary, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly as a component of the Statement of Comprehensive Income and reflected in Shareholders' equity under the Translation reserve, while the ineffective portion is recognized in profit or loss. Any gain or loss on the hedging instrument on the effective portion accumulated in the Translation reserve is recognized in profit or loss when the hedged foreign operation is sold.

Specifically, a financing facility provided to the Company in U.S. dollars has been designated as an instrument hedging net assets denominated in U.S. dollars, as allowed by IAS 39. The effectiveness of this hedge is verified every three months using the dollar offset method. The portion that this test shows to be effective is reflected in Shareholders' equity under the Translation reserve. This item will continue to be part of Shareholders' Equity until the time when the Company may decide to dispose of the U.S. operations.

In addition to the policies described above, which are designed to hedge translational currency risks, the Group also adopted policies to hedge transactional currency risks through forward sales of cash flows denominated in foreign currencies, with special emphasis on the expected cash flows corresponding to dividends from the U.S. subsidiary.

Initially, these instruments are measured at fair value. On subsequent financial statement dates, the fair value of these derivatives must be remeasured and:

(i) if an instrument does not qualify for hedge accounting, changes in its fair value that arise subsequent to its initial recognition must be recognized in profit or loss;
(ii) if an instrument qualifies as a fair value hedge, any subsequent change in the fair value of the derivative is recognized in profit or loss; at the same time, the carrying amount of the hedged item is adjusted for the corresponding gain or loss with respect to the hedged risk, which is also recognized in profit or loss; any ineffective portion of the hedge is recognized in the income statement as an item separate from the account used to recognize changes in the fair value of the hedging instrument and hedged item;
(iii) if an instrument qualifies as a cash flow hedge, any subsequent change in the fair value of the derivative is recognized in equity; any changes in the fair value of the derivative previously recognized directly in equity are reclassified into profit or loss in the same period in which the hedged transaction affects profit or loss.

This quarterly report was not audited.

Financial statement presentation formats

The financial statements are presented in accordance with the following formats:

- In the income statement, costs are broken down by function. This income statement format, also known as a "cost of sales" income statement, is more representative of the Group's business than a presentation with expenses broken down by nature because it is consistent with internal reporting and business management methods and is consistent with international practice in the diagnostic industry.
- In the balance sheet, current and non-current assets and current and non-current liabilities are shown separately.
- The cash flow statement is presented in accordance with the indirect method.

Scope of consolidation

This 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, 2009 due to the inclusion of the DiaSorin China, DiaSorin South Africa and DiaSorin Australia subsidiaries.

Subsidiaries are companies over which the Group is able to exercise control, i.e., it has the power to 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, 2010, 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:

Currency	First nine months 2010		At	First nine months 2009	
	Average	At 9/30/10	12/31/09	Average	At 9/30/09
U.S. dollar	1.3145	1.3648	1.4406	1.3665	1.4643
Brazilian real	2.3410	2.3201	2.5113	2.8345	2.6050
British pound	0.8573	0.8600	0.8881	0.8862	0.9093
Swedish kronor	9.6484	9.1421	10.2520	10.7103	10.2320
Czech koruna	25.4541	24.6000	26.4730	26.6092	25.1640
Canadian dollar	1.3609	1.4073	1.5128	1.5933	1.5709
Mexican peso	16.7086	17.1258	18.9223	18.6282	19.7454
Israeli shekel	4.9559	4.9605	5.4545	5.4334	5.5112
Chinese yuan	8.9474	9.1321	9.8350	9.3361	9.9958
Australian dollar	1.4656	1.4070	1.6008	1.8228	1.6596
South African rand	9.8084	9.5438	10.6660	11.8772	10.8984

OPERATING SEGMENTS

As required by IFRS 8, the Company designated the geographic regions where it operates as its operating segments.

The Group's organization and internal management structure and its reporting system identify the following segments: Italy and UK Branch, Europe (Germany, France, Belgium and the Netherlands, Spain and Portugal, Ireland, Austria, Great Britain, Scandinavia, Czech Republic), North America (United States and Canada) and Rest of the World (Brazil, Mexico, Israel, China Australia and South Africa).

In 2009, the Group focused on making its internal and external reporting system consistent with the new structure of its commercial organization by geographic regions, which was developed to address the requirements created by geographic expansion and strategic initiatives, such as the launch of the LIAISON XL. This new organization, which was conceived to reflect the destinations of the Group's sales, is based on the following four regions: Europe and Africa, North America, Latin America, and Asia/Pacific (including China).

As a result, the financial data of the DiaSorin Group that are being communicated to the financial markets and the investing public now include revenue information that reflects the new regional organization mentioned above.

The schedules that follow show the Group's operating and financial data broken down by geographic region. Information about revenues based on customer locations is provided in the comments to the schedule showing a breakdown of net revenues by geographic region.

No unallocated common costs are shown in the abovementioned schedules because the operations in each country (hence, each segment) are equipped with comprehensive independent organizations (sales, technical support and accounting) fully capable of exercising their functions. Moreover, the Italy segment invoices each quarter to the other segments the costs that are incurred centrally (mainly insurance costs and costs related to the Group's IT systems and management personnel).

Eliminations refer mainly to inter-segment margins that are eliminated upon consolidation. Specifically, the elimination of the margin earned by the Italy segment on the sale of equipment to other segments is shown both at the result level and with regard to capital expenditures. The margins earned on products sold by manufacturing facilities to sales branches that have not yet been sold to customers are eliminated only at the result level.

Segment assets include all items related to operations (non-current assets, receivables and inventories), but do not include tax related items (deferred-tax assets) and financial assets, which are shown at the Group level.
The same approach was used for segment liabilities, which include items related to operations (mainly trade payables and amounts owed to employees), but do not include financial and tax liabilities and shareholders' equity items, which are shown at the Group level.

In some instances, the previous year's data were reclassified and made consistent for comparison purposes.

	ITALY		EUROPE		NORTH AMERICA		REST OF WORLD		ELIMINATIONS		CONSOLIDATED	
(in thousands of euros)	9/30/10	9/30/09	9/30/10	9/30/09	9/30/10	9/30/09	9/30/10	9/30/09	9/30/10	9/30/09	9/30/10	9/30/09
INCOME STATEMENT												
Revenues from outsiders	70,498	60,033	77,166	69,531	113,201	77,652	34,373	17,809	-	-	295,238	225,025
Inter-segment revenues	59,750	47,315	14,396	13,041	16,035	10,264	1,110	33	(91,291)	(70,653)	-	-
Total revenues	**130,248**	**107,348**	**91,562**	**82,572**	**129,236**	**87,916**	**35,483**	**17,842**	**(91,291)**	**(70,653)**	**295,238**	**225,025**
Segment result	**11,831**	**17,489**	**14,864**	**12,370**	**79,286**	**48,328**	**5,008**	**2,307**	**(3,970)**	**(1,176)**	**107,018**	**79,318**
Unallocated common costs	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	-	-	-	-	-	-	-	-	-	-	**107,018**	**79,318**
Other income (expense), net	-	-	-	-	-	-	-	-	-	-	-	-
Financial income (expense)	-	-	-	-	-	-	-	-	-	-	537	(1,425)
Result before taxes	-	-	-	-	-	-	-	-	-	-	**107,555**	**77,893**
Income taxes	-	-	-	-	-	-	-	-	-	-	(40,304)	(23,931)
Net result	-	-	-	-	-	-	-	-	-	-	**67,251**	**53,962**
OTHER INFORMATION												
Invest. in prop., plant and equip.	1,697	1,644	636	3,649	229	242	231	69	-	-	2,793	5,604
Investments in intangibles	6,557	4,178	4,512	3,586	5,093	2,333	2,837	848	(2,052)	(1,155)	16,947	9,790
Total investments	**8,254**	**5,822**	**5,148**	**7,235**	**5,322**	**2,575**	**3,068**	**917**	**(2,052)**	**(1,155)**	**19,740**	**15,394**
Amortization	(1,475)	(731)	(1,563)	(1,041)	(224)	(135)	(356)	(95)	-	-	(3,618)	(2,002)
Depreciation	(5,102)	(2,685)	(3,771)	(2,255)	(2,070)	(992)	(2,050)	(1,099)	1,192	790	(11,801)	(6,241)
Tot. amortiz. and deprec.	**(6,577)**	**(3,416)**	**(5,334)**	**(3,296)**	**(2,294)**	**(1,127)**	**(2,406)**	**(1,194)**	**1,192**	**790**	**(15,419)**	**(8,243)**

	ITALY		EUROPE		NORTH AMERICA		REST OF WORLD		ELIMINATIONS		CONSOLIDATED	
(in thousands of euros)	9/30/10	12/31/09	9/30/10	12/31/09	9/30/10	12/31/09	9/30/10	12/31/09	9/30/10	12/31/09	9/30/10	12/31/09
STATEM. OF FINANC. POSITION												
Segment assets	194,309	134,485	94,312	88,043	66,339	54,529	48,752	20,181	(45,662)	(27,247)	358,050	269,990
Unallocated assets	-	-	-	-	-	-	-	-	-	-	68,955	66,917
Total assets	**194,309**	**134,485**	**94,312**	**88,043**	**66,339**	**54,529**	**48,752**	**20,181**	**(45,662)**	**(27,247)**	**427,005**	**336,907**
Segment liabilities	53,292	41,977	35,749	33,203	10,602	9,355	23,315	4,010	(7,210)	(12,176)	115,748	76,368
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	47,170	42,684
Shareholders' equity	-	-	-	-	-	-	-	-	-	-	264,087	217,855
Total liab. and shareh. equity	**53,292**	**41,977**	**35,749**	**33,203**	**10,602**	**9,355**	**23,315**	**4,010**	**(7,210)**	**(12,176)**	**427,005**	**336,907**

	EUROPE AND AFRICA		NORTH AMERICA		CENTRAL/SOUTH AMERICA		ASIA/PACIFIC		MUREX		CONSOLIDATED	
(in thousands of euros)	9/30/10	9/30/09	9/30/10	9/30/09	9/30/10	9/30/09	9/30/10	9/30/09	9/30/10	9/30/09	9/30/10	9/30/09
INCOME STATEMENT												
Revenues from outsiders	130,671	119,035	109,744	75,598	18,090	13,952	23,074	16,440	13,659	-	295,238	225,025

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 first nine months of 2010, net revenues, which are generated mainly through the sale of diagnostic kits, totaled 295,238 thousand euros, or 31.2% more than in the same period last year.
Third quarter revenues amounted to 108,026 thousand euros (74,155 thousand euros in the third quarter of 2009). These revenues include equipment rentals and technical support revenues of 1,798 thousand euros, compared with 1,658 thousand euros in the same period last year.

As for the Murex business activities, at September 30, 2010, the Group reported sales of Murex products valued at 13,659 thousand euros, including the initial inventories of Abbott distributors, amounting to 2,958 thousand euros, net of Abbott distribution fees totaling 801 thousand euros.

As explained earlier in this report, with regard to sales of the Murex product line, it is important to keep in mind that in many of the distribution regions the Group will have to continue using Abbott for an additional period of time estimated at 12 to 18 months. Moreover, Murex sales for the initial four months were affected to a significant degree by the unusually high inventory levels established by customers and distributors ahead of DiaSorin's acquisition of the Murex business operations.

2. Cost of sales

In the third quarter of 2010, the cost of sales amounted to 33,906 thousand euros, compared with 22,581 thousand euros in the same period last year, bringing to 86,473 thousand euros the cumulative amount for the first nine months of 2010 (67,298 thousand euros in the first nine months of 2009). The cost of sales includes 3,563 thousand euros paid for royalties (2,168 thousand euros in the first nine months of 2009) and 1,617 thousand euros in costs incurred to distribute products to end customers (1,300 thousand euros in 2009). Cost of sales also includes the depreciation of medical equipment held by customers, which amounted to 2,825 thousand euros in the first nine months of 2010 (2,227 thousand euros in the same period last year).
It is worth noting that the increases in the items listed above reflect in part the inclusion of the Murex business operations. Specifically, the cost of sales includes the depreciation of equipment bought from Abbott (223 thousand euros), royalties paid under contracts to use industrial and commercial patents acquired with the Murex business (635 thousand euros) and the cost paid to buy reagents that were part of the acquired business operations and were later resold to Abbott customers and distributors.

3. Sales and marketing expenses

Sales and marketing expenses increased to 17,380 thousand euros in the third quarter of 2010, up from 13,081 thousand euros in same period in 2009. 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 under gratuitous loan contracts.

Expenses attributable to the sales and marketing organization increased, due to the process of incorporating into the Group the operations related to the Murex product line.

4. Research and development costs

The research and development costs incurred in the third quarter of 2010, which totaled 4,997 thousand euros (3,735 thousand euros in the same period in 2009), include non-capitalized research and development outlays of 3,074 thousand euros (2,523 thousand euros in the same period in 2009), costs incurred to register the products offered for sale and meet quality requirements of 1,764 thousand euros (1,025 thousand euros in the third quarter of 2009) and the amortization of capitalized development costs totaling 159 thousand euros (187 thousand euros in the third quarter of 2009).
During the third quarter of 2010, the Group capitalized new development costs amounting to 334 thousand euros, compared with 624 thousand euros in the third quarter of 2009.

5. General and administrative expenses

General and administrative expenses include expenses incurred for corporate management activities; Group administration, finance and control; information technology; corporate organization; and insurance. These expenses totaled 11,534 thousand euros in the third quarter of 2010, up from 7,373 thousand euros in the same period in 2009.

6. Other operating income (expenses)

Net other operating expenses totaled 2,131 thousand euros in the third quarter of 2010 (1.994 thousand euros in the same period in 2009). This item includes other income from operations that does not derive from the Group's regular sales activities (such as gains on asset sales, government grants and insurance settlements, out-of-period income and reversals of surplus provisions), net of other operating expenses that cannot be allocated to specific functional areas (losses on asset sales, out-of-period charges, indirect taxes and fees, and additions to provisions for risks).

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	
	2010	**2009**	**2010**	**2009**
Interest and other financial expense	(493)	(816)	(1,509)	(2,156)
Valuation of financial instruments as per IAS 39	1,315	-	543	-
Interest on pension funds	(190)	(247)	(577)	(630)
Interest and other financial income	31	40	227	121
Net translation adjustment	414	897	1,853	1,240
Net financial income (expense)	**1,077**	**(126)**	**537**	**(1,425)**

In the third quarter of 2010, net financial income totaled 1,077 thousand euros, as against net financial expense of 126 thousand euros in the same period last year. This positive change reflects a favorable fair value measurement of financial instruments executed by DiaSorin SpA, the Group's Parent Company, which consist of forward sales to hedge expected future cash flows from the U.S. subsidiary. The change in fair value, which produced a gain of 1,315 thousand euros, was recognized on the income statement because, at the consolidated level, these transactions do not qualify for hedge accounting in accordance with the requirements of IAS 39.

The net translation adjustment for the quarter, which was positive by 414 thousand euros, includes charges of 272 thousand euros related to the collection by DiaSorin SpA of a dividend distributed by the U.S. subsidiary, which reflects the change in the euro/US dollar exchange rate from the date the dividend was declared and the date it was collected, as required by IAS 21.

It is worth noting that starting this year, following the adoption of an official foreign exchange risk management policy, the Group's Parent Company applies the hedge accounting principles required by IAS 39, recognizing translation differences on a facility in U.S. dollars directly in equity (negative by 1,326 thousand euros for the first nine months of 2010 and positive by 2,829 thousand euros in the third quarter of the year). In 2009, these translation differences, which were positive both for the first nine months and the third quarter by 1,532 thousand euros and 1,058 thousand euros, respectively, were recognized as part of financial income and expense.

8. Income taxes

The income tax expense recognized in the income statement for the third quarter of 2010 amounted to 14,881 thousand euros, up from 8,394 thousand euros in the same period last year, which benefited from the payment by the Group's Parent Company of a substitute tax of 683 thousand 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 1,746 thousand euros.

The income tax expense for the first nine months of 2010 amounted to 40,304 thousand euros, compared with 23,931

thousand euros in the same period last year. In addition to the effect mentioned above, the 2009 figure also reflects the positive impact of the payment by the Group's Parent Company of a substitute tax required to make the amortization of goodwill tax deductible, which enabled it to recognize the corresponding deferred-tax asset, for a net benefit of 3,480 thousand euros.

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 0.44 euros in the third quarter of 2010, compared with 0.31 euros in the same period in 2009.
The financial instruments outstanding that must be taken into account to determine the dilution effect did not have a diluting effect.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

10. Property, plant and equipment

The table below shows the changes that occurred in this account as of September 30, 2010:

(in thousands of euros)	**Net carrying value at 12/31/09**	**Additions**	**Change in scope of consolidat.**	**Deprecia- tion**	**Retirements**	**Transla- tion adjustment**	**Reclassi fications and other changes**	**Net carrying value at 9/30/10**
Land	2,302	-	-	-	-	13	-	2,315
Buildings	6,202	42	-	575	-	150	3	5,823
Plant and machinery	3,897	516	4,526	818	3	27	5	8,150
Manufacturing and distribution equipment	23,426	12,974	4,062	9,836	1,488	792	936	30,866
Other assets	2,305	675	40	573	57	95	86	2,571
Construction in progress and advances	3,831	2,739	116	-	-	(13)	(1,106)	5,568
Total property, plant and equipment	**41,963**	**16,947**	**8,744**	**11,801**	**1,548**	**1,065**	**(76)**	**55,293**

Manufacturing and distribution equipment includes 572 thousand euros for medical equipment purchased by DiaSorin Australia when it acquired the business operations of a local distributor, 2,469 thousand euros for equipment purchased from Abbott as part of the Murex business operations and 5,703 thousand euros for assets of facilities that manufacture the Murex product line.

11. Intangible assets

A breakdown of the changes in intangible assets at September 30, 2010 is as follows:

(in thousands of euros)	**Net carrying value at 12/31/09**	**Additions**	**Change in scope of consolida-tion**	**Amortiza-tion**	**Translation adjustment**	**Reclassi-fications and other changes**	**Net carrying value at 9/30/10**
Goodwill	59,333	-	4,442	-	1,229	-	65,004
Development costs	11,674	1,413	-	470	78	(150)	12,545
Concessions, licenses and trademarks	11,805	921	23,476	1,461	603	91	35,434
Industrial patents and intellectual property rights	12,942	448	2,245	1,673	107	(33)	14,036
Advances and other intangibles	252	12	-	14	(9)	168	409
Total intangible assets	**96,006**	**2,793**	**30,163**	**3,618**	**2,008**	**76**	**127,428**

The increase in development costs reflects the ongoing investment in the project for the new LIAISON XL analyzer, which amounted to 784 thousand euros in the first nine months of 2010.

Change in scope of consolidation includes the amounts attributable to assets acquired from Abbott attributable to Murex and the distribution rights purchased in Australia (amounting to 6,203 thousand euros).

At September 30, 2010, the Group completed the identification of the assets acquired in the Murex transaction, as required by IFRS 3 Revised. Specifically, it determined the value of the intangible assets it acquired, which is shown in the table that follows:

(in thousands of euros)	
Trademark	12,229
Knowhow/patents	5,044
Industrial and commercial patents	2,245
Total	**19,518**

The excess amount compared with the consideration paid was allocated to goodwill, which increased by 4,442 thousand euros.

12. Deferred-tax assets and deferred-tax liabilities

Deferred-tax assets amounted to 19,981 thousand euros. They relate to consolidated companies that have deferred-tax assets in excess of deferred-tax liabilities and to consolidation adjustments. Deferred-tax liabilities, which totaled 2,015 thousand euros, relate to consolidated companies that have deferred-tax liabilities in excess of deferred-tax assets. They are shown on the liabilities side of the statement of financial position.

The balance reflects the net deferred-tax assets computed on the consolidation adjustments (mainly from the elimination of unrealized gains on intra-Group transactions) and on temporary differences between the amounts used to prepare the consolidated financial statements and the corresponding amounts used by the consolidated companies for tax purposes.

Deferred-tax assets were recognized in the financial statements when their future use was deemed to be probable. The same approach was used to recognize the benefit provided by the use of tax loss carryforwards, most of which, under current laws, can be brought forward indefinitely.

Based on the multi-year plans prepared by the Group's management, the Group is expected to generate sufficient taxable income in future years to allow for the full recovery of the abovementioned amount.

An analysis of deferred-tax assets, net of offsettable deferred-tax liabilities, is provided below:

(in thousands of euros)	9/30/2010	12/31/2009
Deferred-tax assets	19,981	18,910
Deferred-tax liabilities	(2,015)	(2,492)
Total net deferred-tax assets	**17,966**	**16,418**

The Group offsets deferred-tax assets and liabilities when they refer to the same company. Depending on whether they are positive or negative, the resulting balances are recognized as deferred-tax assets or deferred-tax liabilities, respectively.

13. Inventories

A breakdown of inventories at September 30, 2010 and a comparison with the data at December 31, 2009 is provided below:

(in thousands of euros)	9/30/2010			12/31/2009		
	Gross amount	Provi-sions for writedowns	Net amount	Gross amount	Provi-sions for writedowns	Net amount
Raw materials and supplies	20,717	(1,877)	18,840	17,676	(1,457)	16,219
Work in progress	29,600	(2,577)	27,023	21,411	(1,618)	19,793
Finished goods	22,939	(780)	22,159	15,115	(796)	14,319
Total	**73,256**	**(5,234)**	**68,022**	**54,202**	**(3,871)**	**50,331**

A portion of the increase compared with December 31, 2009, amounting to 10,333 thousand euros, is attributable to the consolidation of the Murex business operations.

The table below shows the changes that occurred in the provisions for inventory writedowns:

(in thousands of euros)	9/30/2010	12/31/2009
Opening balance	**3,871**	**4,181**
Change in scope of consolidation	-	-
Additions for the period	1,426	475
Utilizations/Reversals for the period	(153)	(774)
Translation differences and other changes	90	(11)
Ending balance	**5,234**	**3,871**

14. Trade receivables

Trade receivables totaled 98,518 thousand euros at September 30, 2010. The table that follows shows the changes that occurred in the allowance for doubtful accounts, which totaled 6,811 thousand euros at September 30, 2010:

(in thousands of euros)	**9/30/2010**	**12/31/2009**
Opening balance	**5,929**	**5,551**
Additions for the period	703	218
Utilizations and reversals for the period	(18)	(352)
Currency translation differences and other changes	197	512
Closing balance	**6,811**	**5,929**

15. Other current assets

Other current assets of 8,271 thousand euros (5,359 thousand euros at December 31, 2009) consist mainly of accrued income and prepaid expenses for insurance, interest, rentals and government grants; tax credits for foreign taxes withheld; and advances paid to suppliers.

16. Shareholders' equity

Share capital

At September 30,2010, the fully paid-in share capital consisted of 55.595 million common shares, par value of 1 euro each. The increase in share capital reflects the implementation of a capital increase reserved for the 2007-2012 Stock Option Plan.

Additional paid-in capital

This account, which has a balance of 12,578 thousand euros, increased by 6,653 thousand euros due to the exercise of the first tranche of options awarded under the 2007-2012 Stock Option Plan.

Statutory reserve

This reserve amounted to 4,519 thousand euros at September 30, 2010. The appropriation of the 2009 net profit, amounting to 2,092 thousand euros, accounts for the increase compared with December 31, 2009.

Other reserves

A breakdown of other reserves is as follows:

(in thousands of euros)	9/30/2010	12/31/2009
Currency translation reserve	3,790	(1,927)
Stock option reserve	2,107	1,472
Total other reserves	**5,897**	**(455)**

The currency translation reserve reflects differences generated by the translation at end-of-period exchange rates of the shareholders' equities of consolidated companies whose financial statements are denominated in foreign currencies. It also includes adjustments made to the goodwill allocated to cash generating units (CGUs) that operate with currencies other than the euro and reflects currency translation difference resulting from the adoption of hedge accounting, net of the applicable tax effect. At September 30, 2010, this reserve showed an increase of 5,717 thousand euros attributable primarily to the impact of changes in the exchange rates for the U.S. dollar and the Brazilian real.
The balance in the stock option reserve refers to the 2007-2012 Stock Option Plan. The change in this reserve, in the first nine months of 2010, reflects the recognition of stock option costs amounting to 635 thousand euros, including 405 thousand euros for the residual portion of the cost of the first tranche, exercised in part as of September 30, 2010.

17. Borrowings

Borrowings include 24,343 thousand euros in long-term debt and 8,795 thousand euros for the portion due within one year.
The table that follows lists the borrowings outstanding at September 30, 2010 and provides a comparison with the data at December 31, 2009 (amounts in thousands of euros):

Lender institution	Balance at 12/31/09	Redemptions in the first nine months of 2010	Currency translation differences	Fair value measurement	Amortized cost effect	Balance at 9/30/10
GE Capital (formerly Interbanca) USD	26,657	(3,503)	1,845	-	35	25,034
GE Capital (formerly Interbanca) EUR	6,208	(691)	-	-	-	5,517
IMI – Ministry of Educ., University and Research	1,070	-	-	-	39	1,109
Unicredit for flood relief	816	(372)	-	-	51	495
Finance leases	1,903	(935)	15	-	-	983
Total borrowings owed to financial institutions	**36,654**	**(5,501)**	**1,860**	**-**	**125**	**33,138**
Financial instruments	-		-	(543)	-	(543)
Total financial liabilities	**36,654**	**(5,501)**	**1,860**	**(543)**	**125**	**32,595**

Redemptions include the following repayments: 372 thousand euros to CRT Unicredit, US$4,300 thousand, (equal to 3,503 thousand euros) to GE Capital for the facility in U.S. dollars, 691 thousand euros to GE Capital for the facility in euros and 935 thousand euros to leasing companies.

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

Lender institution	Currency	Short-term amount	Long-term amount	Amount due after 5 years	Total
Interbanca USD	USD	8,538	25,627	-	34,165
	Amount in EUR	6,256	18,777	-	25,033
Interbanca EUR		1,379	4,138	-	5,517
IMI – Ministry of Educ., University and Research	EUR	185	924	157	1,109
Unicredit for flood relief	EUR	334	161	-	495
Leasing companies	EUR	641	343	-	984
Total		**8,795**	**24,343**	**157**	**33,138**

There were no changes in contract terms compared with December 31, 2009 and DiaSorin was in compliance with all of the operating and financial covenants of the existing loan agreements.

At September 30, 2010, a breakdown of net borrowings was as follows:

(in thousands of euros)	At September 30, 2010	At December 31, 2009
Cash and cash equivalents	(48,947)	(47,885)
Liquid assets (a)	**(48,947)**	**(47,885)**
Other current financial assets (b)	**(543)**	**-**
Current bank debt	8,154	7,616
Other current financial liabilities	641	1,176
Current indebtedness (c)	**8,795**	**8,792**
Net current indebtedness (d)=(a)+(b)+(c)	**(40,695)**	**(39,093)**
Non-current bank debt	24,000	27,135
Other non-current financial liabilities	343	727
Non-current indebtedness (e)	**24,343**	**27,862**
Net borrowings (f)=(d)+(e)	**(16,352)**	**(11,231)**

A breakdown of the changes in the Group's liquid assets is provided in the statement of cash flows.

18. Provision for employee severance indemnities and other employee benefits

The balance in this account reflects all of the Group's pension plan obligations, other post-employment benefits and benefits payable to employees when certain requirements are met. Group companies provide post-employment benefits to their employees by contributing to external funds and by funding defined-contribution and/or defined-benefit plans.

The manner in which these benefits are provided varies depending on the applicable statutory, tax-related and economic conditions in the countries where Group companies operate. As a rule, benefits are based on each employee's level of compensation and years of service. The Group's obligations refer to the employees currently on its payroll.

Defined-contribution plans

Certain Group companies pay contributions to private funds or insurance companies pursuant to a statutory or contractual obligation or on a voluntary basis. With the payment of these contributions, the companies in question absolve all of their obligations. The liability for contributions payable is included under Other current liabilities. The cost attributable to each year, which accrues based on the services provided by employees, is recognized as a labor cost of the relevant organizational unit.
In the third quarter of 2010, this cost amounted to 1,048 thousand euros (832 thousand euros in the third quarter of 2009).

Defined-benefit plans

The Group's pension plans that qualify as defined-benefit plans include the provisions for employee severance indemnities in Italy, the Alecta system in Sweden and the U-Kasse pension plan and Direct Covenant system in Germany.
The liability owed under these plans is recognized at its actuarial value using the projected unit credit method. Any resulting actuarial gains or losses are recognized in accordance with the Corridor Method.

Other employee benefits

The Group provides its employees with additional long-term benefits, which are paid when employees reach a predetermined length of service. In these cases, the value of the liability recognized in the financial statements reflects the probability that these benefits will be paid and the length of time for which they will be paid. The liability owed under this plan is recognized at its actuarial value using the projected unit credit method. In this case, the Corridor Method is not applied to any resulting actuarial gains or losses.

The table that follows summarizes the Group's main employee benefit plans that are currently in effect:

(in thousands of euros)	**Balance at 9/30/10**	**Balance at 12/31/09**	**Change during the period**
Employee benefits			
provided in:			
- Italy	5,654	5,606	48
- Germany	12,301	11,961	340
- Sweden	2,029	1,780	249
- Other	474	490	(16)
	20,458	**19,837**	**621**
broken down as follows:			
- Defined-benefit plans			
Provision for employee severance indemnities	*4,821*	*4,983*	*(162)*
Other defined-benefit plans	*14,330*	*13,741*	*589*
	19,151	**18,724**	**427**
- Other long-term benefits	1,307	1,113	194
Total employee benefits	**20,458**	**19,837**	**621**

The table below shows a breakdown of the main changes that occurred in the first nine months of 2010 in the Group's employee benefit plans, which totaled 20,458 thousand euros:

(in thousands of euros)	**Defined-benefit plans**	**Other benefits**	**Total employee benefits**
Balance at December 31, 2009	**18,724**	**1,113**	**19,837**
Financial expense/(income)	568	9	577
Actuarial losses/(gains)	-	231	231
Service costs	185	55	240
Contribution/Benefits paid	(544)	(102)	(646)
Currency translation differences and other changes	218	1	219
Balance at September 30, 2010	**19,151**	**1,307**	**20,458**

19. Other non-current liabilities

Other non-current liabilities totaled 5,853 thousand euros at September 30, 2010.
They include long-term borrowings of 2,511 thousand euros, which increased during the period due to the indebtedness incurred in connection with the acquisition of business operations by the Australian subsidiary and provisions for risks and charges amounting to 3,342 thousand euros. The table that follows shows the changes that occurred in this account:

(in thousands of euros)	**9/30/2010**	**12/31/2009**
Opening balance	**2,696**	**1,594**
Additions for the period	1,359	1,276
Utilizations	(751)	(114)
Reversals for the period	(61)	(318)
Currency translation differences and other changes	99	258
Ending balance	**3,342**	**2,696**

20. Trade payables

Trade payables, which totaled 34,236 thousand euros at September 30, 2010, represent amounts owed to suppliers for purchases of goods and services. There are no amounts due after one year.
The increase compared with December 31, 2009 is due in part to the inclusion of the Murex business operations within the Group.

21. Other current liabilities

Other current liabilities of 29,217 thousand euros consist mainly of amounts owed to employees for bonuses and contributions payable to social security and health benefit institutions.

22. Income taxes payable

The balance of 14,310 thousand euros represents the income tax liability for the profit earned in the first nine months of 2010, less estimated payments made.

23. Commitments and contingent liabilities

Other significant commitments and contractual obligations

Significant contractual obligations include the agreements executed by DiaSorin S.p.A., the Group's Parent Company, and Stratec in connection with the development and production of a chemiluminescence diagnostic system (called LIAISON XL). The supply contract signed by DiaSorin and Stratec calls for the latter to manufacture and supply exclusively to DiaSorin the LIAISON XL analyzer. Moreover, the Group has agreed to purchase a minimum number of analyzers. The projected commitment is deemed to be significantly lower than the normal level of capital investment that would be required for current or future equipment production. As a result, net invested capital is not expected to undergo significant structural changes in the future as a result of this commitment.

Contingent liabilities

The DiaSorin Group operates globally. As a result, it is exposed to the risks that arise from the complex laws and regulations that apply to its commercial and manufacturing activities.
The Group believes that, overall, the amounts set aside for pending legal disputes in the corresponding provision for risks are adequate.

24. Entries resulting from atypical and/or unusual transactions

As required by Consob Communication No. DEM/6064296 of July 28, 2006, the Company declares that, in the first nine months of 2010, the Group did not execute atypical and/or unusual transactions, as defined in the abovementioned Communication, which defines atypical and/or unusual transactions as those transactions that, because of their significance/material amount, type of counterpart, subject of the transaction, method of determining the transfer price and timing of the event (proximity to the end of a reporting period), could create doubts with regard to: the fairness/completeness of the financial statement disclosures, the existence of a conflict of interest, the safety of the corporate assets and the protection of minority shareholders.

Nevertheless, the acquisition of the Murex business operations from Abbott is a transaction worth mentioning, even though its incidental transaction costs did not have a material impact on the Group's financial position and operating performance.

Annex I:
The companies of the DiaSorin Group at September 30, 2010

Company	Head office location	Currency	Share capital	Par value per share or partnership interest	% interest held directly	Number of shares or partnership interests held
DiaSorin S.A/N.V.	Brussels (Belgium)	EUR	1,674,000	6,696	99.99%	249
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 Iberia S.A.	Madrid (Spain)	EUR	1,453,687	6	99.99%	241,877
DiaSorin Ltd	Wokingham (Great Britain)	GBP	500	1	100.00%	500
DiaSorin Inc.	Stillwater (USA)	USD	1	0.01	100.00%	100
DiaSorin Cananda Inc.	Vancouver (Canada)	CAD	200,000	N/A	100.00%	100 Class A Common shares
DiaSorin Mexico S.A de C.V.	Mexico City (Mexico)	MXP	63,768,473	1	99.99%	99,999
DiaSorin Deutschland GmbH	Dietzenbach (Germany)	EUR	275,000	1	100.00%	1
DiaSorin AB	Sundyberg (Sweden)	SEK	5,000,000	100	100.00%	50,000
DiaSorin Ltd	Rosh Haayin (Israel)	ILS	100	1	100.00%	100
DiaSorin Austria GmbH	Vienna (Austria)	EUR	35,000	35,000	100.00%	1
DiaSorin Czech S.ro.	Prague (Czech Republic)	CZK	200,000	200,000	100.00%	1
Biotrin Group Limited	Dublin (Ireland)	EUR	4,021.82	0.01 1	100.00%	392,182 100
Biotrin Holdings Limited	Dublin (Ireland)	EUR	7,826,072	0.01	100.00%	782,607,110
Biotrin International Limited	Dublin (Ireland)	EUR	163,202	1.2	100.00%	136,002
Biotrin Intellectual Properties Limited	Dublin (Ireland)	EUR	144	0.6	97.50%	234
DiaSorin Ltd	Shanghai (Cina)	EUR	120,000	1	80.00%	96,000
DiaSorin South Africa (pty) Ltd	Johannesburg (Suoth Africa)	ZAR	101	1	100.00%	101
DiaSorin Australia (pty) Ltd	Victoria (Australia)	AUD	100	1	100.00%	100
Equity investments valued at cost						
DiaSorin Deutschland Unterstuetzungskasse Gmbh	Dietzenbach (Germany)	EUR	25,565	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 Alberto 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.

Saluggia, November 5, 2010

Andrea Alberto Senaldi

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

The Diagnostic Specialist

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